

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 16 October 2013

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

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, B.B.S., M.H.

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P., Ph.D., R.N.

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

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

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

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

THE HONOURABLE CYD HO SAU-LAN

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

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

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

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

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

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

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:

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

PUBLIC OFFICERS ATTENDING:

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

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

THE HONOURABLE RIMSKY YUEN KWOK-KEUNG, S.C., J.P.
THE SECRETARY FOR JUSTICE

MR YAU SHING-MU, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

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

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

MS JULIA LEUNG FUNG-YEE, S.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE RAYMOND TAM CHI-YUEN, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

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

THE HONOURABLE PAUL TANG KWOK-WAI, J.P.
SECRETARY FOR THE CIVIL SERVICE

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

MR ANDY LAU KWOK-CHEONG, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Road Traffic (Public Service Vehicles) (Amendment) Regulation 2013.....	151/2013
Country Parks (Designation) (Consolidation) (Amendment) Order 2013	152/2013
Arbitration (Amendment) Ordinance 2013 (Commencement) Notice.....	153/2013

Other Papers

- No. 7 — Competition Commission
Annual Report 2012/13
- No. 8 — Report of changes made to the approved Estimates of
Expenditure during the first quarter of 2013-14
Public Finance Ordinance : Section 8
- No. 9 — West Kowloon Cultural District Authority
Annual Report 2012/13

Report No. 1/13-14 of the House Committee on Consideration of
Subsidiary Legislation and Other Instruments

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Land Resources in Hong Kong

1. **MR JEFFREY LAM** (in Cantonese): *President, it has been learnt that the Government is actively expanding land resources to meet the housing and social development needs of Hong Kong people. In this connection, will the Government inform this Council:*

- (a) *of the area and percentage of developed land in the 1 100-odd sq km of land in Hong Kong at present; among the developed land, the respective numbers of sites used for public and private housing, commercial, industrial and agricultural purposes, as well as a breakdown of the respective areas and percentages of the sites by land use;*
- (b) *among the greenfield sites, of the respective areas of land designated as country parks and special areas under the Country Parks Ordinance, and the percentage of the area of such land in the total land area in Hong Kong; the area of the remaining greenfield sites and its percentage in the total land area of Hong Kong; as well as a breakdown of the respective areas and percentages of the above two types of land by District Council district; and*
- (c) *whether the authorities will explore ways to develop the existing Greenfield sites (such as developing long-abandoned quarries and idle government, rural and industrial sites, as well as re-designating for housing purpose "Green Belt" (GB) areas in the fringe of the new development areas which are of low value) so as to increase the land supply; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Good morning, Honourable Members. President, to satisfy the housing demand and various needs of the Hong Kong community, the 2013 Policy Address gave a clear account of the overall policy blueprint of the current-term Government on increasing land supply to tackle the housing problem. The Policy Address clearly stated the guiding principle of facilitating social and economic development and the vision of improving the living space of the people of Hong Kong through increasing land supply. As such, the Government will continue to adopt a multi-pronged strategy to increase land supply in the short, medium and

long term, through the continued and systematic implementation of a series of measures, including the optimal use of developed land as far as practicable and creating new land for development.

My reply to the question raised by Mr Jeffrey LAM is as follows:

- (a) Based on satellite images taken in January 2013 as well as other relevant information from various government departments up to end 2012, the Planning Department estimates⁽¹⁾ that total land area of Hong Kong is about 1 108 sq km⁽²⁾. Amongst others, the built-up land area is estimated to be about 265 sq km and account for about 24% of the total land area of Hong Kong. The estimated areas of the various types of built-up land, and their estimated percentages in the total area of built-up land are set out at Annex A.

Agriculture land (including agricultural land and fish ponds/geiwais) does not form part of the built-up land area. According to the estimates, agriculture land has a total area of about 68 sq km, accounting for about 6% of the total land area of Hong Kong.

- (b) According to Planning Department's estimates above, the areas of various types of non built-up land, including the approximately 68 sq km agriculture land as mentioned in part (a) of the reply, and their respective percentages of the total land area of Hong Kong, are set out at Annex B.

On the other hand, according to the information provided by the Agriculture, Fisheries and Conservation Department, there are currently 24 country parks and 22 special areas in Hong Kong, covering about 442 sq km and accounting for about 40% of the total land area of Hong Kong. There is also about 70 sq km of land zoned "Conservation Area", "Coastal Protection Area" or "Site of Special Scientific Interest" on statutory plans. All these areas are counted as part of the aforesaid non built-up land.

- (1) The estimated figures only serve to reflect the current utilization of the land in Hong Kong, and thus have no direct relation with their respective land use zonings on the statutory plans. Hence, the estimated figures cannot be compared directly with the total areas of the relevant land use zonings.
- (2) Including mangrove and swamp areas below the High Water Mark.

The Government has no statistics on the built-up and non built-up land by District Council districts.

- (c) The 10 initiatives to increase housing land supply in the short to medium term put forward in the 2013 Policy Address cover a broad range of measures, which include optimizing the use of existing developed land as far as practicable, reviewing and rezoning suitable "Government, Institution or Community" and other government sites, GB sites and industrial sites, and so on, to residential or other uses, as well as developing quarry sites. The Government is determined to plan the land supply for Hong Kong's long-term development, extensively create new land for development and build up a land reserve such that land can be used to meet future demand in a timely manner.

The "greenfield" sites as mentioned by Mr Jeffrey LAM, that is, the non built-up land, cover different types of land as shown by the figures above. Amongst others, special areas, "Conservation Areas", "Coastal Protection Areas" and "Sites of Special Scientific Interest", and so on, have conservation values and thus are not suitable for housing and other developments in general. The Government currently has no plan to develop country parks for housing purpose.

The remaining non built-up land scatters across the territory and involves a number of distant areas or islands, as well as rather steep slopes. In order to develop the larger sites with a higher development potential therein, we need to carry out comprehensive planning and engineering studies to ascertain the sites' development feasibility, infrastructures and ancillary facilities before their developments.

The gentler non built-up land is mostly rural land and usually involves sites under different uses in between, such as private agricultural land, squatters, village housing, other structures as well as open storages facilities. To develop such land, clearance, re-housing and land resumption will be involved and local employment and economy will also be affected. Planning and public engagement are the prerequisite in developing such land.

The North East New Territories New Development Areas (NDAs) and Hung Shui Kiu NDA expeditiously taken forward by the Development Bureau are clear examples of how to put rural land to optimal use by way of comprehensive planning.

Amongst the non built-up land, some individual sites are closer to the developed areas with adequate infrastructure facilities and potential for further developments. We are reviewing and assessing the development feasibility of these sites through the series of ongoing land use reviews, including:

- to review vacant government sites, or those currently under short-term tenancy or other government uses; and
- to carry out the second stage review on GB sites to review those low-value GB sites in the fringe of urban areas and NDAs.

These reviews start to bear fruits. We have identified a number of suitable sites in various districts throughout the territory which could be considered for conversion to residential use. Upon completion of studies to confirm feasibility of developing these sites, we will consult stakeholders and proceed with the town planning and other relevant procedures to convert the suitable sites for residential and other uses as quickly as possible.

Increasing housing land supply is undeniably a challenge to both the Government and society. Stakeholders may be affected by the initiatives and have different views on, say, increasing development density of the existing land, changing the prevailing land use and creating new land. Nevertheless, land supply is tight and there are not many easy options, and the society has to make difficult choices and trade-offs. We hope different sectors of the society can face the reality and make trade-offs, with a view to ensuring that there will be sufficient land in Hong Kong for meeting the housing needs of the public and the various needs for social and economic developments.

Annex A

<i>Type of Built-up Land</i>	<i>Total Area (sq km)</i>	<i>Proportion in the Total Built-up Land Area (percentage)</i>
Public and Private Residential (including private residential, public residential and rural settlement ^{note})	76	28.7%
Commercial (including commercial/business and office)	4	1.5%
Industrial (including industrial land, industrial estates, warehouse and open storage)	26	9.8%
Other Supporting Facilities (such as roads, railways, airport, open space and "Government, Institutional and Community" facilities, and so on.)	159	60.0%
Total	265	100%

Note:

Including village housing and temporary structures.

Annex B

<i>Type of Non Built-up Land</i>	<i>Total Area (sq km)</i>	<i>Proportion in the Total Land Area of Hong Kong (percentage)</i>
Agriculture (including agricultural land and fish ponds/geiwais)	68	6.1%
Woodland/Shrubland/Grassland/Wetland (including woodland, shrubland, grassland, mangrove and swamp)	738	66.6%
Barren Land (including badland, quarries and rocky shore)	7	0.6%
Water Bodies (including reservoirs, streams and nullahs)	30	2.7%
Total	843	76.0%

MR JEFFREY LAM (in Cantonese): *President, the Secretary has just stated that the Government currently has no plan to develop country parks for housing purpose, but it will review those low-value GB sites in the fringe of urban areas and NDAs. Can the Secretary give some examples to specifically explain which low-value GB sites in the fringe of urban areas and NDAs have development potential?*

SECRETARY FOR DEVELOPMENT (in Cantonese): *President, as stated in my main reply, there are ongoing land use reviews, including the second stage review on GB sites.*

In the first stage review, we mainly focused on GB sites without vegetation, and abandoned or formed GB sites. In the second stage review, we will focus on reviewing those low-value GB sites in the fringe of urban areas and NDAs with adequate infrastructure facilities and lower conservation values. These reviews start to bear fruits. We have identified a number of suitable sites in various districts throughout the territory which can be considered for conversion to residential use.

However, with regard to the specific location of these sites, as usual, it is not suitable for us to discuss at this stage. After certain sites have been identified, we need to carry out development feasibility studies, as well as infrastructure and traffic impact assessments. When we have the relevant information and confirmed the feasibility of developing these sites, we will consult stakeholders, including the District Councils, and proceed expeditiously with town planning and other relevant procedures.

MR GARY FAN (in Cantonese): *President, the major concerns in Mr Jeffrey LAM's main question are land resources in Hong Kong and the housing needs of the public. May I ask the Secretary whether the SAR Government adopts the definition of residential flats and the number of residential flats as defined and announced by the Census and Statistics Department (C&SD) or the Housing Department in formulating the housing policies?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, housing policy is one of the policy areas of the Transport and Housing Bureau. I notice that the Bureau has earlier published a consultation document on Long Term Housing Strategy, and the Development Bureau will act in concert with the Transport and Housing Bureau in respect of land supply.

We do not only act in concert with the Transport and Housing Bureau in respect of land and housing. The development of our society is not only restricted to residential development; we also need to provide job opportunities, as well as retail and office facilities. In this connection, the Development Bureau will act in concert with different Policy Bureaux in respect of land supply.

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

MR GARY FAN (in Cantonese): *President, the Secretary has not answered my supplementary question. I ask about the definition of residential units in Hong Kong, not about how co-ordinated efforts will be made in respect of land policy. This is not a complicated question.*

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

MR GARY FAN (in Cantonese): *All right. My supplementary question is whether the Government adopts the C&SD's or the Housing Department's definition of residential units in formulating housing policies. Why are there differences between the relevant remarks given by the Chief Executive in August and September?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I believe I have answered Mr Gary FAN's supplementary question a while ago. The major contents of the question are related to the policy areas of the Transport and Housing Bureau.

MR CHAN HAK-KAN (in Cantonese): *President, land supply in Hong Kong mainly relies on developing land in the New Territories, and in the urban areas, the supply of land mainly comes from redevelopment. Has the Government considered speeding up the redevelopment of old districts, such as enhancing the role of the Urban Renewal Authority (URA), so that it can play a new role in the redevelopment of industrial buildings and the old quarters built by civil servants' co-operative building societies, as well as the provision of subsidized housing?*

SECRETARY FOR DEVELOPMENT (in Cantonese): *President, urban redevelopment is a source of land supply, but a more important role and function of the URA is urban revitalization. In other words, the URA aims to improve old districts, especially the districts where the living environment is very poor. In the past two to three years, the URA has made greater efforts and carried out more projects than before.*

Concerning urban renewal, we must understand that even for the URA, the number of large-scale projects implemented is not that many because these projects involve various parties and take a fairly long time for planning. One of the projects is the Kwun Tong Town Centre Redevelopment Project. There are a number of small-scale redevelopment projects which only involve a few streets. Though the number of new units built has increased, the number of residents to be accommodated has not increased substantially.

The Development Bureau greatly encourages the URA to make more efforts in urban redevelopment and work at a faster pace. However, we should understand that this is, after all, not the most important source of land and housing supply.

DR KWOK KA-KI (in Cantonese): *President, the Secretary is very smart and he can always give ambiguous answers to Members' questions. We ask about the amount of land available for housing development, including the construction of HOS flats, public rental housing (PRH) units and private buildings, because the public is really miserable. We ask about the amount of land the Government can actually provide. Can the Secretary give us the actual number and stop fooling us?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have truthfully answered Members' questions based on the relevant information. In the coming decade, including the year 2012-2013, 179 000 PRH units will be supplied as stated in the Policy Address. As for HOS flats, for four consecutive years beginning with the year 2016-2017, a total of 17 000 flats will be supplied, and the housing production target in the following few years is 5 000 flats each year. The target for the supply of private residential units set by the Development Bureau is 20 000 units each year. We certainly will not only rely on land sales by the Government, instead, we will also rely on railway development, urban redevelopment and payment of premium by private developers. However, this is still the objective of our work.

Proper arrangements have basically been made for the supply of land for the production of 179 000 PRH units in the next decade, and the Transport and Housing Bureau will submit annually tables to the Panel on Housing setting out rolling data, and report on the housing supply situation. Each year, the Development Bureau will announce in advance the Land Sale Programme for the year, so as to enhance transparency as far as possible.

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

DR KWOK KA-KI (in Cantonese): *President, the Secretary has not answered my question. He is talking about housing supply but my question is about the future land supply. I ask for the actual number of hectares of land to be supplied. Can the Secretary tell us the number?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding land supply, first of all, as I have said, we have basically identified sites and made corresponding measures for building 179 000 units and certain HOS flats within 10 years as stated in the Policy Address. As for private buildings, the Government's target is still the production of 20 000 units each year. But, as we all know, in regard to the source of land supply for the development of private housing, the Government has never prematurely announced specific long-term land supply plans, it will only announce the locations of the sites under the annual Land Sale Programme.

In fact, the tight supply of land is an objective fact and we have been making efforts to increase land supply. In this respect, I am not going to repeat the measures that have already been mentioned in my main reply. Take the Land Sale Programme of the third quarter as announced in the second quarter in late June as an example, we have included five newly identified sites in the list of private residential sites. The Government will certainly make the relevant announcements as far as possible.

As I have just mentioned, even if we have identified that certain sites may be used for development, the Government needs to carry out the relevant technical studies, traffic impact assessment studies and development feasibility studies, and discussion with the stakeholders concerned can only be conducted with the availability of some specific information. If we hastily list out the specific locations of the sites that are initially identified, this will cause unnecessary concerns and may lead to unnecessary irrational discussions of the choice of sites, a decision of which should be made after much consideration. I believe this will be detrimental to society as a whole.

MISS CHAN YUEN-HAN (in Cantonese): *President, I think the Government should provide some figures on the land that can be used, as what it has done in its reply today. However, it should take the future demand into account, and give an account of the progress after the completion of the relevant studies. In addition to those sites that can be used for development, there are many other sites that can be considered. For instance, as I have mentioned time and again, owing to the development of the former airport, the Government set very low development density for some peripheral PRH estates such as Choi Hung Estate. If the Government also includes those sites, the relevant numbers for the next five or 10 years should also be taken into account, so that the development of Hong Kong will not, as described by some people today, be like squeezing in a building on every site available, without making detailed plans and even using sites designated for community facilities. Thus, I hope ...*

PRESIDENT (in Cantonese): Miss CHAN, please state your supplementary question.

MISS CHAN YUEN-HAN (in Cantonese): *President, I hope the Secretary can give a more extensive account in reply to my supplementary question. Besides explaining how agricultural land in the New Territories will be developed, I hope he would take note that more units can be constructed on some sites through revising the plot ratio. Has the Secretary conducted the relevant study; if he has, what are the numbers involved? Will the Secretary please give us an account.*

SECRETARY FOR DEVELOPMENT (in Cantonese): *President, regarding the development density of old housing estates, using the current criteria, there is really room for redevelopment, so as to provide more housing units. According to my understanding, the Transport and Housing Bureau has plans in this regard. However, in redeveloping old housing estates in the urban areas, the biggest challenge is to identify suitable sites in the local areas for *in-situ* rehousing before redevelopment can be carried out in phases. I am aware that the Transport and Housing Bureau has formulated the plan and we have included this plan in our work schedules.*

Miss CHAN Yuen-han mentioned about making good use of land and suitably increasing the development density of land, we have already done so. Early this year, when we sold a few sites in Tseung Kwan O, we had increased the development density of some of the sites by 20% through the procedures of the Town Planning Board, so that 400 more units can be produced for the community. We are going through the procedures for increasing the development density of three sites at the Kai Tak Development. Nevertheless, as the layout and design of the Kai Tak Development reflected the consensus reached by the Government and various stakeholders after long-term consultation, we will not hastily make major adjustments. Yet, as far as the development density is concerned, on the premise of not affecting the short-term Land Sale Programme, we will suitably increase the height of buildings to provide larger floor areas in certain sites (residential sites or commercial sites that people are concerned about), so as to benefit more people.

MISS CHAN YUEN-HAN (in Cantonese): *President, since the Secretary has conducted so many studies, he must have certain figures in hand. Can he tell us how he is going to solve the problem? What are the relevant numbers? He has just expressed his views in his reply a while ago but he has not given specific information.*

PRESIDENT (in Cantonese): Please sit down, Miss CHAN. Can the Secretary provide specific numbers?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding the specific figures, we will provide each set of figures once the consultation is completed. It is inappropriate for us to make full disclosure at this stage.

MR LEUNG KWOK-HUNG (in Cantonese): *Good morning, President and Secretary "Ri". Is he not "Ridiculous Po"?*

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

MR LEUNG KWOK-HUNG (in Cantonese): *I would like to ask Secretary "Ri" a question through you ... sorry, I have forgotten to wear the microphone. I would like to ask you, the President, to convey a question to Secretary "Ri" ...*

PRESIDENT (in Cantonese): Mr LEUNG, do not say anything unrelated to the supplementary question that you are going to raise.

MR LEUNG KWOK-HUNG (in Cantonese): *Secretary "Ri" ...*

PRESIDENT (in Cantonese): Mr LEUNG, if you do not speak in accordance with the Rules of Procedure, I will not allow you to speak.

MR LEUNG KWOK-HUNG (in Cantonese): *President, thank you for your instruction. I have not remembered correctly.*

The Secretary's main reply contains detailed contents and annexes. Annex A lists the types of built-up land, which includes industrial land (industrial estates, warehouse and open storage). These are built-up land available for

use. Types of non built-up land include agricultural land. I think these two types of land account for 15% of the total land area, which is not a small proportion.

As far as I know, a lot of these sites are currently occupied by property developers by force or trickery. To solve the housing problem of Hong Kong people, I wonder if the Secretary has considered invoking Article 105 of the Basic Law to acquire those sites which have been occupied but have subsequently not been used for the original purposes. It is because ...

PRESIDENT (in Cantonese): Mr LEUNG, you have stated your supplementary question, please sit down.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, concerning the supplementary question raised by Mr LEUNG Kwok-hung, I believe it is related to the views of many people about open air storage and sites developed in a haphazard manner. These sites should be developed but we cannot use all such sites for housing production; it is essential to carry out comprehensive planning and engineering study. We have conducted studies in North East New Territories NDAs, the Hung Shui Kiu NDA, Yuen Long South, Kam Tin South, Kam Sheung Road Station on West Rail line, and the adjacent areas of Pat Heung, and these areas have over 300 hectares of land.

Mr LEUNG asked if we will invoke the relevant provision to acquire land to meet the housing development needs. In fact, according to the statistical information on the North East New Territories NDAs, in implementing the project, we will acquire about 70% of privately owned sites for the construction of facilities including public housing. For example, HOS flats or PRH units, roads, bridges and community facilities. So, we will not hesitate when there is a need of land acquisition for public interest.

PRESIDENT (in Cantonese): Mr LEUNG, we have spent more than 25 minutes on this question. If you still have other questions, you may follow them up through other channels.

MR LEUNG KWOK-HUNG (in Cantonese): *Thank you, President. Brilliant President.*

PRESIDENT (in Cantonese): Second question to be raised by Mr LEUNG Kwok-hung.

Handling Aftermath of Disasters by Government

2. **MR LEUNG KWOK-HUNG** (in Cantonese): *Let me first properly adjust the position of the microphone. President, quite a number of members of the public have relayed to me that they are dissatisfied with the Government's performance in handling the aftermath of disasters. For instance, they are dissatisfied that the Government's attitude towards the Philippine authorities has been weak and feeble in the Manila hostage-taking incident, and that in the maritime disaster off Lamma Island on 1 October last year causing 39 deaths, the Government merely expressed perfunctory condolences and adopted delaying tactics in dealing with the related issue of responsibility, with no intention to seek justice for the victims and their families. Moreover, in his speech during the National Day Reception this year, the Chief Executive made no mention of the maritime disaster, and the Government did not organize any memorial activity on the first anniversary of the maritime disaster. In this connection, will the Government inform this Council:*

- (a) *given that the Taiwanese authorities promptly put forward sanctions after the incident of a Taiwanese fisherman being shot dead by the Philippine law-enforcement officers, whether the Government will impose all possible sanctions against the Philippine Government, so as to press the Philippine Government to admit responsibility and offer apologies and compensations to the victims of the Manila hostage-taking incident and their families; if it will, what sanctions will be imposed in the coming six months; if not, the reasons for that; whether it has assessed if the taking of a dilatory approach in handling the incident will render the victims and their families unable to hold the persons involved responsible within the statutory period;*

- (b) *given that the Director of Marine has made an apology to the victims of the maritime disaster and their families, whether the authorities will demand the relevant heads of bureaux and departments to suspend duty immediately or even hold them accountable for the incident and require them to step down; if so, when this will be done; if not, the reasons for that; and*
- (c) *whether the Government will publish within three months the internal investigation report regarding the maritime disaster; if it will, of the publication date; if not, the reasons for that, and whether the Government intends to take a dilatory approach to handle the incident so that the victims and their families are unable to hold the persons concerned legally responsible for the incident?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President, I would like to reply to the Member's question on behalf of the Secretary for Transport and Housing who is now on an overseas visit.

The Government attaches great importance to and is deeply concerned about the unfortunate accidents of the Manila hostage-taking incident and the vessel collision incident off Lamma Island. We have continued our efforts unceasingly in taking follow-up actions subsequent to the incidents. Immediate and appropriate support was made available to the injured and the families of the deceased after the incidents. In addition to providing the injured with the most suitable medical treatment, the families were offered assistance on burial matters, medical and psychological treatment, as well as emotional and financial support. On the vessel collision incident, the Social Welfare Department and the Transport and Housing Bureau have been keeping in touch with victims' family members and following up on their specific needs. The Secretary for Transport and Housing had also met in person with the families concerned and offered condolences.

Regarding the Manila hostage-taking incident, the HKSAR Government is highly concerned about the incident. We understand the grief of the bereaved families, the injured and the whole society over the incident. Since the incident happened more than three years ago, we have been liaising continuously with the Central People's Government and the local Consulate General of the Philippines to urge the Philippine Government to seriously follow up and respond to the four

requests of the injured and the families of the deceased, including apology, compensation, sanctions against officials responsible for the mishandling of the incident and devising and implementing effective measures to ensure the safety of tourists.

While attending the recently held Asia-Pacific Economic Co-operation (APEC) Economic Leaders' meeting, the Chief Executive relayed the requests of the injured and the families of the deceased to President XI Jinping, who directed relevant authorities to follow up on the spot. Subsequently, when the Chief Executive met the President of the Philippines for the first time, he took the opportunity to request an official discussion about the hostage-taking incident, leading to the subsequent official meeting between the two sides. During the meeting with the President of the Philippines, the Chief Executive reiterated the four requests of the injured and the families of the deceased. He clearly expressed his disagreement with the view of the Philippine side that the incident had already been resolved. He reiterated that the relationship between Hong Kong and the Philippines would continue to be affected if the matter was not properly resolved. He stated that both sides should take appropriate actions so that Hong Kong and the Philippines could put behind the incident and once again work on developing the bilateral relationship. Both sides finally agreed to assign senior officials to discuss and continue to follow up on the incident.

Besides, the Ministry of Foreign Affairs of the People's Republic of China has issued a statement to express regret over the fact that the incident remained unresolved, and urged the Philippine Government to pay heed to the requests and concerns of the families of the victims, and make best endeavours to work out a proper solution. In addition, while attending meetings of the East Asian Leaders in Brunei, Premier LI Keqiang met and conveyed to the President of the Philippines that he was concerned that the Manila hostage-taking incident, which had remained unresolved for long, had aroused the sentiment of the Chinese citizens in particular the Hong Kong people. He urged the Philippine Government to pay high attention and solemnly handle the aftermath of the incident, so as to resolve the incident in a reasonable and appropriate manner as soon as possible.

We understand that the public is still dissatisfied with the Philippine Government for their refusal to admit its responsibility in the Manila hostage-taking incident. Although the meeting between the Chief Executive and the President of the Philippines has resulted in a small step forward, the HKSAR

Government will continue to do its utmost to follow up the incident by taking all practical actions in a just and systematic manner, with a view to meeting the requests of the injured and the families of the deceased.

In respect of the vessel collision incident near Lamma Island on 1 October 2012, the Government still bear in mind the lesson learnt and will spare no efforts in taking forward the recommendations put forth by the independent Commission of Inquiry (CoI) and maritime experts. This year, on the eve of the first anniversary of the incident, the Chief Executive wrote in his blog to offer deep condolences to the families of the victims, and reiterated that the Government has been working earnestly in taking up follow-up actions. The suspension of this year's National Day fireworks display is an expression of the Government's solemn grief over the incident.

As the principal official with policy purview over transport matters, the Secretary for Transport and Housing is responsible for overseeing the overall operation of the Marine Department (MD). For mistakes made in the past and long-standing malpractices, the Secretary for Transport and Housing, Prof Anthony CHEUNG, had publicly stated that he would take responsibility by personally chairing a steering committee to conduct a comprehensive systemic review and reform of the MD, and to oversee the MD in implementing various marine safety improvement measures. At the meeting of the Legislative Council Panel on Economic Development on 27 May, as the policy secretary in post, the Secretary for Transport and Housing again extended apologies to the public and the families of the victims. He has also instructed the Permanent Secretary for Transport and Housing (Transport) to lead an internal investigation to identify responsibilities for any possible maladministration or dereliction of duty within the MD, and to ensure the investigation is comprehensive, thorough and fair.

I would like to point out that under Section 7 of the Commissions of Inquiry Ordinance, evidence given by any person before the Commission shall not be admissible against him in any civil or criminal proceedings by or against him. The Transport and Housing Bureau Investigation Team can therefore only take the transcripts of hearings of the CoI as the starting point of the investigation. Evidence, however, has to be collected anew.

President, since its establishment in late June, the Investigation Team has been conducting its work in full swing without delay. The current investigation

covers a considerable period of time and involves a large number of officers. The Investigation Team has to consult voluminous amount of files and documents in the MD that are dated back to as early as 1995 and 1996, and seek legal advice in the process. It has so far completed the general vetting of the files and documents, and asked relevant officers of the MD by batches to provide information and attend individual interviews. The number of the MD officers involved in the investigation is more than those testified before the CoI, including serving as well as retired officers in both directorate and non-directorate ranks. In the light of the complexity of the investigation, it is considered not appropriate to randomly set a fixed timetable. The Secretary nonetheless has reiterated that the investigation would be conducted at full speed and that accounts would be provided when there is substantive progress and outcome.

Furthermore, there are established guidelines and procedures on disciplinary actions against and interdiction of civil servants. If necessary, cases will be handled in accordance with the relevant regulations and procedures. The Transport and Housing Bureau will also seek the advice of the Civil Service Bureau when needs arise. The Transport and Housing Bureau has always maintained that if the process of investigation reveals suspected crime, cases will be referred to the law-enforcement agencies for immediate actions and will not defer until the completion of the entire investigation for such referrals. Indeed, the Secretary for Justice has repeatedly stressed that the Department of Justice would deal with the criminal investigation and further prosecutions (if any) in a fair and impartial manner, irrespective of whether the persons investigated are government officials and irrespective of their positions.

Lastly, since it is learned that some families of the victims intend to initiate civil proceedings against the Government, facilitating arrangement has been made. The Secretary for Justice has dedicated a government counsel to liaise and communicate with the legal representatives of the families. So far, the Legal Aid Department has approved 11 applications for assistance so that families of the victims might seek damages of the liability of the incident through legal procedures.

MR LEUNG KWOK-HUNG (in Cantonese): *President, I really think this is ridiculous. Three years have passed since the Manila hostage-taking incident, but we are still yelling nosily. Buddy, it was a year ago when the National Day maritime disaster took place. My supplementary question is indeed very simple.*

Just as the Secretary has said in the main reply or similar to the case of the education reform launched by Mr Eddie NG, I heard the Chief Executive say that the reform was target-oriented and the Government has formulated strategies, which nonetheless could not be disclosed. Is this not a waste of time? What is the target, President? The fact that he was silent on it means that the "goal post" could be moved. Without saying what the strategies are, there are no criteria for appraisal. If the target is that the Philippine Government must make an apology or order arrests, he must say it out and give an account to Hong Kong people. However, he refused to disclose either the target or the strategies. This is why I have to pursue the accountability. As the Secretary is not present, I would like to ask the Under Secretary if the Chief Executive has instructed them what the target is, what the strategies are and the number of stages involved. Yes or no? If not, we had better go home and sleep.

PRESIDENT (in Cantonese): Mr LEUNG, you have raised your supplementary question, please sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *President, please ask him to go home and sleep if there is no target or strategy.*

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

SECRETARY FOR SECURITY (in Cantonese): President, regarding the Manila hostage-taking incident, the SAR Government has only one target, and that is to urge the Philippine Government to fully satisfy the four requests of the families of the victims and the injured, which include apology, compensation, sanctions against officials responsible for the mishandling of the incident and implementing effective measures to ensure the safety of Hong Kong tourists in the Philippines. Throughout the years, we have been working towards this target and demanding proper response and solution from the Philippine Government.

Recently, the Chief Executive had a chance to meet the President of the Philippines for the first time while attending the APEC meeting in Bali. They

had a meeting and finally agreed to appoint senior officials to discuss on the matter. We eagerly hope that the discussion will be held as soon as possible. Regarding the steps to be taken, as the Chief Executive has clearly stated, since this is a discussion between the two Governments, it is inappropriate to publicly give a detailed account of our strategies for the time being. We will nonetheless handle the matter by taking all practical actions in a just and systematic manner.

MR LEUNG KWOK-HUNG (in Cantonese): *President, he has not answered my supplementary question. He said that the target includes four requests, but buddy, LEUNG Chun-ying has not mentioned them at all.*

PRESIDENT (in Cantonese): Mr LEUNG, I clearly heard that the Secretary has answered your question about the target and steps.

MR LEUNG KWOK-HUNG (in Cantonese): *Then, I am going to raise a simple follow-up question right away. President, please listen to me.*

PRESIDENT (in Cantonese): Mr LEUNG, if you still have another question, please wait for another turn.

MR LEUNG KWOK-HUNG (in Cantonese): *I just want to ask him to confirm about the target. Will the Government be satisfied if the Philippine Government fails to meet any one of the four requests? Let me repeat those four requests, namely apology, compensation, sanctions against ...*

PRESIDENT (in Cantonese): Mr LEUNG, this is not a debate.

MR LEUNG KWOK-HUNG (in Cantonese): *I just want him to confirm.*

PRESIDENT (in Cantonese): Please speak no more.

MR LEUNG KWOK-HUNG (in Cantonese): *I did not.*

PRESIDENT (in Cantonese): Please be seated.

MR LEUNG KWOK-HUNG (in Cantonese): *I asked him if those four ...*

PRESIDENT (in Cantonese): Your question is clear enough. Let me see if the Secretary for Security has anything to add.

MR LEUNG KWOK-HUNG (in Cantonese): *Okay. Is it necessary to satisfy all those four requests?*

PRESIDENT (in Cantonese): Please sit down.

SECRETARY FOR SECURITY (in Cantonese): President, earlier, I have clearly stated that the SAR Government has been solemnly negotiating with the Philippine Government on the basis of the four requests of the families.

(Mr LEUNG Kwok-hung stood up to speak)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down. The Secretary has already answered.

MR LEUNG KWOK-HUNG (in Cantonese): *He only said "negotiating".*

PRESIDENT (in Cantonese): The Secretary has already answered.

MR LEUNG KWOK-HUNG (in Cantonese): *I can assure that he will not be satisfied.*

MR WONG KWOK-HING (in Cantonese): *President, concerning the maritime disaster off Lamma Island, the authorities stated in the main reply that the Permanent Secretary for Transport and Housing is leading an internal investigation. The gravest concern of the families of the deceased or injured of the maritime disaster is how the internal investigation can be conducted in a way which they consider comprehensive, thorough and just. As the Secretary has just said, the internal investigation does not have a fixed timetable and an account will be provided only when there is substantial progress and outcome. As such, the families concerned greatly worried that the authorities would adopt a dilatory approach on this ground.*

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

MR WONG KWOK-HING (in Cantonese): *My supplementary question is that the Government should respond to how the internal investigation would be conducted so as to convince the public and the families concerned that it is comprehensive, thorough and just.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, with regard to Mr WONG's supplementary question, we do wish to highlight to Members and the public that it is uncommon for the Permanent Secretary to lead this newly-formed six-person Investigation Team. They are now working full-time and are unswervingly dedicated to the investigation work. Compared with the hearings conducted by the previous independent CoI, the Investigation Team has a wider scope of investigation and more people are involved, including serving as well as retired officers in both directorate and general ranks which I have just mentioned. In the course of investigation, we have examined the relevant files and documents on a full scale, and maintain communication with the families concerned to update them on the progress and developments.

Although we are unable to disclose the details of the procedures or the stage that we have reached, we have nonetheless maintained communication with the families concerned so that they know what we are doing. If criminal matters are involved, they will be clearly informed and the case will then be referred to

the relevant law-enforcement departments. Also, we will provide an account when there is any breakthrough development or phase-in outcome.

MR ALBERT CHAN (in Cantonese): *President, the main reply evidently indicated that the Chief Executive has said "put behind", which means to put the whole thing down.*

President, what LEUNG Chun-ying did has not only belittled himself, but also smeared Hong Kong and swept the dignity of Hong Kong people under the carpet. Hong Kong used to be bullied by the Americans in the old days, subsequently the colonial government in the British administration era, and then people of "strong China" after the reunification ...

PRESIDENT (in Cantonese): Mr CHAN, please do not make lengthy remarks.

MR ALBERT CHAN (in Cantonese): *President, we are now bullied by the Filipinos and it can therefore be said that we have no dignity at all.*

President, the Government has dealt with the hostage-taking incident for three years and demanded that the four requests of the injured and families concerned be satisfied by all means, which include seeking help from the Central Authorities. However, it turns out that all the efforts made in these three years have ended in futile. The Transport and Housing Bureau alone is unable to answer this question, so I hope that the Financial Secretary will help to give a reply. Noting that both the Transport and Housing Bureau and the Security Bureau are incapable of doing anything over the past three years, my supplementary question is: Should the Financial Secretary consider implementing some measures, such as economic sanctions? Every year, the Philippines exported to Hong Kong about \$12 billion worth of electroplate products and \$8 billion worth of gold. Exports of other electrical or electronic products to Hong Kong also worth about \$12 billion. The value of three products adds up to a total of about \$30 billion ...

PRESIDENT (in Cantonese): Mr CHAN, please do not make lengthy remarks.

MR ALBERT CHAN (in Cantonese): ... *While the total income of Filipino maids is only \$7.5 billion per year, exports of these three products alone generate an income of about \$30 billion. Will the Government consider imposing economic sanctions to display the power of Hong Kong people instead of acting like an idiot talking in his dream? If he still acts like an idiot talking in his dream, we will only spend another three years in futile pursuit.*

PRESIDENT (in Cantonese): Mr CHAN, you have already raised your supplementary question.

MR ALBERT CHAN (in Cantonese): *Will the Financial Secretary consider imposing economic sanctions to display the power of Hong Kong people so as to do justice to the victims?*

PRESIDENT (in Cantonese): Mr Albert CHAN, please sit down. Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President ...

(Mr Albert CHAN interrupted the Secretary for Security's reply)

PRESIDENT (in Cantonese): Members should note that which Secretary to reply is determined by the Administration. Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, we are aware that different political parties and social strata have put forward various proposals. Many of them display great community wisdom, such as the need to impose some sort of sanctions on the Philippines.

Here, I wish to say that the community at large should unite and reiterate in unison the four requests that we have pursued for three years to the Philippine Government. The reasonable and appropriate practical actions that the

community suggested to be taken against the Philippine Government are worth our consideration.

We have one target only, and that is, to have the four requests of the families concerned fully satisfied. The Government is following up on the matter according to our strategies. We will do our level best and take all practical actions in a just and systematic manner by adopting a target-oriented approach. At this stage, it is inappropriate to disclose the concrete actions to be taken. And yet, once we achieve phase-in outcome, we will report to the families concerned and the injured, and the general public as well in due course.

MR ALBERT CHAN (in Cantonese): *President, three years have passed since the incident and even the families of the deceased requested the Government to impose economic sanctions. Will the Financial Secretary answer this question instead of remaining in his dream?*

PRESIDENT (in Cantonese): Mr CHAN, the Secretary has already answered.

MR ALBERT CHAN (in Cantonese): *He is not the Financial Secretary.*

PRESIDENT (in Cantonese): This Council has spent nearly 23 minutes on this question. However, since two Members have spent relatively longer time on their supplementary questions just now, I will allow one more Member to raise supplementary question.

MR JAMES TO (in Cantonese): *President, my supplementary question is very simple. May I ask if the Government, be it the SAR Government or the Central Government, will issue an ultimatum to the Philippine Government stating that stage one sanction will be imposed by the SAR or Central Government if no progress is made within one month?*

SECRETARY FOR SECURITY (in Cantonese): President, the Chief Executive and the President of the Philippines have agreed to appoint senior officials to discuss on the matter. An email has been sent to the Philippine Government and a response was received. We are of the view that, subject to the outcome, appropriate actions should be taken according to our strategies after the discussion. It is therefore inappropriate to disclose the actions to be taken at this moment.

I hope Members will understand that it is impossible for us to update the public on the latest development of the negotiation or contact between the two Governments on a daily basis. Apart from the breakthrough achieved by the Chief Executive recently, we eagerly hope that further progress would be made through such contact.

PRESIDENT (in Cantonese): Third question.

Implementation of United Nations Convention on the Rights of the Child in Hong Kong

3. **MS EMILY LAU** (in Cantonese): *President, the United Nations Committee on the Rights of the Child (the Committee) held a hearing on 26 and 27 September this year in Geneva to consider the report on the implementation of the United Nations Convention on the Rights of the Child (the Convention) by the Government of the Hong Kong Special Administrative Region (the SAR Government). I have learnt that the Committee was concerned about the situation of underprivileged children in Hong Kong, in particular, their being deprived of the right to receive education on the basis of equal opportunity as stipulated in Article 28 of the Convention; the Committee was also concerned about the problems encountered by children with disabilities, children of ethnic minorities and children in poverty, and it did not understand why the SAR Government, which has hoarded enormous resources, failed to enable these underprivileged children to enjoy equal right of education, rendering them lagging behind at the starting line. According to the Hong Kong Poverty Situation Report 2012 released on 28 September this year, the number of poor children aged zero to 17 in 2012 was 253 600. However, owing to the limitations of the survey design, the Report was unable to provide the number of poor children and their poverty situation in individual underprivileged groups,*

for example, ethnic minorities and persons with disabilities. In this connection, will the executive authorities inform this Council:

- (a) when the authorities will conduct a detailed topical statistical survey, so as to grasp the number of different groups of underprivileged children (including children with disabilities, children of ethnic minorities and other groups of children) and their poverty situation;*
- (b) of the authorities' new plans, funding proposals and arrangements to ensure equal opportunities for these children to receive education, so that their chances of pursuing studies and securing employment will not be affected; and*
- (c) whether they will take on board the Committee's recommendation to set up an inter-departmental Commission on Children with concrete powers to monitor and promote the implementation of the Convention?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my reply to Ms Emily LAU's question is as follows:

- (a) To gain more in-depth knowledge of the population of ethnic minorities in Hong Kong, the Census and Statistics Department (C&SD) will conduct a special survey next year on ethnic minorities to collect more information on the characteristics of these households and to identify factors which may affect their earning capabilities. As for persons with disabilities, the C&SD is currently conducting a special survey to gather data on the household income and other information of families comprising members with disabilities.
- (b) In accordance with Article 28 of the Convention on children's right to education, we provide equal opportunities for all children in Hong Kong to receive education, including ethnic minority children and children with disabilities.

In respect of children of ethnic minorities, the Education Bureau has all along been encouraging the early integration of such children into the community. To remove the label of the so-called "designated schools", enhance non-Chinese speaking (NCS) students' learning effectiveness of the Chinese Language and widen NCS parents' school choices, the Education Bureau has revised the mode of support to schools. In the 2013-2014 school year, the Education Bureau will provide subsidies to all public sector schools and Direct Subsidy Scheme (DSS) schools admitting 10 or more NCS students. Schools will adopt the "Chinese Language Assessment Tools" to set appropriate learning targets for their NCS students with a view to helping them master the Chinese Language in a progressive manner and obtain different Chinese qualifications. The Education Bureau will consider the development of a more systematic Chinese Language curriculum framework and the launch of a subsidy scheme designed to enhance the professional capability of Chinese Language teachers in teaching Chinese as a second language.

For children with disabilities, the Disability Discrimination Ordinance ensures the rights of children with special education needs (SEN) to have equal opportunity in accessing education. The Code of Practice on Education provides schools with practical guidance on making provision for students with SEN. Currently, a dual track mode is adopted to cater for students with SEN. Students with more severe and/or multiple disabilities are, subject to parental consent, placed in special schools, while other students with SEN will receive education in ordinary schools. All students, including those with SEN, can enjoy free 12-year education under the same curriculum framework.

The Education Bureau has, from the 2013-2014 school year onwards, raised the ceiling of the Learning Support Grant from \$1 million to \$1.5 million per annum for each ordinary school to support SEN students. The Education Bureau has also provided a one-off grant in March this year for special schools to procure assistive technology devices. We are also expanding progressively the school-based educational psychology service with a view to covering all public sector primary and secondary schools by the

2016-2017 school year, and will continue to provide structured teacher training programmes.

In respect of the provision of pre-school rehabilitation services to children with disabilities from birth to six years old, the Government aims to enhance their physical, psychological and social developments, thereby improving their opportunities for participating in ordinary schools and daily life activities and helping their families meet their special needs. Over the past six years, funding to provide additional places for pre-school rehabilitation services has increased by 30%. The Community Care Fund has launched an assistance programme to provide training subsidy for pre-school children from low-income families who are in need of rehabilitation services. The ceiling of subsidy under the programme has been increased and the Social Welfare Department (SWD) is considering incorporation of the programme into its regular subvented services.

- (c) Matters concerning the well-being of children involve various policy areas. When formulating policies related to children, Policy Bureaux will co-ordinate among themselves and seek views from the relevant advisory bodies. In any case, the "best interests of the child" is of paramount concern for bureaux in determining policies related to children.

We firmly believe that children are best protected and nurtured within a loving family. Since its establishment in 2007, the Family Council has been striving to advocate the importance of family concept and promote the use of family core values as the driving force for enhancing social harmony. Since 1 April this year, Policy Bureaux are required to include family perspectives when formulating policies for different age and gender sectors (including children) and consider whether the policies would affect families.

As regards the Children's Rights Forum, it was established in 2005 to strengthen communication among the Government, non-governmental organizations (NGOs) and children on children's affairs. We will continue to strengthen collaboration between the Family Council and the Children's Rights Forum to listen to

children's views in the process of assessing family implications of different policy initiatives.

To sum up, we consider that the current arrangement in handling children's affairs is functioning well. It provides us with the flexibility to address the concerns of various sectors on children matters and is in line with the policy objective of strengthening the role of family. There is no imminent need to establish a Commission on Children.

MS EMILY LAU (in Cantonese): *President, it is surprising that the Secretary was unembarrassed at all giving such a reply. I do not know if he has read the conclusions and recommendations published by the Committee after consideration of the report earlier this month. The Committee expressed regret six times about the SAR Government's handling of children affairs, yet he dared say the arrangement was satisfactory. President, in fact, my main reply as well as the Secretary's main reply are mostly related to education, yet the Secretary for Education has disappeared. Although Secretary Eddie NG's attendance is "no good", like the pun on his Chinese name, he should at least come here for the sake of accountability, right?*

President, the Committee's recommendations have highlighted the inadequate allocation of resources by the authorities on education for underprivileged children (including children with disabilities, children in poverty and children of ethnic minorities) and hence, it particularly requested the authorities to allocate additional resources in these areas and achieve reverse discrimination, that is, to give them special support. Nonetheless, the ethnic minorities are not asking the Government to remove the label of "designated schools", but the system of "designated schools" for they consider it de facto discrimination. Moreover, as mentioned by the Secretary in his main reply, additional subsidies would be provided to schools admitting 10 NCS students, but what about those schools which admitted less than 10 NCS students? What about these children ...

PRESIDENT (in Cantonese): Ms LAU, what is your supplementary question?

MS EMILY LAU (in Cantonese): *... is that some kind of discrimination against them? Then, how can the Government take care of children of ethnic minorities through its policies and funding allocation? That is a question no official knows how to answer; they just sit there pretending that they know how to answer.*

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, according to the information I obtained from the Education Bureau, the authorities are very concerned about the situation of NCS students (that is, students of ethnic minorities), and in the main reply, I have given an account of the various measures taken. In the current school year, we have also implemented a series of measures which include providing subsidies in the range of \$300,000 to \$600,000 to all public sector schools and DSS schools admitting 10 or more NCS students.

The Member just asked about the arrangement for schools which admitted less than 10 NCS students. Schools which admitted less than 10 NCS students can enrol the students in after-school Chinese remedial classes offered by the Chinese Language Learning Support Centre operated by the University of Hong Kong. That is a service funded and launched by the Education Bureau. The Education Bureau also encourages schools to allocate resources accordingly to provide support services to meet the different needs of students including, of course, NCS students. In fact, NCS students can also benefit from other support measures. Therefore, schools which admitted less than 10 NCS students have also been taken care of.

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

MS EMILY LAU (in Cantonese): *My supplementary question is: Given the Committee's present recommendation that the Government should abolish the "designated schools", would the authorities do so?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, from the information provided to me by the Education Bureau, it is clear that the Bureau's present objective is to remove the label of the so-called "designated schools" by enhancing NCS students' learning effectiveness of the Chinese Language and widening parents' school choices through a new mode of subvention. Therefore, a series of measures have been taken to dovetail with the new development direction.

MS CYD HO (in Cantonese): *President, at present, the Family Council is like a hodgepodge. If we input the term "children's right" in the Family Council's website, we can find that 19 meetings have been held by the Family Council, but the issue of children's rights was only discussed at the 19th meeting held on 15 August 2013. My question for the Secretaries is: Given that dedicated commissions have been established to oversee elderly matters and women matters respectively, why is the same treatment not given to children matters? We note that as a matter of fact, the issue of children's rights has rarely been discussed by the Family Council. Why does the Government refuse to consider the suggestion of setting up a centrally-organized Commission on Children's Rights as passed by this Council and recommended by the Committee?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, with regard to the Family Council, one of its major achievements is that it has established the three core values of family, namely "Love and Care", "Responsibility and Respect" and "Communication and Harmony". As Secretary Matthew CHEUNG has just mentioned, since 1 April this year, Policy Bureaux are required to include family perspectives when formulating policies for different age and gender sectors (including children). Evaluation is based on the objectives of these three core values identified by the Family Council.

Actually, the main reply just given by Secretary Matthew CHEUNG has not only set out the role of the Family Council, but also the Government's policy of formulating policies on the basis of children's rights and interests. This policy has been pursued in many areas including the work of the relevant Policy

Bureaux in protecting children's rights through the legislation concerned and the provision of resources, and if any issues related to children's rights are involved, the Policy Bureaux concerned will seek views from the relevant advisory bodies.

As just mentioned by Secretary Matthew CHEUNG, the Policy Committee under the Chief Secretary for Administration will suitably co-ordinate and support the Policy Bureaux in relation to children's rights within the Government. In addition to the Family Council, we have also established the Children's Rights Forum. As just stated, since its inception in 2005, the Children's Rights Forum has all along worked towards the objective of strengthening the channels for the expression of views by children from all aspects, so that the Policy Bureaux concerned can incorporate the views of children representatives. We have also enhanced the transparency of the Children's Rights Forum by uploading its agendas, papers and minutes of meeting onto the Internet for perusal by adults and children from different backgrounds. Over a certain period in the past, we have also tried to incorporate the views expressed by representatives of the Children's Rights Forum, and it is our hope to broaden participation by more children representatives from different backgrounds. We will continue this aspect of work proactively, and through co-ordination, we will encourage the Policy Bureaux concerned to make greater use of the Children's Rights Forum, in order to consult the children representatives on future policies.

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

MS CYD HO (in Cantonese): *President, I ask why the Secretary refuses to set up a centrally-organized advisory body in the form of a Commission on Children's Rights, given that dedicated commissions have been set up for elderly persons and women, and why should children be treated less favourably? But the Secretary was just telling me how much work had been done by the executive authorities, his answer is of course irrelevant ...*

PRESIDENT (in Cantonese): You have already raised your follow-up question. Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, as stated in the main reply, we consider that, given the various mechanisms and organizations I have just mentioned, including Policy Bureau working individually and among themselves, the Family Council, the Children's Rights Forum, as well as the monitoring mechanism of the Legislative Council and different sectors in society, we believe that the current system is a more suitable arrangement in protecting children's development, rights and needs in various aspects. Hence, at this stage, we do not see any imminent need for establishing another commission.

MR TANG KA-PIU (in Cantonese): *I think society is concerned about how the education system can help the particularly vulnerable children in poverty, especially children of ethnic minorities.*

I would like to point out, due to family or religious reasons, many ethnic minorities (for example, the Nepalese and Pakistanis) would actually send their children back to their homeland to receive education or be taken care of by family members, and these children will return to Hong Kong for work when they are in their teens or over 20 years old. Nonetheless, the problem of adaptation may lead to the problem of poverty in future. In this connection, I would like to know how well the Bureau has grasped the situation, and what measures have been taken to encourage children of ethnic minorities to stay in Hong Kong for schooling?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the Administration is also very concerned about the foci of the supplementary question just raised by the Member; in particular, the current-term Government is especially concerned about the schooling, future employment, and so on, for young people of ethnic minorities. The Government is also aware that a more holistic approach is needed to handle the problems concerned.

In addition to the measures mentioned by Secretary Matthew CHEUNG in the main reply, problems encountered by young people of ethnic minorities in learning the Chinese Language and their future employment are all matters of concern within the Government. If there is any update, we will brief Members accordingly.

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

MR TANG KA-PIU (in Cantonese): *The Secretary has not replied whether the Government will try to understand the actual situation of children of ethnic minorities not staying in Hong Kong for schooling, that is, what the relevant figures are?*

PRESIDENT (in Cantonese): Secretaries, are there any special reasons for children of ethnic minorities to leave Hong Kong and return to their homeland for schooling?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Perhaps I can briefly provide additional information. In fact, I have already responded in part (a) of the main reply. We will conduct a special survey next year on ethnic minorities. Apart from collecting information on their income levels in order to gain an understanding on their employment difficulties, other data will also be collected, including their education level, residential address and other information on their households. We hope that this special survey will provide data for our reference in administration.

DR FERNANDO CHEUNG (in Cantonese): *President, in his reply, the Secretary mentioned the provision of pre-school rehabilitation services to children with disabilities from birth to six years old. At present, the Government adopts the slogan of "Early identification, Early intervention" because the period from birth to six years old is the so-called golden period, and it is very important for early identification and treatment of their SEN. But as we can see, for the three existing pre-school rehabilitation services, including Early Education and*

Training Centres, Special Child Care Centres and Integrated Programme in Kindergarten-cum-Child Care Centre, children must wait for service allocation, and the waiting time can be over two years. For early training services in many districts including Kwun Tong, Tseung Kwan O, Mong Kok, North, Tai Po, Sha Tin and Tsuen Wan, children waiting for allocation have applied for such services in 2011. The Secretary says that he cares about the children and it is most important to ensure the "best interests of the child", but at present, these children from birth to six years old with SEN must, after being assessed, wait two years before service allocation, may I ask the Secretary how it is for the "best interests of the child"?

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): We are also very concerned about the matter just raised in Dr Fernando CHEUNG's supplementary question. In fact, it is our hope that services in different aspects can be strengthened, and as we all know, a special programme has been introduced through the Community Care Fund. The current waiting time is indeed quite long, and the golden period is critical. It is also our hope to strive for providing early rehabilitation services to children in need. In the past six years, we have actually increased 1 500 quotas. Members are also well aware of it as we have already briefed the relevant Panel about such a development.

We have also reserved some sites for the provision of 1 200 quotas for pre-school training services in the next five years. Through the Community Care Fund, cash subsidy up to \$2,615 per month is now provided to parents of these children in low-income families who meet the relevant requirements such as income limits, and so on. With the subsidy, they can purchase services from outside market as immediate relief during the interim period. This is the two-pronged approach we adopt in tackling this matter.

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

DR FERNANDO CHEUNG (in Cantonese): *President, the Secretary still fails to answer my supplementary question. What he said was that 1 000-odd quotas would be provided in the next five years, yet the demand is in the range of several thousands, or in other words, the current demand has yet to be met. The children must keep on waiting, and for increasingly longer periods. How can it be regarded as ensuring "the best interests of the child"?*

PRESIDENT (in Cantonese): Dr CHEUNG, the Secretary has already answered your question, only that you are not satisfied. Secretary, do you have anything to add?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I would like to add one point, as I have already stated in my main reply, the SWD has now incorporated the Community Care Fund's assistance programme into its regular subvented services. In future, cash subsidy will be provided to parents so that they can purchase the services from outside market. As such, the waiting time can be compressed slightly so that the children in need can obtain the services earlier.

MR ALBERT HO (in Cantonese): *President, Ms Emily LAU's question is focused on care services provided to children of ethnic minorities and children with disabilities, especially in the area of education. The United Nations have also proposed the setting up of a Children's Council, and hoped that this Council has sufficient power and resources to comprehensively take charge in matters on children's rights and ensure that such rights are cared for adequately. Yet, we do not have such an organization now, and all the existing forums are just "chit-chat meetings". As a matter fact, we notice another problem concerning children in Hong Kong, that is, there are children who died of domestic violence or neglect, or even of suicide. It seems that there are frequent reports about such cases, which are extremely upsetting. I would like to ask whether the Secretary has the relevant statistics, and whether he has compared them with those in other places of the world. If he does not have such data, it reflects even more clearly the critical need for setting up of a central Council with the necessary power to monitor whether children's rights in Hong Kong have been cared for and respected.*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, neither I nor Secretary Matthew CHEUNG has the relevant information on hand. We will see whether any further information can be provided to Members after the meeting. ([Appendix I](#))

MR ALBERT HO (in Cantonese): *President, my supplementary question just now is that if the authorities do not even have such data, does it prove that we have an even greater need for a Children's Council?*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the suggestion made by the Committee is only one of the options, and I think all roads lead to Rome. In the main reply and answers to supplementary questions just now, we have already explained the various arrangements currently in place to safeguard children's rights. In this regard, I have nothing further to add.

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

Conditioned Hours of Work of Model Scale 1 Staff

4. **MR TANG KA-PIU** (in Cantonese): *The Panel on Public Service of this Council passed, at its meeting held on 15 July this year, the following motion moved by me: "this Panel urges the Government to take forward the full implementation of '44 hours of work gross per week (inclusive of meal breaks)' as a condition of service for Government employees and give priority to the immediate implementation of '44 hours of work gross per week (inclusive of meal breaks)' for civil servants under the Department of Health working in the*

Hospital Authority". The Civil Service Bureau indicated, in its written response made at the end of last month, that the authorities were studying proposals to reduce the conditioned hours of work of all employees belonging to Model Scale (MOD) 1 grades, and were inviting various Bureaux and departments (B/Ds) to assess the viability of launching a related trial scheme to reduce the conditioned hours of the employees of such grades (including those civil servants of MOD 1 grades of the Department of Health working in the Hospital Authority (HA)) from 45 hours net per week exclusive of meal breaks (net hours) to 45 hours gross per week inclusive of meal breaks (gross hours). In this connection, will the Government inform this Council:

- (a) as the authorities indicated in the aforesaid response that the returns from B/Ds on the assessment of the viability of the trial scheme would be received by the third quarter of this year, whether they have received those returns; if so, of the total number of employees involved in the trial scheme to be launched and the expected time for concluding and publishing the results of the relevant study; if such returns have not yet been received from all B/Ds concerned, the reasons for that;*
- (b) upon the full implementation of the aforesaid trial scheme, whether the Department of Health will, in response to the demand of the staff union, work towards ultimately reducing the conditioned hours of work of the civil servants of MOD 1 grades working in HA to 44 gross hours per week, to align them with the gross hours of the staff of HA's supporting grades; if it will, of the details; and*
- (c) whether the authorities will further consider aligning the weekly gross hours of all civil servants and non-civil service contract (NCSC) staff to 44 hours, so as to take the lead in implementing a system of standard working hours?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, the Administration has, on different occasions (including meetings of the Legislative Council Panel on Public Service) and via different channels, set out its policy governing the conditioned hours of work of the Civil Service. In short, there is no uniform conditioned hours of work in the Civil Service. Specific conditioned hours of work are laid down for different grades in the Civil Service based on

their job nature, operational requirements and other relevant considerations. In determining the pay of different civil service grades, the Administration has taken into account their stipulated conditioned hours of work. For effective management of the Civil Service and to ensure parity treatment, all members within the same grade or rank are subject to the same system of conditioned hours of work and the same number of conditioned working hours per week. The existing conditioned hours of work for different grades have evolved over the years and are determined having regard to the proposals made by the relevant advisory bodies.

Under the existing policy, any proposals on reduction of conditioned working hours of individual civil service grades have to meet the three prerequisites of cost-neutrality, no additional manpower and maintaining the same level of service to the public. Moreover, the Administration has to take into consideration various factors, including the operational needs of the grades concerned, justifications for changing their conditioned hours of work and the implications of such reduction on other grades with the same conditioned hours of work.

As pointed out by the Mr TANG in his question, we have invited B/Ds to conduct a review on the MOD 1 grades to explore whether there is any room for reducing the conditioned working hours of individual grades from 45 hours net per week to 45 hours gross per week subject to the three prerequisites mentioned above.

Regarding part (a) of the question, as at 30 June 2013, there were about 7 500 MOD 1 civil servants working 45 hours net per week. Given that some B/Ds with relatively more MOD 1 civil servants require more time collating information as well as critically assessing and examining the proposals of reducing the conditioned hours of work, the Administration is still receiving replies from B/Ds. Upon receipt of all their replies, we will have to further examine the assessment submitted by B/Ds and conduct in-depth discussion with individual B/Ds in order to finalize the details of proposals, if any. If everything proceeds smoothly, we expect that the relevant study will be completed by the end of 2013.

Regarding part (b) of the question, the aforesaid review has already covered the existing MOD 1 civil servants serving in the HA and working 45 hours net per week. As they are civil servants, their remuneration and

conditions of service, including the requirements on their conditioned hours of work, will continue to be subject to the protection and constraint of the Civil Service Regulations. Thus, whether their conditioned hours of work can eventually be reduced will depend on whether the three pre-requisites and other relevant factors can be met.

Regarding part (c) of the question, I would like to reiterate that under the existing policy, in order to ensure the prudent use of public funds and the maintenance of the level of service to the public, the Administration will consider a proposal of reducing the conditioned hours of work of an individual civil service grade only if it complies with the three prerequisites. In considering any proposal of reducing the conditioned working hours, the Administration will take into account the duties and responsibilities of the grade concerned, its operational requirements, the manpower situation, the implications of such proposal on other civil service grades, and other relevant factors. As I have mentioned earlier, there is no uniform conditioned hours of work in the Civil Service, nor is there a similar arrangement for NCSC staff. In view of the job nature and operational requirements of different departments and other relevant considerations, as well as the fact that the terms of employment and conditions of service of NCSC staff and of civil servants are distinct from each other, we consider it not appropriate to align the weekly conditioned hours of work of all civil servants and NCSC staff to 44 hours.

On the issue of standard working hours, the Government already set up in April this year the Standard Working Hours Committee with members coming from the labour and business sectors, academia, community and Government. The Committee will encourage different sectors of the community to carry out in-depth, informed and objective discussion on the subject of working hours with a view to jointly exploring and identifying proposals that suit the needs of Hong Kong.

MR TANG KA-PIU (in Cantonese): *The Government must resolve the problem concerning working hours. The HA set a very good example on 1 May this year by setting a uniform 44 hours gross per week for all its employees. However, the 800-odd civil servants working under the Department of Health (DH) do not enjoy this benefit. They have to work 50 hours gross per week, inclusive of meal breaks. In other words, after the HA employees have got off work, the DH staff will be responsible to take care of the needs of patients.*

Speaking of the timetable, the Government advised that the relevant study will be completed by the end of 2013. Taking things gradually step by step is the Government's favourite approach. I wish to ask the Government whether it will launch a "trial scheme" upon the completion of the study and the assessment. Will it first allow those departments who support the idea and are capable of putting it into implementation to conduct a trial scheme? Or will the scheme be conducted across the board after all the departments have completed with the assessment? I wish to hear the Government's view in this regard and whether the DH will first implement the trial scheme.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, let me respond to the two points raised by Mr TANG. First, the HA keeps liaising with the DH concerning the relevant change, so as to ensure that the workload of the civil servants working in the HA will not increase because of the change in working hours of the HA staff. The HA has promised to avoid such a situation.

Second, concerning the study on working hours, our main consideration is that all civil servants of the same rank will have essentially the same conditions of service and they will not have different numbers of working hours because they work in different departments. Hence, we have to examine whether it is feasible to make the change for the whole grade before implementing any changes. Of course, phased implementation is possible, but in consideration of overall operation and management, if the working hours of staff of a certain grade in a certain department are reduced, we must ensure that the staff of the same grade in other departments will have the same arrangement. Therefore, we have to study the overall feasibility and assuming that it is feasible across the board, the arrangement can be implemented in phases.

MR POON SIU-PING (in Cantonese): *President, the HA's implementation of "44 hours of work gross per week" should be commendable, yet the situation of "different working hours for people doing the same work" has arisen, which is not only unfair to civil servants, but also creates management difficulties. Of course, the Secretary has mentioned in the main reply that the feasibility of reducing the working hours of civil servants will subject to three prerequisites and other relevant factors. I would like to ask what the prime concern is among these factors and prerequisites. Given that the HA has now reduced the staff's working hours, and as mentioned by Mr TANG Ka-piu just now, will the*

Government be a good employer and reduce the working hours of the civil servants working in the HA as well? Will the Secretary explain clearly the importance of the relevant factors and prerequisites?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I thank Mr POON for his supplementary question. First of all, I would like to explain that the HA is an independent organization and has the autonomy to determine the operation arrangements concerning its staff. As regards the civil servants working in the HA, as I have said, as civil servants, they have the same conditions of work and service, including the number of working hours, as all other civil servants. Therefore, there are different arrangements in this respect. In fact, regarding the condition of services apart from working hours, there are also different arrangements for the HA staff and civil servants who undertake similar work. However, as regards how these two category of staff complement each other in carrying out their work, the HA and DH have all along followed up closely. I am also aware that different HA staff are employed under different conditions and civil servants only represent a small proportion among all HA staff. Thus we think that it may not pose a big problem in respect of the management of the HA.

The Member asked me which factors or prerequisites are most important in our study regarding the reduction of working hours. I am of the view that it is most important to maintain the "three no's", that is, to satisfy the three prerequisites: no additional manpower, no additional cost and no change in the level of service to the public. As for other factors, we will certainly take them into consideration as well.

MR LEE CHEUK-YAN (in Cantonese): *President, from the Secretary's reply, I have the feeling that the Government has no intention whatsoever to resolve this problem of unfair treatment, that is, civil servants of MOD 1 grades work six more hours than the ordinary civilian civil servants. The Secretary has put forward the prerequisites of "three no's", namely, no additional resources, no additional manpower and no change in the level of service. These "three no's" are just meaningless. How can a reduction of six working hours not be supported by increasing the manpower? To recruit additional staff is a must. How is it possible that no additional manpower is involved? This reflects that the Secretary simply has no intention to tackle this problem.*

President, it is already unfair that these staff cannot enjoy a five-day week. Why can't they enjoy a five-day week? Again, it is due to the "three no's" policy, no additional resources, no additional manpower ...

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

MR LEE CHEUK-YAN (in Cantonese): ... *Therefore, I would like to ask the Secretary, will the "three no's" policy be abolished, so that these staff will not be subjected to an unreasonable system and unreasonable restrictions, and can be fairly treated? Furthermore, has the Secretary studied the resources involved when the number of their working hours is reduced to 44? If the authorities can give us this information, members of the public may find that the additional resources involved are limited, and the 44-working-hour scheme should be implemented. Will the "three no's" policy be abolished?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I thank Mr LEE for the question. First of all, we will not abolish the "three no's" policy. Let me explain. All civil servants have different grades and different numbers of working hours and their working hours are reflected in their remuneration. In short, the remuneration of civil servants of a certain grade reflects the number of their working hours.

Of course, we will not object if individual departments or grades can change the number of working hours under the "three no's" policy. In fact, some departments had managed to do so in the past. For example, as we all know, the Fire Services Department is considering how to reduce the staff's working hours under the "three no's" policy. Hence, we think that there is room for its implementation. However, regarding the MOD 1 civil servants, the feasibility study is still underway and no conclusion has yet to be made. We need more time for studies.

MR LEE CHEUK-YAN (in Cantonese): *He has not answered me concerning the amount of resources involved.*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): I have explained that we will follow the "three no's" policy.

MISS ALICE MAK (in Cantonese): *President, I have listened attentively to the Secretary's reply, and I find that in his replies to Members, the logic is not right.*

First, the Secretary said that the HA was an independent organization and it offered different conditions of service in the recruitment of staff. But let me remind the Secretary, there are government representatives, the Director of Health in particular, in the management board of the HA. Hence, there is no reason why the Director of Health does not know the civil servants working in the HA have different conditions of service and are discriminated against. This is one of the points.

Besides, in answering Mr LEE Cheuk-yan, the Secretary advised it was acceptable that departments could set different numbers of working hours for their staff under the "three no's" policy. I would like to ask the Secretary, does it mean that under the "three no's" policy, if the Director of Health agrees, the several hundred civil servants working in the HA can have their number of working hours changed, so that they can be on a par with other HA staff.

I would also remind the Secretary, if, as he said, the DH has followed up the situation to make sure that the civil servants concerned are not affected, the workers in the trade union would not have so many grievances. This is an indication of dereliction of duty on the part of the Director of Health. Moreover, though there are only a few hundred such workers, taking up a small percentage, they should not be so treated ...

PRESIDENT (in Cantonese): Miss MAK, you have asked many questions. Please sit down and let the Secretary answer.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I thank Miss MAK for her question, which involves several points. I will answer those questions concerning the HA and the DH first. The civil servants under the DH working in the HA are managed by the Hospital Staff Unit. The Unit maintains close contact with various grades of staff working in different divisions and also with the HA. I have also mentioned that the HA has recently told the DH that it

will make sure that civil servants will not have to undertake extra work due to the reduction of the conditioned hours of work of the HA front-line staff. The HA has also recruited additional staff to cope with the reduction of working hours of the front-line staff. In this regard, the DH will continue to follow up.

Second, under the "three no's" policy, the DH has been consulted in respect of the study on the MOD 1 staff. As I have explained earlier, while the "three no's" policy is our prime concern, I have also taken into consideration the factor that for staff of the same grade, the working hours of one department cannot be less than that of another department, which will lead to "different wages for people doing the same work".

MR KWOK WAI-KEUNG (in Cantonese): *President, the HA has exactly done what the Secretary has repeatedly said cannot be done. The Secretary hides behind the shield of the "three no's" policy. Does it mean that the HA has higher level of governance? I hope the Secretary understands the worries of civil servants. It is mentioned in paragraph four of the main reply that the Civil Service Bureau will collate information, examine the proposals and conduct discussions. Upon receipt of the replies from all departments, it will assess them again. I would like to know how much time is needed to complete all these procedures. Please give all civil servants a correct answer regarding the actual time required.*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): *President, I thank Mr KWOK for his question. First of all, I think it is hard to have a direct comparison between the management of the Civil Service and that of the HA. The two differ greatly, the number of civil servants is much greater than the HA staff. Hence, I do not find it appropriate to compare them directly. As regards the timetable, as mentioned in the main reply, we expect the review to be completed by the end of this year.*

IR DR LO WAI-KWOK (in Cantonese): *President, in Mr TANG Ka-piu's main question, the question of whether the number of working hours includes meal breaks is raised. I would like to ask the Secretary the authorities' views and stance on this issue.*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): President, I thank Ir Dr LO for his question. Concerning meal breaks, the Government has different arrangements for different grades. Take for example the number of working hours of civil servants of the civilian grades. They work 44 hours gross per week, inclusive of meal breaks. However, if these staff are assigned to work during meal breaks, they will not get overtime compensation because meal break is basically included in their working hours. However, for colleagues whose working hours are exclusive of meal breaks, they get overtime compensation for the work done during meal breaks. In short, it all depends on the practical needs of individual departments and grades.

PRESIDENT (in Cantonese): Fifth question.

Issue of Street Sleepers

5. **MR WONG YUK-MAN** (in Cantonese): *Some government officials reportedly said at the meeting of the Sham Shui Po District Council (DC) held on 3 September this year that the rise in the number of street sleepers in the district in recent years was attributable to the distribution of materials and meal boxes to them by some enthusiastic organizations and members of the public, thereby thwarting street sleepers' desire to quit street-sleeping and attracting street sleepers from other districts to move to Sham Shui Po. In addition, some voluntary organizations servicing street sleepers have relayed to me that the Home Affairs Department (HAD) had arranged a discussion with them on the issue of street sleepers in a high-class club house at Yau Yat Chuen, and these organizations considered the venue incompatible with the content of the meeting. In this connection, will the Government inform this Council:*

- (a) *whether the aforesaid remarks of the government officials were based on the findings of investigations or studies; if so, of the details;*
- (b) *why the HAD had arranged for the discussion with the voluntary organizations on the issue of street sleepers in a high-class club house at Yau Yat Chuen; and*

- (c) *whether it has assessed if the Government's current policy for supporting street sleepers can resolve the pressure and difficulties in living faced by street sleepers; if it has assessed, of the findings and details; if the findings of the assessment are in the negative, whether and when the Government will review the related policy?*

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

- (a) At the Sham Shui Po DC meeting held on 3 September 2013, members submitted papers to discuss the issue of street sleepers in light of local residents' concerns. During the discussion, the Sham Shui Po District Office (SSPDO) and Social Welfare Department (SWD) explained to members the assistance provided by the Government to street sleepers and how SSPDO co-ordinated efforts of relevant departments to improve the district's environmental hygiene. Individual government officials also quoted the views and concerns they have received. At the same time, they also expressed at the meeting due recognition of and appreciation towards local organizations and the public for their compassion towards street sleepers in the district.

We are aware that the above remarks made by the SSPDO and the SWD have caused concerns in some sectors. I wish to take this opportunity to reiterate that the Government is indeed highly appreciative of the care of local organizations, non-governmental organizations (NGOs) and compassionate business owners for street sleepers. Their charitable acts complement the work of various government departments.

- (b) The SSPDO and the SWD met with the representatives of various organizations involved in assisting street sleepers in Sham Shui Po on 15 April 2013 and exchanged views on the issue. According to the SSPDO, a room was arranged in a restaurant of a clubhouse in the district for a lunch meeting. The choice of the venue was made known to the attendees on 10 April and no comment on the venue had been received. The expenses incurred and the arrangements for

the lunch meeting were in compliance with the relevant Government requirements. The meeting facilitated the participants' understanding of the concerns of both street sleepers and local residents, and the views and experience shared are conducive to the handling of the issue.

- (c) The Government is highly concerned about the plight of street sleepers. The subject is a complex social problem, involving policies of various bureaux and departments. A number of welfare organizations and concern groups are also actively involved. Moreover, as a subject that concerns local residents, it is discussed by some DCs from time to time.

The SWD in conjunction with NGOs have all along provided appropriate assistance to street sleepers. Street sleepers who are in need may also seek assistance from the Integrated Services Teams for Street Sleepers (ISTs) or Integrated Family Service Centres.

To address the financial needs of street sleepers, the SWD provides funding to each IST as emergency fund every year to cover eligible users' expenses such as payment of rent, rental deposit, living costs and other removal expenses, and so on. The SWD or NGO service units will also, having regard to individual circumstances, refer eligible persons to apply for Comprehensive Social Security Assistance (CSSA) Scheme or charitable trust funds.

Regarding the housing needs of street sleepers, those who have pressing housing needs, including street sleepers, can apply to the Housing Department through the SWD for compassionate rehousing for public rental housing (PRH). To address the emergency and short-term accommodation needs of street sleepers, the SWD subvents NGOs to operate five urban hostels and two emergency shelters, providing a total of around 200 accommodation places. Besides, there are seven hostels operated by NGOs on a self-financing basis, providing a total of nearly 400 places of overnight or temporary accommodation for street sleepers.

On medical services, needy street sleepers can use various medical and mental health services under the Hospital Authority (HA) and the Department of Health. Moreover, the SWD has set up Integrated Community Centres for Mental Wellness (ICCMWs) across the territory since 2010, providing community mental health support services for those in need. Social workers of ISTs can refer cases to ICCMWs and psychiatric specialist out-patient clinics under the HA for follow up.

Moreover, we endeavour to support street sleepers to enhance their self-reliance. The Labour Department provides comprehensive and free employment support services to help them seek appropriate employment.

MR WONG YUK-MAN (in Cantonese): *President, given that there are so many inept officials, mediocre officials and dog officials in the SAR Government, why would it need enemies? The Secretary's reply has fired me up, I am now burning with rage. We have been following up the issue of street sleepers in Sham Shui Po for a very long time. Two years ago, the Food and Environmental Hygiene Department, the Hong Kong Police Force and the District Office cleared the sleeping places of street sleepers and confiscated their belongings. We have followed up the incident for a long time, and later referred the case to the Small Claims Tribunal. Subsequently, each of these street sleepers was only given a compensation of \$3,000. The authorities have virtually removed these street sleepers as if they were rubbish.*

President, most Sham Shui Po DC members from the royalist camp hope to expel all these street sleepers. The authorities just co-operate accordingly. President, in part (a) of the main reply, the Secretary said, in nice words, "to discuss the issue of street sleepers", but this is not the true picture. In fact, the authorities want to clear the street sleepers. Sham Shui Po District Officer, Benjamin MOK, and Assistant District Social Welfare Officer, LEE Yuen-hung, explained to those royalist DC members that these street sleepers would not leave the street because they were given assistance and meals. I now ask them to withdraw their remarks. I have written to these two officials but how would they bother to pay heed to my request. That is why I have to ask the Secretaries to take the trouble...

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

MR WONG YUK-MAN (in Cantonese): ... *ask the two Secretaries to take the trouble to attend today's meeting to reply my question. Secretary Matthew CHEUNG said that the two officials recognized the efforts of those people who offered help to street sleepers. He is just trying to make amends. Those are not the words of the two officials at that time ...*

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

MR WONG YUK-MAN (in Cantonese): *Matthew CHEUNG, did you attend the meeting and hear the remarks made by Benjamin MOK and LEE Yuen-hung? No, you did not. But now you are interpreting what they said. We have been following up the issue of street sleepers. Fellows from my church have slept there for more than 500 days, they took street sleepers to seek medical consultation ...*

PRESIDENT (in Cantonese): Mr WONG, you have already provided a lot of background information.

MR WONG YUK-MAN (in Cantonese): ... *I am now responding to his bullshit in part (c) of the main reply... taking them to seek medical consultation, helping them to deal with the necessary matters, arranging accommodation and food for them ...*

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

MR WONG YUK-MAN (in Cantonese): ... *if the Government has really done what was said in part (c) of the main reply, why should we get involved? Now you even blame those people ...*

PRESIDENT (in Cantonese): Mr WONG, please ask your supplementary question immediately; otherwise I have to stop you from speaking.

MR WONG YUK-MAN (in Cantonese): *My supplementary question is to ask him to cut the crap, just go home to sleep. President, do you get it? Please convey my message.*

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

MR WONG YUK-MAN (in Cantonese): *I sit down now. He had better go home and sleep. President, please convey my message.*

PRESIDENT (in Cantonese): The Member has not asked a supplementary question.

DR LAM TAI-FAI (in Cantonese): *President, I know that Mr WONG Yuk-man and Mr LEUNG Kwok-hung are very concerned about the issue of street sleepers.*

The Government replied this Council last week that there were 674 street sleepers across the territory in accordance with the registry maintained by the SWD. President, I guess no Hong Kong permanent resident would believe in this figure. The authorities even state that there are only two street sleepers in Yuen Long and none in Sha Tin. I would like to take the Secretary to tour round the district. If we find one street sleeper, he will have to stay with him/her for one night. Then I guess he needs not go home to sleep for a whole year. The truth is this figure cannot reflect the present situation. It proves that the Secretary does not care about street sleepers at all; otherwise how can he fail to grasp the figures ...

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

DR LAM TAI-FAI (in Cantonese): ... *if he cannot grasp the figures, how can he address the problem?*

President, my supplementary question is simple enough. According to many people and supported by a lot of information, there is an increasing number of young street sleepers. Some of them cannot even afford to live in a "sub-divided unit" and are forced to sleep on the street. Some even spend their nights in McDonald's. The Secretary may not be aware of all these cases.

May I ask whether the Government has compiled any statistics on the number of young street sleepers? Has the Government put in place any specific policies or measures for them? I guess none of us would like to see that some young street sleepers in Hong Kong remain on the street for their whole life.

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first of all, I would like to thank Mr WONG for raising the concern and Dr LAM for his supplementary question. We are definitely concerned about the issue and are in no way trying to evade. The issue of street sleepers is a very complex social problem. I paid a number of visits to Sham Shui Po in the past few weeks to learn about the problem. I have also asked the colleagues concerned about the situation and listened to the audio recording of the meeting. Therefore, I hope Members would understand that we truly care about street sleepers and appreciate those enthusiastic organizations. We are definitely not putting the blames on them. We definitely do not have such thought in mind. If we have caused any displeasure, I would like to take this opportunity to apologize. I hope that you would understand our intention. We truly want to help street sleepers.

Dr LAM has queried whether the number of some 600 street sleepers is accurate. We have been using computer statistics since 1981. ISTs (including the Society for Community Organization) will help to collect data in the frontline.

Just now Dr LAM asked about the age distribution to see if the average age is declining. According to the latest situation, generally speaking, most street sleepers are over 30. Among some 600 street sleepers — the latest figure as at the end of September has reached 679 — 257 of them (around 40%) are aged between 30 and 49. There are only 29 young people who are aged 29 or below, presenting only 4.3% of the total number.

However, we should not lower our guard. Every street sleeper has a sad story behind. We understand their plight and believe that no one wants to be a street sleeper. Therefore we hope we can help them as far as possible. On accommodation, the best solution is to look for a permanent dwelling for them, or we will encourage them to first move into singleton hostels as temporary dwelling. But why are there so many street sleepers in Yau Tsim Mong district and Sham Shui Po? It is because these areas are easily accessible and there are more job opportunities available. So it is inevitable that there are more street sleepers in these districts. We will definitely try our best to help them, understand their needs and address their difficulties.

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

DR LAM TAI-FAI (in Cantonese): *President, I would like to follow up one point. Did the Secretary say just now that there are only 29 street sleepers who are below 29 years old?*

PRESIDENT (in Cantonese): Secretary, what figure did you provide just now?

DR LAM TAI-FAI (in Cantonese): *I would like to know whether that is the figure.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I would like to clarify that according to the latest figures for September 2013, out of the 679 street sleepers, 29 of them are below 29 years old.

MR CHEUNG KWOK-CHE (in Cantonese): *President, services for street sleepers are regular services subsidized by the Government. But in recent years, both the DCs and government departments have been clearing street sleepers in various districts. More despicable still, the DCs and various government departments often expel street sleepers on the excuse of improving the cityscape, cleaning the streets, carrying out greening works, and so on. Street sleepers are directly and indirectly marginalized. They are treated as if they were rubbish in society. May I ask the Government, judging from the way it treats street sleepers, has it already formed an opinion on them? If not, will the Government formulate a policy on street sleepers?*

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, regarding Mr CHEUNG's supplementary question, I have to reiterate once again that we are concerned about the welfare of street sleepers, and we understand their plight. For sure, we would not treat them as rubbish and we definitely have never done so. They are human beings, and they are members of the community. We are aware that some of them have experienced difficulties; they may suffer from chronic illnesses. We will try our best to address their problems at source.

Mr CHEUNG may be well aware that we have three services teams. At district level, we have daytime, night-time and mid-night outreach teams. We even provide emergency financial support. If street sleepers would like to apply for CSSA, we can make referrals. In fact, 58% of the street sleepers are CSSA recipients. We will provide assistance in this regard as far as possible. If any of them are eligible to move into PRH units, we will provide assistance. Last year, nine street sleepers were allocated PRH units through Government's compassionate rehousing arrangement.

The Government has a policy to provide support. First, we try to help street sleepers to become self-reliant so that they can stand on their own feet and find a permanent dwelling place. If they cannot find one, we will try to help

them move into a hostel or a temporary dwelling in the interim. We will offer assistance as far as possible. Our only objective is to help them as far as practicable.

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

MR CHEUNG KWOK-CHE (in Cantonese): *The Secretary has not replied whether the Government will formulate a policy on street sleepers.*

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the current government policy is very clear, specific and practical. As we all know, street sleepers have complicated problems; some of them may be sick or have mental problems, some may be drug abusers while some have other problems. Nowadays, the number of street sleepers of ethnic minorities has also increased. These are social problems that must be followed up on a case-by-case basis by prescribing the right medicine. But it is most important to help those street sleepers who are employable to find a job so that they can become self-reliant. This is the solution.

MR ANDREW LEUNG (in Cantonese): *President, the issue of street sleepers is frustrating. In part (c) of the main reply, the Secretary said the Government had already done a lot. Nevertheless, the number of street sleepers is still on the rise. The Secretary also mentioned that the Government and NGOs had provided 200 and 400 accommodation places respectively. But there are still so many street sleepers. As such, has the Government planned to provide more singleton hostels in order to solve the problem?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, according to our record of last year, the intake rate of singleton hostels for street sleepers was only 80%, and there were still places available. Why are there vacancies? Some street sleepers may need to work until very late at night and so they choose not to live in a hostel. There are various factors. But we will offer assistance as far as possible. As I have mentioned just now, we have to help these street sleepers on a case-by-case basis.

DR FERNANDO CHEUNG (in Cantonese): *President, according to government record, there are 600 plus street sleepers. But actually the Government has set up so many barriers that the registry on street sleepers can hardly reflect the reality. Just now, the Secretary said that there are only 29 street sleepers aged under 29. But according to the estimate of the Society for Community Organization, there are at present over 1 000 street sleepers. A survey by that Society reveals that 20% of them are aged between 20 and 30, that is, more than 200 street sleepers are aged under 30. This is of course inconsistent with the official figures. While the Secretary said that street sleepers are not being treated as rubbish, the Yaumatei Shelter is exactly located above a refuse collection point. This Shelter is to be demolished very soon to vacate the site for a Xiqu Centre, and the Government is moving the Shelter to a nearby location which is also above a refuse collection point.*

In demolishing the refuse collection point and relocating the street sleepers, the Government has decided to relocate the refuse collection point and the Shelter altogether. If street sleepers are not treated as rubbish as claimed by the Secretary, why is their Shelter always placed above a refuse collection point? While the Government and concern groups held their discussion in a high-class club house, the Shelter for street sleepers is placed above a refuse collection point. What is the implication, President?

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

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, regarding the relocation of the Yaumatei Shelter, the Government is now adjusting the design of the project and discussing with the DC and stakeholders. As far as this arrangement is concerned, the Government has no intention to treat street sleepers as rubbish.

MR CHAN KAM-LAM (in Cantonese): *President, I agree with Secretary Matthew CHEUNG that every street sleeper certainly has his/her own story. I believe no one wants to sleep on the street. Just now, a Member said that the Government should formulate a policy on street sleepers. But I am worried that more people will be encouraged to sleep on the street if a policy is formulated to assist them. In districts such as Yau Ma Tei and Sham Shui Po where the problem of street sleepers is more prominent, have the departments concerned (be it the SWD or District Offices) ever tried to talk to street sleepers to better understand what they need, instead of simply providing subsidies or moving them to PRH units. Many street sleepers work in nearby areas. For example, some street sleepers in Yau Ma Tei are engaged as porters who have to get up early in the morning and come off work late at night. They simply stay overnight on the street for a few hours to address their housing problem.*

I would like to ask whether the Government has carried out more detailed work to address their needs.

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

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, in fact the Sham Shui Po District Officer has, in conjunction with colleagues from the SWD, contacted those voluntary organizations servicing street sleepers to understand these people's actual needs.

Our colleagues, the District Officer, as well as colleagues from the SWD all understand that street sleepers take on street sleeping due to various complicated factors. The general policy of the Government is to help them quit street sleeping.

We come to know that some street sleepers used to have a place to live in and some even lived in PRH. However, being deeply troubled by some problems which they cannot find a solution, they take on street sleeping. As the District Officer would like to know more about their situation through organizations servicing street sleepers, he invited a group of people helping street sleepers to a lunch meeting in a club house held on 15 April.

As mentioned by Secretary Matthew CHEUNG just now, the conditions of this meeting were in compliance with the relevant government requirements. At the time when the participants were invited to the lunch meeting, no objection had been raised. We had lunch together and exchanged views. They gave an account of the actual needs of street sleepers. On the other hand, the District Officer and the Government relayed the concerns of the local communities (including residents in Sham Shui Po, Yau Ma Tei and Yau Tsim Mong) about the problems caused by street sleepers in these districts.

(Some Members in the Chamber spoke from their seat)

PRESIDENT (in Cantonese): I would like to remind Members that if it is not your turn to speak, please do not clamour in your seat, and please return to your seat.

MR FREDERICK FUNG (in Cantonese): *President, the issue of street sleepers has affected us for decades. I remember that in the 80s, we first raised this issue at the Sham Shui Po DC. Two approaches were adopted then which I think are worthy of our reference today.*

Firstly, the then District Officer immediately approached some local wealthy people who rented four places in Sham Shui Po for accommodating the street sleepers in the district; secondly, the District Office set up a street sleepers committee to which I was also appointed as a member. We discussed how to address the problem in a one-stop manner; thirdly, the Government built Sunrise House and the whole block had turned into a hostel for street sleepers.

The idea at that time was to tackle the issue of street sleepers positively ...

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

MR FREDERICK FUNG (in Cantonese): *But what I see today is that most pro-establishment DC members in Sham Shui Po want to expel these street sleepers and request the government departments to clean up the places of street sleepers. This is completely in contrast with our policy direction in handling street sleepers back in the 80s.*

I hope that the Government, including Mr CHAN Kam-lam, would change their mindset ...

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

MR FREDERICK FUNG (in Cantonese): *Such kind of thinking does not work. May I ask the Government whether it would consider adopting the approaches at that time, and address the issue of street sleepers in a positive and proactive manner?*

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

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, Mr Frederick FUNG may be a bit confused. Sunrise House was not built for street sleepers, but for accommodating singletons. The relevant legislation has been passed by the Legislative Council.

As for DCs, they have the responsibility to reflect the views of the local community. To my understanding, the Sham Shui Po DC has never passed any motion to clean up street sleepers' places or remove them from the district. It is natural that DCs are concerned about the hygiene conditions of their districts.

MR FREDERICK FUNG (in Cantonese): *The Secretary has not answered my question, which is, whether the Government will address the problem in a positive and proactive manner.*

PRESIDENT (in Cantonese): Mr FUNG, please follow up through other channels. This Council has spent more than 24 minutes on this question. Last question seeking an oral reply.

Admission to Universities of Candidates who Sat Hong Kong Advanced Level Examination Held for Last Time

6. **MR KWOK WAI-KEUNG** (in Cantonese): *President, earlier on, I received requests for assistance from a group of private candidates who took the Hong Kong Advanced Level Examination held for the last time (last HKALE). They said that their HKALE results met the general entrance requirements for local first-degree programmes (university entrance requirements) but, according to the authorities' requirement, they could apply for university admission only through the non-Joint University Programmes Admissions System (non-JUPAS) as they held results other than the Hong Kong Diploma of Secondary Education Examination. Moreover, the date for the release of HKALE results was so late that quite a number of universities did not have any places left, or the admission processes had already been closed, by the time they received the applications submitted by those private candidates with their HKALE results, leaving some of those candidates yet to be admitted to universities to date. In this connection, will the Government inform this Council:*

- (a) *whether it knows, among the 72 candidates who met the university entrance requirements in the last HKALE, the number of those who have been admitted to universities at present, with a breakdown by institution; whether the authorities have provided those 72 candidates with special assistance (for example, helping them strive for opportunities for interviews); if they have, of the details; if not, the reasons for that;*

- (b) *as it has been reported that certain universities had not considered the HKALE results of the HKALE repeaters in processing their non-JUPAS applications for admission because the HKALE results had not been released then, whether the authorities will request the various institutions to review the applications from those candidates; and*
- (c) *as some candidates have pointed out that although some candidates had attained outstanding results in the last HKALE, they were not admitted to universities probably because no places were left in universities, whether the authorities will liaise with the universities to look into the situation and ensure that the departments concerned are granted additional resources to provide places for the admission of those candidates?*

SECRETARY FOR EDUCATION (in Cantonese): President,

- (a) The Hong Kong Examinations and Assessment Authority (HKEAA) conducted the last HKALE for private candidates in 2013. A total of over 5 300 private candidates sat for the HKALE in 2013. These candidates also have access to multiple pathways for further study, including applying for admission to University Grants Committee (UGC)-funded institutions through direct channels outside the Joint University Programmes Admissions System (commonly known as the non-JUPAS route) according to the timetable set by institutions.

According to information provided by the UGC-funded institutions, all eight institutions have admitted HKALE candidates to UGC-funded first-year first-degree (FYFD) programmes this year. The total number was 319, including 62 admitted solely on the strength of current or combined HKALE results, as well as 257 students who were admitted based on their HKALE results together with other qualifications such as completion of the first year of sub-degree programmes. Based on 2013 HKALE results alone, 72 candidates have met the general entrance requirements for admission to local undergraduate programmes.

All along, in line with the principle of fairness and merit-based selection, each institution has established its own student admission policy. When considering student admission, institutions do not give favour to applicants on the basis of the routes (JUPAS or non-JUPAS) through which they submit their applications or the results release dates of their qualifications. Instead, institutions strive to identify the most meritorious candidates in the pool, taking into account factors such as their public examination results, the relevance of such results to the programmes being applied for, whether such results are attained through one or a few sittings, and so on. Besides, institutions also assess candidates in other aspects, such as performance in interviews and their non-academic achievements. As long as the admission standards and procedures are fair and selection is based on merit, it would not be appropriate for the Education Bureau to interfere in the admission criteria, or to provide any special assistance to individual applicants, lest this should lead to unfairness to other applicants.

(b) and (c)

The timetable and results release date of the 2013 HKALE were decided by the HKEAA's Public Examinations Board, whose members include representatives of secondary schools and post-secondary institutions. The release date was announced as early as mid-May 2012 and the requirement for HKALE candidates to submit their applications via the non-JUPAS route was also announced as early as 2012. All UGC-funded institutions have well-established mechanisms in place for admitting candidates holding different qualifications with different results release dates via the non-JUPAS route. They have also reaffirmed with the Education Bureau that their 2013 student admission processes were conducted in a fair manner. Institutions accepted applications for admission via the non-JUPAS route from September 2012 to the first quarter of 2013. They also made it clear that transcripts could be submitted after the release of examination results in the current academic year (for example, 30 July for the HKALE and 15 August for the General Certificate of Education Advanced Level (GCE A-Level) Examination), and admission results would be announced by the end of August. Based on the fact that 319 HKALE

candidates were admitted by the UGC-funded institutions this year, it is self-evident that the prospects for HKALE candidates to compete for degree places with fellow applicants under fair and reasonable circumstances have not been compromised because of the results release date of 2013 HKALE. Moreover, we understand that there have been queries because a small number of students might have submitted belated applications or otherwise failed to submit their transcripts in accordance with the non-JUPAS application procedures set by institutions. To this end, the Education Bureau has liaised with the institutions and provided relevant contact details for applicants to touch base with the institutions. The Education Bureau also issued an open article on 22 August to clarify various queries regarding the admission arrangements of institutions.

I must reiterate that all institutions enjoy a high degree of autonomy in deciding their admission requirements. Admission grades may vary year on year depending on competition for the programmes concerned, and thus the past admission grades can only be taken as reference.

All in all, the Government is committed to providing our young people with flexible and diversified study pathways with multiple entry and exit points. For FYFD programmes, in addition to over 15 000 publicly-funded places, there are more than 7 000 places in full-time locally-accredited self-financing programmes. As for sub-degree programmes, 9 800 publicly-funded places and some 30 000 places in full-time locally-accredited self-financing programmes are offered. Furthermore, the number of senior year places for UGC-funded undergraduate programmes will also progressively increase to 4 000 intake places per annum. This will provide outstanding sub-degree graduates with more opportunities for articulation to the last two years of undergraduate programmes.

MR KWOK WAI-KEUNG (in Cantonese): *President, I have written to various institutions requesting them to exercise their discretion in admitting these students who took the last HKALE. Unfortunately, all of the replies I received said that the non-admission of the students had nothing to do with the late release*

of the examination results or that their selection for admission was merit-based. President, I think the root of the problem was that with the change in the secondary and tertiary education systems, candidates who took the last HKALE would not have the chance to retake the examination or submit their university applications through the JUPAS route. Looking at the figures provided by the Secretary, 5 300 students have sat for the HKALE this year and this number does not include those who have applied for university places on the basis of other examination results. If the number of the latter is included and 319 students have been admitted to universities through the non-JUPAS route, the admission rate through such route would actually be lower than one out of 20, and it could even be one out of 30 or one out of 40. However, if these students were to submit their applications through the JUPAS route, their chance of admission would be one out of four. Is it because in changing the structures of our education system, we have failed to give these students who took the last HKALE the appropriate care and make special arrangements for them, and consequently they have to face very intense competition in the non-JUPAS route and cannot be admitted to universities?

PRESIDENT (in Cantonese): Secretary, please reply.

MR KWOK WAI-KEUNG (in Cantonese): *President, I have not finished asking my question. In fact, I would like to ask the Secretary, now we think ...*

PRESIDENT (in Cantonese): Secretary, please sit down first. Mr KWOK, have you asked your supplementary question?

MR KWOK WAI-KEUNG (in Cantonese): *What I have just said was not my supplementary question and I still have to ask one question.*

PRESIDENT (in Cantonese): In that case, please sit down and wait for your turn to ask again. Secretary, please answer the question that Mr KWOK raised earlier.

SECRETARY FOR EDUCATION (in Cantonese): President, I do understand the expectations and aspirations of students. However, it is important that under our present system, we can be assured that admission of students to universities is a fair and just process based on merit. As I have said earlier, in response to the incident, the Education Bureau particularly issued an article on 22 August and had made special efforts to contact the universities, so as to ascertain whether they would also admit the students concerned. President, let me provide another figure. The 300 plus students mentioned earlier were admitted to universities on the strength of their results of the HKALE which they have repeated this year as well as the grades achieved over the years. The total number of students under this group is 319. Actually, some private candidates have also been admitted to universities through the JUPAS route. Regarding private candidates, 1 519 out of 4 000 plus students were admitted to universities in 2012. Therefore, one should not only look at the time for releasing the results or at individual results, but should consider the matter as a whole. The process is fair and reasonable.

MR IP KIN-YUEN (in Cantonese): *President, I believe you would be very surprised if a student cannot be admitted to universities with 3As or 2As. The public is shocked by what has happened this year and consider it a waste of talents which would directly affect the long-term competitiveness of Hong Kong. A large number of candidates have approached me for assistance this year. Many of them have 3As or 2As or very good results. They might not do well in English last year but they have succeeded in obtaining good results in the subject this year. Since they have obtained such outstanding results in the HKALE in the past, we would have thought that they would certainly be admitted to universities ...*

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

MR IP KIN-YUEN (in Cantonese): *... My supplementary question is, according to the current practice, these students have to make their applications through the non-JUPAS route and the first hurdle in this route is to get a conditional offer for admission on the strength of their examination results in the past; failing that, they would have to wait for the results to be released at a later date and compete with other ...*

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

MR IP KIN-YUEN (in Cantonese): ... *students. Under such circumstances, have they already been placed in a very unfavourable position? Although it has already been proved before that they could not be admitted with their past results, they would have to submit their applications with those results again. Every student who has chosen to retake the examination will surely hope that they can submit their applications with the better new results ...*

PRESIDENT (in Cantonese): Mr IP, if you are going to debate on the subject, please do so on another occasion. Please ask your supplementary question now.

MR IP KIN-YUEN (in Cantonese): *My supplementary question is simple enough: is that fair to them?*

SECRETARY FOR EDUCATION (in Cantonese): President, why have students with 3As not been admitted? Actually, that is because the combined results of these students do not match the admission requirements of the universities for specific disciplines or subjects. I am not going to discuss individual cases and would only reiterate that, the grades of students admitted to a certain discipline vary year on year, depending on the competition in a particular year. Second, to give an example, if a student would like to select the Arts subjects — this is only an example without any particular implication — he has to obtain good results in the subjects of Chinese and English. If he obtained a "Pass" in one of the two subjects in this examination which he has retaken, he would have met the basic requirements for that discipline. If competition exists and his overall grades of the four subjects do not meet the merit-based requirement of the institution, he would not be admitted to that particular discipline.

President, I think such a case can happen. Therefore, we would remind students that when selecting the disciplines to apply for, they should make direct contacts with the institutions concerned to make enquiries about their own case. I think that would be most helpful to them.

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

MR IP KIN-YUEN (in Cantonese): *President, he has not answered my supplementary question. I have asked my question very clearly, the student has to overcome the first hurdle of using the old results to obtain a ...*

PRESIDENT (in Cantonese): Mr IP, if you want the Secretary to give a clear answer, you have to ask your question clearly and precisely and should not make a long speech. Please ask your follow-up question immediately.

MR IP KIN-YUEN (in Cantonese): *My supplementary question is, the student has to overcome the first hurdle of using the old results to obtain a "conditional offer", will this practice or arrangement put him in an unfair position?*

SECRETARY FOR EDUCATION (in Cantonese): President, under the current mechanism, when a student applies for university admission through the non-JUPAS route, the institutions concerned have to consider the case according to certain criteria in processing the application. Hence, the present arrangement is to use results obtained in the past as a starting point and that is the process under the current mechanism. In particular, I would tell the Member that that is the requirement for each and every student who makes an application through the non-JUPAS route.

MS STARRY LEE (in Cantonese): *President, students study for more than 10 years for entering into universities and in particular, students who took the last HKALE would not have to chance to retake the examination. The current situation could be the result of the late release of the results, or as the Secretary for Education has mentioned in the main reply, the possible failure of students in submitting their applications in accordance with the procedures which have resulted in problems with their applications. However, these students are, after all, the last batch of students who sat for the HKALE, their circumstances are special and they have also obtained good results. I would like to ask the Secretary whether he would, by reason of the above, that is, the special*

circumstances of the students who took the last HKALE, meet with them and make arrangements for them to meet with the institutions, so that these students can find out what their situations are and be given a last chance to be admitted to universities?

SECRETARY FOR EDUCATION (in Cantonese): President, I would like to thank the Member for her suggestion. As mentioned before, I am very concerned about the matter. There is, therefore, no problem for me to meet the students and in fact, I would like to meet them to find out what their situations are. The Member also asked whether there will be special arrangements for the students to be admitted to universities. President, I have difficulties in this regard because the case of each student is different. Given my position and the stance that I have taken, I have to handle the matter in a fair and just manner. However, I would be pleased to discuss with the students to understand their problems and give my advice on the options available to them or the multiple pathways for further studies.

MS STARRY LEE (in Cantonese): *President, I would like to clarify. First of all, I thank the Secretary for agreeing to meet with the students, but what I have asked the Secretary just now is to meet with the students and arrange the students to meet with the institutions, so that they can ask for a last chance for admission.*

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

MS STARRY LEE (in Cantonese): *I have not asked the Secretary to make direct arrangements for the students to be admitted to universities.*

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

SECRETARY FOR EDUCATION (in Cantonese): President, I am willing to relay the circumstances of the students to the institutions and yes, I would do so.

MR CHRISTOPHER CHUNG (in Cantonese): *President, besides the private candidates and the candidates of the HKALE mentioned earlier, other students have also submitted their university applications through the non-JUPAS route. They include Hong Kong students studying overseas and students studying in international schools in Hong Kong who would like to be admitted to local universities. Given that many groups of students have submitted their university applications through the non-JUPAS route, may I ask the Secretary how transparent the tertiary institutions are in disclosing the number of places to be admitted and how they would allocate such places, so that the students can make their own plans?*

PRESIDENT (in Cantonese): Mr CHUNG, this oral question mainly concerns options available to candidates of the last HKALE. I think your supplementary question has gone beyond the scope of the question.

MR CHRISTOPHER CHUNG (in Cantonese): *My supplementary question also includes those students and how many places have actually been allocated to them. At present, only 300 plus students of this group have been admitted to universities, is that because too many places have been allocated to overseas students and students from international schools, such that very few students in this group have been admitted?*

SECRETARY FOR EDUCATION (in Cantonese): President, the UGC and the institutions have not set any ratio of local student intakes through the JUPAS route or the non-JUPAS route. However, we are aware that the ratio of local student intakes to three-year UGC-funded undergraduate programmes via the JUPAS route remains stable over the past three years (ranging from 81% to 82%). It is estimated that the ratio of student intakes to four-year programmes will remain more or less the same in 2013-2014.

MR ALAN LEONG (in Cantonese): *President, you have reminded us earlier that this question concerns options available to candidates of the last HKALE who will not have the chance to retake the examination. I surely understand that the Secretary cannot tell us unreservedly that the confusing arrangements made by the HKEAA was the cause of this problem, but he has actually indirectly*

admitted this fact. President, you may have noticed that the Secretary has, in parts (b) and (c) of his main reply, said that "we understand that there have been queries because a small number of students might have submitted belated applications or otherwise failed to submit their transcripts in accordance with the non-JUPAS application procedures set by institutions". In fact, he has admitted indirectly that there have been queries because two examinations have to be handled at the same time in one year.

I would like to ask the Secretary whether he would consider the more practical approach of asking the institutions to arrange for these candidates of the last HKALE "to be given prior admission but to be enrolled next year", so that these students do not have to use their results in the last HKALE to compete with other applicants for admission to universities next year. Is the Secretary willing to do so?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank Member for the question. Universities should be given autonomy in the admission of students and I have to act according to that principle. As I have promised Ms LEE earlier, I would relay their case to the relevant institutions, and I would make special arrangements for the students to meet with the institutions. I would like to emphasize that while I understand the problems faced by these students, there are actually various pathways open for them to consider. As I mentioned earlier, they can enrol in associate degree programmes. If they obtain good results, they can also take articulation degree programmes offered by the tertiary institutions in order to pursue their dreams of studying in universities.

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

MR ALAN LEONG (in Cantonese): *That is right, President. It is most unusual that students with 3As cannot be admitted to universities. However, in my supplementary question raised just now, I ask whether the Secretary would, in his position as the Secretary for Education, advise the universities to give prior admission to these students and enrol them next year? He has not directly answered my question.*

PRESIDENT (in Cantonese): Secretary, can you give the institutions the advice as suggested by the Member?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Member for the suggestion and I would relay the same to the institutions concerned.

MS CYD HO (in Cantonese): *President, Mr Alan LEONG has asked the question I intend to raise. These students have really become the "victims" of the change of systems. With the results that these students have obtained, they would have a very good chance to be admitted if they had applied for the disciplines of arts or history.*

May I ask the Secretary to strive for these students a chance for interview, so that they would at least be interviewed by the universities. I make this request because some universities told these students that repeaters would not be considered. That was indeed the reply directly given to these students by the universities. Therefore, I urge the Secretary to ask for a chance for these students to be interviewed on the basis of the results they have obtained this year. That would only be fair to them because they would be given a chance to be admitted to universities.

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Member for her opinion. As I have said in the main reply, we have particularly contacted the universities and they told us that they have selected students for admission in accordance with the procedures in a just and impartial manner. That is my first point.

Second, in my earlier reply to Mr LEONG, I have promised to relay the request and suggestions of Members to the universities and I would also respect the autonomy of the universities in the admission of students. I would follow up this case and relay the request.

PRESIDENT (in Cantonese): This Council has spent more than 23 minutes on this question. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Views of Former Director of Public Prosecutions Prior to His Departure from Office**

7. **MR PAUL TSE** (in Chinese): *President, the Independent Commission Against Corruption (ICAC) had reportedly indicated earlier that, due to insufficient evidence, it would not further pursue a corruption complaint against a former Executive Council Member who was suspected of having accepted a low-interest loan of \$70 million from a developer. However, the former Director of Public Prosecutions (the former Director) of the Department of Justice (DoJ) had subsequently told the media prior to his retirement that he was examining the case. He also expressed the views that it was inappropriate for the Securities and Futures Commission (SFC) to concurrently assume the roles of investigator, monitoring authority and prosecutor, and that its prosecution powers should be transferred to the DoJ. In this connection, will the Government inform this Council:*

- (a) *whether it has examined why the former Director expressed the aforesaid views on the operations of the ICAC and the SFC prior to his departure from office; if it has, of the outcome; if not, whether it will face up to the relevant views;*
- (b) *whether the incumbent Director of Public Prosecutions has followed up the aforesaid views of the former Director; if he has, of the progress; if not, the reasons for that;*
- (c) *whether it will, in the light of the former Director's views, review the criteria adopted by the ICAC for deciding whether investigation will be conducted into corruption complaints so as to enhance the transparency of the operation of the ICAC; and*
- (d) *whether it will, with reference to the former Director's views, study the transfer of the SFC's prosecution powers to the DoJ so as to maintain proper checks and balances on the functions and powers of the SFC?*

SECRETARY FOR JUSTICE (in Chinese): President,

(a) to (c)

ICAC

Insofar as the decision of the ICAC whether to commence and continue with its investigation is concerned, there is a well-established and effective procedure in place. In accordance with section 12 of the Independent Commission Against Corruption Ordinance, the ICAC Commissioner has a statutory duty to investigate pursuable allegations under the Prevention of Bribery Ordinance. All cases, including cases which are eventually classified as non-pursuable complaints, are carefully considered by the Operations Review Committee (ORC) on a regular basis. Apart from ex-officio members, the ORC comprises members who are not government officials, but are from different sectors of the community and are fully independent of the ICAC. No case, whether involving pursuable or non-pursuable allegations, will be closed by the ICAC without the endorsement of the ORC. This mechanism is well-established and has provided adequate check and balance.

There is a reference to a particular case in the preamble to this question. It is generally not appropriate for the DoJ to comment on specific complaint lodged with the ICAC, and the DoJ sees no reason to depart from this general approach with regard to the case mentioned in this question. Without commenting on the accuracy of the media report referred to in this question, the case in question had been considered by the ORC in accordance with the established procedure, and it is considered that that case does not provide any basis to question the efficacy of the aforesaid mechanism.

(d) *SFC*

Section 388(1) of the Securities and Futures Ordinance (Cap. 571) (SFO) provides that the SFC may prosecute in its own name offences created under the Ordinance and some other ordinances where the venue of trial is the Magistrates' Courts. However, section 388(3)

of the SFO makes it clear that this power on the part of the SFC does not derogate from the powers of the Secretary for Justice in respect of the prosecution of criminal offences.

The SFC's power to prosecute summary offences before the Magistrates' Court is not a new power. Prior to the enactment of the SFO, similar provisions can be found in: (i) section 148 of the (repealed) Securities Ordinance; (ii) section 114 of the (repealed) Commodities Trading Ordinance; (iii) section 62 of the (repealed) Securities and Futures Commission Ordinance; (iv) section 65 of the (repealed) Leveraged Foreign Exchange Trading Ordinance; and (v) section 49 of the (repealed) Securities (Disclosure of Interests) Ordinance. It is also pertinent to note that in the Report of the Securities Review Committee entitled "The Operation and Regulation of the Hong Kong Securities Industry" (27 May 1988) (commonly known as the Hay Davison Report), recommendation was made to enable the SFC to prosecute summary offences in its own name (see paragraphs 9.107, 9.111 and 9.112). Upon the introduction of the SFO (enacted in March 2002 and came into operation on 1 April 2003), the aforesaid legislations were consolidated and section 388 of the SFO simply retained the SFC's previous power to prosecute summary offences before the Magistrates' Court. Indeed, the current section 388 of the SFO is closely modelled on section 62 of the repealed Securities and Futures Commission Ordinance.

Besides, Hong Kong is not the only jurisdiction which empowers agencies similar to SFC to prosecute relevant offences. Other common law jurisdictions which have similar statutory provisions include Australia, New Zealand, Malaysia, Ontario (of Canada) and the United Kingdom.

As far as market misconduct cases investigated by the SFC are concerned, it is the DoJ and not the SFC which makes the prosecutorial decisions in accordance with the established and published prosecution policy prevailing from time to time (Prosecution Code). In practice, the SFC refers all market misconduct cases to the DoJ for advice on sufficiency of evidence and venue, and the DoJ will then advise the SFC in accordance with

the Prosecution Code. When appropriate, counsel of the DoJ will also prosecute the trials and appeals of those cases. Whilst the views of the SFC are taken into account and given their due weight, it is the DoJ's decision which takes supremacy.

The DoJ is fully conscious of its constitutional role under Article 63 of the Basic Law, which provides that the DoJ shall control criminal prosecutions, free from any interference. During the legislative process of section 388 of the SFO, the DoJ had considered the relationship between section 388(1) of the SFO and Article 63 of the Basic Law. Having considered the provisions of section 388(3), it was and remains the view of the DoJ that section 388(1) is not inconsistent with Article 63 of the Basic Law.

It was and still is the position of the DoJ that the SFC should at all times respect section 388(3) of the SFO and Article 63 of the Basic Law and that the power under section 388(1) of the SFO should be exercised under the overriding prosecutorial authority of the DoJ and with appropriate check and balance. For this reason, high-level communications and discussions between the DoJ and the SFC in respect of the latter's co-operation and employment of its powers with respect to the investigation and prosecution of criminal cases have been ongoing. The new Director of Public Prosecutions has taken and will continue to take an active role in the process. Throughout these communications and discussions, the DoJ stressed to the SFC that it is always important that: (1) a body with compulsory powers of investigation and a prosecutorial function exercises such function in a proper, fair and responsible manner; (2) there is full and frank accountability and in particular by an investigatory agency with other interested investigatory agencies and the prosecution service; (3) the full ambit of any criminality be fully investigated and dealt with properly; (4) a body with a regulatory and investigatory responsibility should be checked to ensure any prosecution action is done with equal measure and in an evenhanded manner to all. The Administration currently has no plan to suggest any changes to section 388 of the SFO. The DoJ will continue to work closely with the SFC to ensure that the aforesaid objectives are achieved.

Idle Government Sites and Vacant Government Premises

8. **MR WU CHI-WAI** (in Cantonese): *President, the Long Term Housing Strategy Consultation Document published in September this year recommends that the total housing supply target for the next 10 years be set at 470 000 units, with 60% of them being public housing. Moreover, there are views in the community that some of the government sites or properties currently left idle should be re-designated for public housing use. In this connection, will the Government inform this Council of:*

- (a) *the information concerning the idle government sites and properties fully owned by the Government and managed by the Government Property Agency (GPA) at present (set out in the table below);*

<i>Name (if applicable) and address of site/property</i>	<i>Use(s) of site/property specified in outline zoning plan (OZP) or rural OZP</i>	<i>Site area/land area and gross floor area (GFA) of property</i>	<i>Number of months for which the site/property has been left idle, as at the end of August 2013</i>	<i>Whether development plan for the site/property has been made and its details</i>

- (b) *the information concerning the idle government sites and properties (for example, vacant school premises) fully owned by the Government and managed by government departments other than the GPA (for example, the Education Bureau, the Housing Department) at present (set out in the table below);*

<i>Name (if applicable) and address of site/property, government department in charge</i>	<i>Use(s) of site/property specified in OZP or rural OZP</i>	<i>Site area/land area and GFA of property</i>	<i>Number of months for which the site/property has been left idle, as at the end of August 2013</i>	<i>Whether development plan has been made for the site/property and its details</i>

- (c) *the information concerning the idle government properties partly owned by the Government at present (set out in the table below);*

<i>Name and address of site/property, the holding department</i>	<i>Use(s) of property specified in OZP or rural OZP</i>	<i>GFA of property</i>	<i>Number of months for which the property has been left idle, as at the end of August 2013</i>	<i>Whether development plan has been made for the property and its details</i>

- (d) *the situation of idle civil servants quarters managed by the GPA or the Civil Service Bureau (set out in the table below); and*

<i>Name of the quarters</i>	<i>Address and number of vacant units</i>	<i>GFA of quarters</i>	<i>Number of months for which its units have been left vacant</i>	<i>Whether arrangements have been made for leasing or conversion of the units for other uses and their details</i>

- (e) *the number of properties managed by various Policy Bureaux/government departments which have been reviewed by the GPA between 2000 and 2012 in respect of their utilization, and the time required for the GPA to review such properties (set out in the table below)?*

<i>Time taken for review</i>	<i>Number of properties</i>
<i>0-6 months</i>	
<i>7-12 months</i>	
<i>13-24 months</i>	
<i>25-36 months</i>	
<i>Above 36 months</i>	

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the Government has been managing its land and properties in an efficient and cost-effective manner to optimize the use of public resources and site utilization. However, individual government sites and properties may be left temporarily vacant due to different reasons, such as pending allocation to user departments, undergoing refurbishment and renovation, being reserved for land sale or other long-term development uses. There are some dilapidated properties which are unusable. It would not be cost-effective to refurbish them. They are therefore left temporarily vacant pending demolition and return to the departments concerned for redevelopment. These sites and properties are not regarded as idle.

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

- (a) Amongst the properties wholly owned by the Government and managed by the Government Property Agency (Agency), two are idle. Details are set out at Annex I.
- (b) According to the information provided by the Development Bureau, in general, to ensure the optimal use of land before commencement of their long-term uses, the Lands Department (LandsD) will grant government sites to private and community organizations by way of Short Term Tenancies (STTs) for different temporary purposes, or to government departments through Temporary Government Land Allocation (TGLA) for uses such as temporary works sites. For those sites which have not been released as STTs or used by departments under TGLA (such as vacant school premises returned to LandsD, sites with a rather small area or having an irregular shape), the Districts Lands Offices of LandsD will provide the relevant information of these sites to District Councils, District Offices, as well as District Social Welfare Offices for interested individuals or organizations to consider applying for leasing these sites for greenery, community or other purposes under STT. This ensures all sites are put to optimal use and not left idle.
- (c) Amongst the properties partly owned by the Government, four are idle. Details are set out at Annex II.

- (d) The Government has currently about 23 800 quarters. About 0.1% of them are awaiting allocation to eligible officers or undergoing renovation/fitting-out works while the remaining have all been allocated. At present, there are no idle quarters.
- (e) During the period from 2000 to 2012, the Agency reviewed a total of 699 sites/properties occupied by government departments, with the aim of identifying under-utilized sites/properties to fully release their development potential. The Agency did not keep a record on the time taken to review each case. But generally about half of the cases were relatively simple and the reviews could be completed within two to four months. The remaining half were more complicated and the reviews could also be completed within 12 months.

Annex I

Idle Properties Wholly Owned by the Government and Managed by the Agency

<i>Name (if applicable) and address of site/property</i>	<i>Use(s) of site/property specified in OZP or rural OZP</i>	<i>Site area/land area and GFA of property (sq m)</i>	<i>Number of months for which the site/property has been left idle, as at the end of August 2013</i>	<i>Whether development plan for the site/property has been made and its details</i>
1. Davis Street Pier	No specified usage	49	96 months	No suitable user could be identified.
2. 106A Pokfulam Village	Village-type development	47	75 months	The property is affected by the structures erected around the building. The Government is exploring the feasibility of various options to make use of the property.

Idle Properties Partly Owned by the Government

<i>Name and address of site/property, the holding department</i>	<i>Use(s) of property specified in OZP or rural OZP</i>	<i>GFA of property (sq m)</i>	<i>Number of months for which the property has been left idle, as at the end of August 2013</i>	<i>Whether development plan has been made for the property and its details</i>
1. MTR Reserved Area, Basement & G/F, Chong Yip Centre, 402-404 Des Voeux Road West	The unit is situated within a residential area	Usable area on G/F : 35	369 months*	The external wall of the unit is currently used for displaying the Government's publicity messages. The legal documents for the subject development stipulate that the unit should be used as an "MTR Reserved Area", but the MTR Corporation has decided not to use it as an MTR entrance/exit. Any amendment to the prescribed usage requires consent from all the owners and their execution of the relevant legal documents.
2. MTR Reserved Area, Basement & G/F, Yat Chau International Plaza, 118 Connaught Road West	The unit is situated within a commercial area	Usable area on G/F : 40	230 months*	The external wall of the unit is currently used for displaying the Government's publicity messages. The legal documents for the subject development stipulate that the unit should be used as an "MTR Reserved Area", but the MTR Corporation has decided not to use it as an MTR entrance/exit. Any amendment to the prescribed usage requires consent from all owners and their execution of the relevant legal documents.

<i>Name and address of site/property, the holding department</i>	<i>Use(s) of property specified in OZP or rural OZP</i>	<i>GFA of property (sq m)</i>	<i>Number of months for which the property has been left idle, as at the end of August 2013</i>	<i>Whether development plan has been made for the property and its details</i>
3. Ex-Neighbourhood Police Unit, G/F, Block 3, Prime View Garden, 2 King Fung Path	The property is situated within a residential area	50	298 months	The legal documents for the subject development stipulate that the property should be used as a "Neighbourhood Police Unit". Any amendment to the prescribed usage requires consent from all owners and their execution of the relevant legal documents.
4. Ex-Police Reporting Centre, 1/F, Chevalier Garden, 2 Hang Shun Street	The property is situated within the residential area	24	234 months	The legal documents for the subject development stipulate that the property should be used as a "Police Report Centre". Any amendment to the prescribed usage requires consent from all owners and their execution of the relevant legal documents.

Note:

- * The two MTR reserved areas (items 1 and 2) have not been used as MTR entrances/exits and have remained vacant since the completion of the developments.

Impact of Recent Decision of Government of the United States not to Taper Bond Purchases or Raise Interest Rates

9. **MR FREDERICK FUNG** (in Chinese): *President, it has been reported that, contrary to market expectations, the United States Federal Open Market Committee decided at its meeting held in September this year to maintain the current monthly scale of purchasing US\$85 billion United States Treasury bonds, and did not announce any market exit plan. Most of the committee members considered that the federal funds target rate should not be raised until 2015, and the pace should not be too quick. It is therefore forecast that the interest rate will remain below 2% until the end of 2016. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed the latest impact of the decision made at the aforesaid meeting on Hong Kong's economy, including the overall economic conditions, capital flows, asset prices and inflation, and so on; if it has, of the outcome; whether the authorities will consider raising this year's forecast of the year-on-year rate of increase in the Composite Consumer Price Index (that is, the underlying inflation rate) of Hong Kong;*
- (b) *whether it has assessed if abundant liquidity and the persistently low-interest-rate environment will bring about equity and property asset bubbles, which may lead to market fluctuations; whether the authorities have drawn up contingency plans and measures to curb the inflow of hot money, with a view to stabilizing asset prices and combating speculations; and*
- (c) *of the measures the authorities have put in place in response to the short- to medium-term low-interest-rate environment to reduce the risks faced by the banking sector?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the quantitative easing by advanced economies over the past few years has flooded the global markets with excessive liquidity, with the ebb and flow of hot money increasing the risks of capital flow reversal in Asia. The US Federal Reserve (the Fed) at its meeting in mid-September decided to await more evidence on sustained local economic growth before adjusting its pace of asset purchases. Volatility in global financial markets has re-emerged as a result of the Fed's unexpected delay in tapering. While the Fed has not yet reduced its purchases, market expectations about the possibility of a pullback have already put a number of emerging markets under pressure since the middle of this year.

Currently, the United States economy's performance is mixed. Given that the United States' debt ceiling and budget issues have yet to be resolved, and the fiscal adjustments may continue to weigh on its economic growth, there is still considerable uncertainty about future market developments. Investors are strongly advised to stay alert to and guard against related risks. We, in collaboration with the regulators, will continue to closely monitor the changes in the economic environment, including those in monetary policy and the financial markets, and their potential impacts on Hong Kong.

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

- (a) Our economic fundamentals are relatively sound, underpinned by the stable financial system. Following the Fed's announcement to maintain its current monetary policy, the Hong Kong dollar exchange rate remains stable, showing no significant signs of impact from the Fed's decision on capital flows. However, it is hard to predict the future direction of capital flows, and uncertainties in the macro-environment may result in sudden swings of market sentiments. The risks of capital flow reversal, therefore, should not be taken lightly, as it could induce a rise in Hong Kong's interest rates earlier than that in the United States, posing downside risks to local asset prices.

On the price front, as international commodity prices are relatively stable and imported inflationary pressure remains tame, we expect that the effect of the Fed's decision to maintain its pace of asset purchases on Hong Kong's inflation should be minimal in the short run. As the inflation forecasts announced in mid-August (headline and underlying consumer price inflation forecasts for 2013 at 4.3% and 4% respectively) had already taken into account the uncertainties in the United States monetary policy, there is no need for adjustment at this juncture.

- (b) Changes in the United States monetary policy will affect the global economy and stock market outlook and cause a shift in capital flows amongst different markets and asset classes. The actual impact would hinge on the pace, speed and scale of the Fed's tapering of economic stimulus, as well as interest rate movements. At the moment, the Hong Kong stock market continues to function orderly.

The residential property market has been quiet in general in the past few months with a sharp fall in trading activities after the announcement of the latest demand-side management measures by the Government in late February. Raising flat supply through increasing land supply is the Government's top policy priority in ensuring a healthy and stable development of the property market. In the light of the irrational exuberant property market in recent years driven by tight residential supply, extremely low interest rates and excessive liquidity, the Government has introduced several

rounds of demand-side management measures to prevent the community from facing even greater pain should there be any adjustments caused by a change in interest rates or other external factors. The Hong Kong Monetary Authority (HKMA) is also concerned about the risks of excessive credit growth and property price bubble amid continued low interest rates and abundant interbank liquidity. To safeguard the stability of the banking system, the HKMA has introduced six rounds of counter-cyclical prudential measures to strengthen banks' mortgage underwriting standards. These measures help enhance the resilience of the banking system against possible correction in property prices.

The above demand-side management measures have yielded results which meet our policy objectives. Overall flat prices increased by 0.4% per month on average during March to August 2013, a notable deceleration from the monthly average increase of 2.7% in the first two months of 2013. It can be seen that the measures have been effective in addressing the irrational property market exuberance and have changed the unrealistic expectation that property prices could only go up. Nevertheless, given the uncertainty of the Fed's monetary policy, international fund flows and market expectations may still fluctuate and impact on asset prices, including flat prices, in Hong Kong. We will keep a close eye on the property market and make appropriate adjustments in a timely manner as and when necessary.

- (c) The HKMA has been closely monitoring the developments in local and global financial markets, and analysing relevant data to assess the possible implications on and risks to Hong Kong's banking system. There has been a substantial inflow of funds into our banking system since the global financial crisis, and the HKMA has launched a series of regulatory measures to ensure the stability of our banking system, including:
- managing the credit risk, liquidity risk and funding strategy of banks by requesting those with rapid loan growth to maintain sufficient and stable funding for such growth having regard to the business models and funding strategies of individual banks;

- requesting retail banks to increase the level of their regulatory reserves as a stronger buffer against possible deterioration in asset quality. As a result, the relevant retail banks' regulatory reserves (including their collective impairment allowances) have reached 1.4% of their total lending since the end of 2011, compared with 0.85% at the end of 2010;
- conducting regular stress tests to assess the resilience and robustness of Hong Kong's banking system as a whole as well as those of individual banks; and
- reminding banks to pay close attention to interest rate risks and the impact of interest rate movements on asset prices, their bond portfolios and their customers' repayment capacities.

We will remain vigilant against threats to the stability of our banking system and take appropriate measures as necessary.

Protection of Personal Data Accessible in Public Domain

10. **MR CHARLES PETER MOK** (in Chinese): *President, when the Government conducted a consultation in 2009 in respect of the review of the Personal Data (Privacy) Ordinance (Cap. 486) (the Ordinance), the Office of the Privacy Commissioner for Personal Data (PCPD) proposed that personal data available in the public domain should be exempted from Data Protection Principle 3 (that is, personal data should only be used for the purposes for which it was collected or for a directly related purpose), but the Government considered the proposal not well justified and did not pursue the matter. In the investigation report released by the PCPD in mid-August this year, the PCPD alleged that a mobile phone application, which enabled users to search litigation and bankruptcy data in a database formed by consolidating data available in the public domain, had seriously invaded the privacy of the data subjects. Some members of the information technology (IT) industry have relayed to me that it is necessary to review the legislation on the use of data available in the public domain, as it has failed to keep up with technological developments. Meanwhile, the Government has developed 62 mobile applications to provide services to the public, and those applications also involve access to users' data. In this connection, will the Government inform this Council:*

- (a) *whether it knows if the PCPD has consulted the personnel and bodies of the IT industry in formulating "the Guidance on the Use of Personal Data Obtained from the Public Domain" (the Guidance) to ensure that the Guidance is practicable; if the PCPD has, of the details; if not, the reasons for that;*
- (b) *given that making public sector information (PSI) widely available and providing PSI for free re-use to facilitate the development of online services and mobile applications have been proposed in the public consultation document on 2014 Digital 21 Strategy, whether the authorities have discussed with the PCPD about the formulation of guidelines to help the IT industry to avoid invading personal privacy when using PSI; if they have, of the details; if not, the reasons for that;*
- (c) *given the privacy legislation in some countries (such as Singapore and New Zealand) has made certain exemptions for the use of data available in the public domain, whether the authorities will review (i) the definition of "data available in the public domain", (ii) the scope of exemptions from the data protection principles, and (iii) the (explicit or implicit) purposes of making data publicly available when the Ordinance came into effect in 1996; if they will, of the details; if not, the reasons for that;*
- (d) *whether it knows if the PCPD has conducted sample checks on the ways that personal data are used by the mobile applications developed by government departments; and if the PCPD has requested various government departments (and their agents) to develop the applications concerned in accordance with "Personal data privacy protection: what mobile apps developers and their clients should know"; if the PCPD has, of the details; if not, the reasons for that; and whether the Government has assessed the potential risks posed by its mobile applications to the privacy of users and implemented corresponding measures; if it has, of the details; if not, the reasons for that; and*
- (e) *whether mobile applications developed by various government departments (and their agents) have accessed users' data (including unique phone identifier, location data, account information for accessing the applications, the applications running on the mobile*

phone, camera/microphone function of mobile phones, SMS/MMS messages, call logs, address book, calendar details, and so on), with a breakdown of the types of personal data accessed by the name of the mobile application; whether various government departments (and their agents) have prepared privacy policy statements that are easy to find and understand, so that when users download the applications, clear explanations are given as to whether the data on the users' phones will be accessed by the applications and the purposes thereof, the types of data to be accessed and the ways that such data will be accessed; how the departments concerned (and their agents) handle the data which are personally identifiable and those which are not?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, the purpose of Data Protection Principle 3 of the Ordinance is to protect the personal data of the data subject from being used in purposes not expected originally. Data Protection Principle 3 stipulates that personal data shall not, without the prescribed consent of the data subject, be used for any purpose other than the purpose for which the data were to be used at the time of the collection of the data or for any purpose other than the directly related purpose.

In consultation with the relevant Policy Bureaux and organizations, the reply to the different parts of the question is as follows:

- (a) According to information provided by the PCPD, the aim of the Guidance issued by the PCPD on 13 August 2013 is to assist data users in complying with the requirements under the Ordinance, in particular, the Data Protection Principles. The Guidance is intended to serve as a general reference to data users when they collect and use personal data in the public domain but not for any particular industry; accordingly, the PCPD has not consulted any particular industry when formulating the Guidance. That said, the PCPD will review all the guidelines issued from time to time and welcome the views and responses from various industries. After issuing the Guidance, the PCPD has organized a seminar for the IT industry on 30 August 2013 to explain to the participants how the Guidance and the Ordinance apply to mobile applications.

- (b) The Administration launched a PSI portal, "Data.One" <<data.one.gov.hk>>, in 2011 to provide PSI in digital format for free use. The purpose is to facilitate the development of online services and mobile applications by stimulating creativity and tapping community wisdom, thereby bringing convenience to citizens, facilitating businesses and supporting academic researches. Thus far, 14 categories of datasets are available on the portal, including road traffic information, air pollution indices, weather data, geo-referenced public facility data, population census statistics, property market statistics, and so on. The data released on the portal do not involve personal privacy.

In the 2014 Digital 21 Strategy public consultation document, the Administration proposes to make Government information already released for public consumption available in digital format by default, with a view to facilitating use by the general public. As the data which is already released for public consumption do not involve personal privacy, the issue of personal privacy infringement does not arise.

- (c) The Administration has conducted a full-scale review of the Ordinance in 2009-2010 and a public consultation exercise has been conducted. One of the issues under review and on which the public were consulted is the areas of exemption under the Ordinance, in particular whether personal data available in the public domain should be exempted from Data Protection Principle 3. The PCPD proposed the Administration to consider providing for a new exemption from Data Protection Principle 3 for personal data available in the public domain. The Administration considered that the proposal could result in abuse in the use of information available in the public domain, such as improper use of personal data available on the Internet arising from data leakage incidents. Therefore the Administration did not see a case to take this proposal forward and consulted the public along this line. Among the views received, only a few expressed views on this proposal. They either opined that the exemption proposal should not be pursued or had no comment on the proposal. As a result, the Administration did not include this exemption in the Personal Data (Privacy) (Amendment) Bill 2011 submitted to the Legislative Council in 2011. When the

Bill was discussed by the Legislative Council, no exemption proposal was made.

In addition, while the Administration noted that some jurisdictions have provided an exemption, some others such as the personal data protection laws in the United Kingdom and Australia do not provide for public domain exemption. We do not have any plan to conduct a further review for the time being.

- (d) The Office of the Government Chief Information Officer (OGCIO) has formulated relevant guidelines on the development of mobile applications, requiring bureaux/departments (B/Ds) concerned to strictly adhere to the Ordinance and the relevant guidelines issued by the PCPD during the development process. When developing a mobile application that involves personal data, B/Ds should conduct privacy impact assessment and adopt corresponding measures to safeguard personal data privacy.

In order to let B/Ds have a more thorough understanding of the protection of personal data privacy in the development of mobile applications, the PCPD representatives briefed B/Ds in a seminar organized by the OGCIO in 2012.

On 21 November 2012, the PCPD issued an information leaflet "Personal data privacy protection: what mobile apps developers and their clients should know", with regard to the protection of personal data by smartphone applications. The OGCIO has also uploaded the leaflet to the intranet for reference by all B/Ds.

In response to a joint endeavour of the Global Privacy Enforcement Network, the PCPD conducted a random cursory survey on privacy policy jointly with the privacy enforcement authorities from 18 regions on 6 May 2013 to review the transparency of privacy policies of data users operating on the Internet or mobile applications. Sixty smartphone applications have been surveyed by the PCPD of which four were developed by or commissioned to be developed by B/Ds. The survey result has been published on the PCPD's website.

- (e) The details on the types of data accessible by mobile applications developed by B/Ds (or their agents) are set out at the Annex.

If an application developed by a B/D involves collection or use of personal data, the B/D concerned will adhere to the provisions of the Ordinance and prepare a privacy policy statement to explain whether the data on the users' phones will be accessed by the application, the purposes thereof, the types of data to be accessed and the ways that such data will be accessed. In order to enhance the transparency of the applications, the OGCIO encourages B/Ds to follow the guidelines of the PCPD to prepare a privacy policy statement even where collection or use of personal data is not involved.

Annex

B/Ds	Mobile Applications	Types of data accessed								
		Unique phone identifier	Location data	Account information for accessing the applications	The applications running on the mobile phone	Camera/microphone function of mobile phones	SMS/MMS messages	Call logs	Address book	Calendar details
Agriculture, Fisheries and Conservation Department	Hong Kong Wetland Park	X	✓	X	X	✓	X	X	X	X
Agriculture, Fisheries and Conservation Department	Enjoy Hiking	X	✓	X	X	X	X	X	X	X
Agriculture, Fisheries and Conservation Department	Hong Kong Geopark	X	✓	X	X	✓	X	X	X	X
Agriculture, Fisheries and Conservation Department	Reef Check Hong Kong	X	X	X	X	X	X	X	X	X
Agriculture, Fisheries and Conservation Department	Country Parks Tree Walks	X	✓	X	X	✓	X	X	X	X
Agriculture, Fisheries and Conservation Department	Forester	X	X	X	X	X	X	X	X	X
Architectural Services Department	Architour	✓	✓	X	X	X	X	X	X	X
Constitutional and Mainland Affairs Bureau	《基本法》保衛戰	✓	X	X	X	X	X	X	X	X
CreateHK	Inspiration Sparks HK	X	✓	X	X	✓	X	X	X	X

B/Ds	Mobile Applications	Types of data accessed										
		Unique phone identifier	Location data	applications the	Account information for accessing	The applications running on the mobile phone	function of mobile phones	Camera/microphone	SMS/MMS messages	Call logs	Address book	Calendar details
Development Bureau	Build Up Hero	X	X	✓		X	X	X	X	X	X	X
Development Bureau	Tree & Landscape Map	X	✓	X		X	X	X	X	X	X	X
Department of Health	Quit Smoking App	✓	X	X		X	X	X	X	X	X	X
Department of Health	Snack Nutritional Classification Wizard	X	X	X		X	X	X	X	X	X	X
Department of Health	IMPACT	X	X	X		X	X	X	X	X	X	X
Department of Health	Primary Care Directory	X	✓	X		X	X	X	X	X	X	X
Department of Health	Framework@PC	X	X	X		X	X	X	X	X	X	X
Drainage Services Department (DSD)	DSD Connect	X	X	X		X	X	X	X	X	X	X
Education Bureau	Applied Learning App (ApL)	X	X	X		X	X	X	X	X	X	X
Education Bureau	e-Navigator	X	X	X		X	X	X	X	X	X	X
Education Bureau	ETV	✓	X	X		X	X	X	X	X	X	X
Education Bureau	Beyond Campus	X	✓	X		X	✓	X	X	X	X	X
Education Bureau	悅文 —— 文選 · 語譯	X	X	X		X	X	X	X	X	X	X
Education Bureau	Group Wizard — a lucky draw and grouping tool	X	X	X		X	X	X	X	X	X	X
Education Bureau	QEF ebook App	X	X	X		X	X	X	X	X	X	X
Efficiency Unit	Tell me@1823	X	✓	X		X	✓	X	X	X	X	X
Efficiency Unit	Youth.gov.hk	✓	✓	X		X	X	X	X	X	X	X
Efficiency Unit	Where is Dr Sun?	X	✓	X		X	✓	X	X	X	X	X
Food and Environmental Hygiene Department	Nutrition Calculator	X	X	X		X	X	X	X	X	X	X
Food and Environmental Hygiene Department	Food Safety Charter	X	X	X		X	X	X	X	X	X	X
Economic Analysis and Business Facilitation Unit, Financial Secretary's Office	Business Consultation e-Platform	X	X	X		X	X	X	X	X	X	X
Home Affairs Bureau	18 Handy Tips for Family Education	X	X	X		X	X	X	X	X	X	X
Home Affairs Bureau	M Mark Events App	X	X	X		X	X	X	X	X	X	X
Home Affairs Bureau	MMIS Viewer	X	X	X		X	X	X	X	X	X	X
Hong Kong Observatory	MyObservatory	X	✓	X		X	X	X	X	X	X	X
Hong Kong Observatory	MyWorldWeather	X	✓	X		X	X	X	X	X	X	X

B/Ds	Mobile Applications	Types of data accessed								
		Unique phone identifier	Location data	applications the	Account information for accessing the mobile phone	The applications running on the mobile phone	Camera/microphone function of mobile phones	SMS/MMS messages	Call logs	Address book
Hong Kong Observatory	iCWeatherOS	✓	✓	X	X	✓	X	X	X	X
Hong Kong Police Force	Hong Kong Police Mobile App	X	✓	X	X	X	X	X	X	X
Post Office	Hongkong Post	✓	✓	X	X	✓	X	X	X	X
Intellectual Property Department	"No Fakes Pledge" Shop Search	X	✓	X	X	X	X	X	X	X
Information Services Department	news.gov.hk	X	X	X	X	X	X	X	X	X
Information Services Department	This is Hong Kong	X	✓	✓	X	✓	X	X	X	X
Information Services Department	Hong Kong Yearbook 2011	X	X	X	X	X	X	X	X	X
Innovation and Technology Commission	Mcmug X ITC	X	X	X	X	X	X	X	X	X
Leisure and Cultural Services Department	HKMA Outdoor Sculpture Guide	X	✓	X	X	X	X	X	X	X
Leisure and Cultural Services Department	New Vision Arts Festival 2012	X	X	X	X	X	X	X	X	X
Leisure and Cultural Services Department	My Culture	X	✓	X	X	X	X	X	X	X
Leisure and Cultural Services Department	Chinese Opera Festival 2013	X	X	X	X	X	X	X	X	X
Leisure and Cultural Services Department	Bruce Lee: Kung Fu • Art • Life	X	X	X	X	✓	X	X	X	X
Leisure and Cultural Services Department	Fitness Walking	X	✓	X	X	X	X	X	X	X
Leisure and Cultural Services Department	World Cultures Festival 2013 — Lasting Legacies of Eastern Europe	X	X	X	X	X	X	X	X	X
Labour Department	Interactive Employment Service	✓	X	X	X	X	X	X	X	X
Labour Department	Work Safety Alert	X	X	X	X	X	X	X	X	X
Lands Department	GeoMobile Map Hong Kong	X	✓	X	X	X	X	X	X	X
Office of the Communications Authority (OFCA)	OFCA Broadband Performance Test	✓	✓	X	X	X	X	X	X	X
OGCIO	GovHK Apps	X	X	X	X	X	X	X	X	X
OGCIO	GovHK Notifications	X	X	X	X	X	X	X	X	X
OGCIO	EventHK	X	✓	X	X	X	X	X	X	X
OGCIO	e-Auth	X	X	X	X	X	X	X	X	X
Planning Department	City Gallery	X	✓	X	X	X	X	X	X	X

B/Ds	Mobile Applications	Types of data accessed								
		Unique phone identifier	Location data	applications for accessing the Account information for accessing the mobile phone	The applications running on the mobile phone	Camera/microphone function of mobile phones	SMS/MMS messages	Call logs	Address book	Calendar details
Radio Television Hong Kong (RTHK)	RTHK On The Go	✓	X	X	X	X	X	X	X	X
RTHK	Cat's World	X	X	X	X	✓	X	X	X	X
RTHK	RTHK Lens	X	X	X	X	✓	X	X	X	X
RTHK	RTHK thumb	X	X	X	X	X	X	X	X	X
RTHK	RTHK node	X	X	X	X	X	X	X	X	X
RTHK	RTHK Prime	X	X	X	X	X	X	X	X	X
RTHK	I want to be a LegCo Member	✓	X	X	X	X	X	X	X	X
RTHK	Chinese History — the Flourishing Age	X	X	X	X	X	X	X	X	X
RTHK	RTHK Cube	✓	X	X	X	X	X	X	X	X
Social Welfare Department	Senior Citizen Card Scheme	X	X	X	X	X	X	X	X	X
Social Welfare Department	Let Them Shine Gourmet	X	✓	X	X	X	X	X	X	X
Transport Department	HKeTransport	X	✓	X	X	X	X	X	X	X
Transport Department	HKeRouting	X	✓	X	X	X	X	X	X	X

Notes:

✓ Type of data accessed

X Type of data not accessed

Demolition of Structures Containing Asbestos Materials

11. **MR CHRISTOPHER CHUNG** (in Chinese): *President, regarding the demolition of structures containing asbestos materials, will the Government inform this Council:*

- (a) *whether it knows the number of buildings with structures containing asbestos materials throughout the territory at present, with a breakdown by the 18 District Council districts;*
- (b) *whether it has set a timetable for demolishing structures containing asbestos materials, and when all such structures are expected to be demolished;*
- (c) *of the number of owners who have applied for subsidies under assistance schemes such as the Integrated Building Maintenance Assistance Scheme, the Building Maintenance Grant Scheme for*

Elderly Owners or the Comprehensive Building Safety Improvement Loan Scheme since 2011 for carrying out works which involved demolishing structures containing asbestos materials;

- (d) given the legal requirement that a registered asbestos consultant or a registered asbestos contractor must be engaged to carry out works involving asbestos-containing materials, of the respective numbers of such consultants and contractors in Hong Kong at present; whether it has assessed if the numbers are sufficient;*
- (e) of the number of persons prosecuted for breaching the legal requirement stated in part (d) in the past five years, as well as the penalties imposed in general on persons convicted by the courts;*
- (f) of the number of cases in which prosecution was instituted against illegal disposal of asbestos waste in the past five years, as well as the penalties imposed in general on persons convicted by the courts; the number of asbestos contractors who were prosecuted in such cases; and*
- (g) as some members of the construction industry have pointed out that all works involving asbestos-containing materials are presently regulated by the Air Pollution Control Ordinance (Cap. 311) (APCO), which is enforced by the Environmental Protection Department (EPD), but these works also involve issues such as labour safety and works supervision, whether the authorities have assessed if the regulation of such works is comprehensive at present in the absence of co-ordination and supervision by the Labour Department and the Buildings Department (BD); whether the Government has any plan to review and improve the aforesaid ordinance in the light of the issues in question, so as to enhance the safety of such works?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, my replies to the seven parts of the question are as follows:

- (a) Before the 1980s, the use of asbestos containing materials (ACM) in buildings was very common. Corrugated asbestos cement sheets

were used in many canopies and rooftop structures in old buildings for shading and heat insulation purpose. Corrugated asbestos cement sheets, if in good condition, will not release asbestos fibres and thus pose no health risks to the residents or the public. As the presence of ACM can only be ascertained after sampling and testing, and some such material may be concealed inside building structure and service installations and are not easily found and accessible, its presence can only be ascertained after assessment on the spot by a registered asbestos consultant. As such, the Government currently does not have overall data on buildings in Hong Kong with ACM.

- (b) Undisturbed structures with ACM, if in good condition, will not release asbestos fibres. The best way to handle structures with ACM is to maintain them in good condition and there is no need to carry out demolition unnecessarily. Therefore, there is no need to set a time table now for the demolition of all such structures in Hong Kong.
- (c) Neither the Comprehensive Building Safety Improvement Loan Scheme administered by the BD nor the Building Maintenance Grant Scheme for Elderly Owners administered by the Hong Kong Housing Society (HKHS) has a breakdown of the loan applications relating to the demolition works of buildings with ACM. Since the launch in 2011 of the Integrated Building Maintenance Assistance Scheme administered by the HKHS and the Urban Renewal Authority, a total of eight Home Renovation Interest-free Loan applications involving the demolition works of buildings with ACM have been received.
- (d) As at 1 October this year, there are 38 registered asbestos consultants and nine registered asbestos contractors in Hong Kong. The number of registered asbestos professionals is determined by market demand. The above number of registered asbestos professionals should be able to meet the current local demand for asbestos removal works.
- (e) Under sections 73, 77 and 79 of the APCO, if the relevant person fails to give written notice to the EPD before the commencement of the asbestos abatement work, engage a registered asbestos contractor

or comply with the requirements of the asbestos abatement notice issued by the EPD while carrying out relevant work, he is liable to a maximum fine of \$200,000 and six months of imprisonment. The EPD has been working closely with the BD to identify the target premises in those old buildings with planned demolition works for follow-up inspection. Moreover, the EPD will handle complaints from the public and the industrial sector promptly. Once illegal asbestos works are identified, the EPD will initiate prosecution. In the past five years, the number of prosecutions instituted by the EPD under the APCO for failing to engage an asbestos consultant or registered asbestos contractor to carry out asbestos abatement works, as well as the fine imposed by the court are as follows:

<i>Year</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Number of Cases	86	68	54	48	35
Maximum Fine (HK\$)	10,000	6,000	20,000	12,000	10,000
Annual Average Fine (HK\$)	2,944	2,827	4,452	3,670	5,154

- (f) The number of prosecutions by the EPD in the past five years indicates one case of illegal disposal of asbestos waste in 2009, but the prosecution did not lead to any conviction. The case did not involve any registered asbestos contractor.
- (g) Works involving ACM are regulated by the APCO, and the EPD is responsible for enforcement of the APCO. Premises owners are required to engage registered asbestos consultants to carry out investigation on any intended works that may involve ACM and submit asbestos abatement plans to the EPD before the works commence.

Asbestos abatement works are in parallel regulated by the Factories and Industrial Undertakings Ordinance (Cap. 59) (F&IUO) to safeguard the occupational safety and health of workers engaged in asbestos works. While carrying out such works, all asbestos contractors and their workers must comply with the statutory requirements, the codes of practice for safety and health at work and the practical guidance issued by the Labour Department. These

include contractors' obligation to adopt control measures and provide personal protective equipment at site as well as the hiring of competent persons to oversee the effective implementation of these measures.

The APCO aims to protect the environment and the public who are not involved in the relevant works while the F&IUO aims to protect the contractors and their workers associated with the relevant works. The two ordinances exert controls in two different areas.

In addition, the BD also issues a practice note to authorized persons, registered structural engineers, registered geotechnical engineers and registered contractors respectively to require them to follow the relevant statutory provisions to adopt control and abatement measures while removing ACM from existing buildings. When the BD issues a clearance order against unauthorized building works (UBW), a pamphlet "Asbestos Removal of Unauthorized Building Works" published by the EPD will be enclosed to remind the owners to properly handle and demolish the UBW with ACM. If a large scale operation by the BD may target building works involving ACM, it will provide the EPD with information on the relevant target buildings to facilitate the EPD's follow-up action accordingly. As the regulatory arrangement for asbestos removal works has been effective, the Government considers there is no need to make any change.

Waiting Time for Cataract Surgeries in Public Hospitals

12. **MR WONG YUK-MAN** (in Chinese): *President, quite a number of elderly persons have complained to me that the waiting time for cataract surgeries in public hospitals is exceedingly long, and that some patients who were registered in 2008 are still waiting for the surgeries. In this connection, will the Government inform this Council:*

- (a) *whether it will ask the Hospital Authority (HA) to allocate additional resources for the Cataract Surgeries Programme (CSP) to increase the number of subvented places each year, with a view to shortening*

the waiting time for cataract surgeries in public hospitals; if it will, of the details; if not, the reasons for that; and

- (b) *given that the HA has set up cataract centres in Hong Kong West Cluster and Kowloon East Cluster respectively, resulting in a drastic reduction of the waiting time for cataract surgeries in those two clusters, whether it knows if the HA will implement similar initiatives in Kowloon West Cluster (KWC)?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, since the prevalence of cataract increases with age, it is expected that the demand for cataract surgery will continue to grow with the ageing population. In 2009, eye specialist out-patient clinics under the HA put in place measures to prioritize cataract patients on the waiting list for surgery based on the urgency of their clinical conditions. For urgent cases, such as patients with both eyes suffering from cataract and with dense whitish and brownish cataract, surgery will be arranged within two months. For patients with special occupational needs or very poor vision in one eye, surgery will be arranged within 12 months. For patients who are in relatively stable clinical conditions and have better vision, follow-up consultations at eye specialist out-patient clinics will be arranged to monitor their development on a regular basis while they are waiting for surgery.

Apart from prioritizing surgery according to the urgency of the clinical conditions of cataract patients and introducing in 2008 the CSP, the HA has set up cataract centres in Grantham Hospital and Tseung Kwan O Hospital in 2009 and 2011 respectively with a view to increasing the number of surgery. Meanwhile, the HA has allocated additional resources to various clusters to increase the number of cataract surgery. The number of cataract surgery performed has increased from about 17 000 in 2008-2009 to about 28 000 in 2012-2013 while the notional waiting time⁽¹⁾ has been shortened from 44 months in 2009 to 15 months in 2013. Moreover, the HA has uploaded the notional waiting time for cataract surgery in various clusters on the HA's website since April 2013, so that patients may know how long they need to wait in different clusters. Should patients want to receive treatment earlier, they may discuss

(1) The notional waiting time is calculated on the basis of the number of patients on the waiting list and the monthly average number of surgery performed over the past 12 months (for example, if there are 12 000 patients waiting for cataract surgery in a hospital cluster, and the monthly average number of surgery performed over the past 12 months is 1 000, then the notional waiting time will be 12 months or one year).

with their doctors to see whether it is suitable for them to transfer to another hospital under the HA where the waiting time for cataract surgery is shorter.

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

- (a) Since the introduction of CSP in 2008, over 14 600 cataract operations have been performed. The Administration has allocated the necessary resources to the HA to implement CSP by providing subsidies to patients to undertake cataract surgery in the private sector up to 2018. The HA will closely monitor the situation and, where necessary, take appropriate measures to further enhance the Programme having regard to the growing service demand.
- (b) At present, the HA does not have plan to set up a cataract centre in the KWC. In fact, the HA has allocated additional resources to KWC, enabling the number of cataract surgery to increase from 2 076 in 2008-2009 to 2 318 in 2012-2013. Among those patients waiting for cataract surgery in KWC, 1 529 have participated in CSP.

In the future, the HA will continue to implement CSP under a Public-Private Partnership delivery model, with a view to providing sufficient subsidized places to meet the demand of cataract surgery services in Kowloon West and also to the entire territory. The KWC Ophthalmology Department will keep on enhancing the transparency of its services to facilitate patients to transfer, under appropriate circumstances, to other clusters where the waiting time for treatment is shorter. The HA will continue to monitor closely the waiting list for cataract surgery in KWC and take suitable measures so as to provide quality healthcare services for patients.

Issuance of Employment Visas to Foreign Domestic Helpers and Regulation of Intermediaries for Foreign Domestic Workers

13. **MR ALAN LEONG** (in Chinese): *President, in his reply to a question from a Member of this Council on 3 July this year, the Secretary for Labour and Welfare said that the Immigration Department (ImmD) had all along been assessing employment visa applications from foreign domestic helpers (FDHs) in a serious manner. He also said that if the applicant was suspected to have any*

adverse records or breaches, including abuse of the employment arrangement for FDHs, the ImmD would consider refusing the application based on individual circumstances. The ImmD had 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 would be refused if the abuse was substantiated. Also, in his reply to a question on intermediaries for FDHs (intermediaries) on 4 July last year, the Secretary for Labour and Welfare reassured Members that the Labour Department would step up surprise inspections to the intermediaries concerned and investigate if they had breached the Employment Ordinance (Cap. 57) and Employment Agency Regulations (Cap. 57 sub. leg. A). In connection with the ImmD's assessment of FDHs' employment visa applications and regulation of intermediaries, will the Government inform this Council:

- (a) *of the number of FDHs' employment visa applications rejected by the ImmD in each of the past five years, together with a breakdown by reason (for example, involving "adverse records", "breaches" or "abuse of the employment arrangement for FDHs");*
- (b) *of the respective numbers of FDHs' employment visa applications received by the ImmD in each of the past five years; and among such applications, of the number of applications involving FDHs who had prematurely terminated their employment contracts with their former employers for (1) one to three times and (2) four times or more, and the numbers of applications rejected (as set out in the table below);*

	2009	2010	2011	2012	2013 (up to 30 September)
<i>Number of employment visa applications from FDHs</i>					
<i>(1) those involving FDHs who had prematurely terminated their employment contracts with their former employers for one to three times:</i>					
<i>(i) number of applications made</i>					
<i>(ii) number of applications rejected</i>					

	2009	2010	2011	2012	2013 (up to 30 September)
(2) those involving FDHs who had prematurely terminated their employment contracts with their former employers for four times or more:					
(i) number of applications made					
(ii) number of applications rejected					

- (c) of the number of FDHs currently working in Hong Kong who had prematurely terminated their employment contracts with their former employers, together with a breakdown by the frequency of premature contract termination (as set out in the table below);

	Number of FDHs
Currently working in Hong Kong and had prematurely terminated contracts with their previous employers	
Frequency of premature contract termination within 12 months	
(i) once	
(ii) twice	
(iii) thrice	
(iv) four times	
(v) five times or more	

- (d) as it has been reported that at present, quite a number of FDHs do not return to their places of domicile after premature termination of employment contracts with their employers, but instead they go to the neighbouring regions (for example, Macao) for a brief stay and then re-enter Hong Kong, whether the Government has explored requiring FDHs previously worked in Hong Kong who have now applied for employment visas again to provide proof of entry to their places of domicile when processing their applications; if it has, of the details; if not, the reasons for that;

- (e) *of the respective numbers of cases in which the authorities refused to issue a licence to, or renew the licence of, as well as revoked the licence of, an intermediary pursuant to section 53 of the Employment Ordinance, in each of the past five years, together with a breakdown by the reason for the decision; and*
- (f) *of the number of complaints received by the authorities in each of the past five years which involved intermediaries seeking from FDHs rewards other than the prescribed commission, thus constituting an alleged breach of section 57 of the Employment Ordinance, and the number of convictions among the relevant cases?*

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

- (a) From 2009 to September 2013, the ImmD rejected a total of 1 211 entry visa applications for employment as FDH. Details are given in the table below:

<i>Year</i>	<i>Number of entry visa applications for employment as FDH rejected</i>
2009	82
2010	142
2011	278
2012	345
2013 (January to September)	364
Total	1 211

The ImmD does not keep a breakdown of the reasons for rejecting the applications.

- (b) From 2009 to September 2013, the ImmD received 474 538 entry visa applications for employment as FDH. Details are given in the table below:

<i>Year</i>	<i>Number of entry visa applications for employment as FDH</i>
2009	89 424
2010	101 082
2011	104 138
2012	105 955
2013 (January to September)	73 939
Total	474 538

The ImmD does not keep a breakdown of the figures of premature termination of employment contract.

- (c) The ImmD does not maintain the relevant statistics.
- (d) Under the existing policy, FDHs must leave Hong Kong upon completion of their contract or within two weeks from the date of termination of their contract, whichever is the earlier. Application by FDHs for change of employer within their two-year contract in Hong Kong will not normally be approved save for exceptional circumstances, for example, if the FDH's contract is terminated on grounds of transfer, migration, death or financial reasons of the ex-employer, or if there is evidence suggesting that the FDH has been abused or exploited. If the FDH wishes to enter into an employment contract with a new employer, he/she must leave Hong Kong and submit a new employment visa application to the ImmD. In assessing applications for change of employer after premature contract termination, the ImmD will ensure that the FDH concerned has departed Hong Kong before an employment visa will be issued. In the light of the huge demand for FDHs in Hong Kong, the ImmD often receives employers' requests to expedite processing of their FDHs' employment visas. On the other hand, FDHs whose previous contracts have been terminated owing to various reasons also wish to resume employment as soon as possible to make ends meet. As a measure to facilitate both parties, the ImmD adopts a flexible approach in handling the requirement imposed on FDHs that they have to return to their places of domicile upon termination of their contracts.

The ImmD is concerned about possible abuse of premature contract termination arrangements by FDHs, and has adopted a corresponding measure to address the issue by tightening the assessment of employment visa applications of FDHs who change employers repeatedly. Under the new measure, the ImmD will, in assessing the employment visa applications of FDHs, closely scrutinize their case details such as the number of and reasons for premature contract termination within 12 months with a view to detecting any abuse of the arrangements for premature contract termination. If the ImmD suspects that there is abuse, the application will be refused. Also, if it is found that the premature contract termination is due to the employer's non-compliance with contractual terms or abuse/exploitation of FDHs, future applications for the employment of FDHs from these employers will be refused. In the past three months or so, the ImmD has refused 90 employment visa applications which were suspected to involve abuse of the arrangements for premature termination of contract. The ImmD believes that the new measure will help deter such abuse and will review its effectiveness from time to time.

- (e) In the past five years, the number of employment agencies (EAs), and the reasons for which their licences were refused for issuance/renewal, or revoked by the Labour Department (LD) pursuant to section 53 of the Employment Ordinance, are set out below:

<i>Year</i>	<i>Number of EAs with their licences refused for issuance/renewal or revoked</i>	<i>Reason(s)</i>
2009	3	<ul style="list-style-type: none"> - Two were convicted of overcharging commission; - One was because, within the preceding five years, its licensee was convicted of an offence against the person of a child, young person or woman or of an offence involving membership of a triad society, fraud, dishonesty or extortion.

<i>Year</i>	<i>Number of EAs with their licences refused for issuance/renewal or revoked</i>	<i>Reason(s)</i>
2010	1	The EA concerned was convicted of overcharging commission.
2011	3	<ul style="list-style-type: none"> - One was convicted of overcharging commission; - One was convicted of unlicensed operation; - One was because, within the preceding five years, its licensee was convicted of an offence against the person of a child, young person or woman or of an offence involving membership of a triad society, fraud, dishonesty or extortion.
2012	2	<ul style="list-style-type: none"> - One was convicted of overcharging commission; - One was because, within the preceding five years, its licensee was convicted of an offence against the person of a child, young person or woman or of an offence involving membership of a triad society, fraud, dishonesty or extortion.
2013 (January to September)	3	<ul style="list-style-type: none"> - Two were because, within the preceding five years, their licensees were convicted of an offence against the person of a child, young person or woman or of an offence involving membership of a triad society, fraud, dishonesty or extortion; - One was because the Commissioner for Labour was satisfied on reasonable grounds that the licensee of the EA concerned was not a fit and proper person to operate the EA.

- (f) In the past five years, the number of complaints received by the LD which involved EAs seeking from FDHs rewards other than the prescribed commission and the relevant number of convictions is set out below:

	2009	2010	2011	2012	2013 (January to September)
Number of complaints involving EAs seeking from FDHs rewards other than the prescribed commission	54	50	54	44	82
Number of convicted summonses	5	3	1	1	0

Measures to Facilitate Use of Guide Dogs

14. **MR CHAN HAK-KAN** (in Chinese): *President, some local organizations providing services of guide dogs have conveyed to me that while the use of guide dogs by the visually impaired is very common in foreign countries, only a handful of trained guide dogs are in service in Hong Kong at present even though it is estimated that as many as 400 visually impaired persons are fit to use guide dogs. Moreover, there is a lack of qualified professional guide dog trainers in Hong Kong. In addition, under the existing legislation, guide dogs under training (guide dog puppies) are not allowed to enter indoor public venues or take any means of public transport, and therefore they are unable to receive comprehensive localized training. In this connection, will the Government inform this Council:*

- (a) *whether the authorities will consider establishing a registration system for guide dogs (for example, by adding fields containing data on guide dogs/guide dog puppies to the chips implanted in dogs), compiling a central register of qualified guide dogs/guide dog puppies, and setting up a licensing and assessment system for guide dog trainers and users; if they will, of the implementation schedule; if not, the reasons for that;*

- (b) *given the comment that as the households of public rental housing (PRH) estates, Home Ownership Scheme (HOS) courts and some private housing estates are not allowed to keep dogs, guide dog puppies may not be kept in the flats of such estates/courts, thus making them difficult to fully adapt to the living environment of Hong Kong in future, whether the authorities will consider relaxing the relevant stipulations to allow households of PRH estates and HOS courts to keep guide dog puppies; whether the authorities will promote the inclusion of a clause allowing households to keep guide dog puppies in the deeds of mutual covenant of private buildings;*
- (c) *given the stipulation in the Disability Discrimination Ordinance (Cap. 487) (the Ordinance) that it is unlawful for a person to discriminate against another person with a disability by refusing to allow that other person access to, or the use of, any premises that the public may enter or use, or by refusing to allow that other person the use of any facilities in such premises, whether the authorities will consider extending the relevant provisions to cover people with guide dog puppies in company, in order to facilitate the provision of localized training to guide dog puppies; whether the authorities will step up publicity and public education on the relevant provisions;*
- (d) *given that some guide dog service providers plan to introduce more guide dogs into service but currently there is no specialized dog training centre in Hong Kong, whether the authorities will consider allocating land free of charge to subsidize such service providers for the construction of a dog training centre; if so, of the details; if not, the reasons for that; and*
- (e) *whether it has looked into the concrete results of the "pilot training scheme for guide dog users"; whether it has drawn experience from the scheme; whether the Government will provide more support to those organizations implementing the scheme, and support the continuous and full-fledged implementation of the scheme, with a view to enabling more visually impaired persons in need to benefit from the scheme?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the questions raised by Mr CHAN Hak-kan is as follows:

- (a) At present, any person who keeps a dog over the age of five months must have the dog micro-chipped and vaccinated against rabies, and obtain a licence in respect of the dog from the Director of Agriculture, Fisheries and Conservation under the Rabies Regulation (Cap. 421A) (the Regulation). The Regulation is made for the prevention and control of rabies and is designed to safeguard public health and safety. By enforcing the requirements for licensing, the Agriculture, Fisheries and Conservation Department manages and controls the keeping of dogs to safeguard public health and safety.
- (b) PRH estates have all along been built on multi-storey design. Keeping dogs in densely populated PRH estates not only leads to noise nuisance but also generates hygiene problem. For these reasons, tenants are not allowed to keep dogs without the permission of the Housing Department (HD).

However, if a tenant with visual or hearing impairment needs to keep a trained service dog, or an individual tenant is certified to have the need to keep a dog for emotional support, he/she may submit an application to the HD. The HD would give discretionary consideration on individual merits. Similarly, should a tenant with visual impairment wish to keep in his/her PRH flat a guide dog undergoing road-leading training so as to help the dog adapt to the living environment of PRH estates, the HD would also consider the case on individual merits.

HOS is on par with private housing in terms of regulation by the Deed of Mutual Covenant (DMC) which is a deed among building owners. Whether to allow a person with visual impairment to enter such buildings with a guide dog or a guide dog in road-leading training should be considered in accordance with the clauses stipulated in the respective the DMC.

- (c) According to the Ordinance, refusing to allow a person with visual impairment accompanied by a guide dog (including a guide dog undergoing road-leading training with a person with visual

impairment) to enter any premises that the public is allowed to enter, or refusing to provide that person with services or facilities may be construed as a contravention of the Ordinance. The premises, services and facilities covered by the Ordinance include hotels and facilities for banking services, education, entertainment, recreation, transport, and so on.

(d) and (e)

Given that the introduction of guide dogs to Hong Kong is at its initial stage of development, our priority at present is to support its development and promote public awareness of the use of guide dogs.

With the support of the Government, some rehabilitation organizations have obtained a grant from a charitable organization to jointly launch the "Pilot Project on Guide-dog Users' Training" (Pilot Project). Apart from providing matching service for persons with visual impairment with suitable guide dogs and training on the use of guide dogs, public education activities are also organized under the Pilot Project to promote public awareness and acceptance for the use of guide dogs by persons with visual impairment. The rehabilitation organizations concerned are actively taking forward the Pilot Project, including provision of professional support services regarding the daily living and medical care for the guide dogs. They will also conduct a review on the effectiveness of the Pilot Project upon its completion.

The Government will continue to maintain contact with the rehabilitation organizations, draw on the experience in operating the Pilot Project and monitor the development of guide dog services in Hong Kong with a view to facilitating the further improvement of rehabilitation services.

Allocation of Public Housing Units

15. **DR KWOK KA-KI** (in Chinese): *President, the Chief Executive indicated in his Policy Address this year that the Housing Department (HD) would step up its efforts to combat the abuse of public rental housing (PRH) resources.*

Together with the PRH units surrendered voluntarily by tenants, on average a net number of about 7 000 units would be recovered every year. With another 15 000 or so new units completed, there would be more than 22 000 PRH units available for allocation a year. However, it was reported by the media in December last year that only 300-odd units of Lung Tin Estate, which had a total of 552 units, had been allocated since the first occupation 30 years ago, representing a vacancy rate as high as 40%. In view of this, the Government announced in February this year that the units in Tin Lee House of Lung Tin Estate would be converted into Home Ownership Scheme (HOS) flats to be put up for sale. It has also been reported that quite a number of the single-person units in Tin Yan Estate, Tin Shui Wai have been left vacant for a long time due to poor response because of their cramped toilets, and that there are PRH applicants who have been offered PRH units thrice in a row but have yet to find units in the districts of their preference. In this connection, will the Government inform this Council:

- (a) in respect of the units in each of the PRH districts (that is, urban areas, extended urban areas, the New Territories and Islands) in each of the past five years, of (i) the number of PRH applicants who had opted for allocation of them, (ii) their average vacancy rate and (iii) the number of vacant one-person units among them (set out in the table below);

Year		Urban areas	Extended urban areas	New Territories	Islands
2008	Number of applications				
	Average vacancy rate				
	Number of vacant one-person units				
2009	Number of applications				
	Average vacancy rate				
	Number of vacant one-person units				

<i>Year</i>		<i>Urban areas</i>	<i>Extended urban areas</i>	<i>New Territories</i>	<i>Islands</i>
<i>2010</i>	<i>Number of applications</i>				
	<i>Average vacancy rate</i>				
	<i>Number of vacant one-person units</i>				
<i>2011</i>	<i>Number of applications</i>				
	<i>Average vacancy rate</i>				
	<i>Number of vacant one-person units</i>				
<i>2012</i>	<i>Number of applications</i>				
	<i>Average vacancy rate</i>				
	<i>Number of vacant one-person units</i>				

- (b) *of the number of PRH applicants in the past five years who had been offered PRH units for the first time within three years after submission of applications; among them, the number of applicants who had refused the first offer of PRH units, and their main reasons for refusal; the number of applicants who had moved into PRH units within three years after submission of applications (set out in the table below);*

<i>Year</i>	<i>Number of PRH applicants</i>		
	<i>offered PRH units for the first time</i>	<i>refusing the first offer</i>	<i>moving into PRH units</i>
<i>2008</i>			
<i>2009</i>			
<i>2010</i>			
<i>2011</i>			
<i>2012</i>			

- (c) *of the number of PRH applicants who had accepted the allocation of one-person PRH units in the past five years, broken down by the age group to which the applicants belonged (set out in the table below);*

Year	Number of PRH applicants		
	aged 18 to 39	aged 40 to 64	aged 65 or above
2008			
2009			
2010			
2011			
2012			

- (d) *of the current number of applicants on the PRH Waiting List; among them, the number of applicants for one-person units;*
- (e) *of the number of cases of voluntary surrender of units by PRH tenants in each of the past five years;*
- (f) *of the projected number of new PRH units in each of the years from 2013 to 2017 and, among them, the number of one-person units, broken down by the four PRH districts (set out in the table below); and*

Year	Number of new PRH units							
	Urban areas		Extended urban areas		New Territories		Islands	
	One-person units	Other units	One-person units	Other units	One-person units	Other units	One-person units	Other units
2013								
2014								
2015								
2016								
2017								

- (g) *of the details of the HD's plan in the coming five years to convert PRH units, apart from those in Tin Lee House of Lung Tin Estate, into HOS flats to be put up for sale and the number of units involved;*

the removal arrangements for the tenants of the housing estate concerned (including whether the HD will arrange for in-situ rehousing and offer rent concessions)?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Housing Authority (HA) upholds the principle of optimization of PRH resources. As soon as newly completed flats or refurbished flats become available, they are allocated to applicants on the Waiting List (WL) or in other rehousing categories.

For the sake of fairness, PRH flats are generally allocated by means of random computer batching. Applicants are not given any choice in respect of a particular housing estate, or the floor or the orientation of any flat on offer. WL applicants are entitled to three housing offers. Whether they accept the offers or not is purely a matter of personal choice. If the applicants decline an offer, the flat concerned will be allocated to other WL applicants, also chosen by random computer batching. Therefore, the vacant period of each flat depends on whether and when an applicant accepts it. Generally speaking, apart from the less popular flats that have been repeatedly offered and declined, there are always vacant flats awaiting refurbishment, or reserved for other rehousing categories, such as households affected by transfers or displaced by clearances, and so on.

The HD has implemented the following measures to expedite the letting of less popular flats and those with a longer vacancy period:

- (i) offering rent concession in respect of flats that have been left vacant for 12 months or more; and
- (ii) conducting the Express Flat Allocation Scheme (EFAS) exercise annually to let out less popular flats, so that some WL applicants may be allocated PRH flats at an earlier stage.

Overall, the vacancy rate of PRH flats has remained at a very low level. As at the end of June 2013, the vacancy rate stood at 0.5%, which was far below the performance indicator of 1.5%.

My reply to the various parts of the question raised by Dr KWOK Ka-ki is as follows:

- (a) In the past five fiscal years, the number of WL applications registered for the four districts, that is, Urban; Extended Urban; New Territories and Islands, and the number of lettable one-person flats in these districts are summarized in the table below:

<i>Fiscal Year (As at the last day of the year)</i>		<i>Urban</i>	<i>Extended Urban</i>	<i>New Territories</i>	<i>Islands</i>
2008-2009	Number of WL applications				
	— General application	28 000	34 800	8 900	100
	— Application under the Quota and Points System (QPS)	8 600	25 000	9 000	200
	Number of lettable one-person flats	1 437	555	1 601	8
2009-2010	Number of WL applications				
	— General application	21 400	43 800	12 500	100
	— Application under the QPS	6 800	32 100	12 200	200
	Number of lettable one-person flats	1 266	282	960	11
2010-2011	Number of WL applications				
	— General application	18 000	53 800	17 100	100
	— Application under the QPS	5 400	41 900	15 800	300
	Number of lettable one-person flats	1 216	224	445	9
2011-2012	Number of WL applications				
	— General application	32 800	45 500	23 200	200
	— Application under the QPS	14 200	51 900	21 200	400
	Number of lettable one-person flats	1 346	565	436	13
2012-2013	Number of WL applications				
	— General application	51 100	40 200	25 400	200
	— Application under the QPS	26 500	59 800	24 700	500
	Number of lettable one-person flats	655	461	391	15

Since applicants are allowed to change their PRH districts under the current policy; change in their family circumstances may also lead to shifting between general applications and QPS applications; and the

letting position of PRH flats differs each day, therefore, the figures above only reflect the position as at the last day of the respective fiscal year.

Regarding the vacancy rate of PRH flats, since the total number of flats is different in respect of different PRH districts, the vacancy rate of individual districts cannot reflect the overall vacancy position of PRH flats. The HA is currently adopting the performance indicator of maintaining the PRH vacancy rate at less than 1.5%. The overall vacancy rates at the end of the fiscal years 2008-2009 to 2012-2013 were 1.3%; 1.0%; 0.9%; 1.0% and 0.6% respectively.

- (b) Among the applicants successfully registered in the PRH Waiting List⁽¹⁾ in the past five fiscal years, the number of applicants who received the first PRH offer within three years (with frozen periods deducted), the number of applicants who refused to accept the first flat offer, and the number of applicants who were housed in PRH flats within three years (with frozen periods deducted) are tabulated as follows:

<i>Fiscal Year</i>	<i>Number of applicants successfully registered in the Waiting List</i>		
	<i>Number of applications who received the first flat offer within three years**</i>	<i>Number of applicants who received the first flat offer within three years** but refused the offer</i>	<i>Number of applicants who were housed in PRH flats within three years**</i>
2008-2009	13 820	10 560	9 564
2009-2010	13 237	9 472	7 931
2010-2011* (counted up to end June 2013)	7 250	4 140	5 798
2011-2012* (counted up to end June 2013)	5 261	3 514	3 310

(1) Computed according to registration dates/equivalent registration dates.

<i>Fiscal Year</i>	<i>Number of applicants successfully registered in the Waiting List</i>		
	<i>Number of applications who received the first flat offer within three years**</i>	<i>Number of applicants who received the first flat offer within three years** but refused the offer</i>	<i>Number of applicants who were housed in PRH flats within three years**</i>
2012-2013* (counted up to end June 2013)	558	370	323

Notes:

* Since applications registered in 2010-2011, 2011-2012 and 2012-2013 have not yet attained a three-year duration, the figures for these three fiscal years are only counted up to end June 2013.

** With frozen periods deducted.

PRH flats are generally allocated by means of random computer batching. The reasons for refusing flat offers vary among the applicants. They include undesirable locations; inconvenient transport; unfavourable environmental factors of the allocated flats; and the applicants' requests for flats in new PRH estates, on upper floors or of bigger size.

- (c) The number of applicants taking up one-person PRH flats in the past five fiscal years are tabulated by age group as follows (since applicants having reached 60 years of age are considered as elderly applicants and not subject to the QPS, the age of 60 and above is used to define the group in the last column):

<i>Fiscal Year</i>	<i>Number of one-person applicants taking up PRH flats</i>		
	<i>Aged 18 to 39</i>	<i>Aged 40 to 59</i>	<i>Aged 60 and above</i>
2008-2009	603	2 350	3 045
2009-2010	313	2 353	3 215
2010-2011	297	2 233	2 922
2011-2012	263	2 098	3 002
2012-2013	207	1 819	2 877

- (d) As at the end of June 2013, there were about 118 700 general applications (that is, elderly and family applications) on the PRH Waiting List, including some 9 200 elderly one-person applications. In addition, there are about 115 600 non-elderly one-person applications under the QPS. The aforesaid elderly and non-elderly one-person applications, if confirmed eligible, will be allocated with flats suitable for allocation to one person according to the prevailing allocation standard.
- (e) In the past five fiscal years, the breakdown of figures for PRH flats recovered by the HA through voluntary surrender and other means are tabulated as follows:

<i>Fiscal Year</i> <i>Way of Recovery</i>	2008- 2009	2009- 2010	2010- 2011	2011- 2012	2012- 2013
Voluntary surrender by tenants	5 400	4 850	5 145	4 560	4 732
Purchase of HOS flats offered by the HA	1 984	482	1 933	7	0
Purchase of HOS flats with premium not yet paid in the HOS secondary market/flats under the Tenants Purchase Scheme	1 176	1 228	1 500	1 181	1 328
Issue of Notice to Quit	1 683	1 518	1 359	1 403	1 246
Total	10 243	8 078	9 937	7 151	7 306

- (f) According to the latest Public Housing Construction Programme, the production figures of new PRH flats (breakdown by district) as estimated by the HA in the coming five years (2013-2014 to 2017-2018) are at the Annex, while the estimated numbers of one/two-person PRH flats to be built are as follows:

<i>Year</i>	<i>Number of one/two-person flats *</i>
2013-2014	3 100
2014-2015	2 800
2015-2016	3 900

<i>Year</i>	<i>Number of one/two-person flats *</i>
2016-2017	3 000
2017-2018	Number to be confirmed as developments are under design

Note:

* Rounded to the nearest hundred

- (g) Apart from Tin Lee House of Lung Tin Estate, the HA currently has no plans to convert other PRH flats into HOS flats for sale.

Annex

PRH Production (2013-2014 — 2017-2018)

<i>Year of Completion/ District</i>	<i>Sub-District</i>	<i>PRH Project</i>	<i>Planned Flat Number*</i>
2013-2014			
Urban	Kowloon City	Kai Tak Development Site 1B Phase 1	2 700
		Kai Tak Development Site 1B Phase 2	2 900
		Kai Tak Development Site 1B Phase 3	2 500
	Sham Shui Po	Sai Chuen Road	1 500
Extended Urban	Kwai Tsing	Tai Pak Tin Street	800
		Kwai Shing Circuit	1 500
	Sai Kung	Tseung Kwan O Area 65B	2 100
Sub-total			14 100
2014-2015			
Urban	Sham Shui Po	So Uk Phase 1	2 900
	Wong Tai Sin	Tung Tau Cottage Area East	1 000
Extended Urban	Sha Tin	Shatin Area 52 Phase 1	3 000
New Territories	North	Sheung Shui Area 36 West	1 400
	Yuen Long	Hung Shui Kiu Area 13 Phase 1	1 500
		Hung Shui Kiu Area 13 Phase 2	600
Sub-total			12 700

<i>Year of Completion/ District</i>	<i>Sub-District</i>	<i>PRH Project</i>	<i>Planned Flat Number*</i>
2015-2016			
Urban	Eastern	Chai Wan Factory Estate	200
	Kwun Tong	Lower Ngau Tau Kok Phase 2	600
		Anderson Road Site D	3 500
		Anderson Road Site E Phase 1	2 600
		Anderson Road Site E Phase 2	2 500
		Lei Yue Mun Phase 3	400
Extended Urban	Sha Tin	Shatin Area 52 Phase 2	3 500
		Shatin Area 52 Phase 3	2 000
		Shatin Area 52 Phase 4	2 600
New Territories	Tai Po	Po Heung Street	500
	Yuen Long	Hung Shui Kiu Area 13 Phase 3	500
		Ex-Au Tau Departmental Quarters	1 200
		Ex-Yuen Long Estate	400
Sub-total			20 500
2016-2017			
Urban	Kwun Tong	Anderson Road Site A	1 500
		Anderson Road Site B Phase 1	3 100
		Anderson Road Site B Phase 2	2 600
		Anderson Road Site C1	1 400
		Anderson Road Site E Phase 2	800
	Sham Shui Po	So Uk Phase 1	400
	Wong Tai Sin	San Po Kong Flatted Factory	900
Extended Urban	Islands	Tung Chung Area 56	3 600
New Territories	Tuen Mun	Tuen Mun Area 54 Site 2 Phase 1	2 600
		Tuen Mun Area 54 Site 2 Phase 2	2 100
Sub-total			18 800

<i>Year of Completion/ District</i>	<i>Sub-District</i>	<i>PRH Project</i>	<i>Planned Flat Number*</i>
2017-2018			
Urban	Eastern	Lin Shing Road	300
	Kwun Tong	EHC Site Phase 7	500
	Sham Shui Po	Cheung Sha Wan Wholesale Food Market Site 5	1 200
		Lai Chi Kok Road - Tonkin Street Phase 1	1 800
		Shek Kip Mei Phase 3	300
		Shek Kip Mei Phase 6	1 200
		Shek Kip Mei Phase 7	200
	So Uk Phase 2	3 700	
Extended Urban	Kwai Tsing	Ex-Kwai Chung Police Married Quarters	900
	Sha Tin	Shek Mun	2 300
	Islands	Tung Chung Area 39	3 800
Sub-total			16 000
Total			82 000

(Based on Public Housing Construction Programme as at June 2013)

Note:

* Figures may not add up to the total due to rounding.

Country Park Enclaves

16. **DR KENNETH CHAN** (in Chinese): *President, it has been reported in the media that developers have planned large-scale residential developments in the "enclaves" (that is, lands adjacent to but not included in the country park) in Hoi Ha, Sai Kung. Some members of the public have relayed to me that should there be no proper planning by the Government regarding the land use of enclaves and major development projects be allowed on such land, the environment of country parks would be adversely affected. In this connection, will the Government inform this Council:*

- (a) *of the current uses and statutory land uses of various enclaves, and whether they are privately owned and are involved in development projects;*
- (b) *of the latest planning for various enclaves (including whether they are covered by any statutory plan and the types of such plans);*
- (c) *whether it will draw up a schedule to expeditiously include enclaves in statutory plans and conduct public consultation on the use of such enclaves; if it will, of the details; if not, the reasons for that;*
- (d) *whether it will step up inspection of enclaves to ensure their actual uses in compliance with the stipulations in land leases and to eradicate acts of "destroy first and build later"; if it will, of the details; if not, the reasons for that; and*
- (e) *as some members of the public have pointed out that residential developments in enclaves will affect the environment of the adjacent country parks, whether the Government will conduct environment impact assessments and traffic impact assessments in respect of such development proposals; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, there are 77 country park enclaves (enclaves) in the territory, of which 23 have already been covered by Outline Zoning Plans (OZPs) prepared under the Town Planning Ordinance (TPO) before 2010-2011. To meet conservation and social development needs, it was announced in the 2010-2011 Policy Address that the Government would either include the remaining enclaves into country parks or cover them by statutory plans. The Government's current plan is to cover about half of the 54 enclaves by statutory plans. Such plan was formulated having regard to the actual situation of the enclaves, including such factors as their conservation values, landscape and aesthetic values, geographical locations, existing scale of human settlements and immediate development pressure.

As at today, the Agriculture, Fisheries and Conservation Department (AFCD) has confirmed to incorporate three enclaves, namely Sai Wan, Kam Shan and Yuen Tun into the area of their respective country parks, and has invoked the

statutory procedures under the Country Parks Ordinance (Cap. 208) (CPO). The relevant approved new maps of the concerned country parks have been deposited in the Land Registry. In accordance with the CPO, the AFCD has prepared a designation order, which was gazetted on 11 October and tabled at the Legislative Council on 16 October subject to negative vetting. For the remaining country park enclaves, we will consider the priority in assessing their suitability for inclusion in the country parks based on the experience gained from implementing the designation process for Sai Wan, Kam Shan and Yuen Tun.

As regards the inclusion of enclaves into the Development Permission Area (DPA) plans and subsequently into the OZPs, we have already prepared the DPA plans to cover 24 enclaves, and three of them were included in the draft replacement OZPs. We intend to complete preparation of the DPA plans for the remaining enclaves within 2013-2014. As the next step, we will work on the preparation of OZPs for the other enclaves.

In consultation with the Environment Bureau, my reply to the question raised by Dr Kenneth CHAN is as follows:

- (a) The general planning intention of the 24 enclaves covered by the DPA plans (in which a total of 17 DPA plans are involved)⁽¹⁾ is to conserve their natural landscape and rural environment, and to protect sites with high conservation values from disturbance. In general, except for land zoned "Village Type Development" which is to reflect the existing recognized villages and mainly reserve land for small house developments by indigenous villagers, most of the areas covered by the DPA plans are temporarily designated as "Unspecified Use". Apart from agricultural uses, all developments in this zone shall require a planning permission from the Town Planning Board (TPB). The designation of this zoning is to allow sufficient time for the relevant authority to conduct detailed analyses and studies together with the relevant government departments, with a view to establishing appropriate land uses in the course of preparing an OZP.

(1) Amongst the DPA plans, the one covering the Tai Long Sai Wan enclave was effective until 6 August 2013. This enclave was already incorporated into the draft map of Sai Kung East Country Park on 26 October 2012.

The statutory land use zonings of the three relevant draft OZPs mainly include "Conservation Area", "Coastal Protection Area" and "Village Type Development", and so on.

All the 24 enclaves incorporated into statutory plans involve private land. The statutory land use zonings covered by the plans are set out at Annex. As for the remaining 30 enclaves (including two of the enclaves confirmed to be incorporated into the area of their respective country parks by the AFCD), some of the land therein are privately owned.

Based on the information from the Lands Department (LandsD), the LandsD has received applications for the development or redevelopment of New Territories Exempted Houses (including small houses) on individual pieces of land within the area of 19 out of the aforementioned 54 enclaves. The TPB so far has not received any planning application for large-scale development proposals.

(b) and (c)

As mentioned above, the AFCD has confirmed to incorporate three enclaves into the area of their respective country parks, and has invoked the statutory procedures in accordance with the CPO.

For enclaves which are assessed to be suitable for incorporation into country parks, the Country and Marine Parks Authority (Authority) will submit the designation proposals to the Country and Marine Parks Board (CMPB) for consideration and will consult the relevant stakeholders (for example, Rural Committees and District Councils) before initiating the relevant statutory process. In respect of the statutory process, designations of country parks are carried out in accordance with the provisions of the CPO, which include a set of statutory consultation procedures. In accordance with section 8 of the CPO, the Authority will prepare the draft maps of the concerned country parks in consultation with the CMPB. The draft maps will then be made available for public inspection by publishing in the Gazette a notice in English and in Chinese in accordance with

section 9 of the CPO, before they are submitted to the Chief Executive in Council. During the 60-day period of public inspection from the date of the gazettal, any person aggrieved by a draft map may send a written statement of his objection to the draft map to the Authority and to the Secretary of the CMPB. The objections will be heard by the CMPB, after which the Authority will submit the draft maps and relevant documents to the Chief Executive in Council for approval in accordance with section 12 of the CPO.

Besides, 24 enclaves have already been covered by the DPA plans, of which three of them were also incorporated into the draft replacement OZPs. The remaining works will continue. In general, to avoid "destroy first and built later" incidents resulting in "existing uses" incompatible with the surrounding environment, public consultation would be conducted only after gazettal of the DPA plan in accordance with the established practice. During the two-month draft plan exhibition period, the relevant authority will consult the concerned District Council(s) and Rural Committee(s), and the public can also submit their representations and comments to the TPB. In preparing an OZP to replace the relevant DPA plan, the relevant authority will consult the concerned District Council(s), Rural Committee(s) and the relevant stakeholders before its gazettal. Similarly, the public can also submit their representations and comments to the TPB during the two-month draft plan exhibition period.

- (d) When any suspected unauthorized development is found on enclaves during their routine inspection of country parks, staff of the AFCD will notify the government department(s) concerned, including the LandsD, as soon as practicable for follow-up actions as appropriate.

Upon receipt of the complaint or referral, the LandsD will deploy staff to carry out inspection and collect relevant information about the case. They will seek legal advice if necessary so as to ascertain if there is any contravention to the land lease. If a breach of lease conditions is established, the LandsD will take appropriate follow-up actions, such as issuing a warning letter to the owner(s) concerned to

require rectification. The Government can re-enter the concerned private land for the most serious cases.

In addition, the Planning Authority (that is, the Director of Planning) may take enforcement actions against unauthorized developments on land within the DPA (that is, the land covered by the DPA plans or the subsequent replacement OZPs) under the TPO. These actions include the issuance of Enforcement Notices (EN) requiring the parties concerned to discontinue the unauthorized developments, and prosecute those who have failed to comply with the EN.

- (e) As mentioned above, apart from agricultural uses, all developments in the areas designated as "Unspecified Use" shall require a planning permission from the TPB. When considering the relevant planning application, the TPB could impose certain conditions according to the situation, such as requesting the applicant to assess the proposed development's impacts on the environment and traffic, and so on, and to implement improvement and mitigation measures.

In accordance with "the Environmental, Transport and Works Bureau's Technical Circular (Works) No. 5/2005", under the current administrative arrangement, for development proposals/submissions that may affect natural streams/rivers, the approving and processing authorities should, at various stages of the development, consult and collate comments from the AFCD and relevant departments. For small house developments, the design and construction of their sewerage systems should also comply with the relevant standards and regulations, such as the Environmental Protection Department's Practice Note for Professional Person "Professional Persons Environmental Consultative Committee Practice Notes 5/93".

Besides, according to the relevant statutory plans, permission from the TPB is required for any works involving diversion of streams or filling of ponds which may cause adverse drainage impacts on the adjacent areas or adverse impacts on the natural environment before commencement.

Statutory Land Use Zonings of the 24 Country Park Enclaves* Covered by the
DPA Plans since 2010 (As at 9 October 2013)

<i>No.</i>	<i>Enclave</i>	<i>Statutory Land Use Zoning(s)</i>
1	Sai Wan [★]	The draft Tai Long Sai Wan DPA Plan was effective until 6 August 2013. The enclave was already included in the draft map of Sai Kung East Country Park on 26 October 2012.
2	So Lo Pun [#]	Conservation Area, Green Belt, Village Type Development
3	Pak Lap [#]	Agriculture, Conservation Area, Government, Institution or Community, Village Type Development
4	Hoi Ha [#]	Conservation Area, Coastal Protection Area, Government, Institution or Community, Green Belt, Other Specified Uses, Village Type Development
5	Tin Fu Tsai	Unspecified Use
6	Pak Tam Au	Unspecified Use
7	To Kwa Peng	Unspecified Use
8	Pak A	Village Type Development, Unspecified Use
9	Tung A	Village Type Development, Unspecified Use
10	Mau Ping, Mau Ping Lo Uk, Mau Ping San Uk and Wong Chuk Shan	Village Type Development, Unspecified Use
11	Sam A Tsuen	Village Type Development, Unspecified Use
12	Siu Tan	Unspecified Use
13	Kop Tong, Mui Tsz Lam and Lai Chi Wo	Village Type Development, Unspecified Use
14	Ko Lau Wan, Mo Uk, Lam Uk, Lau Uk and Tse Uk	Village Type Development, Unspecified Use
15	Luk Wu, Upper Keung Shan, Lower Keung Shan, Cheung Ting and Hang Pui	Village Type Development, Unspecified Use
16	Ngau Kwo Tin	Unspecified Use
17	Shui Mong Tin	Site of Special Scientific Interest, Unspecified Use

<i>No.</i>	<i>Enclave</i>	<i>Statutory Land Use Zoning(s)</i>
18	Chek Keng	Village Type Development, Unspecified Use
19	Yung Shue O	Village Type Development, Unspecified Use
20	Yi O	Village Type Development, Unspecified Use
21	Pak Sha O, Pak Sha O Ha Yeung	Village Type Development, Unspecified Use
22	Kuk Po San Uk Ha, Kuk Po Lo Wai, Yi To, Sam To, Sze To and Ng To	Village Type Development, Unspecified Use
23	Fung Hang	Village Type Development, Unspecified Use
24	Yung Shue Au	Village Type Development, Unspecified Use

Notes:

- * This summary table does not include the 23 enclaves which have been covered by OZPs during the period from 1980 to 2009.
- ★ Tai Long Sai Wan was included in the draft map of Sai Kung East Country Park on 26 October 2012.
- # The subject site was included in the draft replacement OZP on 27 September 2013.

Sites for Housing Development

17. **DR LAM TAI-FAI** (in Chinese): *President, while the Chief Executive has indicated that tackling the housing problem is a top priority of the current-term Government, quite a number of the members of the public have relayed to me that the community has diverse views on whether the sites where country parks, golf courses and industrial buildings are situated as well as the former site of the Hong Kong Institute of Vocational Education (Lee Wai Lee) in Kowloon Tong can be used for housing development, and has queried the sources of land. In this connection, will the Government inform this Council:*

- (a) *whether it has examined the latest situation of sites in Hong Kong available for development, and the floor areas of different types of residential units that can be built on the relevant sites; if it has, of the details, together with a breakdown set out in the table below; if not, the reasons for that;*

<i>Sites</i>	<i>Area (hectares)</i>	<i>Location</i>	<i>Available for public rental housing development and floor area to be provided (square feet)</i>	<i>Available for Home Ownership Scheme development and floor area to be provided (square feet)</i>	<i>Available for private housing development and floor area to be provided (square feet)</i>
<i>Country parks</i>					
<i>Brownfield sites</i>					
<i>(i) Barren land</i>					
<i>(ii) Abandoned recovery parks</i>					
<i>(iii) Abandoned container yards</i>					
<i>Agricultural land</i>					
<i>Small House sites</i>					
<i>Golf courses</i>					
<i>Chief Executive's Fanling Lodge</i>					
<i>Quarry sites</i>					

- (b) *of the number of sites of government industrial buildings in Hong Kong that can be converted for residential housing development, together with details on their locations and areas;*
- (c) *as it is learnt that a total of about 25 000 submissions were received by the Town Planning Board during the consultation for the rezoning of the former campus of the Hong Kong Institute of Vocational Education (Lee Wai Lee) in Kowloon Tong, with over 99% of the submissions against the rezoning of the site to residential use, whether the authorities will stick to the proposed planned use of the site; if so, of the details; if not, the reasons for that;*
- (d) *given that Chief Executive stated in the 2013 Policy Address that the Government has secured land for the development of about 75 000 new public rental housing (PRH) flats within the five years starting from 2012-2013 and about 17 000 new Home Ownership Scheme (HOS) flats within the four years starting from 2016-2017, whether the authorities have set out respectively the annual supply of PRH and HOS flats, distribution of the flats in various districts as well as the respective numbers of persons to be benefited during the two aforesaid periods; if so, of the details set out in a table; if not, the reasons for that;*

- (e) *whether it will consider relaxing the number of storeys and the area of each floor of New Territories Small Houses for better utilization of land resources; if it will, of the details; if not, the reasons for that;*
- (f) *as the results of a survey commissioned by the Long Term Housing Strategy Steering Committee have estimated that there are at present 66 900 sub-divided units (SDUs) in the territory, but SDUs in industrial buildings have been excluded, whether the authorities have compiled statistics on the number of SDUs in industrial buildings to assess the demand on land for housing; if so, of the details; if not, the reasons for that; and*
- (g) *given that quite a number of members of the public have proposed to re-designate parts of country parks and the Hong Kong Golf Club in Fan Ling for housing development purpose, whether the authorities have embarked on any relevant assessment; if they have, of the time when they embarked on the assessment, as well as the estimated date of completion and the details of the assessment; if they have not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, in order to meet the housing and various needs of Hong Kong people, the Government is determined to increasing land supply and has been monitoring closely the utilization of various types of land. For land with potential for development, the Government will review and assess its development feasibility according to the established mechanism and on the basis of the blueprint for increasing land supply as mapped out in the 2013 Policy Address. When a plot of land is ready for development, we will make appropriate arrangements, such as allocating it for public housing development, including it in the Land Sale Programme, or allocating it for other uses.

After consultation with the Transport and Housing Bureau, my reply to the question raised by Dr LAM is as follows:

- (a) The areas of country parks and special areas, as well as land zoned "Agriculture" and "Village Type Development" on the statutory plans across the territory, are set out as follows:

<i>Land Types</i>	<i>Approximate Area (sq km)</i>
Country parks and special areas	442
Land zoned "Agriculture" on statutory plans [#]	33
Land zoned "Village Type Development" on statutory plans [#]	33

Note:

- # These figures solely refer to areas of land incorporated into statutory plans and zoned "Agriculture" or "Village Type Development" under the Town Planning Ordinance (Cap. 131). Hence, the areas zoned "Agriculture" and "Village Type Development" are not equivalent to the land areas being used for agricultural activities and "Village Type Development" uses.

The land areas of the Fanling Golf Course and the Chief Executive's Fanling Lodge are about 170 and 2.3 hectares (ha) respectively. For the former Cha Kwo Ling Kaolin Mine, Anderson Road Quarry and former Lamma Quarry proposed for developments, the land areas which could be made available for developments in these three quarries are about 5, 40 and 20 ha respectively according to the latest study findings.

The Government does not have territorial-wide statistics on the areas of "brownfield sites". Nevertheless, we have been taking forward a series of different planning studies to review the under-utilized "brownfield sites" across the New Territories, so as to rezone suitable sites to other uses to release their development potential, taking into account the feasibility in environmental, transport and infrastructural terms. The relevant studies include the North East New Territories (NENT) New Development Areas (NDAs) Planning and Engineering Study and the Hung Shui Kiu NDA Planning and Engineering Study (involving about 250 ha of land which is currently used for open storage or port back-up purposes), the Planning and Engineering Study for Housing Sites in Yuen Long South (involving about 93 ha of land which is currently used as open storage, warehouses and workshops), the Engineering Feasibility Study for Kong Nga Po, as well as the Planning and Engineering Study for Kwu Tung South, and so on.

- (b) The average letting rate of the six factory estates⁽¹⁾ under the management of the Hong Kong Housing Authority (HA) reaches 99%. This shows the continuous market demand for small-sized factory units. The HA will continue to manage these factory estates and review the situation from time to time. At present, there is no clearance plan for these factory estates.

For industrial land, the Planning Department (PlanD) has conducted three rounds of review since 2000. In the last round of industrial land review conducted in 2009, about 30 ha of land on 16 industrial sites (five government sites and 11 privately owned sites) were recommended for rezoning to residential use. Among them, 13 sites have completed or are undergoing the statutory rezoning process. Some 20 400 housing units can be provided upon development or redevelopment of all the 16 sites. In order to understand the latest utilization of the existing industrial land and buildings, and to further examine the possibility of converting some of the sites to other uses, including residential use, the PlanD also started another round of review in end March 2013, which is expected to be completed in 2014.

- (c) With the reprovisioning of the Lee Wai Lee campus of the Hong Kong Institute of Vocational Education in Tseung Kwan O, the Education Bureau has assessed if the former Lee Wai Lee campus site in Kowloon Tong should continue to be used for education purpose. After consideration, the Education Bureau has decided that the northern portion of the former Lee Wai Lee campus site should be reserved to meet the outstanding requirements of the Hong Kong Baptist University for publicly-funded academic space and student hostels under the prevailing policies and established calculation formula.

As for the southern portion of the former Lee Wai Lee campus site, the Education Bureau surrendered it to the Government for alternative uses to ensure optimal use of scarce land resources. Regarding the zoning amendment of the said site from "Government, Institution or Community (9)" to "Residential (Group B)", the Town

(1) Chun Shing, Sui Fai, Hoi Tai, Wang Cheong, Kwai On and Yip On Factory Estates.

Planning Board will hold a meeting in accordance with the Town Planning Ordinance (Cap. 131) to consider the representations and comments received.

- (d) According to the latest Public Housing Construction Programme, the production of PRH for the period 2012-2013 to 2016-2017 is estimated to be about 79 000 flats, some 4 000 flats more than the target of 75 000 flats as set out in the 2013 Policy Address. These flats are anticipated to accommodate a population of around 210 000. The distribution of flats by districts is at Annex A. As regards the HOS, the HA has successfully worked with other bureaux and government departments to identify suitable land to produce a total of about 17 000 HOS flats from 2016-2017 to 2019-2020.

Construction works for the first batch of about 2 200 HOS flats scheduled for completion in 2016-2017 has commenced. The HOS production by districts for the period 2016-2017 to 2017-2018 is at Annex B. The flats are expected to accommodate a population of around 27 000. Since the projects in 2018-2019 and beyond are still subject to changes arising from various factors such as change of land use and views from the local communities, and so on, it is not possible to list out the detailed programme at this stage. Such information will be released when we roll forward the production programme year-by-year and consult the respective District Councils in due course.

- (e) Currently, small houses must be constructed in accordance with the relevant provisions of the Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121). The main features are that the building shall neither be of more than three storeys nor exceed a height of 8.23 m, and the maximum roofed-over area of the house shall not exceed 65.03 sq m. The fact that small houses are currently exempted from certain controls under the Buildings Ordinance is based on the height and area, and so on, of small houses. The building safety aspect will become a concern if the existing restrictions on small houses with regard to their number of storeys, height and roofed-over area are relaxed. Moreover, a range of factors have to be taken into account when the PlanD draws up the "Village Type Development" zone, including the location of

individual villages, compatibility with the surrounding land uses, urban design, environmental and topographical constraints, as well as the provision of infrastructure, and so on. Relaxation of the height restrictions on small house developments will result in an increase in the number of residents in the areas concerned, and its feasibility must therefore be carefully considered.

- (f) The Survey on Subdivided Units (SDUs) in Hong Kong commissioned by the Long Term Housing Strategy Steering Committee and conducted by Policy 21 Limited only covers subdivided units in private domestic/composite buildings. We do not have estimated number of SDUs in industrial buildings for the time being.
- (g) There were opinions suggesting that the Government should explore the possibility of developing the Fanling Golf Course and its peripheral areas during the Stage 3 Public Engagement exercise for NENT NDAs last year. In view of this, the Government will incorporate the relevant land (including Chief Executive's Fanling Lodge) into the "Preliminary Feasibility Study on Developing the New Territories North" to be commenced in early 2014 to explore the various development options of the land concerned. The PlanD and the Civil Engineering and Development Department are carrying out tender procedures for the said study. It is estimated that the study will take about 15 months, including the relevant broad technical assessments on environment, traffic and transport, drainage and sewerage, and so on, as well as public engagement activities.

The Fanling Golf Course has a role to play both in the context of Hong Kong's sports development policy and the planning and environment of the peripheral areas. The Home Affairs Bureau will commence an overall review on the Private Recreational Lease policy this year. The Development Bureau will take into account the relevant review findings when considering the future development potential of the Fanling Golf Course.

The Government currently has no plan to develop country parks for housing purpose.

PRH Production (2012-2013 to 2016-2017)

<i>Year of Completion/ Anticipated Completion District</i>	<i>District</i>	<i>PRH Project</i>	<i>Flat Number/ Anticipated Flat Number*</i>
2012-2013			
Urban	Kwun Tong	Lower Ngau Tau Kok Phase 1	2 700
	Kowloon City	Kai Tak Development Site 1A Phase 1	2 700
		Kai Tak Development Site 1A Phase 2	2 600
	Sham Shui Po	Ex-CSW Police Quarters	1 400
Extended Urban	Sha Tin	Heung Fan Liu Street, Shatin Area 4C	1 200
		Ex-Sha Tin Married Quarters	1 600
New Territories	Tuen Mun	Tuen Mun Area 18	1 000
Sub-total			13 100
2013-2014			
Urban	Kowloon City	Kai Tak Development Site 1B Phase 1	2 700
		Kai Tak Development Site 1B Phase 2	2 900
		Kai Tak Development Site 1B Phase 3	2 500
	Sham Shui Po	Sai Chuen Road	1 500
Extended Urban	Kwai Tsing	Tai Pak Tin Street	800
		Kwai Shing Circuit	1 500
	Sai Kung	Tseung Kwan O Area 65B	2 100
Sub-total			14 100
2014-2015			
Urban	Sham Shui Po	So Uk Phase 1	2 900
	Wong Tai Sin	Tung Tau Cottage Area East	1 000
Extended Urban	Sha Tin	Sha Tin Area 52 Phase 1	3 000
New Territories	North	Sheung Shui Area 36 West	1 400
	Yuen Long	Hung Shui Kiu Area 13 Phase 1	1 500
		Hung Shui Kiu Area 13 Phase 2	600
		Hung Shui Kiu Area 13 Phase 3	2 300
Sub-total			12 700

<i>Year of Completion/ Anticipated Completion District</i>	<i>District</i>	<i>PRH Project</i>	<i>Flat Number/ Anticipated Flat Number*</i>
2015-2016			
Urban	Eastern	Chai Wan Factory Estate	200
	Kwun Tong	Lower Ngau Tau Kok Phase 2	600
		Anderson Road Site D	3 500
		Anderson Road Site E Phase 1	2 600
		Anderson Road Site E Phase 2	2 500
		Lei Yue Mun Phase 3	400
Extended Urban	Sha Tin	Sha Tin Area 52 Phase 2	3 500
		Sha Tin Area 52 Phase 3	2 000
		Sha Tin Area 52 Phase 4	2 600
New Territories	Tai Po	Po Heung Street	500
	Yuen Long	Hung Shui Kiu Area 13 Phase 3	500
		Au Tau Departmental Quarters	1 200
		Ex-Yuen Long Estate	400
Sub-total			20 500
2016-2017			
Urban	Kwun Tong	Anderson Road Site A	1 500
		Anderson Road Site B Phase 1	3 100
		Anderson Road Site B Phase 2	2 600
		Anderson Road Site C1	1 400
		Anderson Road Site E Phase 2	800
	Sham Shui Po	So Uk Phase 1	400
Wong Tai Sin	San Po Kong Flatted Factory	900	
Extended Urban	Islands	Tung Chung Area 56	3 600
New Territories	Tuen Mun	Tuen Mun Area 54 Site 2 Phase 1	2 600
		Tuen Mun Area 54 Site 2 Phase 2	2 100
Sub-total			18 800
Total			79 100

(Based on Public Housing Construction Programme as at June 2013)

Note:

* Figures may not add up to the total due to rounding.

HOS Production (2013-2014 to 2017-2018)

<i>Year of Anticipated Completion/ Completion District</i>	<i>District</i>	<i>HOS Project</i>	<i>Anticipated Flat Number</i>
2016-2017			
Extended Urban	Kwai Tsing	Ching Hong Road	500
	Tsuen Wan	Sha Tsui Road	1 000
	Sha Tin	Mei Mun Lane, Sha Tin Area 4C	200
		Pik Tin Street, Sha Tin Area 4D	300
New Territories	Yuen Long	Wang Yip Street West	200
Sub-total			2 200
2017-2018			
Urban	Kwun Tong	Choi Hing Road, Choi Hung	900
	Sham Shui Po	Cheung Sha Wan Wholesale Food Market Site 3	2 200
Extended Urban	Sha Tin	Hin Tin Street, Sha Tin Area 31	200
New Territories	Yuen Long	Kiu Cheong Road East	2 500
Islands	Islands	Ngan Kwong Wan Road East	200
		Ngan Kwong Wan Road West	400
Sub-total			6 400
Total			8 600

(Based on Public Housing Construction Programme as at June 2013)

Combating Crimes of Cruel Treatment of Animals

18. **DR HELENA WONG** (in Chinese): *President, as cases of animals being cruelly treated have occurred time and again in recent years, various animal welfare concern groups are urging the police to step up actions to combat such crimes. In this connection, will the Government inform this Council:*

- (a) *whether the Hong Kong Police College will provide any training course to teach police officers the skills of investigating cases of cruel treatment of animals; if so, of the details; if not, the reasons for that; and*
- (b) *whether it will make reference to the composition of the existing part-time special teams (such as the Police Negotiation Cadre, the Force Search Unit, the Explosive Ordnance Disposal Team, and so on) within the police and set up an Animal Police Team comprising interested voluntary police officers; if so; of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, currently, a number of government departments and organizations are involved in handling animal cruelty cases. For the purpose of enhancing co-operation among the departments and organizations concerned, the Agriculture, Fisheries and Conservation Department (AFCD), in conjunction with the Hong Kong Police Force (the police), the Food and Environmental Hygiene Department and the Society for the Prevention of Cruelty to Animals (Hong Kong) (SPCA), set up in 2011 a working group to examine the work on handling such cases. The police, in collaboration with AFCD, SPCA, veterinary associations and animal concern groups, introduced the Animal Watch Scheme in 2011 to fight animal cruelty cases through a four-pronged approach covering education, publicity, intelligence gathering and investigation. The Scheme aims at strengthening the police efforts in the investigation of animal cruelty cases. By enhancing co-operation between the police and different organizations and promoting wider public involvement, it enables more effective prevention and investigation of animal cruelty cases.

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

- (a) In 2011, the police launched the Animal Watch Scheme. To strengthen its efforts in the investigation of animal cruelty cases and help front-line officers better understand the multi-agency approach adopted under the Scheme, the police organizes seminars as and when appropriate and invites AFCD and SPCA staff to share their

experience, so that front-line officers are kept abreast of the prevailing trends. In the various training courses run by the Police College, officers are briefed on offences involving cruelty to animals as well as the professional knowledge and skills required for investigating such cases. The police will also use an e-learning software to provide police officers with an additional learning platform to ensure that cases of cruelty to animals are handled in a professional, comprehensive and consistent manner.

- (b) On the part of the police, all cases of cruelty to animals are currently investigated by crime investigation teams. Members of the teams are professionally trained in crime investigation and equipped to handle such cases effectively. The crime investigation teams in various police districts have adequate manpower, experience and professional knowhow to follow up cases of cruelty to animals amongst others. Should such cases register a rising trend in a certain district, the police will consider deploying special team to tackle the cases with a view to delivering early results through more focused and robust investigations. These arrangements allow the police to flexibly deploy its limited resources to meet competing demands, including effective management of animal cruelty cases under the "Animal Watch Scheme".

Use of Water Barriers in Road Works

19. **DR LAU WONG-FAT** (in Chinese): *President, it has been learnt that when contractors of the Government carry out extension or maintenance works of expressways, plastic water barriers are often used to divide the lanes, and a large quantity of water has to be consumed to fill up those water barriers. In this connection, will the Government inform this Council whether it has required such works contractors to:*

- (a) *handle the water barriers properly upon completion of the works, and not to dispose of them casually or send them to landfills for disposal;*

- (b) *hand over damaged water barriers to recyclers for recovery and recycling; and*
- (c) *use only water sources other than potable water (such as river water) to fill the water barriers?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, during road widening, improvement and maintenance, the Government will, for the sake of road safety, provide barriers for delineation of temporary lanes and protection of work sites. Barrier assembly and individual components must be designed to appropriate international standards, taking into account road conditions such as the speed of passing vehicles. These barriers are also required to be capable of resisting the impact of colliding vehicles, thus minimizing any possible damage and injuries to road works personnel, drivers, passengers and other road users in case of accidents.

As indicated by overseas and local experience, plastic water-filled barriers are easy to install and remove. They are suitable for use as barriers in temporary traffic arrangements during road works given their conformity with relevant requirements and high manoeuvrability. Therefore, the Government has developed guidelines stipulating specifications for water-filled barriers in respect of their height, colour and retro-reflectivity as well as the provision of night-time warning lanterns to ensure road safety.

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

- (a) Water-filled barriers are works equipment owned by the contractors. The Government does not prescribe on their handling of these barriers after completion of works. Since water-filled barriers are designed for subsequent reuse and their acquisition incurs certain costs, the contractors will usually keep them after completion of works for use in other projects instead of disposing of them casually.
- (b) Water-filled barriers are often made of recyclable plastic materials. If damaged, they can be recovered for recycling.

The Government has all along been encouraging the industry to minimize generation of construction and demolition (C&D) materials and to recover these materials for recycling. For a public works contract worth \$20 million or more, the contractor concerned is required to prepare an Environmental Management Plan, stipulating that sorting of C&D materials has to be carried out on site and recovery of recyclable materials be arranged. In addition, the Plastic Resources Recycling Centre set up by the Government at the EcoPark in Tuen Mun collects various kinds of waste plastics including damaged water-filled barriers for recycling.

- (c) No special requirements have been specified by the Government regarding the water sources for water-filled barriers. That said, the construction industry is encouraged to reuse water resources in site operations as far as possible.

Policy on Earth Burial at Gallant Garden

20. **MR TAM YIU-CHUNG** (in Chinese): *President, according to the prevailing policy, the remains of civil servants who have died on duty may be buried in the earth burial spaces in Gallant Garden (the Garden). If they have been posthumously awarded a bravery medal by the Chief Executive, they are considered as meeting the requirement of having died on duty due to an "exceptional act of bravery" and thus eligible for permanent earth burial there; otherwise, their remains have to be exhumed six years after burial and be re-interred in the Garden's permanent urn spaces or in columbarium niches after cremation. Recently, representatives from the staff of a number of disciplined forces have relayed to me that the aforesaid six-year exhumation policy not only shows disrespect for the deceased but also revives the painful memories of the family members of the deceased, thereby inflicting on them for the second time the traumatic experience. While these representatives have repeatedly requested the Civil Service Bureau to change the relevant policy to allow all civil servants who died on duty to be buried permanently in the earth burial spaces in the Garden, the Civil Service Bureau has all along refused to do so on grounds of limited earth burial spaces available in the Garden and the need to adhere to the*

principle of fairness. In this connection, will the Government inform this Council:

- (a) of the existing numbers of (i) earth burial spaces, (ii) permanent urn spaces and (iii) columbarium niches provided in the Garden and the respective utilization rates of such spaces;*
- (b) whether the authorities have earmarked any land adjacent to the Garden for its future extension; if so, of the site area of the land earmarked, and the respective numbers of the three types of burial spaces mentioned in part (a) to be provided there, and the number of earth burial spaces that can be provided if the said piece of land is exclusively used for earth burial; if no land has been earmarked, of the reasons for that;*
- (c) whether the authorities have assessed, if all civil servants who died on duty are allowed to be buried permanently in the earth burial spaces in the Garden, the estimated (i) number of years within which the existing earth burial spaces in the Garden will be fully occupied, and (ii) size of the additional land to be provided in the coming three decades; and*
- (d) whether the authorities will reconsider changing the existing policy to allow all civil servants who died on duty to be permanently buried in the earth burial spaces in the Garden; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): President, the Garden is an area set aside by the Government in the Wo Hop Shek Public Cemetery in 1996 for the burial of civil servants who died on duty. A civil servant who died as a result of injuries sustained in the actual discharge of his duties and not due to his own serious and wilful fault is considered to have died on duty, for example, an officer who was killed in a traffic accident while performing outdoor duties. Due to limited land for earth burials, all earth burials in public cemeteries are subject to the six-year exhumation policy. As the Garden is part of the Wo Hop Shek Public Cemetery, the remains of a deceased

buried in the Garden have to be exhumed at the end of the six-year period, for re-interment in permanent urn spaces, or in niches after cremation, inside the Garden.

In September 2000, the Chief Executive-in-Council approved the amendment to the six-year exhumation policy by allowing permanent earth burials for those civil servants who died due to performing exceptional bravery acts in the course of duty and those members of the public who died or were killed due to performing exceptional acts of bravery. An exceptional bravery act is deemed to be one that is recognized by the posthumous award of a bravery medal granted by the Chief Executive on the recommendation of the Honours Committee. In view of the above amended policy, those civil servants who died on duty and are posthumously awarded bravery medals are eligible for permanent earth burials in the Garden. As regards those members of the public who died due to performing exceptional acts of bravery and are posthumously awarded bravery medals, they are eligible for permanent earth burials in a burial ground set aside in the Wo Hop Shek Public Cemetery, named Tribute Garden.

The replies to the four parts of the question are set out in the ensuing paragraphs:

- (a) There are 110 earth burial spaces, 165 urn spaces and a columbarium of 120 niches in the Garden. Thirty two earth burial spaces have been taken up, including 16 permanent earth burials; 14 urn spaces and 11 niches have also been taken up.
- (b) When planning for the construction of the Garden, the Government did not earmark any adjacent land for future expansion. Having regard to the current number of burial spaces being taken up in the Garden, we believe that there are enough burial spaces to cater for the need for many years in the future. We will continue to monitor the usage of the burial spaces in the Garden.
- (c) Tragic events claiming the lives of civil servants while on duty are generally unexpected with unpredictable consequences. It is therefore difficult to estimate the number of civil servants who would die on duty each year in order to project the number of years

within which the existing earth burial spaces in the Garden would be fully occupied. Since the commissioning of the Garden, 51 civil servants had died on duty and 41 of them were buried there. Six civil servants died on duty and were buried in the Garden in 1998 and 2003 respectively, whereas no civil servant died on duty in 2012 and in the period between January and September 2013. If all those civil servants who died on duty are eligible for permanent earth burials in the Garden, it will increase the demand for earth burial spaces and additional burial ground will be needed sooner than we expect.

- (d) According to legal advice, allowing permanent earth burials in public cemetery for civil servants who have died on duty, but not for other persons who have died on duty is likely to constitute discrimination within the meaning of Article 22 of the Hong Kong Bill of Rights (HKBOR) and Article 26 of the International Covenant on Civil and Political Rights (ICCPR). Article 26 of the ICCPR, which applies to Hong Kong and remains in force by virtue of Article 39 of the Basic Law, prohibits and protects against any discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Any differential treatment in respect of the remains of a deceased person on the basis of his employment status whilst alive is likely to constitute discrimination and contravene the above pieces of legislation. As regards the approval given by the Chief Executive-in-Council in September 2000 which grants exemption to the six-year exhumation policy, since it is applicable to both civil servants and members of the public, it is in compliance with the ICCPR and the HKBOR.

At present, the posthumous award of a bravery medal granted by the Chief Executive on the recommendation of the Honours Committee is already an objective and credible yardstick for honouring bravery acts performed by individuals which is applicable to both civil servants and members of the public. We consider the present policy on earth burials in the Garden strikes the right balance between all the relevant considerations, including giving due respect

to civil servants who died on duty, drawing distinction between civil servants who died on duty and those who died due to performing exceptional acts of bravery, recognizing the scarcity of land in Hong Kong, and complying with the law. Hence, the Government has currently no intention to change the existing policy.

Merchant Shipping (Limitation of Shipowners Liability) (Amendment) Ordinance 2005

21. **MR GARY FAN** (in Chinese): *President, in the light of the latest requirements in the Protocol adopted by the International Maritime Organization in 1996 (the Protocol), the Government submitted to this Council a bill in 2005 which proposed certain amendments to the relevant ordinance in Hong Kong, including raising the limits of liability in respect of loss of life. The Merchant Shipping (Limitation of Shipowners Liability) (Amendment) Ordinance 2005 (the Ordinance) was enacted by this Council in March 2005, but the Ordinance has yet to come into operation. It is learnt that the SAR Government must complete the procedures for formal notification of Hong Kong's joining the Protocol through the Central People's Government for implementation of the Ordinance. It has been reported that as the Ordinance has yet to come into operation, the amounts of compensation receivable by the families of the victims of the vessel collision accident in the water near Lamma Island happened on 1 October last year (maritime disaster off Lamma Island) may be affected. In this connection, will the Government inform this Council:*

- (a) *why the Government has not yet completed the legal procedures concerned after the Ordinance has been enacted for eight years, and of the government department(s) responsible; the detailed timetable the Government currently has for implementing the Ordinance; whether the Government has requested Central People's Government to provide assistance in completing the procedures for formal notification of joining the Protocol; if so, when it made the request, and set out in detail the chronology of the various tasks involved, as well as the respective departments and ranks of officers in Hong Kong and the Mainland that are responsible for the tasks (set out in the table below);*

<i>Date</i>	<i>Task involved</i>	<i>Department and rank of officer in Hong Kong</i>	<i>Department and rank of officer on the Mainland</i>

- (b) *as the amounts of claims made against the owners of the vessels involved and the amounts of compensation receivable by the families of the victims of the maritime disaster off Lamma Island may be affected by the fact that the Ordinance has yet to come into operation, whether the Government will consider making compensations to the families of the victims in this respect; if not, of the reasons for that;*
- (c) *whether the Government and Central People's Government have put in place a mechanism for dealing with Hong Kong's legal matters involving foreign affairs; if so, of the details; and*
- (d) *apart from the aforesaid Ordinance, of the number of the existing ordinances which have been enacted by the Legislative Council but have yet to take effect, and set out respectively the titles of such ordinances, the reasons for their not having come into operation, the expected commencement dates as well as the government departments responsible?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, with respect to Mr Gary FAN's question, my consolidated reply is as follows:

- (a) The Merchant Shipping (Limitation of Shipowners Liability (Amendment) Ordinance 2005 (Amendment Ordinance) is to amend the limits of liability set out in the Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434) in respect of the loss of life and other claims of loss in the light of the latest requirements of

the Convention on Limitation of Liability for Maritime Claims, 1976 as amended by the Protocol of 1996 (the 1996 Protocol).

In August 2003, the then Economic Development and Labour Bureau wrote to the Office of the Commissioner of the Ministry of Foreign Affairs of China in the Hong Kong Special Administrative Region (OCMFA) to seek advice from the Central People's Government on the application of the 1996 Protocol to the Hong Kong Special Administrative Region (HKSAR) and to inform the Central People's Government that the SAR Government was engaged in related legislative work for this purpose. OCMFA conveyed that the Central People's Government has no objection.

The Amendment Ordinance was introduced to the Legislative Council for scrutiny in January 2005. After its passage by the Legislative Council and its gazettal in March 2005, the then Economic Development and Labour Bureau informed the OCMFA in April of the same year that the legislative exercise was completed, and that the Central People's Government could arrange for the deposit of the accession instrument with the International Maritime Organization (IMO) for the application of the 1996 Protocol to the HKSAR in accordance with Article 10 of the 1996 Protocol. After the reorganization of the SAR Government Secretariat in 2007, the Secretary for Transport and Housing has taken over responsibility for the marine-related policy portfolio from the former Secretary for Economic Development and Labour. Over the years, the Transport and Housing Bureau has approached the OCMFA a number of times to express our wish that the Central People's Government confirm with the IMO as soon as possible that the 1996 Protocol would be applicable to the HKSAR. Besides, the marine authorities of both sides have followed up on the progress of the matter from time to time.

The 1996 Protocol is an international agreement entered into by sovereign states. The People's Republic of China is not a party to the 1996 Protocol. Under Article 153 of the Basic Law, the application to the HKSAR of international agreements shall be

decided by the Central People's Government, in accordance with the circumstances and needs of the HKSAR, and after seeking the views of the Government of the HKSAR. As the Amendment Ordinance seeks to implement the requirements of the 1996 Protocol through its amendment provisions on the shipowners' limits of liability, those amendment provisions would only commence operation after the 1996 Protocol has become applicable to the HKSAR and the Secretary for Transport and Housing has specified the commencement date in the Gazette. The SAR Government will continue to follow up with the OCMFA on this matter.

- (b) The relevant amendment provisions regarding the limitation on liability of shipowners as provided for in the Amendment Ordinance apply to actions against shipowners. These amendment provisions are not applicable to persons or institutions involved other than shipowners. Persons injured or families of the deceased victims of the vessel collision incident off the Lamma Island last year may consider seeking legal advice regarding actions against persons or institutions other than shipowners based on other legal grounds. If persons or institutions other than shipowners are eventually found by the Court to be liable for the incident, the fact that the Amendment Ordinance is not yet in force should not affect the amount of the final damages recoverable by persons injured or families of victims.
- (c) Under Article 13 of the Basic Law, the Central People's Government shall be responsible for the foreign affairs relating to the HKSAR. The Ministry of Foreign Affairs shall establish an office in Hong Kong to deal with foreign affairs. Generally speaking, the Central People's Government will liaise with the SAR Government through the OCMFA foreign affairs relating to Hong Kong where necessary, and the SAR Government will also liaise with the Central People's Government through the OCMFA on such affairs where necessary.
- (d) Please refer to the Annex for information relating to Ordinances or provisions of Ordinances that were enacted in 2013 or before but are not yet in operation.

**Ordinances/provisions of ordinances enacted in 2013 or before but not yet in operation
(Position as at 11 October 2013)**

A. Ordinances to be brought into operation

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
1	1995	(81 of 1995) Personal Data (Privacy) Ordinance (Cap. 486)	Section 33	Section 33 seeks to prohibit a data user from transferring personal data to a place outside Hong Kong except to a place which has laws substantially similar to or serving the purposes as Cap.486; the Section also provides that the Privacy Commissioner for Personal Data (PCPD) may specify	-	As the commencement of section 33 would have significant implications on the transfer of personal data to places outside Hong Kong, Constitutional and Mainland Affairs Bureau is working with PCPD in mapping out the way forward, including, inter alia, the readiness of the PCPD to gazette places with legislation substantially similar to	Constitutional and Mainland Affairs Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
2	1997	(94 of 1997) Legal Services Legislation (Miscellaneous Amendments) Ordinance 1997	Sections 2 to 6, 15 and 21 (in respect of sections 1, 5 and 6 of Schedule 2 only)	such places by gazette. The provisions (as amended by the Statute Law (Miscellaneous Provisions) Ordinance 2012) relate to the establishment of solicitor corporations and foreign lawyer corporations as legal practice entities.	-	Cap. 486. The Law Society is empowered under section 73(1)(a)(i) of the Legal Practitioners Ordinance (Cap. 159) to prepare rules relating to the establishment of solicitors corporations and foreign lawyers corporations. The Law Society is now working on the proposed Solicitor Corporation Rules in consultation with Department of Justice and other stakeholders as well as the Panel on Administration of Justice and Legal Services of the Legislative Council. The provisions will be brought into force after	Department of Justice

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
3	2000	(17 of 2000) International Organizations (Privileges and Immunities) Ordinance (Cap. 558)	Sections 6(a), 7(a), 9(a), 10, 11, 12 and 13	The provisions seek to repeal those provisions of International Organizations and Diplomatic Privileges Ordinance (IODPO) (Cap. 190) which deal with privileges and immunities notifications in respect of international organizations.	-	completion of the proposed Rules. Cap. 558 was introduced to provide a framework to give effect in Hong Kong to the privileges and immunities conferred upon international organizations by international agreements. It seeks to gradually replace the relevant sections of Cap. 190. As and when the HKSARG or the Central People's Government concludes international agreements on additional privileges and immunities applicable to international organisations in Hong Kong, new orders under Cap. 558 will be made and the corresponding	Administration Wing

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
4	2003	(14 of 2003) Law Amendment and Reform (Miscellaneous Provisions) Ordinance 2003	Sections 2 and 3	Section 2 of this Ordinance amends section 6 of the Legal Practitioners Ordinance (Cap. 159) to provide that the Law Society may require an applicant for the first issue of a solicitor's practising certificate to have successfully completed a mandatory course in practice management provided or approved by the Law Society. Section 3 relates to the establishment of solicitor corporations and foreign lawyer corporations as legal practice entities.	-	sections in Cap. 190 will be repealed. On section 2, the Law Society would like to allow more time for the mandatory Risk Management Education (RME) requirements, which are implemented in phases, to settle in with the profession before proceeding with another set of mandatory programme. The Law Society considers that section 2 should not take effect until the mandatory practice management course is in place. Section 3 will come into operation when section 4 of the Legal Services Legislation (Miscellaneous Amendments) Ordinance	Department of Justice

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
5	2003	(23 of 2003) Evidence (Miscellaneous Amendments) Ordinance 2003	Sections 12 to 19, 23 and 24	The provisions amend several ordinances to provide, among others, that in criminal proceedings, a witness outside Hong Kong may give evidence to the court via live TV link; and a court or tribunal outside Hong Kong may obtain evidence by the examination of a witness in Hong Kong via live TV link.	-	1997 commences (see item 2 above). Department of Justice has obtained approval in principle from the relevant authorities on the requisite subsidiary legislation, namely the Live Television Link (Witnesses Outside Hong Kong) Rules; and the Rules of the High Court (Amendment) Rules for bringing the outstanding provisions into operation. Department of Justice is liaising with court users with regard to some operational issues with a view to bringing the provisions into operation.	Department of Justice

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
6	2004	(18 of 2004) Construction Workers Registration Ordinance (Cap. 583)	(a) Section 3(2), (3) and (4) (b) Section 4 (c) Section 5 (in so far as it relates to employing a person to personally carry out on a construction site construction work in contravention of sections 3(2), (3) or (4)) (d) Section 6(1) (in so far as it relates to the contravention of sections 3(2), (3) or (4)) (e) Section 6(2) (in so far as it	The provisions stipulate the requirement of registration of construction workers and related matters.	A phased approach has been adopted to implement the provisions in the Construction Workers Registration Ordinance (CWRO). The first phase covering most of the provisions of the Ordinance was implemented in 2007. As some stakeholders would encounter difficulties upon implementation of the remaining phase of provisions, e.g.	Two years after commencement of the amendment bill	Development Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
			<p>relates to the contravention of section 5 (to the extent that it is in operation under paragraph (c))</p> <p>(f) Section 6(4)(in so far as it relates to the contravention of sections 3(2), (3) or (4) or the contravention of section 5 (to the extent that it is in operation under paragraph</p>		<p>registration problems of workers carrying out small scale works, scope of applicability of CWRO and senior workers registration arrangement, it has yet to be in operation.</p> <p>In January 2010, Development Bureau and The Construction Workers Registration Authority (CWRA) ¹ jointly</p>		

¹ CWRA comprising representatives from government and key stakeholders of the construction industry was established under CWRO for the administration of the Ordinance. Upon amalgamation of the CWRA with CIC on 1 January 2013, CIC established a Construction Workers Registration Board also comprising representatives from government and key stakeholders of the construction industry to undertake the registration functions under CWRO.

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
			<p>(c))</p> <p>(g) Sections 6(8)(b), (c) and (d)</p> <p>(h) Sections 48(1)(b), (c) and (d)</p>		<p>established a working group to study the problems. It was concluded that prior to the implementation of the remaining phase of provisions, it would be necessary to amend CWRO to address the issues of concern. CWRA then established a "Committee on Review of CWRO" in January 2011 to study and discuss in detail with the relevant stakeholders to formulate the proposed</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
					<p>amendments. An initial proposal was completed in January 2012. From February to June 2012, Development Bureau jointly with CWRA consulted the relevant stakeholders on the proposed amendments.</p> <p>Subsequently in August 2012, Development Bureau established a "Task Force on Amendments to CWRO" to review and finalize the proposed</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
					<p>amendments taking into account stakeholders' views collected during the consultation.</p> <p>Development Bureau jointly with the Construction Industry Council (CIC) are conducting industry-wide briefing in September – October 2013 to inform stakeholders of the proposed amendments. It is planned to introduce an amendment bill into Legislative</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
7	2007	(15 of 2007) Copyright (Amendment) Ordinance 2007	(a) Section 6(1) (insofar as it relates to the new section 25(1)(e) and (f)), (2) and (4))	To add a new exclusive rental right for comic books.	Council in 2014.	Copyright owners are encouraged to work out a licensing scheme for comic books with relevant stakeholders so that the rental shops could carry on with their	Commerce and Economic Development Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
			<p>(b) Section 47(2) (insofar as it relates to paragraphs (e) and (f) of the new definition of rental right in section 198(1))</p> <p>(c) Section 75 (insofar as it relates to Part 3 of the new Schedule 7 but only to the extent that Part 3 of the new Schedule 7 relates to the transitional provisions and savings in relation to the amendments effected by section 6 (insofar as it relates to the</p>			<p>business in a lawful manner upon commencement of the relevant provisions. As there is no agreed arrangement on licensing scheme at this stage, the relevant provisions have not been brought into operation.</p>	

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
8	2009	(10 of 2009) Merchant Shipping (Safety) (Amendment) Ordinance 2009	new section 25(1)(e) and (f) Sections 3(1), (2), (3), (4) and (6), 4, 5, 9, 10, 11, 12, 14, 15, 16, 17, 30(8), 33, 34(1), 37, 42(3), 43, 44(1), (2) and (4), 45, 46(2) and 47 and Part 4	These provisions are mainly technical amendments made to sections relating to "Interpretation", "Issue or endorsement of certificate", "Certificate of Convention ships not registered in Hong Kong", "Issue and display of load line certificate" and "Valid Convention certificates" of the Ordinance to bring the relevant requirements in line with the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention on Load	The Government is preparing 10 pieces of subsidiary legislation under the Ordinance for implementing SOLAS and ILLC. After completion of law drafting and then enactment by the Legislative Council, the 10 pieces of subsidiary legislation, together with the uncommenced provisions in the Ordinance, are expected to commence	The Government has taken time to prepare the 10 pieces of subsidiary legislation in order to ensure consistency among provisions in the Ordinance as well as its subsidiary legislation for implementing SOLAS and ILLC.	Transport and Housing Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
9	2011	(13 of 2011) Legislation Publication Ordinance (Cap. 614)	The Ordinance (other than Part 1, Part 5, Part 6 (except section 22) and Division 1, Division 2 (except section 27), Division 4 (except section 29) and Divisions 5 and 6 of Part 7)	Lines (ILLC). In addition, there are some other minor and consequential amendments.	in operation 2015.	The construction of the database is under way according to the timetable announced when the Bill was scrutinised by the Legislative Council.	Department of Justice
10	2011	(24 of 2011) Road Traffic (Amendment) Ordinance 2011	Section 14 in so far as it relates to the new section 39N	The provision seeks to empower the Police to conduct a Rapid Oral Fluid Test (ROFT).	Once the suitable device has been identified by the departments concerned, the Government will complete the	When the relevant bill was submitted to the Legislative Council, the Government had said that the provision should only commence at a suitable time having regard to factors including the	Transport and Housing Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
11	2012	(3 of 2012) Banking (Amendment) Ordinance 2012	The Ordinance other than the following sections — (a) sections 1, 2 and 3(1), (2) and (3) (b) section 3(5) (except in so far as it relates to the addition of the new definition of liquidity requirement	Not applicable	relevant legislative procedures to bring the provision into operation.	availability and reliability of ROFT devices. In order to identify suitable ROFT devices, the Police, Government Laboratory and Hospital Authority are carrying out stringent tests on the device samples provided by the suppliers.	Financial Services and the Treasury Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
			<p>rule)</p> <p>(c) sections 4, 5(1), 6 and 7</p> <p>(d) section 8 (except in so far as it relates to the addition of the new Part XVII B and to the new section 97H(1) in the new Part XVIC)</p> <p>(e) sections 9, 10 and 11</p> <p>(f) section 12 (except in so far as it relates to the new sections 97H(5), 97J(3) and 97K(7))</p> <p>(g) section 15(2) (except in so far as it relates to section</p>		<p>on Banking Supervision (BCBS) for implementing the first phase of the Basel III capital standards.</p> <p>The remaining sections of this Ordinance related to liquidity requirements will not commence operation until 1 January 2015. This is also to align with the BCBS timetable for implementing the Liquidity Coverage Ratio under the Basel</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
12	2012	(6 of 2012) Road Traffic (Amendment) Ordinance 2012	104(2) of the Banking Ordinance (Cap. 155) (h) section 15(3) (except in so far as it relates to liquidity ratio and section 105(1) of the Banking Ordinance (Cap. 155)) (i) sections 18(1), (2) and (4), 19, 20, 21 and 22	The provision seeks to implement the requirement for public light bus drivers to attend and complete pre-service course.	III liquidity framework, which is at a later date compared to the Basel III capital standards	The Government is undertaking preparatory works for the provision of the pre-service course, including the selection and designation of training schools and formulation of the relevant Code of	Transport and Housing Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
13	2012	(8 of 2012) Lifts and Escalators Ordinance (Cap. 618)	Sections 8(2), 9(2), 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 of Schedule 16	The provisions are for sequential termination of transitional arrangements relating to lift engineers, escalator engineers, lift workers and escalator workers	It is scheduled to commence the operation of sections 8(2), 9(2), 11, 12, 13, 16, 17, 18 and 22 of Schedule 16 in January 2014; sections 14, 15, 19, 20, 21, 23, 25 and 26 of Schedule 16 in early 2018 ; and review the timetable to commence the operation of section 24 of Schedule 16 in early 2018	The transitional arrangements, including the related termination timetable, have been deliberated in detail in the Bills Committee on Lifts and Escalators Bill (“the Bills Committee”). The objectives of sequential termination of the concerned transitional arrangements are to avoid jeopardizing the livelihood of the concerned practitioners, and to ensure sufficient manpower resources in the trade to provide services when the Ordinance comes into operation.	Development Bureau
14	2012	(14 of 2012) Competition	The Ordinance other than the following	The objective of the Competition	With the enactment of the	Not applicable	Commerce and Economic

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
		Ordinance (Cap. 619)	provisions— (a) sections 1, 2, 35, 38, 40 and 59 (b) Parts 8, 9 and 10 (c) Divisions 1 and 2 of Part 12 (d) section 176 (e) Schedule 5 (f) Part 6 of Schedule 7 (g) Parts 3, 5 and 7 and section 32 of Schedule 8	Ordinance (“Ordinance”) is to prohibit anti-competitive agreements and abuse of market power which has the object or effect of preventing, restricting and distorting competition in Hong Kong. The Ordinance also has a merger control regime which applies only to carrier licences granted under the Telecommunications Ordinance (Cap. 106).	Ordinance, the Government is working on its phased implementation. The provisions relating to the Competition Commission (“Commission”) came into operation on 18 January 2013, while those relating to the Competition Tribunal (“Tribunal”) came into operation on 1 August 2013. The major tasks of the Commission leading to the full		Development Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
					<p>commencement of the Ordinance include the preparation of regulatory guidelines and the promotion of public understanding of the Ordinance. Meanwhile, the Judiciary is also in the process of formulating Tribunal Rules relating to the operations and proceedings of the Tribunal, and</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
					<p>making other necessary administrative arrangements to prepare for the full operation of the Tribunal.</p> <p>The Ordinance will be brought into full operation when all the relevant preparatory work in respect of the Commission and Tribunal is completed.</p>		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
15	2012	(22 of 2012) Legal Practitioners (Amendment) Ordinance 2012	The Ordinance	To allow law firms in Hong Kong to operate in the form of a limited liability partnership.	-	The Law Society is empowered under the new s73A(3)(fa) of the Legal Practitioners Ordinance (Cap. 159) to prepare new indemnity rules relating to the “top up insurance” requirements for limited liability partnerships. The Ordinance will be brought into operation after the Law Society has completed the proposed indemnity rules.	Department of Justice
16	2012	(26 of 2012) Statute Law (Miscellaneous)	Division 1 of Part 8 comes into operation on the day on which section 2 of the	The provisions provide for consequential amendments relating	-	The Law Society is empowered under s73(1)(a)(i) of the Legal Practitioners Ordinance	Department of Justice

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
		Provisions) Ordinance 2012	Legal Services Legislation (Miscellaneous Amendments) Ordinance 1997 (94 of 1997) comes into operation	to legal practice entities including solicitor corporations and foreign lawyers corporations.		(Cap. 159) to prepare rules relating to the establishment of solicitor corporations and foreign lawyer corporations. The Law Society is now working on the proposed Solicitor Corporation Rules in consultation with Department of Justice and other stakeholders as well as the Panel on Administration of Justice and Legal Services of the Legislative Council. The provisions will be brought into force after completion of the proposed Rules.	
17	2012	(28 of 2012) Companies Ordinance (Cap. 622)	The Ordinance	The Ordinance provides a legal framework for the incorporation and operation of	The Ordinance (save certain specified provisions) is planned for commencement	The Ordinance cannot be brought into operation until after the legislative process for enacting all relevant subsidiary legislation has completed.	Financial Services and the Treasury Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
18	2013	(2 of 2013) Pilotage (Amendment) Ordinance 2013	Section 5	To add a new subsection (5) to section 10D of the Ordinance to provide that an applicant for an exemption from compulsory pilotage under section 10D(2) or (3) of the Ordinance must pay a prescribed fee to the Marine	in the first quarter of 2014.	Assuming that the relevant legislative exercise (including the enactment of the Commencement Notice for the Ordinance) will be completed by end 2013, we will bring the Ordinance into operation in the first quarter of 2014.	Transport and Housing Bureau
				To add a new subsection (5) to section 10D of the Ordinance to provide that an applicant for an exemption from compulsory pilotage under section 10D(2) or (3) of the Ordinance must pay a prescribed fee to the Marine	On 1.12.2013	Awaiting for completion of negative vetting of the amendment to Regulation 6 of Pilotage Regulations (Cap. 84A) to stipulate the prescribed fee.	Transport and Housing Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
19	2013	(3 of 2013) District Councils (Amendment) Ordinance 2013	The Ordinance	Department (MD) if an officer of the MD has visited a ship or other site for considering whether or not to grant the exemption.	On 1.1.2016	The current-term DCs with appointed members will expire on 31.12.2015. The Ordinance shall only come into operation on 1.1.2016.	Constitutional and Mainland Affairs Bureau
20	2013	(7 of 2013) Arbitration (Amendment)	Sections 3, 9(1), 18 and 22(3), (6) and (9)	To implement the Arrangement Concerning	The commencement notice for the	Article 13 of the Arrangement provides that the Governments of	Department of Justice

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
		Ordinance 2013		Recognition and Enforcement of Arbitral Awards between Hong Kong and Macao dated 7 January 2013.	relevant provisions will be gazetted on 11 October 2013 and tabled at the Legislative Council on 16 October 2013. The provisions are targeted to commence on 16 December 2013 after completion of the negative vetting procedure.	Hong Kong and Macao shall in writing notify each other of the completion of the internal procedures required to bring the Arrangement into force. Department of Justice has just received notice from the Macao side on 7 October 2013 on the completion of their internal procedures. Taking into account the time required for negative vetting of the commencement notice for the relevant provisions in Hong Kong, the two sides have agreed that the Arrangement shall enter into force on 16 December 2013.	Environmental Protection Department
21	2013	(12 of 2013) Air Pollution Control	The Ordinance	To set out updated Air Quality Objectives, provide	On 1.1.2014	Not applicable (Commencement date provided in the	Environmental Protection Department

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
22	2013	(Amendment) Ordinance 2013 (13 of 2013) Trust Law (Amendment) Ordinance 2013	The Ordinance	for their periodic review and make transitional provisions. The Ordinance seeks to bolster the competitiveness of Hong Kong's trust services industry and attract settlers to set up trusts in Hong Kong, which will in turn enhance Hong Kong's status as an international asset management centre.	On 1.12.2013	Ordinance) The commencement date is set out in the Ordinance.	Financial Services and the Treasury Bureau
23	2013	(14 of 2013) Pesticides (Amendment) Ordinance 2013	The Ordinance	The Ordinance seeks to provide for the registration and control of pesticides and for matters connected therewith, and the implementation of the requirements of	On 27.1.2014	The Amendment Ordinance comes into operation 6 months after the day on which it is published in the Gazette. This will provide sufficient time for traders to adapt to the new	Food and Health Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Expected commencement date	Reason(s) for not having come into operation	Responsible/ Instructing Bureau
				the Rotterdam Convention on the Prior Informed Consent Procedure for Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants.		regulatory requirements.	

B. Ordinances to be repealed

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
24	1962	(38 of 1962) Boilers and Pressure Vessels Ordinance (Cap. 56)	Sections 19, 20, 21, 31, 49(3) and 50(3)	The provisions seek to govern the safe use of pressurised fuel containers (commonly known as “kerosene stove”).	-	After taking into account the relevant policy considerations, Labour and Welfare Bureau considers that the provisions are no longer required and can be repealed when an opportunity arises.	Labour and Welfare Bureau
25	1995	(56 of 1995) Wills (Amendment) Ordinance 1995	Sections 8 (new Part IIA) and 10	The provisions seek to implement the “Convention Providing a Uniform Law on the Form of an	-	After taking into account the relevant policy considerations, Home Affairs Bureau considers that the provisions are no	Home Affairs Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
26	1999	(47 of 1999) Chinese Medicine Ordinance (Cap. 549)	(a) Section 90(8), (b) Section 158(4) (other than in so far as it relates to a listed Chinese medicine practitioner) (c) Section 158(6) (in relation to a proprietary Chinese medicine which is compounded	International Will” concluded at Washington on 26 October 1973. The provisions seek to provide for the interim arrangements pending the full implementation of the mandatory registration of proprietary Chinese medicines, and Chinese medicine practitioners.	Since the relevant provisions were put in place as transitional arrangements, Food and Health Bureau considers that the provisions are no longer required and can be repealed when an opportunity arises.	longer required and will be repealed when an opportunity arises. -	Food and Health Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
			<p>by or under the supervision of a person who continues to practise Chinese medicine by virtue of section 90(7) or which is individually prepared or compounded in accordance with a prescription given by such a person)</p> <p>(d) Section 164(a)(iii) (other than to the extent that new section 28(3)(h) of the</p>				

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
			<p>Medical Registration Ordinance (Cap. 161) relates to a Chinese medicine practitioner registered or listed under the Chinese Medicine Ordinance (Cap. 549))</p> <p>(e) Section 165 (other than to the extent that new section 31 of the Medical Registration Ordinance (Cap.</p>				

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
			<p>161) relates to any Chinese medicine practitioner registered or listed under the Chinese Medicine Ordinance (Cap. 549))</p> <p>(f) Section 168(a) (other than to the extent that new section 5(1)(d) of the Undesirable Medical Advertisements Ordinance (Cap. 231) relates to Chinese</p>				

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
			<p>medicine practitioners registered or listed under the Chinese Medicine Ordinance (Cap. 549))</p> <p>(g) Section 170(a) (other than to the extent that new paragraph (f) of the definition of “clinic” in section 2 of the Medical Clinics Ordinance (Cap. 343) relates to a Chinese medicine</p>				

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
			<p>practitioner registered or listed under the Chinese Medicine Ordinance (Cap. 549))</p> <p>(h) Section 170(b) (other than in respect of new paragraph (c) of the definition of “medical treatment” in section 2 of the Medical Clinics Ordinance (Cap. 343), and new paragraph (d) of that definition but</p>				

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
27	2010	(12 of 2010) Companies (Amendment) Ordinance 2010	<p>only to the extent it relates to a Chinese medicine practitioner registered or listed under the Chinese Medicine Ordinance (Cap. 549))</p> <p>Part 7</p>	<p>The Part amends the Companies Ordinance, the Companies (Winding-up) Rules (Cap.32 sub. leg. H) and the Securities and Futures Ordinance (Cap. 571) to remove obstacles to the introduction of</p>	<p>We have identified and are following up other necessary amendments to the Securities and Futures Ordinance (Cap. 571), the new Companies Ordinance (Cap. 622) and the Stamp Duty Ordinance (Cap. 117) in order to</p>	<p>Upon the commencement of the new Companies Ordinance (Cap.622), targeted for the first quarter of 2014.</p>	<p>Financial Services and the Treasury Bureau</p>

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Timetable to repeal the provisions	Responsible/ Instructing Bureau
				paperless holding and transfer of shares and debentures.	enable the introduction of an uncertificated securities regime.		

C. Ordinances under review

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
28	1975	(55 of 1975) Labour Relations Ordinance (Cap. 55)	Part V	This part seeks to empower the Chief Executive in Council to make a cooling-off period order, where necessary and when there is a clear need, when a major labour dispute is seriously affecting the welfare and livelihood of the public.	When Cap. 55 was passed in 1975, it was decided in the then Legislative Council that while Part V should be legislated, it should be brought into operation only when there was a clear and publicly recognised need to do so. As Cap. 55 has laid down certain pre-requisites for the imposition of a cooling-off period and there are yet circumstances to warrant the move, Part V of Cap. 55 has not yet been brought into operation. Labour	-	Labour and Welfare Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
					and Welfare Bureau will continue to keep the commencement of Part V under review.		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
29	1988	(75 of 1988) Noise Control Ordinance (Cap. 400)	Sections 7, 13(1)(b) and 14(3)	The provisions are "catch-all" type of provisions complementing those noise control-related provisions already in operation, empowering the relevant authority to control noise problems caused by construction work, industrial and commercial activities and noisy products unforeseen during the making of Cap. 400.	These provisions provide the necessary reserve power for the authority to deal with unforeseen circumstances in protecting people from being affected by noise disturbance. Subsidiary legislation is required to be made to supplement the implementation of these provisions. Environment Bureau will keep the issues in view and consideration will be given to bringing these sections into operation when there are specific circumstances in which the noise problem could not be adequately addressed under the existing control.	Bringing the provision into operation would depend on the need, having regard to the control already in place.	Environment Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
30	1994	(105 of 1994) Sewage Services Ordinance (Cap. 463)	Section 3(5)	Section 3(5) seeks to empower the Water Authority to increase the amount of water deposit required to pay by a customer with a view to covering any charge due arising from sewage charge.	The Administration has reviewed the amount of water deposit from time to time and considered that there is presently no need to increase it in the context of covering the payment arising from sewage charge. Nevertheless, the level of water deposit will remain subject to regular review in the context of section 3(5) of the Ordinance. Environment Bureau will consider bringing the section into operation as and when the need arises.	Environment Bureau will consider bringing the section into operation as and when the need arises.	Environment Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
31	1995	(18 of 1995) Dumping at Sea Ordinance (Cap. 466)	Part V	Part V of Cap. 466 seeks to control marine pollution arising from maritime works activities related to dumping substances at sea.	All major maritime works that would be covered by Part V are already covered by the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499) enacted in 1998. Other maritime works are also covered by relevant administrative measures. Environment Bureau will continue to monitor the situation and keep under review the need for introducing Part V.	Environment Bureau will continue to monitor the situation and keep under review the need for introducing Part V.	Environment Bureau
32	1997	(48 of 1997) Estate Agents Ordinance	Sections 36, 37 and 44 to 48 (other than for the purposes of the application of	The provisions seek to provide for the regulation of the day-to-day practices of	When the legislative proposal was introduced into the Legislative Council, the Administration	-	Transport and Housing Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
		(Cap. 511)	those sections to and in relation to any property in Hong Kong used wholly or primarily for human habitation)	licensed estate agents in respect of property transactions.	made clear that the licensing and regulatory system would be introduced in a gradual and planned manner. In line with the policy intention, Cap. 511 was brought into operation in stages. Regulatory work on the estate agency practices for residential properties, in particular for uncompleted first-hand residential properties, is the area of primary concern to the public. Priority has therefore been given to regulation of estate agent practices in residential		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
33	1997	(82 of 1997) Nurses Registration (Amendment) Ordinance 1997	Section 5 to 8, 10 to 12, 14 to 19 and 24	The provisions seek to provide the Nursing Council with additional powers relating to the registration and enrolment of nurses, and the better control of	Subsidiary legislation is required to be made to supplement the implementation of the amended provisions. In addition, some additional amendments to the Nursing Registration Ordinance	Food and Health Bureau is conducting a strategic review on healthcare manpower planning and professional	Food and Health Bureau
					property transactions. Transport and Housing Bureau does not have a definite timetable on extending the provisions to cover local non-residential properties and non-local properties, and will continue to keep in view the issue.		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
				nursing.	(Cap. 164) are also required in relation to the enabling provisions of Cap. 164 to make the relevant subsidiary legislation effective. Food and Health Bureau is now considering how to take forward the legislative exercise in the light of the current overall review of the professional statutory bodies in the health sector.	development which covers, among other things, the future development of the nursing profession and for that matter the related legislation. We will take forward the legislative exercise as appropriate upon completion of the review.	
34	1997	(87 of 1997) Mutual Legal Assistance in	Sections 3, 11 and 15 of Schedule 3	The provisions seek to repeal those provisions on the enforcement of	Cap. 525 does not apply to the provision or obtaining of assistance in criminal	-	Security Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
	Criminal Matters Ordinance (Cap. 525)		external confiscation orders related to drug trafficking, including those in the Drug Trafficking (Recovering of Proceeds) Ordinance (Cap. 405).	matters between Hong Kong and any other part of the Mainland. The relevant provisions in Cap. 405 are the only legal means to enforce external confiscation orders for drug cases issued by the Mainland authorities. Before a mutual legal assistance agreement could be concluded with the Mainland, repealing the relevant provisions in Cap. 405 by bringing into operation the provisions of Cap. 525 will render HKSARG unable to enforce an external confiscation order issued by a Mainland authority			

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
35	1997	(89 of 1997) Crimes (Amendment) (No. 2) Ordinance 1997	The Ordinance	Apart from the adaptation and technical amendments, the Ordinance 1997 makes two substantive changes to the Crimes Ordinance : (a) deletion of treasonable offences, but leaving intact the offence of treason; and (b) qualifying the offence of sedition by including the	and will increase the risk of drug money flowing into Hong Kong. Security Bureau will continue to keep the provisions under review.	-	Security Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
36	2000	(47 of 2000) Human Reproductive Technology Ordinance (Cap. 561)	Section 33(4)(a)	<p>element of “intention of causing violence of creating public disorder or a public disturbance”.</p> <p>Section 33(4) provides that an adult may enquire with the Council of Human Reproductive Technology (the Council) whether he was born out of reproductive technology procedures through donated gametes. Section 33(4)(a) provides that, apart from the information already prescribed in the</p>	<p>is no specific timetable for the latter.</p> <p>Food and Health Bureau and the Council on Human Reproductive Technology consider that no additional information other than those already prescribed by the Ordinance is required at this stage because it takes 16 years for a person who was born out of reproductive technology procedures through donated gametes to become an adult and, thus, can make request for information. Food and Health Bureau will</p>	-	Food and Health Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
37	2000	(56 of 2000) Adaptation of Laws (No. 9) Ordinance 2000	Sections 9 and 10 of Schedule 1	Ordinance, the Secretary for Food and Health may also prescribe regulations by other information concerning the gamete donors that the adult may ask from the Council.	consider if any regulation has to be made at a later stage as and when changes in societal circumstances warrants it.	-	Labour and Welfare Bureau
				The provisions seek to replace "Governor" and "Governor in Council" with "Chief Executive" and "Chief Executive in Council" respectively in sections 35 and 36 of the Labour Relations	The provisions will be brought into operation when sections 35 and 36 of Cap. 55 commence (see item 28 above).		

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
38	2002	(4 of 2002) Dangerous Goods (Amendment) Ordinance 2002	The Ordinance	Ordinance (Cap. 55). The Ordinance seeks to improve the regulatory framework of dangerous goods and bring it in line with commonly adopted international standards.	The Legislative Council passed two pieces of subsidiary legislation under the Ordinance in 2012 including the Dangerous Goods (Application and Exemption) Regulation 2012 and Dangerous Goods (Shipping) Regulation 2012. The two other pieces of subsidiary legislation are still under review and subject to further drafting. The Ordinance could only come into operation upon the passage of all relevant subsidiary legislation.	Dependent on progress of the review of the relevant subsidiary legislation.	Security Bureau

Item	Year in which ordinance was enacted	Ordinance	Provisions	Main purpose of the Provisions	Reason(s) for not having come into operation	Expected commencement date	Responsible/ Instructing Bureau
39	2004	(26 of 2004) Land Titles Ordinance (Cap. 585)	The Ordinance	The Ordinance seeks to introduce a system for registration of title to land in place of the deeds registration system now operating under the Land Registration Ordinance (Cap 128).	Consultation with major stakeholders is still underway. The consultation is related to various changes to the rectification, indemnity and conversion arrangements stipulated in existing provisions of the Ordinance for the new title registration system.	Dependent on progress of the consultation and enactment of amending legislation to give effect to the necessary changes to the new system.	Development Bureau

Monitoring Use of Funds of Disaster Relief Fund Allocated to Places Outside Hong Kong

22. **MS CLAUDIA MO** (in Chinese): *President, earlier on, the Government sought funding approval from this Council to inject \$100 million into the Disaster Relief Fund (the Fund) for providing emergency relief to earthquake victims in Sichuan Province on the Mainland. However, some members of the public have queried the allocation of funds to the Mainland authorities and they worry that the funds will ultimately be misappropriated for improper uses, or will even go into the pockets of corrupt officials. In this connection, will the Government inform this Council:*

- (a) *of the latest situation regarding the usage of the aforesaid funds of \$100 million; among such funds, the amounts allocated to non-governmental organizations (NGOs) and government authorities outside Hong Kong as well as their uses respectively; whether the authorities have any concrete plan to regularly monitor the actual uses of the funds and their effectiveness;*
- (b) *given that NGOs allocated with funds are required to submit evaluation reports and audited accounts within six months after completion of the disaster relief programmes, but government authorities outside Hong Kong allocated with funds are not required to submit evaluation reports within a specific period of time, of the measures put in place by the authorities to ensure that the funds allocated to government authorities outside Hong Kong are properly spent;*
- (c) *of the details of the allocations made by the Government through the Fund to places outside Hong Kong in each of the past five years (set out in the table below); and*

<i>Year</i>	<i>Country or region receiving funds</i>	<i>Name of government authorities or NGOs receiving funds</i>	<i>Amount of funds allocated</i>	<i>Designated uses of funds</i>	<i>Outcome of evaluation on effectiveness</i>
2008					
2009					

<i>Year</i>	<i>Country or region receiving funds</i>	<i>Name of government authorities or NGOs receiving funds</i>	<i>Amount of funds allocated</i>	<i>Designated uses of funds</i>	<i>Outcome of evaluation on effectiveness</i>
<i>2010</i>					
<i>2011</i>					
<i>2012</i>					

- (d) *with respect to NGOs or government authorities outside Hong Kong found to have used the funds improperly, whether the authorities have put in place mechanisms to immediately terminate the allocation of funds to them and recover the allocated funds; if so, of the details; if not, the reasons for that; whether the authorities will blacklist such government authorities and NGOs and reject their future applications for funds?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, on 20 April of this year, an earthquake measuring 7.0 on the Richter scale hit Lushan county of Ya'an in Sichuan Province. On 3 May, the Finance Committee of the Legislative Council approved an injection of HK\$100 million to the Fund. The Disaster Relief Fund Advisory Committee also endorsed the proposal of the HKSAR Government to donate \$100 million to the Sichuan Provincial People's Government (the Provincial Government) to provide emergency relief for the earthquake victims at its meeting held on 8 May.

- (a) and (b)

On 15 May of this year, with a view to supporting the Provincial Government's disaster relief work, the HKSAR Government donated \$100 million to the Provincial Government, via a designated account opened by the Provincial Government to handle the donations from Hong Kong and Macao in respect of the earthquake in Lushan. According to the Provincial Government, the donation will mainly be used to purchase emergency relief equipment (including medical, transportation, fire-fighting, environmental hygiene and rescue) and related items. Following the prevailing practice, the HKSAR Government has also requested the Provincial Government to submit

an evaluation report on the use of the donation after the completion of the disaster relief work. In view of the relatively large scale of the disaster relief work co-ordinated at the government level and the need for more time for completion, we have not set a specified time frame for government authorities outside Hong Kong within which they have to submit the reports. Nevertheless, as regards the current donation, the HKSAR Government has kept close contact with the local government authorities on the use of the donation through the Hong Kong Economic and Trade Office in Chengdu. We understand that the procurement process is still underway. Same as before, in response to Legislative Council's concerns on injection to the Fund, we will report to the Finance Committee of Legislative Council on the use of the donation after receiving the relevant report from the Provincial Government.

- (c) Details of grants from the Fund in the past five years (2008-2009 to 2012-2013) are set out at the Annex.
- (d) All grants from the Fund shall be used for designated purposes to support individual disaster relief programmes. Should there be any proven case of improper use of grants, the amount concerned shall be returned to the Fund in full. Records will also be kept for reference in considering future applications for grants.

Annex

Grants from the Fund
for the period from 2008-2009 to 2012-2013

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2008-2009	Guangxi Zhuang Autonomous Region and Yunnan Province, Mainland	The Foundation ⁽¹⁾ Amity	1,290	Relief programme for snowstorm victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2008-2009	Sichuan Province, Mainland	Central People's Government	300,000	Relief programme for victims affected by the earthquake	Completed on target
2008-2009	Sichuan Province, Mainland	The Amity Foundation	3,500	Relief programme for earthquake victims	Completed on target
2008-2009	Sichuan Province, Mainland	Hong Kong Red Cross	7,500	Relief programme for earthquake victims	Programme withdrawn by organization
2008-2009	Sichuan Province, Mainland	World Vision Hong Kong	5,000	Relief programme for earthquake victims	Completed on target
2008-2009	Sichuan Province, Mainland	People's Government of Sichuan Province	800 ⁽²⁾	Relief programme for earthquake victims	Completed on target
2008-2009	Gansu, Shaanxi and Sichuan Provinces, Mainland	World Vision Hong Kong	7,000	Relief programme for earthquake victims	Completed on target
2008-2009	Sichuan Province, Mainland	People's Government of Sichuan Province	3,700 ⁽²⁾	Relief programme for earthquake victims	Completed on target
2008-2009	Myanmar	World Vision Hong Kong	5,000	Relief programme for typhoon victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2008-2009	Sichuan Province, Mainland	People's Government of Sichuan Province	600 ⁽²⁾	Relief programme for earthquake victims	Completed on target
2008-2009	Gansu Province, Mainland	CEDAR Fund	740	Relief programme for earthquake victims	Completed on target
2008-2009	Sichuan and Shaanxi Provinces, Mainland	Oxfam Hong Kong	3,510	Relief programme for earthquake victims	Completed on target
2008-2009	Myanmar	CEDAR Fund	560	Relief programme for typhoon victims	Completed on target
2008-2009	Sichuan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	700	Relief programme for earthquake victims	Completed on target
2008-2009	Sichuan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	790	Relief programme for earthquake victims	Completed on target
2008-2009	India	World Vision Hong Kong	2,000	Relief programme for flood victims	Completed on target
2008-2009	India	CEDAR Fund	787	Relief programme for flood victims	Completed on target
2008-2009	India	Oxfam Hong Kong	2,126	Relief programme for flood victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2008-2009	Kenya	World Vision Hong Kong	2,700	Relief programme for victims of food crisis	Completed on target
2009-2010	Bangladesh	Oxfam Hong Kong	1,000	Relief programme for typhoon victims	Completed on target
2009-2010	India	Oxfam Hong Kong	1,300	Relief programme for typhoon victims	Completed on target
2009-2010	Bangladesh	World Vision Hong Kong	1,500	Relief programme for typhoon victims	Completed on target
2009-2010	India	World Vision Hong Kong	1,500	Relief programme for typhoon victims	Completed on target
2009-2010	Guangxi Zhuang Autonomous Region, Guizhou Province and Hunan Province, Mainland	The Amity Foundation	3,670	Relief programme for flood victims	Completed on target
2009-2010	Yunnan Province, Mainland	The Amity Foundation	2,090	Relief programme for earthquake victims	Completed on target
2009-2010	Hunan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	920	Relief programme for flood victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2009-2010	Guangxi Zhuang Autonomous Region and Jiangxi Province, Mainland	World Vision Hong Kong	2,500	Relief programme for flood victims	Completed on target
2009-2010	Taiwan	Taiwanese authorities	50,000	Relief programme for typhoon victims	Completed on target
2009-2010	Taiwan	World Vision Hong Kong	5,000	Relief programme for typhoon victims	Completed on target
2009-2010	The Philippines	The Salvation Army	4,800	Relief programme for typhoon victims	Completed on target
2009-2010	The Philippines	World Vision Hong Kong	2,000	Relief programme for typhoon victims	Completed on target
2009-2010	Indonesia	World Vision Hong Kong	4,000	Relief programme for earthquake victims	Completed on target
2009-2010	The Philippines	The Amity Foundation	520	Relief programme for typhoon victims	Completed on target
2009-2010	The Philippines	Oxfam Hong Kong	2,800	Relief programme for typhoon victims	Completed on target
2009-2010	Indonesia	CEDAR Fund	1,410	Relief programme for earthquake victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2009-2010	Haiti	World Vision Hong Kong	8,000	Relief programme for earthquake victims	Completed on target
2009-2010	Xinjiang Uygur Autonomous Region, Mainland	World Vision Hong Kong	2,500	Relief programme for snowstorm victims	Completed on target
2009-2010	Chile	World Vision Hong Kong	2,000	Relief programme for earthquake victims	Completed on target
2009-2010	Guangxi Zhuang Autonomous Region and Yunnan Province, Mainland	The Amity Foundation	1,400	Relief programme for drought victims	Completed on target
2010-2011	Guangxi Zhuang Autonomous Region, Mainland	People's Government of Guangxi Zhuang Autonomous Region	40,000	Relief programme for drought victims	Completed on target
2010-2011	Guizhou Province, Mainland	People's Government of Guizhou Province	40,000	Relief programme for drought victims	Completed on target
2010-2011	Yunnan Province, Mainland	People's Government of Yunnan Province	40,000	Relief programme for drought victims	Completed on target
2010-2011	Guangxi Zhuang Autonomous Region and Yunnan Province, Mainland	World Vision Hong Kong	2,800	Relief programme for drought victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2010-2011	Guangxi Zhuang Autonomous Region, Guizhou Province and Yunnan Province, Mainland	The Amity Foundation	3,420	Relief programme for drought victims	Completed on target
2010-2011	Yunnan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	1,240	Relief programme for drought victims	Completed on target
2010-2011	Yunnan Province, Mainland	The Salvation Army	6,740	Relief programme for drought victims	Completed on target
2010-2011	Qinghai Province, Mainland	The Amity Foundation	4,500	Relief programme for earthquake victims	Completed on target
2010-2011	Guizhou Province, Mainland	Operation Blessing Kong Hong	250	Relief programme for drought victims	Completed on target
2010-2011	Guangxi Zhuang Autonomous Region and Yunnan Province, Mainland	Oxfam Kong Hong	2,640	Relief programme for drought victims	Completed on target
2010-2011	Guizhou Province, Mainland	World Vision Hong Kong	1,500	Relief programme for drought victims	Completed on target
2010-2011	Qinghai Province, Mainland	People's Government of Qinghai Province	100,000	Relief programme for earthquake victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2010-2011	Qinghai Province, Mainland	The Salvation Army	7,240	Relief programme for earthquake victims	Completed on target
2010-2011	Qinghai Province, Mainland	World Vision Hong Kong	5,000	Relief programme for earthquake victims	Completed on target
2010-2011	Qinghai Province, Mainland	ADRA China	300	Relief programme for earthquake victims	Completed on target
2010-2011	Qinghai Province, Mainland	Save the Children Hong Kong	300	Relief programme for earthquake victims	Completed on target
2010-2011	Qinghai Province, Mainland	Social Workers Across Borders	299	Relief programme for earthquake victims	Completed on target
2010-2011	Guangxi Zhuang Autonomous Region and Hunan Province, Mainland	The Amity Foundation	5,180	Relief programme for flood victims	Completed on target
2010-2011	Hunan Province, Mainland	The Salvation Army	7,000	Relief programme for flood victims	Completed on target
2010-2011	Hunan and Jiangxi Provinces, Mainland	World Vision Hong Kong	3,000	Relief programme for flood victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2010-2011	Jiangxi Province, Mainland	The Association of Chinese Evangelical Ministry Limited	1,070	Relief programme for flood victims	Completed on target
2010-2011	Yunnan Province, Mainland	Oxfam Hong Kong	980	Relief programme for flood victims	Completed on target
2010-2011	Shaanxi Province, Mainland	World Vision Hong Kong	2,000	Relief programme for flood victims	Completed on target
2010-2011	Gansu and Sichuan Provinces, Mainland	The Amity Foundation	3,100	Relief programme for flood victims	Completed on target
2010-2011	Pakistan	World Vision Hong Kong	3,000	Relief programme for flood victims	Completed on target
2010-2011	Pakistan	Oxfam Hong Kong	2,000	Relief programme for flood victims	Completed on target
2010-2011	Pakistan	Save the Children Hong Kong	300	Relief programme for flood victims	Completed on target
2010-2011	India	Save the Children Hong Kong	300	Relief programme for flood victims	Completed on target
2010-2011	Gansu Province, Mainland	People's Government of Gansu Province	50,000	Relief programme for mudslide victims	Completed on target
2010-2011	Pakistan	The Salvation Army	4,650	Relief programme for flood victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2010-2011	The Philippines	World Vision Hong Kong	3,000	Relief programme for typhoon victims	Completed on target
2010-2011	Sri Lanka	World Vision Hong Kong	2,000	Relief programme for flood victims	Completed on target
2010-2011	New Zealand	The Salvation Army	6,150	Relief programme for earthquake victims	Programme withdrawn by organization
2010-2011	Yunnan Province, Mainland	World Vision Hong Kong	2,000	Relief programme for earthquake victims	Completed on target
2010-2011	Yunnan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	800	Relief programme for earthquake victims	Completed on target
2010-2011	Yunnan Province, Mainland	Save the Children Hong Kong	500	Relief programme for earthquake victims	Completed on target
2010-2011	Japan	Save the Children Hong Kong	1,000	Relief programme for earthquake victims	Completed on target
2011-2012	Japan	Government of Japan	5,000 ⁽²⁾	Relief programme for earthquake victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2011- 2012	Myanmar	World Vision Hong Kong	2,000	Relief programme for earthquake victims	Completed on target
2011- 2012	Guizhou and Hunan Provinces, Mainland	The Amity Foundation	3,408	Relief programme for flood victims	Completed on target
2011- 2012	Hunan and Jiangxi Provinces, Mainland	World Vision Hong Kong	4,000	Relief programme for flood victims	Completed on target
2011- 2012	Sichuan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	1,400	Relief programme for flood victims	Completed on target
2011- 2012	Ethiopia	World Vision Hong Kong	3,000	Relief programme for drought victims	Completed on target
2011- 2012	Kenya	World Vision Hong Kong	3,000	Relief programme for drought victims	Completed on target
2011- 2012	Ethiopia	Oxfam Hong Kong	3,000	Relief programme for drought victims	Completed on target
2011- 2012	Guangxi Zhuang Autonomous Region, Mainland	The Amity Foundation	1,380	Relief programme for drought victims	Completed on target
2011- 2012	Guizhou Province, Mainland	World Vision Hong Kong	3,000	Relief programme for drought victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2011- 2012	Guizhou Province, Mainland	Oxfam Kong Hong	1,340	Relief programme for drought victims	Completed on target
2011- 2012	Yunnan Province, Mainland	Oxfam Kong Hong	2,000	Relief programme for drought victims	Completed on target
2011- 2012	The Philippines	World Vision Hong Kong	1,500	Relief programme for typhoon victims	Completed on target
2011- 2012	Cambodia	ADRA China	500	Relief programme for flood victims	Completed on target
2011- 2012	Thailand	World Vision Hong Kong	3,000	Relief programme for flood victims	Completed on target
2011- 2012	Thailand	Save the Children Hong Kong	1,000	Relief programme for flood victims	Programme withdrawn by organization
2011- 2012	The Philippines	World Vision Hong Kong	2,000	Relief programme for typhoon victims	Completed on target
2011- 2012	The Philippines	Save the Children Hong Kong	1,000	Relief programme for typhoon victims	Completed on target
2012- 2013	Yunnan Province, Mainland	Amity Foundation, Hong Kong	3,280	Relief programme for drought victims	Completed on target
2012- 2013	Mali	World Vision Hong Kong	3,000	Relief programme for drought victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2012-2013	Niger	World Vision Hong Kong	3,000	Relief programme for drought victims	Completed on target
2012-2013	Yunnan Province, Mainland	World Vision Hong Kong	2,000	Relief programme for drought victims	Completed on target
2012-2013	Yunnan Province, Mainland	Oxfam Hong Kong	3,810	Relief programme for drought victims	Completed on target
2012-2013	Gansu Province, Mainland	Save the Children Hong Kong	500	Relief programme for flood and hailstorm victims	Completed on target
2012-2013	Hunan and Jiangxi Provinces, Mainland	World Vision Hong Kong	5,000	Relief programme for flood victims	Completed on target
2012-2013	Guangxi Zhuang Autonomous Region and Hunan Province, Mainland	Amity Foundation, Hong Kong	5,040	Relief programme for flood victims	Completed on target
2012-2013	The Philippines	World Vision Hong Kong	1,500	Relief programme for typhoon victims	Completed on target
2012-2013	The Philippines	Save the Children Hong Kong	1,000	Relief programme for typhoon victims	Completed on target
2012-2013	The Philippines	ADRA China	1,000	Relief programme for typhoon victims	Completed on target

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2012-2013	Yunnan Province, Mainland	Save the Children Hong Kong	1,247	Relief programme for earthquake victims	Completed on target
2012-2013	Yunnan Province, Mainland	Amity Foundation, Hong Kong	5,137	Relief programme for earthquake victims	Completed on target
2012-2013	Yunnan Province, Mainland	The Salvation Army	4,200	Relief programme for earthquake victims	Completed on target
2012-2013	Yunnan Province, Mainland	CEDAR Fund	2,418	Relief programme for earthquake victims	Completed on target
2012-2013	Yunnan Province, Mainland	Social Workers Across Borders	420	Relief programme for earthquake victims	Completed on target
2012-2013	The Philippines	ADRA China	1,200	Relief programme for typhoon victims	Completed on target
2012-2013	Yunnan Province, Mainland	The Association of Chinese Evangelical Ministry Limited	1,133	Relief programme for earthquake victims	Programme in progress
2012-2013	The Philippines	World Vision Hong Kong	2,500	Relief programme for typhoon victims	Programme in progress

<i>Year</i>	<i>Beneficiary Country/Area</i>	<i>Name of Recipient government authority or NGOs</i>	<i>Amount of funds allocated (\$'000)</i>	<i>Designated Purpose of Grant</i>	<i>Outcome of Evaluation</i>
2012- 2013	The Philippines	The Salvation Army	4,632	Relief programme for typhoon victims	Programme in progress
2012- 2013	The Philippines	Save the Children Hong Kong	2,500	Relief programme for typhoon victims	Programme in progress

Notes:

- (1) The name of "The Amity Foundation" was changed to "Amity Foundation, Hong Kong" in December 2011.
- (2) The relief assistance was made in kind.

MOTIONS

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance to approve the Pharmacy and Poisons (Amendment) (No. 5) Regulation 2013 and the Poisons List (Amendment) (No. 5) Regulation 2013.

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

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: 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). The Ordinance maintains several Schedules under the Pharmacy and Poisons Regulations (the Regulations) and a Poisons List under the Poisons List 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 one pharmaceutical product, the Pharmacy and Poisons Board (the Board) proposes to add the following substance to Part I of the Poisons List and the First and Third Schedules to the Regulations:

- (a) Glycopyrronium; its salts.

Pharmaceutical products containing the above substance 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 the above substance to Part I of the Poisons List and the First and Third Schedules to the Regulations, we propose them to take effect upon gazettal on 18 October 2013, 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 23 September 2013, be approved —

- (a) the Pharmacy and Poisons (Amendment) (No. 5) Regulation 2013; and
- (b) the Poisons List (Amendment) (No. 5) Regulation 2013."

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 as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

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

First Member's motion: Vote of no confidence in the Chief Executive.

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

I now call upon Dr KWOK Ka-ki to speak and move the motion.

VOTE OF NO CONFIDENCE IN THE CHIEF EXECUTIVE

DR KWOK KA-KI (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, the past year was tough for most people in Hong Kong. It was a dark year. Since the incumbent Chief Executive assumed office on 1 July last year, society has been even more divided and life has become even harder. Someone has asked why I move this motion today. My answer is very simple: must all people in Hong Kong continue to put up with LEUNG Chun-ying for four more years? If the answer is in the negative, today's motion is of great significance.

LEUNG Chun-ying has, during the year after his assumption of office, continued to create divisions in society. He seems to have a magic hand, turning every good thing into a bad thing. Yesterday, the Government announced its

decision on the issuance of new television licences. The application of the Hong Kong Television Network Limited (HKTVN) was turned down while two other television stations, which are now operating cable television or paid television, were awarded the licence. As soon as the announcement was made, the whole city was filled with wrath. President, I have been listening to the radio since yesterday. It can be said that this decision of the Government has antagonize most members of the public.

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

On 19 June 2009, the Government made the following conclusion at the public hearing on the issuance of free television licences: most people opined that it was necessary to open up the free television market and they were dissatisfied with Television Broadcasts Limited (TVB) monopolizing the market. When the Government invited application for television licences, it indicated clearly that there was no limit on the number of licences to be issued. This message had been repeatedly conveyed in the Government's subsequent replies to Members' questions. As a matter of fact, on 1 September 2011, the Government replied that it would issue the licences three months later in December 2011. In the end, Secretary Gregory SO acted against public opinion and turned down HKTVN's application yesterday. He gave some dubious reasons and made various groundless charges. The Secretary said, and I quote, "Television licences should be issued in a gradual and orderly manner, the issuance of which cannot affect the present business ecology of the television stations" (end of quote). In other words, if a television station has the people's support and its programmes enjoy a large viewership, then he must not grant licence to this station, because he has to ensure that TVB can continue to monopolize the market and Asia Television Limited can continue with its perfunctory operation. The business ecology of these two stations will thus not be affected.

We are disgusted by what Gregory SO said on television today. He expressed sadness to learn that HKTVN would sack 340 employees. I have never seen anyone so hypocritical. He knew very well there would be layoff and he had the cheek to make such comments. Of course, as the Government led by LEUNG Chun-ying has no regard for public opinion and has to accomplish many political missions, including those ordered by the Liaison Office of the

Central People's Government in the Hong Kong SAR (LOCPG), we should not be surprised to see such acts.

I was deeply touched by the words of someone who phoned in a radio programme. He said, "Without democracy, how can people's livelihood be safeguarded?" These are the very words we say on 1 July every year. When the Chief Executive was elected by a small circle of 689 people, when the Chief Executive is not accountable to the people, when the Chief Executive can disregard public opinion and only takes order from "the North" to take up some political tasks, he can certainly do whatever he likes and go against the will of the people. This is exactly how we perceive the performance of LEUNG Chun-ying over the past year.

There is another regrettable incident which happened not long ago. LEUNG Chun-ying made a fool of himself when he attended the Asia-Pacific Economic Co-operation (APEC) summit in Bali. I have on hand a press commentary titled "Stupid Wolf Meeting the Old Fox". LEUNG Chun-ying brought disgrace to people of Hong Kong in his first attendance of the APEC summit. In the tragedy that happened on 23 August 2010, the victims were the innocent Hong Kong citizens, but LEUNG Chun-ying almost had to kneel before the President of the Philippines AQUINO III to beg for a meeting. When Henry TANG was asked to comment on whether the Chief Executive had brought disgrace to us, he was gracious enough to say, "He has no experience." To me, the comment implies that LEUNG Chun-ying is not competent for the post. He bosses around in Hong Kong, but when he was in Bali, he brought disgrace to the people of Hong Kong. He is truly a "weak-kneed" Chief Executive.

There is a very famous government official in Hong Kong, and she is Chief Secretary Carrie LAM who is sitting opposite to me now. She is the nanny of all government officials. Whenever the Directors of Bureaux such as Paul CHAN, Eddie NG or WONG Kam-sing and the like are in trouble, she would step forward to support them, just like their nanny. Now "Stupid Wolf" is in trouble, and pathetically, Vice Premier LI Keqiang had to play the role of a nanny and take remedial action.

The Lamma Island incident is another regrettable incident. LEUNG Chun-ying pretended that he cared, but there was no official memorial on 1 October and he did not admonish officials for dereliction of duty.

LEUNG Chun-ying is a big liar. He has fooled all people in Hong Kong. Before taking office, he promised that people in Hong Kong would be allocated public housing in three years, including the singletons, but he has now reneged on his promises. I have on hand a report on the plight of the poor in Hong Kong. They are even forced to move out of the pig sty that they stay in. Even a pig sty is divided into 20 units, and the rent has gone up from \$2,600 to \$3,300 as a result of speculation. This is the reflection of Hong Kong today, that is, people have to live in pig sties. As regards the proposal of "Hong Kong property for Hong Kong people", it has vanished into thin air when we recently discussed the planning of the Kai Tak Development Area. He has lied to the elderly. The double "fruit grant" originally promised has now become a means-tested Old Age Living Allowance. He once mentioned about the implementation of universal retirement protection, but now he is trying by all means to stall. He talked about resolving the poverty problem. I remember in an interview on 12 July last year, he said that he enjoyed this job very much and his first task was to tackle the problems of housing and wealth disparity. However, the Commission on Poverty Summit was another project in which much has been said but little done. After the poverty line had been drawn, LEUNG Chun-ying shamelessly said that the poverty problem in Hong Kong would not be solved. The issue of 15-year free education has led to endless reviews. Young people who aspire for home ownership all have their dreams dashed. His so-called concern for the housing needs of young people is surely another lie.

His popularity further drops with a support rate of only 48.1% while the disapproval rate is 55%. After reviewing all the past statistics, I find that, from TUNG Chee-hwa to "Covetous TSANG", and up until now, the popularity rate of the Chief Executives would normally fall below 50% when they were about to step down. However, in merely 10 months or so after his assumption of office, his popularity rate has already dropped to the point where a Chief Executive is about to step down. How then can we let him stay?

On 23 April last year, he said that we should no longer have any "TANG Camp" or "LEUNG Camp", but only the "Hong Kong Camp". This is another lie. Earlier, Mrs Rita FAN, a member of the Standing Committee of National People's Congress said that the "Hong Kong Camp" was never a camp. Each time LEUNG Chun-ying visits a district, the rift in society is widened even further. He can only rely on members of certain societies to lend their support. Before his visits, he would arrange those people to queue up for the chips of the meeting. As such, he may as well not conduct district visits any more. He can

just attend snake banquets, vegetarian banquets and banquets held by those societies; after all, the same group of people would act as his audience. There is no difference.

A small primary school teacher only wanted to uphold justice; but the Chief Executive did not leave her alone. He went after her, demanding the Education Bureau to submit a report on that incident. It is a shame to Hong Kong for having such a Chief Executive who tears Hong Kong apart.

Furthermore, his so-called governing team, with people like Paul CHAN and Eddie NG whose popularity ratings have dropped to an unacceptable level, is utterly routed. However, the Chief Executive still takes them under his wings. The two former Members of the Executive Council, Barry CHEUNG and Franklin LAM, were riddled with scandals. Soon after he had assumed office, three political assistants, including the political assistant to Chief Secretary Carrie LAM, resigned one after another. Recently, being unable to find someone to fill the vacancy of the post of Information Coordinator, he recruited Andrew FUNG, a despicable scoundrel. As we see, he is such a Chief Executive.

Finally, concerning the political reform, he once promised the people of Hong Kong that there would be a political reform. But as we can see, he has crippled himself and become a "weak-kneed" Chief Executive. He is silent to all views about the political reform, allowing the LOCPG and Chinese officials such as ZHANG Xiaoming, WANG Guangya and HAO Tiechuan to freely speak their mind. This is a despicable Chief Executive.

Deputy President, I move the motion of no confidence in him today and it is time that he takes the responsibility and steps down. I so submit. Thank you, Deputy President.

Dr KWOK ka-ki moved the following motion: (Translation)

"That this Council has no confidence in the Chief Executive, Mr LEUNG Chun-ying."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr KWOK Ka-ki be passed.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Deputy President, on behalf of the SAR Government, I state my opposition to Dr KWOK Ka-ki's motion on "Vote of no confidence in the Chief Executive".

Regarding this motion of no confidence which is devoid of substance, my original intention was that I would give a comprehensive reply after listening to the speeches of other Members, instead of making a detailed opening speech at this juncture. But as Dr KWOK Ka-ki's speech was so exaggerated and untrue, I must make a simple reply first because his interpretation and my interpretation on the same matter are just poles apart.

According to Dr KWOK, society has been torn apart since Mr LEUNG Chun-ying became the Chief Executive, and he even criticized that Mr LEUNG has done something that caused social division. Here, I would like to point out, since the current-term Government assumed office, it has been rising on the challenges and striving to resolve the various problems in society, including some relatively controversial issues, or some very controversial issues. In the process, different views have been expressed by different people or organizations in society, which is just normal. But unfortunately, some organizations or individuals have indeed taken a divisive approach when expressing their views. For instance, regarding the simple issue of land development, that is, how to strike a balance between development and conservation, the views expressed have turned into antagonism against Mainlanders granted with one-way permits for entry into Hong Kong for family reunion. This is supposedly a simple question, but due to the emergence of parallel traders as a result of economic integration between the two places, it has become a problem of Mainlanders snatching the resources of Hong Kong people.

As just mentioned by Dr KWOK, regarding the Manila hostage incident, the Chief Executive was obviously trying his best to seek justice for the bereaved families and the injured when he attended the Asia-Pacific Economic Co-operation Economic Leaders' meeting in Bali, Indonesia by striving to meet the President of the Philippines. Once again, Dr KWOK painted it in the negative light, while some Members even said yesterday that it had brought shame and humiliation to Hong Kong. It is exactly these remarks and actions that have been ripping our society apart. I am saddened when I hear those remarks.

By the same token, over the past year, we have actually achieved certain breakthroughs in many aspects of administration under the leadership of the Chief Executive. For example, in respect of the elderly, the Chief Executive has expressed concern for the elderly in Hong Kong since his election campaign. With our efforts, the Old Age Living Allowance was introduced in April this year, and the Guangdong Scheme for elderly people was launched in October this year, so that suitable arrangements could be provided respectively for 390 000 elders living under relative difficult circumstances, and 10 000-odd elders who wish to live in Guangdong after retirement. How come these measures are tearing Hong Kong apart? How come these measures are making Hong Kong people live in misery?

Regarding the Lamma Island collision incident, I had the most vivid memory. After the tragedy happened on 1 October, we rushed to the emergency centre in the small hours of 2 October. A meeting was convened in the morning of the next day of the incident when the Chief Executive initiated right away the establishment of an independent statutory commission of inquiry to thoroughly investigate the incident. This commission subsequently led to other investigations into the internal problems of the Marine Department. The Chief Executive has never avoided the issues, and the Secretary for Transport and Housing was charged with the responsibility of setting up a six-member investigation team. Since commencement in June this year, the team's work has now entered a substantive stage. As we have indicated on a number of occasions, if any suspected contraventions are identified, the cases will definitely be referred to the law-enforcement agencies for follow-up actions. The Secretary for Justice has also stated clearly that we will deal with the prosecutions in a fair and impartial manner.

Over the past year, it is true to say that we might not have handled certain aspects of administration satisfactorily, but it is just natural in any diverse society. For example, while we clearly see the need to seek solutions in disposing municipal solid waste, we failed to get the Council's support of our application for funding for the extension of three landfills. We will reflect on these administration blunders. By the same token, regarding this debate on the motion of no confidence in the Chief Executive today, I will listen to Members' views in a humble attitude, hoping to make certain clarifications. But regarding those totally untrue, exaggerated and prejudiced allegations and personal attacks, I must make clarification on behalf of the Chief Executive and the entire governing team, or even the Civil Service because each and every policy achievement or

blunder of the Chief Executive actually reflects whether the entire SAR governing team and the 170 000-strong Civil Service have been striving to achieve the policy vision of the Chief Executive.

Deputy President, I will stop now. After listening to the speeches made by Members, I will give a substantive reply in my concluding speech later. Thank you, Deputy President.

MS EMILY LAU (in Cantonese): Deputy President, I speak in support of Dr KWOK Ka-ki's motion.

Mr WU Chi-wai of the Democratic Party proposed a similar motion on 12 December last year. Now another Member proposes a similar motion and we all know that this motion will be voted down again. I hope the authorities, including the Chief Executive, would understand that people are mad at him, especially in the recent incident involving the issuance of the free television programme service licences. Deputy President, over 300 000 people have indicated their support to Mr Ricky WONG on the Internet. Some people who have been indifferent to politics are now in a rage, asking the authorities if they have a sound mind.

Deputy President, we do not trust LEUNG Chun-ying, one of the reasons is that he tells one lie after another and he has serious integrity problems. The Chief Secretary has not mentioned this point in her response just now. Perhaps she can respond later. Recently some people even say, if you place your faith in LEUNG Chun-ying, you are dead for sure. Things have developed to such a pitiful state. Deputy President, tell us what we should do.

The Chief Secretary just said that there were some false accusations in the motion, but the question is: Is the governing team fragmented? Two Members of the Executive Council had left and three political assistants had also resigned. Some resigned for reason that they had to take care of their children, but soon after their resignation, they found another job. Some resigned for reason that their eyes and ears could not function well, but after their resignation, they live a happy life, travelling around. Many people just do not want to work for this Government. Hence, has the Chief Secretary or the Chief Executive reflected on what has actually gone wrong? The Chief Secretary has mentioned a few incidents, for example the Manila hostage incident. Concerning this incident,

even Members of the Executive Council have also criticized LEUNG Chun-ying for his mishandling. He has no idea about the implication of the seating arrangement, and the SAR has been demeaned. Is this a false accusation as well? I hope the Chief Secretary would understand how people feel. The authorities have been handling the Manila hostage incident for three years. With so many lives lost, why do they take so long to handle the incident? If they knew that they were not in a position to do anything, why didn't they ask Beijing to take actions at an earlier stage? Why stalling for three years? Hong Kong people share the pains felt by the bereaved families and the survivors of that incident. Has the Government failed to handle this case?

As regards the Lamma Island incident, the Chief Secretary seemed to imply that the Government had done a lot. Deputy President, the bereaved families had twice issued open letters to criticize the authorities. If the authorities had really taken many actions, or had reasonably and constantly met with them and kept them informed, they would not have been forced to issue open letters to criticize the authorities twice. Deputy President, this Council is now scrutinizing the special stamp duties, the so-called "harsh measures", and your party also has raised many comments. As I have pointed out time and again, some members of the commercial sector, including the banking and other sectors, have told me that nowadays, doing business in Hong Kong has to bear a policy risk, which is not limited to the "harsh measures" and the "powdered formula restriction order", but the sudden change of government policy which may disrupt their long-term planning. Yet, the authorities are complacent, boasting about the strong competitiveness of Hong Kong, despite the fact that many members of the commercial sector (including some academics) have pointed out that our competitiveness has been declining. What have the authorities done about that?

Deputy President, the Secretary considered that he has done some work. I do not deny that the Government has done something, but most of the important tasks have not been tackled. Take for example the "harsh measures". Deputy President, we asked if there was a "sunset clause", so that people would know when those exceptional measures would be removed. Deputy President, how did the authorities answer? The purpose of introducing the "harsh measures" is to address the situation in which short supply in housing units cannot meet the huge demand. If the authorities have a good grasp of the situation, they can tell the community when and how many commercial units or residential units will be available. When there is a sufficient supply, the measures can be withdrawn. However, the authorities are unable to tell us a definite time. Deputy President,

why is that so? That is because the authorities have no idea when there will be a sufficient supply.

Deputy President, I have recently attended a meeting of the United Nations Committee on the Rights of the Child. The problem of children in poverty was discussed at the meeting. The Committee urged us to construct proper housing for the people. How can we tackle the problem of children living in poor environment? Under Secretary LAU Kong-wah, who attended the meeting, said that the Government had no idea because they did not know where to get land. The Government had to consult District Councils (DCs), and many people would voice opposition. Deputy President, who are in control of the DCs? The DCs are controlled by you, the loyalists, especially the Democratic Alliance for the Betterment and Progress of Hong Kong, but the DCs under their control also voice opposition, disallowing the Government to build houses in this place and that. The Government is like a safe without the key, unable to tell the community when sufficient housing units will be produced and when those measures will be withdrawn.

Therefore, not only the governing team is fragmented, but also the loyalist party of yours, Deputy President, which appears to be harmonious but is in fact at odds with one another. Officials often tell me that they have a very tough job. They have to solicit votes from each political party and grouping, and in return, these political parties and groupings will make various demands, such as appointing their members to various committees and requesting for other advantages. No wonder LAM Woon-kwong once said that Hong Kong was doomed if political reform could not be carried out effectively. LAM Woon-kwong even asked LEUNG Chun-ying if he wanted to get buried along with all people in Hong Kong. I believe the Chief Secretary has also heard of such remarks. The President of this Council once said that if the political reform was not properly carried out, Hong Kong could not be ruled. Deputy President, I believe you have also heard about such comment. However, some people say that Hong Kong is out of control already. Over 300 000 people show their support to Mr Ricky WONG and they are planning to demonstrate on Sunday. There are endless protests and demonstrations in Hong Kong.

Therefore, Chief Secretary, please do not lay the blame on political parties or Members for stirring up trouble. You have once said that Members of this Council would not be at odds with you if there were no conflicts in society. Hence, I hope that you and your team will reflect on why the people hold grudges

for such a long time and why they strongly condemn the messy situation caused by LEUNG Chun-ying and many officials of the SAR Government. Is the SAR Government a one-person Government? Can Carrie LAM alone prop up the scene? I would like to ask the Chief Secretary to give us a response later.

With these remarks, I support the motion.

MRS REGINA IP (in Cantonese): Deputy President, I have listened carefully to the reasons cited by Dr KWOK Ka-ki when he proposed his motion. I notice that his reasons mainly fall into several areas: firstly, he considered that the Chief Executive had failed to fulfil his election pledges; secondly, he criticized that the officials working under the Chief Executive are incompetent or there is a wastage of talents; and finally, he also criticized the Chief Executive for delaying to activate the work related to constitutional reform, as well as the Chief Executive's handling in some recent incidents.

I will briefly respond to these points one by one. On criticisms that the Chief Executive has failed to fulfil his election pledges, I consider that over the past year, Mr LEUNG has indeed worked very hard on land and housing matters. Regarding the present serious shortage of land and housing, we all know this is attributed to the lack of long-term planning on land use and development in the past. As we all know, land sale has been halted for six years in the past decade while there is no redevelopment of public rental housing for a long time. Also, the issue of labour supply to dovetail with the Government's plan for housing production has not been handled properly.

Therefore, at present, the SAR Government can only adopt a demand-led approach by temporarily dampening housing prices through the "harsh measures", in order to buy time with space. I consider that insofar as the long-term issues of housing and land are concerned, we should indeed give the SAR Government more time.

Regarding the issue of poverty, I consider that there are problems with the approach of setting the poverty line, that is, the adoption of a "relative poverty line", and I have reflected the same to the Chief Secretary. In fact, by adopting the concept of "relative poverty", it means that the problem of poverty will always exist in society. There are poor people even in the wealthiest societies. If the concept of "relative poverty" is adopted, that is, drawing the line at 50% of

the median monthly household income, it means that there are bound to be poor people; or one can even say that the higher the median income, the larger the number of poor people. Of course, I do not want to see this situation happen, but on the other hand, some academics have pointed out that the authorities can alleviate poverty by playing with numbers. Nonetheless, I think the Government should focus on helping to alleviate poverty, and the most fundamental means of poverty alleviation are to improve education and provide more space in society for upward mobility. These improvements take time and cannot be achieved by the Chief Executive within one year or three months after he assumed office.

Recently, the public are dissatisfied with some incidents, such as the meeting between the Chief Executive and the President of the Philippines last week in Indonesia. I also consider the seating arrangements of the Philippines a disrespect to Hong Kong, or even a deliberate move to downgrade Hong Kong, while the press release arrangements were also highly disrespectful to Hong Kong. To put it bluntly, they were just playing tricks with these gestures. Nonetheless, I also want to share with Honourable colleagues some experience in attending the Asia-Pacific Economic Co-operation (APEC) meetings.

APEC was established in 1989, and Hong Kong which entered APEC as early as 1991 should be one of its earliest members. APEC includes non-sovereign members, and two of them are Chinese Taipei and Hong Kong. Although Chinese Taipei and Hong Kong are not sovereign states, they enjoy equal rights as economic entities of the forum. Therefore, when discussing matters within the scope of APEC, for example, matters related to small and medium enterprises, technological or economic and trade co-operation, and so on, which I had joined previously, members are given equal treatment. In conducting bi-lateral talks under the framework of multi-lateral meetings for discussing topics within the scope of APEC, both sides are absolutely equal. There are basically three levels of APEC meetings, namely, Leaders' meetings, that is, those attended by heads of states or governments, Ministerial meetings and Senior Official meetings.

However, the crux is that the four demands raised by Hong Kong for discussion with the Philippines in respect of the Manila hostage incident are outside the scope of APEC. Therefore, strictly speaking, the Chief Executive's meeting with the President of the Philippines in Indonesia was just a fringe meeting to the APEC Leaders' Meeting, which was held among the heads of

member governments. Hence, there were difficulties in arranging the meeting. Regardless of how low regard Hong Kong people have for the Philippines as a country, it is, after all, a sovereign state, and other APEC members would arrange meetings with the President of the Philippines. All parties concerned have to observe the priorities. Hence, I think it was not easy at all for the Chief Executive's entourage to arrange such a meeting, that is, even when a meeting time could be fixed after much difficulty, there would be hardly enough time to discuss the seating or press release arrangements. Of course, it remains a fact that Hong Kong has been taken advantage of on this occasion. Nonetheless, I hope Honourable colleagues can be more forgiving, considering that in these international meetings, there are rules and objective restrictions which Hong Kong must observe. As to seek justice from the Philippines for Hong Kong people, the current-term SAR Government is in fact one step behind the previous Government. The New People's Party will also keep finding ways to put pressure on the Philippines.

In respect of constitutional reform, I also agree with the view expressed by Honourable colleagues that constitutional reform is indeed the top priority for the current-term Government. Moreover, time is running out. Notwithstanding our roles as Members of the Executive Council, Members of the Legislative Council or friends of senior officials of the Government, I often urge the Government to activate the consultation process expeditiously. I believe that the time of activation is drawing near. I also believe that the Chief Executive fully understands the importance of the constitutional reform, and he will strive for it with his best effort.

All in all, Deputy President, having heard the speeches of two Honourable Members, I consider that while we are dissatisfied with the Government's performance, such as, the wastage of talents (*The buzzer sounded*) ... I oppose the motion.

DEPUTY PRESIDENT (in Cantonese): Mrs IP, your speaking time is up.

MR ALAN LEONG (in Cantonese): Deputy President, from what I hear, Mrs Regina IP has been very tolerant in delivering her speech just now. I am not surprised, as she is a Member of the Executive Council. Nonetheless, I think her tolerance is a far cry from the mainstream public opinion in Hong Kong.

Yesterday, I used 12 Chinese words to describe LEUNG Chun-ying, which is, "Internally, he lacks credibility and ability; externally, he brings shame and dishonour to Hong Kong." Deputy President, what do I mean by the expression, "Internally, he lacks credibility and ability"? There is a phrase called "the Golden 100 days" in politics in the United States, meaning that the performance of the President in the first 100 days in office will generally set the tone of success or failure of his administration in the remaining term. We have already extended the period for LEUNG Chun-ying to 365 days, yet regarding his claim that he would handle the four major problems of Hong Kong, nothing has been achieved to date.

After his election as the Chief Executive last April, he listed out four major problems to be resolved as a matter of priority in an interview with *Ming Pao Monthly*, namely, first, expanding the economic structure; second, normalizing land supply; third, resolving the problem of poverty; and fourth, enhancing the quality of governance.

Deputy President, in respect of expanding the economic structure, what has he done? The Government has established the Financial Services Development Council and the Economic Development Commission to bring in the "LEUNG's 'Red' fans", yet no achievement has been made for Hong Kong's economic development, let alone expanding the economic structure.

In respect of land supply, we only see that the Government is preying on the country parks, which violates his election pledge, while nothing has been mentioned about small houses sites and military sites. For the 220 000 applicants on the Waiting List for public rental housing, they must still wait for flat allocation even after the stepping down of LEUNG Chun-ying.

In respect of poverty alleviation, my sarcastic comment is that he asks for the bill but never pays. We will keep our eyes open to see how the bill is going to be paid by the Commission on Poverty under the leadership of Chief Secretary Mrs Carrie LAM.

In respect of the level of governance, we are even more frustrated by what we see and hear. Over the past year, the level of the Government's governance has plummeted, with LEUNG Chun-ying taking the lead in instigating social conflicts, tearing society apart and destroying the core values of Hong Kong in order to buttress his "Red" supporters. The appointments he made are

tantamount to a "team from hell", with membership restricted to "LEUNG's fans". He intends to appoint Andrew FUNG, who supports the brainwashing national education curriculum, as the Information Coordinator, yet FUNG has no media experience at all, and he even made a mess in handling the election of members of the Hong Kong Arts Development Council. Yet it is likely that his appointment will be announced soon. Of course, I still have doubts as to whether an announcement will actually be made. I hope against it because if an announcement is made indeed, people will have no expectation at all in the remaining limited judgment of LEUNG Chun-ying.

I do not know if LEUNG Chun-ying has ever heard this remark from President XI Jinping, (and I quote) "Small things are like a mirror that reflects a person's character and style. Small things can show a person's party spirit, principles and integrity." (End of quote) In retrospect, we conclude from small things in the past year that LEUNG Chun-ying is incapable, and that LEUNG Chun-ying is a person without integrity.

Deputy President, I must mention the outcome of the domestic free television programme service (free television) licence applications just announced yesterday. The SAR Government's handling is a blatant violation of procedural justice in Hong Kong, which is the only conclusion we can draw from the matter. Notwithstanding Chief Secretary Mrs Carrie LAM's rhetoric in defending the Chief Executive, I am afraid that her empty words can only, and will only, undermine her own standing in the public's mind.

Deputy President, I would also like to remind you that during last year's Chief Executive election, it was disclosed that at an internal meeting of the senior government officials held in 2003, LEUNG Chun-ying proposed to shorten the licence renewal term of Commercial Radio because Commercial Radio was "unruly" and often criticized his boss, TUNG Chee-hwa. Adhering to the governance approach of "letting those who comply with me thrive and those who resist me perish", LEUNG Chun-ying has no qualms about antagonizing the public and jeopardizing procedural justice in the present incident on the issuance of free television licences.

In fact, a mid-term review of the free television licences was conducted by the former Broadcasting Authority (BA) as early as 2009. Subsequently, in winter the same year, a recommendation was made for the issuance of new free television licences. At that time, the Government even took the initiative to

invite licence application from the predecessor of Hong Kong Television Network Limited (HKTVN). Eventually, a total of three applicants were in the race, and the BA had twice commissioned international research studies to conduct evaluation. In May 2011, the BA agreed in principle to issue free television licences to all three applicants, and considered that the three applicants had fully met the vetting requirements. The relevant recommendation was then made to the Chief Executive in Council.

The Government announced the result yesterday, only HKTVN's application was rejected, leading to the dismissal of 320 staff members today. The Government has not given any plausible reasons as to why HKTVN's application was rejected. Such an approach of black-box vetting is not only unfair to the new investor, but also unfair to Hong Kong citizens as well for our right of choice has been deprived. Since the Chief Executive lacks credibility and ability; and brings shame and dishonour to Hong Kong, why should he stay in office? Is he not bringing shame to himself?

I so submit.

MR CHRISTOPHER CHUNG (in Cantonese): Deputy President, Hong Kong's survival has been facing various challenges in recent years, reflecting that we are beset by internal problems and external threats. We are now at a critical stage of life and death. Today, Dr KWOK Ka-ki has, for personal interest, sacrificed the common good by requesting time and again in this Council the stepping down of government officials and the Chief Executive. This practice is really absurd. Many people have expressed the view that the opposition camp in Hong Kong opposes everything, and they are more destructive than constructive. I think Dr KWOK and the opposition camp should spend more time watching news and television about the Mainland, so as to learn more about the progress of development of the world; by then, we would understand how Hong Kong is now plagued by internal problems and external threats.

Regarding internal problems, the opposition camp initiated the Occupy Central movement even before the commencement of the constitutional reform. They have succeeded in stirring up controversies in society and driving away investors and businessmen in fear. Members have adopted the tactic of filibuster once this Legislative Session has started, and such frequent filibusters

will stifle the development of Hong Kong. Moreover, countries like the United Kingdom and the United States are closely monitoring our situation, looking for excuses to intervene in Hong Kong affairs, which also adds fuel to the internal conflicts of Hong Kong.

As for external threats, Shanghai has announced the establishment of the free trade zone where Renminbi can be exchanged freely. This will pose great challenges to Hong Kong. Also, our international rankings are dropping. We were surpassed by Shenzhen for the first time in container throughput in September this year, and subsequently we lost the top three positions in the world. In respect of international competitiveness, while Singapore currently ranks second, Hong Kong ranks seventh. In respect of education, even the international ranking of the University of Hong Kong has already been overtaken by the National University of Singapore.

Hong Kong is now facing a very difficult situation. Even primary students are aware of this situation. Like a boat sailing against the current, we must forge ahead or be swept downstream. However, Members of the opposition camp are still indulged in the game of internal dispute. They toppled TUNG when Mr TUNG Chee-hwa was in office, and they toppled TSANG when Donald TSANG was in office. Now Mr LEUNG Chun-ying had been elected, and they intend to topple LEUNG. They oppose everything and topple anyone in power. They are really trouble makers.

On the face of it, Members of the opposition camp are against the incumbent officials, but they are actually against the well-being of Hong Kong. Singapore is the Asian city with similar historical background, economic and population structure as Hong Kong. The two cities can be described as a contemporary version of *A Tale of Two Cities*. However, Singapore has been moving forward while Hong Kong is being lagged behind. Do you know why? These trouble makers will surely reprimand the Government for being incapable of handling different issues, but how about the efforts made by the Government in the past year in stopping "doubly non-permanent resident pregnant women" to give birth in Hong Kong, implementing the "two harsh measures" to curb the overheated property market and imposing the "powdered formula restriction order" to ensure the supply of infant formula in Hong Kong, they have turned a blind eye to all these accomplishments. There is a reason why the development of Hong Kong has been sluggish. These trouble makers stir up political

conflicts and oppose everything. They raise objection just for the sake of opposition, resulting in internal discord, disruption to planning and livelihood improvement, idle economy, and difficulties in implementing policy by the Government.

Earlier, the Prime Minister of Singapore, Mr LEE Hsien-loong, proposed his new policy plan, which was well acclaimed. The policies included increased land supply, airport expansion, relocation of container port, life medical protection, and so on. These initiatives sound familiar, because we had raised similar proposals in Hong Kong before, such as building a third runway at the airport, increasing land and housing supply, healthcare financing, providing 15-year free education, and so on. However, these trouble makers in Hong Kong like to oppose for the sake of opposition. They are against development and progress. They intend to topple the Government by means of judicial review, blind conservation, political conflicts, instigation of demonstrations, filibusters, and even the Occupy Central movement, and so on. While we expect that universal suffrage in 2017 is around the corner, the opposition camp proposes civil nomination which is against the Basic Law. When the Government planned to develop North East New Territories, they instigated several young radicals to raise objection on the excuse of engaging in agricultural activities and blind conservation. When the Government planned for the construction of the Hong Kong-Zhuhai-Macao Bridge, some rogue lawyers induced an old lady to initiate judicial review to impede the development. All such behaviours are simply political impediments. They are not looking for good results but oppose everything and stir up troubles for the sake of opposition. The single purpose for such destructive behaviours of the opposition camp is to ruin "one country, two systems". They trample on the core values of Hong Kong, and their ultimate goal is to destroy Hong Kong.

With these remarks, Deputy President, I oppose Dr KWOK Ka-ki's motion.

MS STARRY LEE (in Cantonese): Deputy President, this is the second Council meeting after the resumption of the new Legislative Session. It is disappointing that Dr KWOK Ka-ki is only concerned about attacking Mr LEUNG Chun-ying Government, instead of tackling issues on insufficient kindergarten places or how to develop more land to resolve problems related to people's livelihood.

Last week, Dr KWOK Ka-ki requested to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to inquire into the incident related to Secretary for Development Mr Paul CHAN. Today, Dr KWOK moves the motion of no confidence in the Chief Executive. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) is tired of and disappointed at the adoption of such a political means to cause internal discord.

Since the Chief Executive has assumed office, Members of the opposition camp have adopted various political tactics, such as filibustering, proposing time and again no-confidence motions and invoking frequently the P&P Ordinance to inquire into government officials. They have, on the one hand, wasted our precious time in discussing issues related to people's livelihood in the Legislative Council, and on the other hand, dealt a blow to the popularity of the SAR Government, making policy implementation even more difficult.

Recently, the federal government of the United States has to cease operation due to political conflicts. The people of the United States were furious and dissatisfied with the internal dispute between political parties and the Government. Similarly, people in Hong Kong do not want to see political parties of the Legislative Council keep impeding the Government in implementing policies, and they also do not want to have Legislative Council Members who only engage in "political shows" without doing any real work. Such political gestures are not conducive to resolving Hong Kong's deep-rooted problems, such as high property prices, difficult to identify land for residential development, poverty, unitary development of the economy, and so on.

I have been paying close attention to the speeches of Dr KWOK, Mr LEUNG and those Members who support the motion. They raised an incident (including the performance of the Chief Executive in meeting with the Philippine President), and Mr LEUNG even said that the Chief Executive has brought shame and dishonour to Hong Kong. Regarding such an unfair comment, I feel angry and find it unacceptable.

At this moment in time, we should unite together and fire our guns at our foreign enemies. Our target of attack should not be the Chief Executive, but the Philippine President and the irresponsible act of his Government. The Chief Executive will have to represent Hong Kong in handling the matter with the Philippine Government in future. If even Members of this Council are against the Chief Executive, how can the Government have enough "ammunition" to open fire with the Philippine Government?

Regarding the incident, if we wish to seek justice for the victims, we should really stand on the same line and unite various social forces, so as to create favourable environment and conditions for the Chief Executive to strive for the most reasonable and best results in his negotiation with the Philippine President and his Government.

Moreover, some Members also mentioned that the Chief Executive failed to handle adequately various social problems, such as housing and poverty, since he came to office. As we are all aware, and we have also discussed in this Council time and again, these problems do not occur overnight, they are caused by different factors over time. The DAB not only recognizes these problems, but also notes the efforts made by the Chief Executive and his team in the past year.

As mentioned by some Members just now, the Chief Executive and his team have put in their level best over the past year to implement various policies to improve people's livelihood. These policies include stopping "doubly non-permanent resident pregnant women" to give birth in Hong Kong and imposing "powdered formula restriction order" to take care of the needs of Hong Kong babies, as well as increasing the Old Age Living Allowance to help elderly people with financial difficulties. In addition, the Chief Executive and his team are trying very hard to identify residential sites and increase land supply, so as to reestablish the housing ladder which is the long-standing aspiration of the people.

Deputy President, time is precious in this Council. A Member may only have one chance in a year to move a motion and raise issues that he or she is concerned about for a debate. However, if a Member makes use of such a precious opportunity to move a motion of no confidence, it will not be conducive to handling any social problem.

The current term of the Legislative Council has commenced for more than a year. Different Members keep proposing motions of no confidence, including the one in the Secretary for Development and Secretary for Education on 14 November 2012 and the one in the Chief Executive on 12 December 2012. The current motion is the second motion of no confidence in the Chief Executive.

Members may of course argue that such motions are of no legal effect. However, I do not think so. If a motion of no confidence in the Chief Executive is passed in a representative council elected by the people, the media or even the

Members will make use of such result to force the Chief Executive and government officials to step down. It will then be hard to anticipate the subsequent political crisis resulted. So, Members who proposed no-confidence motions repeatedly have acted irresponsibly, without paying heed to the political consequences.

Deputy President, the policies implemented since the current-term Government came to office are of course not perfect, and individual Directors of Bureaux can still improve on the ways they handle different issues. It is also reasonable for Members to express in this Council their dissatisfaction and their recommendations for improvement. However, should they easily strike fatal blows, move no-confidence motions at every turn to force the Chief Executive and government officials to step down?

As we are all aware, the Government is currently facing a shortage of political talents, and some Members have just cited cases of resignation of various politically appointed officials due to different reasons. In fact, it is not easy to identify suitable politically appointed officials. We have to give time for officials to show their competence and the results of their work. If we frequently ask officials to step down or move motions of no confidence in them, we will only be a drag on the Government, dealing a blow to the credibility of governance, and making policy implementation even more difficult.

Deputy President, I understand that this Council should perform the function of monitoring the Government, but it should also faithfully reflect the expectation of the public on the Government. I believe, at this moment, what members of the public want from the Government is to identify sites for residential development, resolve poverty problem, promote comprehensive economic development in Hong Kong and forecast accurately the impact of "doubly non-permanent resident children" on different livelihood related issues in society.

Therefore, I hope that Members can make good use of every opportunity to move motions. The motions should be related to the real work on livelihood issues and aim at resolving livelihood related problems.

With these remarks, Deputy President, I oppose Dr KWOK Ka-ki's motion.

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

MS CYD HO (in Cantonese): More motions of no confidence have indeed been proposed in this legislative term, but let me raise one point, owing to the performance of our public officers, Members and political parties find it necessary to propose such motions as they are committed to monitoring the Government. Let us recall the motions of no confidence that have been proposed since 1995. In July 1995, former Legislative Council Member CHEUNG Man-kwong proposed a vote of no confidence in Chris PATTEN because the British Administration in Hong Kong had seriously undermined the future rule of law in Hong Kong. Then, in April 2012, former Legislative Council Member Tanya CHAN proposed a motion of no confidence in Donald TSANG because it was revealed that the former Chief Executive had accepted luxurious hospitality. Before 1997, former Legislative Council Member Margaret NG proposed a motion of no confidence in Elsie LEUNG because the former Secretary for Justice had decided not to proceed with prosecuting the Sing Tao Group for fear that many people would lose their jobs. That decision was completely incompatible with what was required of her in her position. Certainly, there was the motion of no confidence in former Financial Secretary Antony LEUNG because he had jumped the gun in buying a car.

Deputy President, these motions of no confidence were moved on valid grounds. Certainly, the threshold for proposing a motion of no confidence is lower than that of an impeachment. Since proposing a motion of impeachment is an established procedure with legislative effect, we would be more careful in stating the actual act(s) of the person concerned and which laws he or she is alleged to have breached. Although having no confidence in somebody is a judgment, that judgment is also based on objective facts. Even before the incumbent Chief Executive LEUNG Chun-ying assumed his office, he already had a problem of integrity involving unauthorized building works (UBWs) and to this date, he has not given a clear explanation. He only said he would give a full account at an appropriate time and sometimes he said that he had to wait until the judicial process had been completed. However, Deputy President, the public and Members of this Council still have doubts about the integrity of the public officer concerned. Without a complete, sincere, open and transparent explanation, people will continue to have no confidence in them.

The problem of UBWs has actually become a big limitation to LEUNG Chun-ying because he himself is alleged to have breached the laws and the regulations. Having UBWs is certainly against the laws of Hong Kong and so when LEUNG Chun-ying rose to say "Hong Kong is a society where the rule of law prevails and we should act according to the laws", people would jeer at him. Not only will his words not be trusted, those words would also create an objective effect of reminding people of the Chief Executive's UBWs which are against the laws. Therefore, every time our Chief Executive talks about the rule of law, he does not command the slightest shred of credibility. How then will he be able to stay in his position and how then will people have confidence in him? These are some incidents that happened in the past.

Let us look at some objective facts of an incident which happened on 4 August this year. A large-scale public meeting was held in Sai Yeung Choi Street in connection with the use of vulgar language by Ms LAM Wai-sze, a teacher. An off-duty police officer also took part in the rally. First, I want to make it clear that the participating officer is not an officer on pre-retirement leave but an off-duty officer. A few days later, the Hong Kong Police Force (HKPF) issued a statement, declaring that police officers are entitled to the same right of freedom of expression as other ordinary citizens. There is no mention in the statement that police officers should strictly adhere to the principle of political neutrality which is of paramount importance. If an off-duty police officer meet his uniformed colleagues while they are maintaining law and order at the site, and the group which the officer supports behaves in an outrageous manner, the officers on duty may be criticized for acting unfairly in the course of exercising their law-enforcement duties, no matter whether they have taken action or not. Deputy President, it is unfortunate that the Chief Executive and the Chief Secretary for Administration who is in the Chamber now have unreservedly supported the statement. Such an act has jeopardized the spirit of our rule of law and called into question whether the HKPF had acted fairly and impartially in carrying out their law-enforcement duties. In fact, Chief Secretary, I am very dissatisfied that you have unreservedly supported the statement on that day.

I do not intend to talk about how I and LEUNG Chun-ying differ in our opinions on policy issues today because people from different political parties and affiliations would certainly have different views on policies. Regarding the development of the North East New Territories, we do not agree to take a "bulldozer" approach. However, in safeguarding the rule of law, we have a

basic responsibility to serve for the benefit of Hong Kong, despite the fact that we belong to different political parties and affiliations, have different stances and background. Therefore, since LEUNG Chun-ying has unreservedly supported the HKPF when it has failed to maintain its political neutrality, he is no longer worthy of our trust. Furthermore, after the Independent Commission Against Corruption (ICAC) had stopped its investigation on Franklin LAM, a former Member of the Executive Council, LEUNG Chun-ying called for an open apology from those who had complained to the ICAC. That is another act which has jeopardized the spirit of our rule of law.

Deputy President, safeguarding the rule of law is a basic duty which all public officers as well as political parties and affiliations should do for the benefit of Hong Kong. Considering how LEUNG Chun-ying has behaved in the last few months, I think he will jeopardize the rule of law and damage the core values of Hong Kong. Therefore, I support the motion of no confidence proposed by Dr KWOK Ka-ki. Thank you.

MR KENNETH LEUNG (in Cantonese): Deputy President, the expression of "effective governance and social harmony" has been whirling in my head recently. When the order of the two parts is reversed, it reads "social harmony and effective governance". Which should come first: effective governance or social harmony? This is a chicken and egg situation. Without social harmony, governance cannot be effective. Let us review a series of incidents involving personnel matters.

Mr MAK Chai-kwong assumed the office of the Secretary for Development of the SAR Government in July 2012. However, it was soon uncovered that in the 80s when Mr MAK was a public officer, he and an Assistant Director of the Highways Department each bought a flat in City Garden and leased it to the other party. Mr MAK was formally removed from the position of Secretary for Development on 30 July.

When Mr Franklin LAM became a Member of the Executive Council in July 2012, he gave a written pledge that he would not buy or sell any property within his term of office. However, some months later, he told the press that he would put up a few properties for sale, so that he could obtain some cash for family expenses. On 31 October 2012, Mr LAM said to the press that after he

and his estate agent had agreed on the minimum price for selling his flat, the agent managed to sell it at a higher price and Mr LAM gave a commission which amounted to the price difference to the agent as an encouragement for the efforts made. Mr LAM started to take leave on 3 November 2012 because of the incident and he resigned from the position of Executive Council Member on 1 August 2013. His resignation was accepted.

On 18 May, Mr Barry CHEUNG, who was a major shareholder of the Hong Kong Mercantile Exchange, returned his trading licence. On 20 May 2013, Mr CHEUNG also admitted that he had borrowed \$8 million from former finance sector legislator CHIM Pui-chung. On 21 May, Mr CHEUNG applied to the Chief Executive for suspending all his public duties. On 24 May 2013, Mr CHEUNG also tendered his resignation from all public duties to the Chief Executive and his resignation was accepted.

On 22 May 2013, Ms June TENG submitted an application to the Chief Executive to resign from the post of Information Coordinator due to various reasons. Deputy President, the list is really very long. On 2 August 2013, Mr Henry HO, Political Assistant to the Secretary for Development also tendered his resignation to the Chief Executive because it was revealed that he had not declared that he and his family owned a factory in North East New Territories. His resignation took immediate effect. On 10 August 2013, Ms Zandra MOK who was also a Political Assistant, declared that she would resign on 24 August to take care of her young children. Her resignation was accepted. Ms Carmen CHEUNG, Political Assistant to the Chief Secretary for Administration, also resigned on 21 September 2013 for personal reasons and her resignation took effect in the end of October.

Deputy President, what is the underlying message of this series of incidents? Noting that LEUNG Chun-ying has once said that he had a very good team of colleagues who shared his policy vision, I really want to ask him how familiar he is with the officers in his governing team. For example, does he know Mr Eddie NG before appointing him as Secretary for Education? Has he spoken to Eddie NG before? Regarding Members of the Executive Council, has LEUNG discussed with them to find out whether they shared the same vision before inviting them to join the Executive Council? With a team of members who lack the same vision and do not command public acceptability, it is difficult to achieve "effective governance".

I do not have to make a long speech because my colleagues have already given many examples of failures in governance. Insofar as personnel matters are concerned, I think the changes in the SAR Government over the past 15 months are really disappointing. Therefore, I support the motion of no confidence proposed by Dr KWOK Ka-ki.

Thank you, Deputy President.

MR YIU SI-WING (in Cantonese): Deputy President, over the past year, Members of the pan-democratic camp have proposed many motions regarding the performance of the Chief Executive and certain public officers, which have been discussed in this Council. These include motions demanding the Chief Executive or Directors of Bureaux to step down or urging this Council to invoke the Legislative Council (Powers and Privileges) Ordinance for setting up a select committee to inquire into matters relating to the officers concerned. I do not object to proposing such motions at the appropriate time because this Council is responsible for monitoring the Government and it is also a platform for the public to pursue their rights. However, there were already three motions and demands for inquiries regarding the Chief Executive within a year. Such unusual circumstances make people think that things are getting personal rather than being directed at the facts. As reflected in the debates, most of the problems were not as serious as what some of the media or some Members had thought, and the motions were all negated.

Today, Dr KWOK Ka-ki has again proposed a “Vote of no confidence in the Chief Executive”. I will not support this motion because I think people have repeatedly been lingering on the question of the performance of the Chief Executive within too short a period of time. Whether it is a vote of no confidence or a demand for him to step down, it is not very meaningful. It will not help resolve the current problems of Hong Kong in any substantial way, but will only add fuel to the fire. It will intensify the internal conflicts, weaken the Government's authority in governance and delay policy plans which may eventually result in a crisis of governance.

Deputy President, with the current global economic downturn, every government in the world is trying hard to develop its economy so that recession will not set in. However, as the Government of the Hong Kong Special Administrative Region (SAR) has adopted a non-intervention policy over the

years, many deep-rooted problems, including poverty, housing, employment, livelihood and planning, have now come to the surface. These problems need to be resolved with the concerted efforts of the Chief Executive, Secretaries of Departments, Directors of Bureaux and Members of this Council. A consensus has to be reached in formulating measures for facilitating economic growth and improving the livelihood and welfare of the people, so that Hong Kong's competitiveness in the international market and its social stability can be maintained.

We have to face many problems and most of them are not unique to Hong Kong. Every economy in the world is suffering the aftermath of the economic shock. In the face of this difficult situation, any responsible government would need to solicit the support of its people to face the difficulties positively. I remember that during the financial turmoil in 1998, the South Korean Government had succeeded in setting aside its differences with the people and they joined hands in facing the difficulties together. As a result, South Korea has become one of the economies with the most stable economic development in the world within a short period of 10 years or so.

On the contrary, Hong Kong used to have a lot of advantages after the change of sovereignty in 1997. Under the support of the Mainland, Hong Kong does not have to pay for expenses in defence and foreign affairs and there are lots of economic interactions with the Mainland. Therefore, the Hong Kong Government has been maintaining a steady revenue over the years and it has the necessary resources for resolving livelihood problems and developing its economy. However, why is there so much dissatisfaction in our community? Admittedly, the ineffectiveness of the Government's measures and the inadequacies of some public officers have contributed to the problem. The Government should therefore bear most of the responsibility. However, as Members of the Legislative Council, will we reflect on whether we have given the Chief Executive and the accountability officials enough time and room to perform?

Nowadays, Members would arbitrarily propose motions of no confidence in the Chief Executive and demand Directors of Bureaux to step down. Those who are dissatisfied with the Government think that the Government well deserves such treatment and they would give a helping hand in that direction too. Under this kind of political atmosphere and pressure, we notice that many public officers have become paranoid and found themselves caught in a quandary.

When a problem arises, be it big or small, they would, in trying to appease grievances, tire themselves out in paying visits to give explanations or hastily introduce some ad hoc measures to stop a crisis. As a result, medium and long-term measures which should have been implemented are adversely affected and only stop-gap and piecemeal measures have been introduced. We should understand that without long-term planning, the biggest loss will be reflected in the overall development of Hong Kong.

Deputy President, according to an opinion poll recently conducted in the end of September by the University of Hong Kong, the popularity rating of the Chief Executive scores 49.4, which has risen by 3.7 when compared to last month. The percentage of support has risen by 6% while the percentage of opposition has dropped by 7% and the difficult situation in governance is temporarily eased. Regarding the SAR Government, the percentage of satisfaction has risen by 3% and the percentage of dissatisfaction has dropped by 7% when compared to last month. I agree with what Dr CHIANG Lai-wan said in the last meeting and that is, during the break of this Council over the last two months, the Chief Executive and public officers could spend less time in dealing with certain meaningless subjects for discussion and so they could spare more time in doing real work. As a result, the credibility of the Government can be built up gradually.

Deputy President, while the Government is primarily responsible for the progress of Hong Kong, the Legislative Council should give public officers and the Chief Executive enough room during the monitoring process so that they can focus on governing according to the law, improving the livelihood of the people and promoting economic development. I hope that Members of different political parties and affiliations can put aside their differences and refrain from politicizing every issue. I also hope that Members will not let the governance crisis of the Government to continue or allow Hong Kong to be stranded in never-ending arguments.

With these remarks, Deputy President, I am against the original motion.

MR CHAN KIN-POR (in Cantonese): Another Member proposes a motion of no confidence in the governing team today. As a matter of fact, there have been many similar motions targeting the governing team in recent years. Members of various political parties have fully expressed their views and they also know that

there is little chance for the motion to be passed. Of course, we respect Members' right to propose motions. But I cannot but ask if there are no other problems in Hong Kong that are in more urgent need of discussion. Can political issues override everything else?

There are numberless conflicts and problems in our society today. The community has accumulated tremendous grievances and negative energy. These grievances may be caused by many factors which I have already made many analyses before. I want to emphasize one point: all the conflicts have been accumulated over a long period of time and they all involve very complicated issues; if we simply blame all problems on the Chief Executive who has taken office for just a year, should we honestly ask ourselves if it is fair?

We can imagine that taking up the post of the Chief Executive is like entering a bomb zone. If he dodges and ducks or covers the bombs with sand, he will wait out his five years of tenure and leave. But we need a Chief Executive who dares defuse the bombs. Now the Chief Executive and his team are bold enough to defuse the bombs, such as the bombs on housing, land and poverty, and so on. The reality is that in the course of defusing so many massive bombs, accidents are bound to happen, and the bomb disposal officials will get hurt in minor accidents, and they may even lose their lives in serious accidents.

Some criticize the bomb squad for its inferior quality and unskillful approach. We have to understand that the bombs they are dealing with have been planted for over a decade, there are bound to have obstacles, and it takes time to clear. Besides, it is no fun to be a member of the bomb squad as they may fall victim to the controversies and even their family may be implicated. It is not easy to find people to take up the work.

However, if we still treat Hong Kong as our home and do not want to emigrate elsewhere or if we do not have a way of escape, then we should work together to assist this bomb squad, rather than constantly twisting the objectives of their work, ridiculing them, setting traps for them, tripping them up or telling them to quit. We have to admit two things: first, this is the first time in years that the governing team is truly, practically dealing with the deep-rooted problems; and second, to resolve these problems, it takes time and the co-operation and efforts of all sides.

Of course I admit that the Government has much room for improvement. For example, they lack political skills, they need to accept people's views, and their communication with the people are inadequate, and they are inexperienced. These are that problems that the Government has to deal with.

Some think that the incumbent Government is weak and has great difficulties in governance. However, the current Government is weak precisely because some people keep opposing every act of the Government, be they right or wrong, and these people only care about securing their votes at the expense of the interests of all people in Hong Kong. This will not be beneficial to the community as a whole. Since the Government took office over a year ago, there have been so many disputes and controversies; I have the feeling that many people who are more moderate are deeply troubled by the present political disputes, and more and more people sympathize with the plight of the Government. I hope that Members would stop before going too far and they should stop arguing for the sake of arguing. Otherwise, people will eventually get irritated and further dislike the performance of the Legislative Council, which is not beneficial to all sectors in the community.

As regards the issue of social conflicts, especially the continuous decline of Hong Kong's competitiveness, I think the Legislative Council should first admit such a problem and then help the Government to enhance our competitiveness. Unfortunately, many people still do not understand Hong Kong's present situation or the global economic development. It is a shame that Dr KWOK Ka-ki is now not in the Chamber. Last week, I mentioned about the establishment of the Shanghai Pilot Free Trade Zone and my worries that the Central Government intended to make a replica of Hong Kong. Hong Kong will be in trouble if the Free Trade Zone can just snatch some of the businesses from Hong Kong. Dr KWOK Ka-ki, who proposes the motion of no confidence today, refuted me by saying that Hong Kong had the rule of law and freedom of speech, hence the Mainland could in no way make a replica of Hong Kong.

However, I am not the only one who mentions the idea of making a replica of Hong Kong, many economists and newspapers commentaries also have made the same analysis. This issue is very important as it relates to the future of Hong Kong. I agree that the rule of law and freedom of speech are Hong Kong's advantages but however strong these advantages are, we cannot solely rely on them. It is fundamentally impossible for the entire economy to merely rely on one or two advantages.

Actions speak louder than words. I do not have to elaborate further on the economic performance of Shanghai and Shenzhen. In those years when Hong Kong's container throughput was at the top of the world, everyone thought that Hong Kong was superior in many ways and had no fear of its competitors. Singapore was the first to overtake us, soon followed by Shanghai and now Shenzhen is about to surpass us. These are hard lessons and we must avoid shutting our eyes to reality and keep telling ourselves that these are impossible.

I have spoken so much about our declining competitiveness, in the hope of reminding everyone that Hong Kong is faced with many pressing crises and there are plenty of issues that have to be discussed and tackled. I hope that Members would put aside all the grudges and grievances and work together to revitalize Hong Kong's economy for the good of the general public.

I so submit.

MR CHARLES PETER MOK (in Cantonese): Deputy President, originally I had no intention to speak today as there is not much worth speaking about and everything that should be said have already been said and whatever we say, LEUNG Chun-ying will pay little attention. Apart from the policy of "scrambling for land", he is just like a recorder whenever he talks about other policies, no matter they are related to democracy, people's livelihood, education or economic development, he just repeats the same things over and over again. It is useless to make further comments, and hence originally I had no intention to speak today. But yesterday, LEUNG Chun-ying announced another policy. Thanks to him, I have something to talk about today and it is also something that I must talk about.

Just now, the Chief Secretary for Administration said that Dr KWOK Ka-ki's motion has no substance, to which I agree as this is a motion of no confidence in the Chief Executive, which has no substance. Then what about the substance? The substance is derived from LEUNG Chun-ying himself because his acts have provided the material to substantiate the motion of today. We are now discussing such substance.

The people of Hong Kong expressed their views yesterday, and I have the feeling that there is still hope in Hong Kong. Last night when I checked the Facebook webpage in support of the Hong Kong Television Network Limited

(HKTVN), there were only between some 100 000 and 200 000 people who had clicked the "Like" button. I wondered if it was an old webpage as there was a similar one in the past, but I found out that it was a new one. Before I speak, I have checked the webpage again, and there were 352 000 people who have clicked the "Like" button. This can be regarded as a record for Facebook in Hong Kong.

At one time, a question was posted on this webpage: what made HKTVN lose in the bid? The answer is, I am afraid, that HKTVN has lost to LEUNG Chun-ying. In my view, the handling of the issuance of television licences is a microcosm of the LEUNG Chun-ying Government. Which station should be granted the licence? The station which is mature will be granted the licence. Yesterday the netizens already questioned whether the Government was the enemy of the people. I believe that LEUNG Chun-ying would not have anticipated that this incident would arouse so much public indignation.

People want democracy, but he says no and rejects any room for negotiation. People want universal suffrage, but he rejects any room for negotiation except screening. Well then, it is just a case of watching television, can we watch some novel television programmes? The answer is still no and only the television stations which have undergone screening will get the licence. Do people of Hong Kong have to accept this reality? What lesson can we draw from this incident? Deputy President, the lesson is that people of Hong Kong have to be absolutely obedient. People of Hong Kong, the Hong Kong Government and Hong Kong society have always followed the rules and the proper procedure and act according to reasons. However, when matters are now handed over to the Executive Council, they are like going into a black hole. I should say that when matters are now handed over to the Executive Council under LEUNG Chun-ying, they are like going into a black hole. Important policies have to be discussed by the Executive Council but does that mean the Executive Council needs not give us an explanation afterwards? They always make the excuse that they cannot explain details of the Executive Council's discussions; hence they need not explain the reasons for the implementation of certain policies.

Hong Kong people really find this situation ridiculous and can hardly accept this situation. We have seen time and again that the Executive Council has rejected policy proposals prepared by the executive departments or it has commissioned consultancy studies to overturn the technical or policy proposal

conducted by the professional departments. Consultancy reports are publicly funded, but no matter how many times the Legislative Council asked for the disclosure of such reports, the answer is always a refusal to make public such reports. How should we describe such practices if not authoritarian and dictatorial?

This is the new tactic of the LEUNG Chun-ying Government. The accountability system is no longer accountable to the people and the principle of confidentiality of the Executive Council has become a protective shield, with the confidential consultancy report as their latest "imperial sword". Hong Kong is no longer ruled by law but is ruled by man now.

Just now I heard Mr Ricky WONG say at the press conference that he did not want to answer the sorrowful question about whether Hong Kong has entered an era of "rule of man". Therefore, we have to discuss this sorrowful question on behalf of the people of Hong Kong, Mr WONG included, in this Council. Deputy President, these are the many problems and conflicts brought to us by the LEUNG Chun-ying Government and they form the substance of this motion today.

There is no way that this motion will be passed today. In this Council that is dominated by the pro-establishment camp, this motion will surely be voted down. However, at least, what we, Members who sit on this side, can do is to represent the people of Hong Kong. They have indicated their indignation yesterday and today. We must vote for this motion of no confidence in LEUNG Chun-ying on behalf of these people to tell LEUNG that we do not trust him.

Let me check again, during the time when I speak, how many more people have ... That is right. In only a few minutes, an extra 1 000 people have expressed their dissatisfaction. At present, a total of 353 000 people have expressed their dissatisfaction with the LEUNG Chun-ying Government.

With these remarks, Deputy President, I support Dr KWOK Ka-ki's motion.

MR FREDERICK FUNG (in Cantonese): Deputy President, Hong Kong is a very special society. Although it is only a spot in Asia on the map, the people of Hong Kong indeed are living in an affluent society. I believe that you, Deputy President, are also aware that Hong Kong's GDP per capita for last year is

US\$3,300, which, if converted into Hong Kong dollars, is equivalent to around \$22,000 a month per person. Apart from being an affluent and well-off society, Hong Kong is also a knowledge-based society in that the literacy rate of its population is very high; since the introduction of nine-year free education, there is not only an increase in the number of secondary and primary students, but also an increase in the number of university students.

Hong Kong is a wise society which has evolved from a fishing port in the 40s and 50s into an international financial centre over a span of three to four decades, and now it is even trying to catch up with New York and London. In this affluent, knowledge-based and wise society of Hong Kong, we deserve a lot of things, including a fair and open government.

However, regarding the free television licensing issue in question, this Government has refused to make public the justifications for its assessment, and since the justifications are not revealed, people think that it is unfair and unjust. The Government's conclusion is to protect the existing parties with vested interests by allowing the existing television stations to continue operation, and granting the two new free television licences to existing pay television broadcasters; new television broadcasters with creativity are thus barred from entering the market.

Deputy President, Hong Kong people very often say — particularly in the 80s — that "as long as you are willing to work hard, you will succeed". Hong Kong is a land for dreamers, which allows us to turn our dreams, hopes and ideals into reality. But then, this licencing fiasco has precisely stifled this environment for dreaming. As a matter of fact, the aim of this licensing decision is precisely to maintain a conservative television environment.

LEUNG Chun-ying stated in his manifesto that "we need creativity and we need culture", but this licensing decision is contrary to his manifesto. This point was also included in my manifesto for the Chief Executive election. Hong Kong is no longer a land for dreamers. Deputy President, is this change worthwhile?

Hong Kong people deserve a dignified living environment. We are often compared with Singapore, but there is really no comparison in terms of housing. The average living space per person in Singapore is 30 sq m, whereas in Hong Kong, it is 15 sq m; 85% of the people in Singapore live in HBD flats, and everyone there has a place to live, whereas in Hong Kong, many people do not

even have a home. Renting a unit is not easy, not to mention buying one's own home. We can only choose to rent cubicles, "sub-divided units" or "coffin-sized units".

In view of the three conditions mentioned by me just now, we deserve to have a dignified welfare system, under which our children and elders are well taken care of. That said, it is very difficult for our children and elders to enjoy a good welfare environment nowadays. Today, elders still need to apply for living allowance in the absence of a universal retirement protection system. As Hong Kong is such an affluent society, why can't it be done?

The Subcommittee on Poverty of the Legislative Council had paid a duty visit to Japan earlier to study the Pension System in Japan. The Japanese surely knew that while the elderly would be able to get a specific sum of money every month under the Pension System, the Government would have difficulty in paying the amount involved, and it would require effort and commitment on everyone's part. Nevertheless, to show respect for the elderly, especially those who had worked hard for and laid the foundations of society in making Japan an affluent country, they still insisted on having the Pension System. In contrast, we in Hong Kong have to haggle over the spending of every extra cent or 10 cents. Should we act like this?

Deputy President, when I was at school, I once learnt about the relationship between an economy and a democratic system. In all cases, the more stable a democratic country, the more prosperous and stable its economy. In particular, the more people who have televisions, radios, refrigerators, cars, communication networks and so on, the more possible that they can have a stable democratic system. Hong Kong has all these things, but to date, a universal suffrage system is yet to be implemented. With such a background and being so affluent, knowledgeable and wise, do Hong Kong people not deserve a universal suffrage system?

The SAR Government is obliged to put to good use the wealth, knowledge and wisdom built up by the people of Hong Kong over the decades, and to reward everyone in Hong Kong in terms of concrete policies, environment, ambience and value. After four to five decades of hard work, Hong Kong people deserve to have their own homes, deserve a culturally open and creative society, and deserve a welfare system; what is more, we deserve a universal suffrage system under

which we can elect our own Chief Executive and every Member of the Legislative Council.

In the one year or so since his inauguration, LEUNG Chun-ying has, more often than not, made a mountain out of a molehill, "turning minor issues into serious issues, and serious issues into bad deeds". Of course, some people would say that this had nothing to do with LEUNG Chun-ying and this was due to some other people stirring up troubles. As the saying goes, "Worms breed only in decaying matter." A person who is not bad himself cannot make things too bad; things that have not turned serious cannot become too serious. The current situation is one of "inability in internal affairs and disgrace in foreign diplomacy", with certain minor issues, serious issues and bad deeds bound to occur every month. The recent issues include meeting with the President of the Philippines last week, and the free television licensing issue in the last couple of days.

I have this question for the SAR Government and LEUNG Chun-ying: how many more weeks, months and years are you going to spend on infuriating Hong Kong people? Hong Kong people are not supposed to tolerate these.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, today, Dr KWOK Ka-ki moved a motion on "Vote of no confidence in the Chief Executive". On my way to the Legislative Council today, I bumped into a few friends, they asked me what issues were to be dealt with in this Council today. I told them that we have to deal with a motion of no confidence in the Chief Executive today. One of the friends said, "A motion of no confidence again?" None of them was interested to know the details, and they said, "We really do not know why you people in the Legislative Council always talk about issues such as the P&P Ordinance or motions of no confidence; having no confidence in this person today, and no confidence in that person tomorrow." There is yet another experience I would like to share with Honourable Members. About a month ago in an MTR station, a stranger walked up to me and suddenly said, "Dr LEUNG, what on earth are you people in the Legislative Council doing? You people have no confidence in the Police Force today, and no confidence in the Chief Executive tomorrow. If we can vote today on whether the Government or the Legislative Council should be shut down, please relay my opinion that the Legislative Council should top the list." This man was not an ordinary citizen, for he was neatly dressed in a well-pressed suit. I also heard him say, "If you

ask whom we support, we certainly support the Police Force. You people have undermined the morale of our Police Force." So I asked him if he was actually a police officer, he absolutely denied and said that he was just an ordinary member of the public.

I recounted these two public responses in the hope that we, as Members of the Legislative Council, can think about what we really want to achieve in each Council meeting held in this Chamber. I absolutely agree that as the Legislative Council has this system in place, our Honourable colleagues surely can propose motions of no confidence in officials or even the Chief Executive. A motion of no confidence is basically a political gesture and is not legally binding. But when should we move a motion of no confidence and when should we invoke the Legislative Council (Powers and Privileges) Ordinance to set up a select committee? If we often adopt these approaches, members of the public will naturally be fed up when hearing such arguments repeat week after week. Just now, an Honourable colleague asked if we found this practice annoying. The public are really annoyed and I hope that Honourable colleagues will listen to opinions in this regard. Still, a Member has proposed such a motion. After listening to the speeches of Honourable Members, I realized I really have to relay some public views received by us.

Just now I heard a few Members in support of the motion say that they have to propose a motion of no confidence on behalf of Hong Kong people. Have they really asked the general public what issues they expect the Legislative Council will discuss these days? Firstly, just now I heard some Members mention the Philippine hostage incident, saying that the Government fared badly in its diplomatic work. We have to be pragmatic. Under the Basic Law and the "one country, two systems" principle, the SAR Government truly has no diplomatic power. I remember that three years ago, the then Chief Executive Donald TSANG once made a phone call to the Philippine authorities. At that time, I took the view that as a Hong Kong citizen who was concerned about this incident, it was acceptable for our Chief Executive to make such a phone call to express his concern, and in doing so, he had tried his best to fulfil his responsibilities as the Chief Executive. However, if he intended to exercise any diplomatic power to negotiate with the other party to achieve any result, then actually there was nothing much he could do as his hands were tied. My opinion is that when it comes to matters at diplomatic level, we really need the Central Government to act on our behalf.

Rebuking the SAR Government now for failing to accomplish anything is actually pointing the finger in the wrong direction and at the wrong target. Maybe the Chief Executive really succeeded, in his capacity as the head of the SAR, in getting a chance for an meeting — I have no idea how he succeeded — but obviously, this is a matter involving diplomatic relations between two countries, that is, between the Philippine Government and the Chinese Government. It is not a matter in which the SAR Government can have a say. Therefore, we should pin our hope on the Central Government to step up its efforts to fight for the interests of the bereaved families. Also, the Philippine Government must seriously face up to the feelings of Hong Kong people towards this incident, and make an apology.

Secondly, some Members just now mentioned that the Chief Executive was wholly to blame for tearing the community of Hong Kong apart. It seems that he is to blame for people's failures to buy properties, for the disparity between the rich and the poor, and for the current issue of Occupy Central movement, and even for people's failures to get married. I think we must take responsibility for what we say. If what we say to the general public and young people every day are all words of resentment, our society is all the more likely to be torn apart. In my opinion, when we talk about these issues, we should state clearly which problems have existed for ten-odd years, and which problems have been the long-standing and inevitable phenomena that have all along existed in Hong Kong as a capitalist society, such as the problem of wealth disparity. It is now imperative for us to discuss ways to narrow the wealth gap, but this problem cannot be solved by demanding a particular person to step down.

Thirdly, as some Members have mentioned in the past, if we have to replace the Chief Executive of Hong Kong, all problems are attributed to LEUNG Chun-ying. I recall that when he assumed office, there were indeed many people who disliked him, and there were many people who ... I once heard some people say that LEUNG must step down, and if he did not step down, they would make such demand every day. This is in fact an irrational remark. If we do have very substantive grounds, the public will be willing to listen. Repeating such words day after day only numbs our senses and is utterly meaningless. Let us say, if we really cast a vote of no confidence today leading to his stepping down, and we can have another Chief Executive in replacement, what would happen then? The new Chief Executive will still be elected under the existing system, which requires the election of the Chief Executive in accordance with the

Basic Law. As such, Hong Kong will be, as in the case of Japan, having its Chief Executive replaced every several months, and he will be deprived of the opportunity to at least practically implement his policies.

In fact, we do not find any substantial grounds for casting a vote of no confidence today. Has he committed any serious criminal offence or dereliction of duty as referred to in Article 73(9) of the Basic Law? If he has not committed any of these but Members keep making such a political gesture every day, I am afraid we would give the public an impression that some people are wasting the time of the Legislative Council purely because of different political views and discontent with the Chief Executive as an individual, rather than for the sake of particular incidents in reality, which will result in the public's loss of interest in discussions in the Legislative Council.

In my view, in the past year, although the Chief Executive did not always do an excellent job in respect of each and every policy, he had already done his best. Therefore, I think we should continue to give him time, and wait and see how his policies will turn out as he takes them forward.

Deputy President, I so submit.

MR RONNY TONG (in Cantonese): I really did not intend to speak, because I somewhat shared the concern of pro-establishment Members as to whether the motion proposed today might be just another replay of what had been discussed before. However, having listened to the speeches of pro-establishment Members and the Chief Secretary just now while sitting in this Chamber, I have increasingly come to realize that I may really put myself in the wrong if I do not speak.

I believe there are several basic concepts that Members and officials should understand first. First of all, regarding the Chief Secretary's remark just now that this motion has no substance, actually the substance of this motion is precisely a vote of no confidence in LEUNG Chun-ying. This is the substance. You may disagree to this substance, and you may say that this substance is unfounded and that there is no reason not to have confidence in LEUNG Chun-ying. In that case, we can express our respective views on the subject in this Council.

Dr Priscilla LEUNG, in her speech just now, seemed to be saying that once this motion was passed, LEUNG Chun-ying was bound to step down. If this is really the case, it is of course the best scenario. But unfortunately, this is not the case in reality. Dr KWOK, sorry, I hope that you will stop — to borrow the saying of Mr Frederick FUNG just now — dreaming here. Even if the motion is passed, it only means that this Council has no confidence in LEUNG Chun-ying, but we cannot make him step down. Let us not propagate our own obsession in this Council.

Why do people have no confidence in LEUNG Chun-ying? Deputy President, many people hold different views. Standing in this Chamber, I believe that I am speaking on behalf of a considerable number of Hong Kong people who have no confidence in LEUNG Chun-ying because he is a man who lacks integrity, ability and credibility.

In saying that he lacks integrity, it means he has no morals. This actually can be traced back to the time when he was running in the election, during which his opponent was seriously attacked for having unauthorized building works (UBWs). Though LEUNG Chun-ying also had UBWs in his residence, he did not say a word, and he even acted in way that would incite comments, thereby enabling him to win in debates. In my personal opinion, a man of moral character may not necessarily have to admit his fault, but when he sees another person being censured for a problem that he is also at fault, at least he may say, "Do not come down so hard on this person, for I actually have UBWs in my residence too."

Upon being elected the Chief Executive, did he come forth at once ... actually he had been elevated to the "deity status" once he got elected. Now that he has become a "god", should he step forward in the first instance and admit his fault? But that was not what happened. It was only after repeated requests and demands, and being pressed and pressurized one way or another that he grudgingly issued one sheet of paper to explain his position, and the explanations given were really laughable. As far as I am concerned, this was an act indicating the lack of integrity.

As regards ability, at the time of the election I did have a bit of a wild wish or dream that this man might be a capable person. But judging from what he has done over the past year, I really cannot tell what he is capable of. Just take the housing problem as an example. His housing policy, the so-called top priority,

is actually centred on the same set of figures used by the former Government. In identifying sites for housing construction, he would even go so far as to destroy country parks, render other people homeless, set one social stratum against another, and tear the community of Hong Kong apart. Can these be regarded as being competent?

I really do not want to mention the recent hostage incident again, but many Honourable colleagues have kept bringing it up. To be honest, a capable political leader will, before taking any action, first establish the purpose of his act. But what political bargaining chips did he have? When the hostage incident took place, Mr LEUNG Chun-ying was the convener of the Executive Council, so he naturally knew that Donald TSANG was snubbed on that day. Without any political bargaining chips, why did he think he would fare better than Donald TSANG? Was he kind of overrating his ability?

It does not matter if he was just trying to "claim some credit" for having a meeting with the other party. Whether he could achieve any result was another matter, but at least he would be able to justify himself to Hong Kong people, and maybe his popularity rating would go up a few points as well. When he came to the venue for the meeting, he realized that he was being put in an inferior position as if he was begging the other party, and yet he behaved like a "primary school student" sitting side by side with his peers waiting for the arrival of the "teacher", with whom he later rose to shake hands. What he did was rubbing salt into the wounds of Hong Kong people. Why did he rub salt into the wounds? He knew very well that he did not have any political bargaining chips, and he was getting nowhere. When he saw such a scene upon entering the venue, he should have turned around and left at once, and then arrange for another meeting. But this was not the worst part, because subsequently he was even "taken advantage of" by the other party.

After all, Benigno AQUINO III was elected by his people, and thus he would certainly be more politically skilled than the so-called Chief Executive returned by a coterie election. Benigno AQUINO III had earlier arranged the meeting to be videoed as television recordings and the press releases prepared, so that he could readily give the Chief Executive two slaps in the face if the latter was going to say anything. Even if our State leaders stepped in, they could hardly avoid a slap in the face as it was this Chief Executive who said that the incident should be put behind, so what else could the State leaders say? I also feel deeply aggrieved for our State leaders, who spoke out for Hong Kong people

but ended up being slapped in the face. Chief Executive LEUNG Chun-ying not only failed to "claim some credit", but was even being "taken advantage of" by the other party. This is sheer incompetence.

As for his lack of credibility, when he was running in the election, he stated that he wanted to create a "Hong Kong camp"; where is this "Hong Kong camp" now? Excuse me, but there is no "Hong Kong camp" in the Legislative Council. Apart from the tiny little camp called the Democratic Alliance for the Betterment and Progress of Hong Kong, there are no other camps. Even the business sector does not consider itself a member of the "Hong Kong camp". He also stated that he wanted to address the issue of standard working hours, but in the end, he said that more studies had to be conducted. He went back on his word. You may disagree with me, but I do believe that many people share my view that this Chief Executive has no morals, no ability and no credibility. That is why most people have no confidence in him. We have the right and the responsibility to say aloud in this Council, "I have no confidence in him." Why would one think that this is frivolous? At least I have told you why I think he is not credible, and this is because he has no morals, no ability and no credibility. Those who disagree with me can refute my view, right?

MR CHAN CHI-CHUEN (in Cantonese): Deputy President, I remember that on 12 December last year, Mr WU Chi-wai also moved a vote of no confidence in the Chief Executive. On that day, 27 Members were in favour of the motion, 34 against it and five abstained. The motion was negated.

A newspaper today carries this headline: "Pan-democrats' motion of no confidence set to be negated". I am more concerned about whether Dr KWOK Ka-ki's motion today will be able to secure as many supporting votes as Mr WU Chi-wai's motion on the last occasion. Last time, Dr LAM Tai-fai and Mr Paul TSE voted for the motion. I wonder if both of them will still cast a vote of no confidence in LEUNG Chun-ying this time. The Liberal Party abstained from voting last time. The Liberal Party is awesome. In their street boards, there is a slogan that reads "We have independent thinking; We monitor CY", which seems to suggest that the Liberal Party is the one making the most efforts in monitoring LEUNG Chun-ying. But the Liberal Party has said that it would give LEUNG Chun-ying a two-year probation period. This saying is reported by the press; Mr James TIEN may reply to that later. So, as long as the two-year period is not expired, it is most likely that they will abstain again. However, I

would like to point out that placing him on probation does not mean that he may not be sacked during the probation period; rather, it means that the notice required for sacking him is relatively short. If he makes mistakes during the probation period, he may be sacked summarily or with seven days' notice, without payment in lieu. Therefore, they should think about the meaning of probation again. If they, having listened to our words, are dissatisfied with him, they may as well sack him.

I recall that last December, I described LEUNG Chun-ying as a "five-not" Chief Executive — not knowledgeable, not competent, not law-abiding, not trustworthy and not shameful. A man who is not shameful is indeed invincible, for he is not afraid of being rebuked and he refuses to leave. Even if his popularity rating has plunged all the way to the bottom, there is still a chance of an upswing as long as he remains in his post for a while longer. That said, the public opinion survey mentioned by Mr YIU Si-wing just now is out of date. The latest survey shows that his support rating has further dropped 1.3 marks to just 48.1 marks, and his disapproval rate has gone up to 55%, with a net approval rate of negative 24 percentage points. Last week, during the discussion on the inquiry into the hoarding of land by Paul CHAN, Dr LAM Tai-fai remarked that the evaluation of an official entailed not only an assessment of his integrity but also his competence. What "Tai-fai" meant is that despite his rather low integrity, if he is highly competent, he should still be considered for the post. I have no idea where Dr LAM Tai-fai came by this set of standards, and how it can be justified. As far as I am concerned, if the integrity of an official is not up to the mark, even if his competence has a score of 101, he should not be in the post. Nonetheless, even if this set of standards is adopted, excuse me, neither the integrity nor the competence of LEUNG Chun-ying is up to scratch.

Looking back on the Philippine hostage tragedy three years ago — it has been dragged on for three years — and judging from LEUNG Chun-ying's attitude towards the tragedy and the way he handled it since he took office, even if I assume that his words "put behind" uttered in his meeting with Benigno AQUINO III in Indonesia were distorted, and that he did relay the four demands of the victims, we can only say that he was at best a messenger, that is, he conveyed the demands but did not argue strongly on just grounds on behalf of us, Hong Kong people, and the victims. The first reason might really be his ignorance, as commented by Henry TANG, for LEUNG Chun-ying had all along been focusing on "internal diplomacy" and "controversy" since his assumption of office and had no experience in external diplomacy. That was why when he saw

the Philippine leader, he was faint-hearted and thus allowed himself to be degraded to the extent that he was squeezed in a sofa with two other persons. Under such circumstances, how could the Chief Executive seek justice for the bereaved families?

The second reason was that LEUNG Chun-ying had some problems with his understanding of his own functions and powers. Obviously, if he had made a decision, provided he had sufficient decision-making power and commitment, he might have been able to resolve the issue earlier. However, it transpired that he completely regarded the external affairs of handling the Philippine hostage tragedy as foreign affairs. In respect of this tragedy in which Hong Kong tourists were killed in the Philippines, since LEUNG Chun-ying's assumption of office, he only reluctantly gave a reply in mid-August this year when he was confronted by a bereaved family member at a forum held in Kwun Tong, the admission of which required a ticket which the family member made great efforts to get. But things were so different last Friday; after LI Keqiang had spoken out, LEUNG Chun-ying had accomplished, in just one day, what he was supposed to get done in a year by writing to the Philippine authorities to ask for high-level talks, and then meeting the bereaved families for an hour. His acts were intended to salvage a public relations disaster, but why did he have to wait a year before getting the work done? Why not get the work done soon after he took office?

In proposing a phased restriction on entry of Filipinos, including Philippine domestic helpers, into Hong Kong, People Power wants to tell LEUNG Chun-ying that this is our proposal which can be discussed, but he as the Chief Executive has the power to do so. If it is alleged that the buck stops with Donald TSANG, who is to blame for doing nothing in the past three years, which is too long a time, then what has LEUNG Chun-ying done on his own initiative in the past year since his assumption of office? Has he taken the initiative to study ways to sanction the Philippines?

In the face of crises, what is LEUNG Chun-ying most adept at? For matters in which he does not have a direct interest or which do not impose direct pressure on him, he will evade. When his popularity rating drops, one of his ways of evasion is to leave Hong Kong for a while, take a leave to stay out of the limelight. As it turned out, his popularity rating has really gone up slightly with him out of sight. During the 13 months since he took office, he was on annual leave four times, shying away for 32 days altogether. But, "an ugly bride will

sooner or later have to come face to face with her father-in-law," as the Chinese saying goes. When he returned after shying away, how did he face the shambles? On the morning of the very next day, he staged a popularity show by holding three forums in Tin Shui Wai, Kwun Tong and Wan Chai. What did he do? By holding these meticulously planned forums, relying on violent protection from triad forces, and paying old people several hundred dollars to queue up all night for getting the tickets to such consultation forums, he succeeded in conducting bogus consultation, showing to the Central Authorities that no one in the audience opposed him. Will such moves of putting people against people tear society apart and create social division? Social resources were wasted on organizing these popularity shows in the districts.

In fact, LEUNG Chun-ying has a superb power, the power of destruction. In handling the issuance of free television licences, he actually managed to arouse widespread indignation, discontent and resentment among the public. Hong Kong people have never been so united in opposing him.

Even if Members of the Legislative Council pass the motion of no confidence, they cannot make LEUNG Chun-ying step down, but Hong Kong people can make this happen. Hong Kong people can come forward; the 350 000 to 360 000 people who have joined the relevant group on the Internet — the number is still increasing — can come forward to say no to the Government, and say no to LEUNG Chun-ying. Actually, we do not have to dwell on LEUNG Chun-ying's scores on his integrity and ability any more. As long as we have eyes and ears, we can hear the grievance and wrath of the public. Anyone who has a conscience will pass this motion today.

I agree with the view of the person whom Dr Priscilla LEUNG ran into that the Legislative Council should be dissolved and disbanded, because even though the Chief Executive has performed so bad that there is widespread indignation and discontent among the public, he still has the support from a large bunch of royalists in this Legislative Council who say that it is unreasonable to propose the motion of no confidence. This Legislative Council should close down. If I may propose a motion on dissolving the Legislative Council, will Dr Priscilla LEUNG give her support?

I so submit.

MS CLAUDIA MO: I was not going to speak. I am a journalist by training, and I hate to have to repeat myself. Seriously, anything that is being repeated is not news. Of course, we are not just doing news in this Council, but the plight of the victims and their families of the Lamma ferry disaster has been voiced so loudly and clearly. I do not need to repeat all that again and spend public time and resources on the same stories and the same thing and the same request, right? What is the point? Will the Government listen? It just will not.

Now, there is something very new and well, you would have guessed, that is about the issuance of free television licences. There were three applications. You allowed two, but banned one. This is just so unfair. I was with David WEBB on the RTHK Backchat this morning. David WEBB knows Hong Kong. He knows about the Hong Kong economy inside out. Commercially, he tells you, this is just not a level playing field. This is an unfair treatment. We have all listened to what Ricky WONG, the failed applicant, said during his press conference just now. What does the Government have to say to his allegations? Indeed, it was the authorities who actively approached him in the first place, and now you tell him, "Sorry, somehow you are not quite qualified after considering a basket of criteria", whatever. So, this morning, I fished out again the so-called criteria the Government was supposed to be using on all the applications.

Deputy President, on 28 November last year — less than a year ago — in this very Council, I moved the motion calling on the Government to quickly give out the free television licences to all these applicants. At the time, the Government gave a number of replies, including assessment guidelines, saying there were altogether eight points, from A to H, with financial soundness being the Number 1 point. Fine, that is all legitimate, and the last point is about quality control and compliance of rules and regulations. Fine. I was using all these eight points to try to carry out my own assessment to see what had gone wrong with Ricky WONG's application.

This morning, I was told the Government has issued a 40-page document to the Panel on Information Technology and Broadcasting of this Council, telling the Panel how the Chief Executive-in-Council made the final judgment on this issue. There are altogether eleven points. Eleven? I thought there were just eight. How did the three new points come on top of the old ones? You tell me, right? Then, I examined the wording. There are not just additions, but they are also quite different. In terms of general content, they are not exactly

fantastically different, not that we do not need to talk about financial soundness, but the very last point, point Number 11, mentions "public interest". I beg your pardon. Public interest? What sort of public interest is the Government talking about? It is just defying public interest in Hong Kong. Listen to public opinion. Seriously, does the Government know that a Facebook page was created yesterday, and barely within six hours, a quarter of a million people gave their "Like". How about that? Even in this very keen netizen society of Hong Kong, this is a very unusual record, if not a record-breaking record. Honestly, where is the intellectual honesty of this very Government?

I do apologize for sounding a bit emotive, but this is just unacceptable. This motion is a no confidence motion, and indeed, I very much agree.

I just learned from my colleague, Mr Charles Peter MOK, that the particular Facebook page now has 356 000 likes. How about that, honestly? Does this Government care at all?

To quote my colleague, Mr Ronny TONG, who said just now, "C Y LEUNG lacks integrity, ability and credibility." How could you let down an individual smart businessman investor in the television trade like this out of political considerations, honestly? The more Mr Gregory SO said there is no political consideration, the more I know he is lying. Thank you.

MR ALBERT CHAN (in Cantonese): Deputy President, regarding the reasons why LEUNG Chun-ying should step down, I think if you ask members of the public on the street, they can readily give you dozens of reasons why he should step down immediately.

I think his performance to date can best be described with four phrases, each with three words. Of course, I am using three words, not four-letter words. Deputy President, these phrases are: "low popularity rating", "integrity gone bankrupt", "appointment by favouritism" and "poor governance performance".

Just now, Mr CHAN Chi-chuen has already spoken about the low popularity of LEUNG Chun-ying. Moreover, his integrity has gone bankrupt as a result of his repeated lies. During the election, Henry TANG had already highlighted LEUNG's problems. LEUNG made appointments based on

favouritism, several of his "right-hand men" had resigned one after another due to poor performance. His integrity and ability are questionable, as evident from the trusted aides he appointed (that is, certain incumbent Directors of Bureaux or Chairmen of committees/commissions). At present, officials who keep the Government running are mostly those from the previous Government. Even though the Chief Secretary is a "good fighter", I do not know how long she can keep up the fight, but I think even if she hangs in there, it will not be for long.

Recently, we are even more exasperated by some incidents, especially the diplomatic crisis triggered by the Philippine hostage incident. While both sides should have equal status when he met with the President of the Philippines, what we eventually see is the scene of a primary student being told off by the principal. In this connection, I must censure the Chief Executive's Office or the party concerned for its sloppiness. Nevertheless, LEUNG Chun-ying's inability to respond to a crisis was fully reflected by that meeting.

Some people said that as it was an emergency situation, he did not know how to handle. However, as an insignificant Member of the Legislative Council ... Deputy President, in 1997, other Members (including Mr David CHU and Mr Ambrose LAU) and I went on a duty visit to the United States organized by the former Legislative Council. When we were attending a meeting in the United States Capitol Building, I took the lead to leave the meeting in protest because I felt that the delegation was not given polite treatment. At that time, we were inside the United States Capitol Building in Washington DC.

When LEUNG Chun-ying sensed the problems in reception, he should put personal matters aside and defend the dignity of the organization he represented. That is why Michael CHUGANI wrote an article censuring LEUNG Chun-ying for bringing total disgrace to Hong Kong. Notwithstanding LEUNG Chun-ying's poor performance, inability and incompetence, he should always be a symbol of Hong Kong's dignity whenever he meets with leaders of other countries at international meetings. Because of his dereliction of duty, Hong Kong is brought to shame. When he sensed the unfair treatment, he should have left the venue in protest. Alternatively, he could indicate politely that he considered the seating arrangement made by the local government inappropriate and requested for a change before re-entering the venue. If he does not know how to handle such a simple matter, how can he represent Hong Kong in the international community?

How can LEUNG Chun-ying allow this dandy President of the Philippines to treat him like dirt. Hong Kong has a long history of being bullied: during the colonial rule of over a century, we were bullied by the British; during the Vietnam War and Korean War, we were bullied by the Americans, and we can often see them cavorting in Wan Chai; during the 16 years after the reunification, we have been bullied by the "strong Chinese". And now, Deputy President we are being bullied by the Philippines! What is the price of dignity, and where is our dignity? Hence, amongst the numerous "crimes" committed by LEUNG Chun-ying, the most unforgivable one is that he made Hong Kong people suffer in silence the humiliation imposed by the Philippine Government. That is absolutely unacceptable and should not be tolerated.

In this regard, the People Power has already made a number of suggestions, which include stopping the importation of Philippine domestic helpers and disallowing all Philippine passport holders to come to Hong Kong. We are also planning other economic sanctions, such as gradually banning the importation of Philippine goods into Hong Kong, which involves \$40-odd billion.

Separately, the city is enraged by another incident which happened last night. Within 20 hours, a Facebook post which demanded the Government to issue a television licence to Hong Kong Television Network Limited got 360 000 "Likes", an unprecedented feat which sets the record for "Likes" on Facebook in Hong Kong. This record shows how dissatisfied and furious Hong Kong people are as the Government's decision is tantamount to issuing licences to two powerful persons, while rejecting the application of the most devoted new entrant. Hong Kong people feel that our core values have gone.

LEUNG Chun-ying is now bullying Hong Kong people, treating them like dirt. After he was bullied by the dandy Philippine President, he bullies Hong Kong people after he returned to Hong Kong. It shows how incompetent he is. After he was unfairly treated, he takes it out on Hong Kong people as a display of his authority. Hence, I urge Hong Kong people to gather at the Central Government Offices (CGO) at 3 pm this Sunday to besiege the Government once again. If Hong Kong people do not show their resentment and power, this shameless, incompetent and immoral "689" will just keep on bullying Hong Kong people.

Through his ploys, he managed to allow his close aides receive enormous financial gains for they can rake in tens of millions of dollars by selling a small area of land. But the problems of Hong Kong people living in "sub-divided units" and poverty have been worsening, and they have no dignity left. Hong Kong's core values have been eroded gradually in his hands.

As Hong Kong Communists are ruling Hong Kong, Hong Kong's culture, politics and economy are being eroded. That is why Hong Kong people should speak up again this Sunday. Hong Kong people will decide whether we should stage overnight sit-ins or occupy the CGO for several days. *(The buzzer sounded)* ... Occupy CGO on Sunday!

DEPUTY PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up.

(Mr Albert CHAN still spoke loudly in his seat)

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

IR DR LO WAI-KWOK (in Cantonese): Deputy President, the motion of no confidence proposed by Dr KWOK Ka-ki severely criticizes the work of Chief Executive LEUNG Chun-ying and his team of accountability officials, but Dr KWOK's opinion is biased. Admittedly, since the Chief Executive assumed office, there have been inadequacies in his governance, for example, although the "harsh measures" on the property market are designed to suppress property prices, implementing such measures has, to a certain extent, breached the free market principle and hindered normal investment. Another example is the incident of the proposal to extend the landfills. It shows that there is inadequate communication on the part of the Government with Members of this Council and people of the districts concerned and as a result, the Government has failed to solicit the support of its policy from stakeholders and local residents.

However, the Chief Executive and his team of accountability officials have made substantial progress in some important economic and livelihood issues. The list includes increasing the supply of land, building housing units, assisting the poor and supporting the elderly. There are indeed inadequacies in the policies and the administration, but do they warrant our support in passing the

motion of no confidence today? Do we have to intensify problems arbitrarily and indefinitely elevate them to the political plane, so that the Chief Executive and public officers will be criticized severely for any big or small issue? These are the questions which have puzzled many members of the public.

More importantly, intensified conflicts in our community have already stalled the progress of our economic development. For example, last year in this Council, some Members had taken advantage of certain situations and repeatedly proposed motions to invoke the Legislative Council (Powers and Privileges) Ordinance, motions of no confidence and motions for officers to take up the responsibility and resign, and some Members have even resorted to filibustering in this Council, wasting a lot of time and energy of Members and public officers. Prof Richard Y.C. WONG of the Faculty of Business and Economics of the University of Hong Kong had, out of the best possible intention, pointed out that Hong Kong was so carried away by the political arguments that it had neglected to deal with the urgent issues. Therefore, the Business and Professionals Alliance for Hong Kong (the Alliance) urges Members to adopt a practical approach in monitoring how the Government handles issues of public concern and make constructive proposals, so that the governance and the livelihood of the people can be improved. As Members of the Legislative Council, we will not do Hong Kong any good by making only a destructive but not constructive impact. Quite the contrary, we should perform our primary duties of caring for the welfare of the public, promoting economic development and improving the livelihood of the people.

(THE PRESIDENT resumed the Chair)

Recently, opinion surveys on the popularity of the Chief Executive and the Government have shown that the ratings of the Chief Executive and his governance team have risen. We should give the Chief Executive and his team of accountability officials more room to do real work before making our assessment. The Alliance, however, also considers that the Chief Executive and the public officers should enhance their communication with different political parties and affiliations of this Council, the stakeholders concerned and the general public. Before implementing any policy, there should be adequate consultation so that the policy can be implemented with a broad consensus.

President, in fact, there are different systems for proposing motions of no confidence in other parliaments such as Germany, France, the United Kingdom and Japan, but the parliamentarians are very cautious in proposing such motions and only very few of them have ever been passed. Evidently, a motion of no confidence is only proposed after serious consideration and with full justifications. The present motion has not fulfilled these conditions.

With these remarks, President, I and my fellow Members of the Alliance are against the motion of no confidence in the Chief Executive moved by Dr KWOK Ka-ki. Thank you.

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

MR TONY TSE (in Cantonese): President, first of all, I would like to state that I will not support the motion on "Vote of no confidence in the Chief Executive" proposed by Dr KWOK Ka-ki today. From a practical and realistic point of view, the incumbent Chief Executive and the current-term Government have actually carried out a number of work over the past year, including issues that are of grave social concern and have been extensively discussed, such as housing problem, difficulties met by young people in upward movement, shortage of land and housing supply, residential care for the elderly, poverty problem, and so on. These problems do not appear overnight; they have been accumulated over a very long period time and are unlikely to be resolved easily. However, if we adopt a passive attitude, trying to shelve these problems or procrastinate in addressing them due to the difficulties involved, the problems will be aggravated, making it even more difficult to resolve. After the Chief Executive assumed the post last year, he has, in the face of different voices and aspirations in the community, introduced a number of measures in a pragmatic way to address various problems. Therefore, I hope that various sectors of the community will, in addition to proposing constructive recommendations, also lend support to the Chief Executive.

Last Wednesday, I proposed the motion on "Formulating a target ratio of housing expenses and a standard for the average living space per person" at the Council meeting. While some Members said that it was well-intentioned to propose this motion, and its direction is worth supporting, other Members considered it very difficult to meet the target. I cannot help but think, should we pay no attention to this issue simply because it is too difficult to meet the target?

If some considered that the target ratio of housing expenses proposed by me is too high, and worried about the difficulties encountered in formulating and implementing the ratio, further discussion can be held and appropriate adjustments can be made. Yet, we certainly should not give up due to difficulties in meeting the target. Very often, there are voices in the community requesting the Government to draw up the targets, timetable and roadmap in the light of various aspirations in tackling certain problems. Hence, it is a pragmatic approach to formulate specific targets.

President, with regard to the housing problem, the Government has rolled out "two harsh measures" to combat rampant speculative activities and suppress irrational soaring of property prices. Though some people have expressed views on the details of the measures and their implementation, hoping that the Government would adopt their proposals to make appropriate adjustments, such that the measures can be more effectively implemented, they have no intention to abolish the measures. In addition, the Long Term Housing Strategy Consultation Document has also proposed a number of recommendations, including housing production quantity in the next 10 years, the proportion of public and private housing, as well as the study of a licensing scheme to regulate "sub-divided units", and so on. Many people have expressed their views on these recommendations, and many people hope that the Government would set specific targets for appropriate and affordable housing. In fact, the Consultation Document has also proposed timetables and roadmaps for addressing the housing problem. As mentioned by the Chief Executive in his policy address, in order to solve the housing problem, the community needs to make difficult choices and decisions. If we refuse to take a positive step forward, the housing problem will only be exacerbated, and become more and more difficult to solve or alleviate.

President, some people opine that the various proposals and measures put forward by the Chief Executive in the past year are indiscriminate attempts to address the social problems facing us. However, we have to note that many problems facing Hong Kong have become rather complicated. Over the past year, the Government has implemented a number of measures to address these problems, such as the "powdered formula restriction quota", the zero quota for "doubly non-permanent resident pregnant women", and so on. These measures may not be supported by everyone, and there may be room for improvement in implementation, yet I believe that a multi-pronged solution approach is always more powerful than merely adopting a single approach. As for its effectiveness, the community will make its fair judgment.

In addition, the Government announced the first official poverty line in Hong Kong earlier this month, embodying what the Chief Executive had mentioned in his policy address, that is, drawing a poverty line indicates the determination and commitment of the current-term Government to address the poverty problem. Notwithstanding voices in the community regarding the formulation of the poverty line, I believe that the Government has finally taken an important step forward in addressing the poverty problem, and it is a practical and realistic approach that should be supported. I wish the general public can deal with all problems facing them in a pragmatic manner instead of empty talk, which is conducive to Hong Kong's overall development.

With these remarks, President, I oppose the motion.

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

MR LEE CHEUK-YAN (in Cantonese): The Chief Secretary just said that today's motion has no substance; however, the substance of a no-confidence motion is that Hong Kong people have lost all confidence in LEUNG Chun-ying. His current popularity rating is extremely low, and the rating may be even lower. As the saying goes, "As water can float a boat, so can it overturn it". If public opinion is likened to water, the water has actually never floated LEUNG's boat, and now, it is well evident that there is a strong desire to overturn LEUNG's boat, hoping that LEUNG Chun-ying will step down. If the Chief Secretary intends to find out the substance of the motion, LEUNG's popularity rating is the answer, which is obvious to all.

In fact, the plight of Hong Kong can best be described by an idiom, that is, "when wolves are in power, who cares about foxes". The story is about ZHANG Gang of the Han dynasty. He was assigned to inspect the performance of local officials together with seven other envoys. As soon as he left the city, the wheels of his cart were buried in the soil. He queried why he had to inspect local officials and arrest foxes. When wolves were in power, what was the use of targeting foxes? This is exactly the current situation of Hong Kong. When "LEUNG the wolf" is in power, how can Hong Kong have any luck?

LEUNG Chun-ying is incompetent and his conduct is disappointing in many ways. He has ripped the whole community apart, Hong Kong people have lost all confidence in him, not only in his acts, but also in the policies implemented by him. When facing the President of the Philippines, he has "forfeited the rights of Hong Kong people and brought humiliation to them". The wolf has turned into a cat in front of the President of the Philippines. Hong Kong people really felt very upset when they saw what had happened.

We really feel frustrated. While we do not intend to denigrate LEUNG Chun-ying, his performance has really broken our heart. As a representative of Hong Kong, how could he behave like that in overseas country; and when he returned to Hong Kong, he acted as if he was wise and brilliant, claiming that he would help families of the Philippine hostage incident to follow up the case. However, when he was really in the limelight, not only did he fail to achieve anything, he also made a fool of himself. With such a Chief Executive, Hong Kong people certainly do not have any hope.

Regarding LEUNG Chun-ying's policy on people's livelihood, he is "invincible in his words but powerless in his actions". I believe the Chief Secretary may recall, the Labour Party clearly stated our stance on that day. When we discussed the issue of a poverty line, how could the Chief Executive be so ridiculous as to say that poverty alleviation was not a principle of the authorities? If poverty alleviation is not a principle, what then is the principle? And what is the point of discussing the poverty line? Not only does he fail to set a target for poverty alleviation, he also claims that poverty alleviation is not a principle. The information is so confusing that we wonder what is the point of setting a poverty line.

In his election manifesto, he explicitly mentioned about setting standard working hours. Who would have thought that it would take three years to conduct a study? By that time, there will be a re-election of the Legislative Council. If legislation is to be enacted, there is no time to handle the work. The term of office of the Chief Executive may expire by that time, even though we hope that this motion of no confidence can compel him to step down. According to his proposed three-year timetable, it will be 2016 by then, and his term of office will expire in 2017. How do we have time to enact the legislation? In other words, he was actually lying when he proposed his manifesto at that time.

In his election manifesto, he also proposed to abolish the arrangement of offsetting Mandatory Provident Fund against long service payments and severance payments. This was just a proposal mentioned in the election manifesto. If you ask the Secretary concerned, you will find that no Policy Bureau is willing to take up the issue. Neither the Labour and Welfare Bureau nor the Financial Services and the Treasury Bureau is willing to take up the issue. Since no Policy Bureau is willing to proceed, how can the issue be followed up? How can his credibility be so low!

Apart from not honouring his promises made in the election manifesto, LEUNG Chun-ying has also taken the lead to rip the whole community apart in the past year. In particular, in the Tin Shui Wai incident, he went so far as to condone his "triad fans" to attack the protesters. Certainly the Government would not admit that the attack was launched by them, and I guess the Government would not be so foolish as to initiate such action, yet I am not convinced that the Government was not aware that someone intended to take action. Nevertheless, the Government did not stop the attack, and law-enforcement actions taken by the police were extremely unfair. How come Hong Kong has turned into such a state? Are the police standing on the side of the people or on the side of the triads? If even this simple question cannot be well answered, what is to become of Hong Kong?

President, at present, it is most deplorable that some people feel so frustrated that they simply do nothing and emigrate to other countries. The confidence of Hong Kong people has once again dropped to the bottom, thus they choose to vote with their feet. The Labour Party certainly hopes that the public can be united and take active measures to force LEUNG Chun-ying to step down, and fight for dual universal suffrage, so that Hong Kong would stand a chance to regain its strength and will not be destroyed by the low quality of LEUNG's governance.

MR JAMES TIEN (in Cantonese): President, it appears that a quorum is not present in the Chamber.

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

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

PRESIDENT (in Cantonese): Mr James TIEN, please speak.

MR JAMES TIEN (in Cantonese): President and Honourable colleagues, please excuse me for requesting to count the quorum. The reasons are, firstly, I do not wish to see the Council meeting being aborted. Secondly, it is not my main concern whether Honourable colleagues of the pro-establishment camp have attended the meeting, on the contrary, I hope more Members of the pan-democratic camp would be present, since I wish to speak to them.

First of all, with regard to today's motion debate, most of the contents I intend to speak are in fact the same as those when I spoke at the Council meeting dated 12 December last year. It does not seem to make much sense for me to read out the speech again. According to the decision made by the Liberal Party at that time, we considered it appropriate to give the Chief Executive a two-year probation period. In that case, should we cast a vote of no confidence in him before the expiry of the probation period? I opine that we should only make such decision if there are very special reasons.

Speaking of special reasons, all political parties and groupings in the Legislative Council have their own stances. Just now some Members mentioned the Philippine hostage incident, some raised the issue of free television licenses, and some mentioned the problems of poverty alleviation, social divisions, landfills, and so on. All these are major issues raised by Members of the pan-democratic camp, leading to their vote of no confidence in the Chief Executive. In fact, the Liberal Party supports the issues raised by them.

However, from the perspective of the Liberal Party, as we represent the middle class, real estate agents, the internal decoration and renovation industry, and so on, in various geographical constituencies, they are very concerned about

the various stamp duty measures currently proposed by the Government. The pro-establishment camp may point out that it is not an easy task to be the Chief Executive, and hence, the vote of no confidence should not be proposed easily. In addition to the issues just mentioned, there are also the stamp duty measures introduced by the Government, which are now scrutinized by this Council. Regarding these so-called "harsh measures", the Government is unwilling to accept any proposed amendments. From exempting charities, introducing corporate votes to the sunset clause, none of them have been accepted.

The Liberal Party believes that the future is more important than the past, and the Government requests the Legislative Council to speed up its scrutiny of the proposed stamp duty measures. President, I have to admit that I am unfamiliar with the work of proposing a motion or amendments, and this is why I have not proposed an amendment earlier. Therefore, now I can only read out my proposed amendment, and that is not an amendment that can be proposed. The amendment is to add "That, given that the so-called 'harsh' stamp duty measures would affect the long-term development of Hong Kong's free economy," immediately before Mr KWOK Ka-ki's motion of "this Council has no confidence in the Chief Executive, Mr LEUNG Chun-ying."

Since I have not proposed this amendment in the first place, I can only voice out my amendment, but cannot propose it. Nevertheless, I hope Honourable colleagues of the pan-democratic camp can respond later to indicate whether they agree with our views or not, and promise to vote against all bills relating to the "harsh measures" at the Third Reading. If you make this pledge, the Liberal Party will support this motion of no confidence.

Speaking of the "harsh measures", apart from the Liberal Party, Members of the Business and Professionals Alliance for Hong Kong, in particular Mr Abraham SHEK, are also very concerned about the measures. As we all know, for this motion of no confidence to be passed under the separate voting system, enough votes can be secured from Members returned by geographical constituencies through direct election, however, votes from Members returned by functional constituencies are also needed. If the pan-democrats can make their stance clear that they would vote against the so-called "harsh" stamp duty measures, so that the legislation cannot be read the Third time and pass, I will trust you, for I believe you will keep your promise. I have not proposed an

amendment, therefore it is unnecessary to vote for this simulated amendment that I have just mentioned. If you can make clear your attitude, we trust that you will veto the legislation relating to the "harsh measures" with a total of 27 votes, and then we will support this motion of no confidence.

The issue that I have raised is very narrow in scope, that is, we have no confidence in the Chief Executive due to the "harsh measures". This also complies with your principle of being more specific when we discuss about these issues, for we cannot unrealistically claim that we have no confidence in him. This is the point that the Liberal Party is referring to, and this is exactly the reason for casting a vote of no confidence in the Chief Executive.

Thank you, President, and Members please consider it.

MR LEUNG YIU-CHUNG (in Cantonese): President, Dr KWOK Ka-ki proposes a motion today to cast a vote of no confidence in the Chief Executive.

I heard the Chief Secretary say just now that this motion has no substance, which I agree. The wording of the motion *per se* carries no substance, but the message behind the motion is very important. It does not only have substance, but also leads us to do think deeply and make some reflections. Why? It is because the motion calls on us to cast a vote of no confidence in the Chief Executive. If we have no confidence in the head of the SAR, the problem is indeed very serious.

I recall that an Honourable Member has said earlier, in other countries, if a vote of no confidence in the chief executive or the president is proposed, it has to be cautiously handled, and that motion is unlikely to be passed. Of course, I believe that Dr KWOK Ka-ki is by no means sloppy in proposing the motion. He does so after some thorough thinking. But the question is, unlike other countries where passage of such a motion is highly unlikely; it is even more difficult for this Council to pass this motion. If not for the structure of this Council, I bet that the chance of this motion getting passed is definitely not as slim as that in other countries. On the contrary, I am more confident that it will be passed. If not under a separate voting system, which is unfair and undemocratic, I believe the motion will be passed.

Why do I say so? Simply put, we may cast other things aside, unless the Chief Executive is like Donald TSANG, who saw public opinion as floating clouds and ignored it. However, if Members sitting here see public opinion not as floating clouds but something of importance, please take a look to see why the current Chief Executive has such low if not negative popularity ratings since taking office. Why? As mentioned by the Chief Secretary and Honourable Members, a lot have been done over the past year or so. The Chief Secretary even emphasized that it was like rising to the challenge. In fact, Members should think of the reasons why they needed to rise to the challenge. Where did the challenge come from? Of course, certain issues in society definitely come with difficulties that objectively exist. For example, the identification of sites for housing development, I agree that it is difficult. However, the point is that apart from such objective difficulties, I think the more challenging aspect lies on whether members of the public have confidence and trust in the policies implemented by the Chief Executive. What does this reflect? In fact, whether the Chief Executive is able to appear as a person of integrity is most important. If the Chief Executive lacks integrity, it will of course be difficult to get the work done. Chief Secretary, how can it not be difficult? As in the case of Secretary Paul CHAN who has integrity problem, whenever he implements a policy, the very first question put to him in the consultation sessions will be whether he has conflict of interests. Hence, how can he promote the policy? When there is a total lack of integrity, difficulties are bound to exist in policy implementation. How can it not be difficult?

Chief Secretary, that is the reality. Members may think about it. Since LEUNG Chun-ying took office, are there any subject matters that he can give a clear account to members of the public, with a view to increasing their confidence in him and building up his integrity? On unauthorized building works, the account he has given until today is still unclear. Besides, what is even more worrying? That is, he later said that the original structure would be restored, but there was an alleged cover-up by public officers during the process, which made the matter more serious. Given that he has repeatedly lost integrity and undermined the core values of Hong Kong, how will he not encounter difficulties in policy implementation?

As a matter of fact, the expression "rise to the challenge" should be fine-tuned as "rise against public opinion", which better reflects the truth. Why do I say so? In fact, a lot of policies run against public aspirations, but the

Government just pushed them through. As for the Government's announcement on issuing television licences yesterday, mentioned by Honourable colleagues repeatedly earlier, the result caused a public outcry. As mentioned by Honourable colleagues, 300 000 or so counts of "Like" were logged in hours. What did they like? What they praised was not the Government's decision on licensing, but the opacity, unfairness and black-box maneuvering in the Government's licensing regime. That is precisely what is going on. Members may see it as an instance of rising against public opinion, where governance will definitely be difficult, thanks to a lack of acceptance or recognition by people.

In addition, LEUNG Chun-ying preaches one thing but does otherwise. I remember clearly that on constitutional reform, he remarked on his first day in office that there would be enough time for consultation. But regrettably, when the idea of the right of civil nomination was raised recently, he noted that adopting the idea would require revising the Basic Law, which was time-consuming, doubting if there was time to do so. He said that there was no time left. May Members please take note. He said beforehand that there was sufficient time, then he procrastinated, and now he said that time has run out and that discussion on those matters was impossible. Why is it so? The Government has to conduct consultation. The consultation on constitutional reform has to be conducted comprehensively. Why is there limitation on the scope of matters for discussion? He alleged that if discussion lingered, time would run out. What does he want to convey? That he contradicts himself is commonplace. Apart from this, since he took office, he has invented (*The buzzer sounded*) ... the art of double-talk, which is a novelty under him. Can anyone believe in him?

PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up.

MR IP KIN-YUEN (in Cantonese): President, the issue of granting free television licenses has caused a widespread uproar. In fact, it is also an issue that is worth pondering.

President, we have debated the same issue in December 2012 but that motion was eventually vetoed by the pro-establishment camp in separate voting. On 9 January this year, 27 pan-democratic Members took the first step to invoke

the impeachment process. That motion was also vetoed in separate voting. LEUNG Chun-ying has persistently received a failing approval rating. Although we pan-democrats and the general public have repeatedly queried LEUNG Chun-ying's integrity and capability to be the Chief Executive, his performance has gone worse instead of better. He has demonstrated poor leadership and has lost credibility among Hong Kong people, resulting in strong public opposition against many policies. Therefore, if he still remains in office, many policies cannot be effectively implemented. Yet, he is still holding the high office of the Chief Executive of the Hong Kong Special Administrative Region.

In a democratic system, a government is formed by the public. Therefore, the person in power must secure public mandate in order to assert legitimate and proper ruling authority. Once public trust is lost, the person in power can no longer rule and would normally step down on his own, or else being impeached by the public. That is the fundamental principle of a democratic regime. However, Hong Kong is really a laggard when it comes to the degree of democracy. As I mentioned just now, our previous two attempts were both vetoed in separate voting. Under the existing unfair electoral and legislative systems, Mr LEUNG Chun-ying could successfully be elected the Chief Executive with just 689 votes, rendering him to ignore the clamours and grievances of the remaining 7-odd million members of the public. He only needs to solicit support from the Beijing authorities, so as to safely maintain his rule. In fact, we all know that very well.

Without public mandate, the LEUNG Chun-ying Government lacks the proper authority to rule Hong Kong. Worse still, over the past year or so, this Government has rotten to the core and has fuelled public anger on all fronts. On the educational front, the Hong Kong Professional Teachers' Union to which I belong conducted a voice-response telephone survey in late June this year, interviewing 1 032 of its members. As shown in the findings, as much as 63% of teachers indicating that they were "very dissatisfied" or "dissatisfied" with LEUNG Chun-ying's administration on education, while only 9% indicating they are "satisfied" and "very satisfied". The proportion of secondary school teachers showing dissatisfaction was particularly high, with two in three indicating they are "very dissatisfied" or "dissatisfied". That is only the situation on the educational front. The overall administration is also riddled with all sorts of problems. According to the Public Opinion Programme of the University of

Hong Kong, Chief Executive LEUNG Chun-ying has persistently received a failing approval rating, scoring only 48.1 points in the latest rating. Public opinion clearly shows that we are absolutely dissatisfied with the LEUNG Chun-ying Administration.

There are literally countless reasons for not placing our trust in LEUNG Chun-ying to hold the office of Chief Executive. However, we can primarily sum them up into four main aspects: deceiving the public, tearing society apart, being obstinate and self-opinionated, and having his integrity gone bankrupt.

He has deceived the public as he has not delivered his electoral pledges. As we can see, his promises made in his election manifesto — especially in the area of education — have been delayed time and again, and there is no chance of actual implementation. He has torn society apart, and he even asked members of the public to apologize to a resigned Executive Council Member who has been under investigation. As for his obstinacy and headstrongness, we could see many policies being pressed ahead in a roughshod manner with no regard of public opinion, as evident in yesterday's issue of free television licenses. His integrity has gone bankrupt. There is no need for further elaboration, as it is fully exemplified by his words and deeds over the issue of unauthorized building works.

President, since the LEUNG Chun-ying Government took office a year or so ago, its poor performance has fuelled public anger on all fronts. Hundreds of thousands of people took to the streets to join the 1 July rally in the past two years, clamouring for LEUNG Chun-ying to step down. Many people told me that their life has really been hard over the past few years. People have the impression that LEUNG Chun-ying has taken office as the Chief Executive for a long time. However, after a careful thought, one would know that it has just been a year and there is still a long time ahead. Not only has he made no review and improvement, he has also kept challenging the bottom line of Hong Kong people. For example, he even requested the Education Bureau to submit a report on the issue surrounding teacher LAM Wai-size in a high-profile manner. That is a very rare and utterly improper practice. He even pitted the Government against a single individual. That is really eye-popping.

Let us take a look at the neighbouring region. The newly elected South Korean President PARK Geun-hye pledged during her election campaign last year that the Government would dish out 200,000 Korean Won as pension

payment to senior citizens aged over 65. However, according to the Budget released by the South Korean Government last month, its tax revenue showed no growth amid a significant rise in expenditure. As a result, only 70% of senior citizens aged over 65 at the lower reaches of society can receive pension payment. She thus failed to realize the pledge she made at that time. President PARK Geun-hye immediately apologized to the public at a parliamentary meeting that day, indicating that she would make an all-out effort to achieve the original goal during the term of her tenure.

The South Korean President takes her pledges seriously and has the courage to make apologies. In contrast, LEUNG Chun-ying has never made an apology seriously, which also shows his desire to cling to power. Looking ahead, I think we should learn the lessons from the past few years. Hong Kong really deserves a better Chief Executive who has integrity, capability, vision and a strong team, and most important of all, he has popular support.

The importance of the 2017 Chief Executive Election cannot be over-emphasized. How can we achieve universal suffrage of the Chief Executive without screening of candidates? That appears to be particularly important and has a bearing on whether Hong Kong can maintain lasting peace and stability.

President, I so submit.

DR KENNETH CHAN (in Cantonese): President, our Chief Executive faces a motion of no confidence once again today. This is the second time he faced such motion since coming to office. Counting in our attempted impeachment against him, this is probably the third crisis in his political life.

President, how should a political figure respond when facing a motion of no confidence proposed by his rivals and opposing voices? Should he examine himself and reflect on areas for improvement, trying best to convince those who oppose and reject him for understanding and appreciation of his achievements? Or should he stand up and say nothing but blame others for exaggeration and lack of substance? Who are driving rifts right now? It is you, not us. What kind of attitude is that? Chief Secretary Carrie LAM, of course, slightly made amends for him, indicating that they would humbly listen to opinions of all

parties. How serious and sincere was she with those words? Or was she putting on a show? Is this Government experiencing persecutory delusions now? Does it think that other people are trying to persecute and purge it?

If you accuse colleagues sitting on this side — the so-called opposition camp or pan-democratic colleagues — of making rumours and stirring up troubles, I am sorry to tell you that many Hong Kong people seem to be on our side to cast a vote of no confidence in Chief Executive LEUNG Chun-ying. His approval rating has long mired in the negative territory, with as low as -24% recorded recently. Apart from the slight move into the positive territory of 4% soon after he took office, all his approval ratings recorded afterwards were in the negative territory. President, what has happened? Where does the problem lie?

When I went on a district visit to Wan Chai disseminating Civic Party's leaflets about civil nomination this morning, a resident I have never met before came by and said, "One face before election, but another after election". He talked about "notepad, ball pen and folding stool" before the election, but after the election, this Wan Chai resident could not even get a ticket to enter the venue in his district to express opinions directly. He can definitely say "it has nothing to do with me". However, his reaction has left a deep impression on people's mind. What kind of Chief Executive is LEUNG Chun-ying? Of what "quality" or nature is LEUNG Chun-ying as a political figure?

If the Chief Secretary's earlier remarks reflected a kind of persecutory delusions, she would probably query why the democrats or Dr KWOK Ka-ki, who proposes today's motion, would still soldier on after numerous failures experienced by the opposition parties or the democratic camp. In such a caged political environment, have you not lost your fighting spirit? With our political system designed in such a way, have you not developed a sense of learned helplessness? In other words, it is useless to propose such motion as we know very well that it cannot get passed. Why do you still propose it? Are you literally making a mountain out of nothing at all?

President, while Hong Kong is hopefully heading towards universal suffrage, the democrats would not give up. The difficulties we face are caused by a systemic imbalance of power. However, that does not mean we should let go and give up our fighting spirit. It is especially so when public anger is seen to be boiling fiercely in society. We should be even more responsible to demonstrate our political commitment. Luckily, we are not in the

pro-establishment camp. We do not have to find ways and try our best to highlight any merits, saying things like "continuing to work hard", "having done many things", "keeping its work despite all the difficulties". In fact, the pro-establishment colleagues should fight for the public to seek more improvements by leveraging on their privilege in rubbing shoulders with the Chief Executive and those in power. Mr Christopher CHUNG earlier accused Dr KWOK Ka-ki of something like putting private interest before the public good. I cannot see there is any "private interest". Nor can I see how we "turn our back on the public good". That was citing a simile but losing its real meaning. It exactly showed to the public what these pro-establishment Members are doing here.

Why do they not urge the Government to make changes, but keep whispering sweet nothings that are music to his ears? They say things like "well done", "work harder", "those people are just stirring troubles and there is no need to pay heed". President, our system is none more absurd than such case. We all have no courage to tell the truth and have no strength to speak out for the public good. Most Members here just want to say something that is music to the ears of those in power. When the mainstream views of society are being put forward in this Council, they will be completely distorted and lashed out against. However, the target being distorted and lashed out against is eventually not the pan-democratic colleagues, but LEUNG Chun-ying himself. As he only listens to distorted opinions given by his "bumbling advisors", he would just get more and more far off the track, skewing towards an increasingly treacherous path. I really hope that Mr Andrew FUNG will be appointed as the Information Coordinator as soon as possible, so that we can have one more joke to tell.

Thank you, President. I so submit.

MR JAMES TO (in Cantonese): President, I speak to echo the speech just made by Dr Kenneth CHAN. Regarding the pro-establishment Members, I will divide them into two groups at least. One group is the cheerleaders whose sole responsibility is to give support, and the other group is the Members of the Executive Council chosen by LEUNG Chun-ying. In other words, they are the closest allies who support LEUNG Chun-ying's administration. Two Members who spoke just now belong to the latter group. They are Members of this Council, yet they have such views.

Ms Starry LEE of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) said that she was tired of and disappointed at the internal strife caused by the pan-democrats; people did not want political parties to be a drag on the Government, and Members' political shows could not help solve Hong Kong's livelihood problems in different aspects. Although the Government's policies were far from perfect, she queried whether it was necessary to force government officials to step down through motions of no confidence. As for Mrs Regina IP of the New People's Party (NPP), she said that Hong Kong's housing and poverty problems were long-standing problems, and the Government should be given space to deal with them.

President, when I heard the two Honourable colleagues who are also Members of the Executive Council give these reasons for opposing today's motion, I really find them "revolting". President, we should bear in mind that during LEUNG Chun-ying's governance over the past year, he is not working alone even though he has been criticized as obstinate and self-opinionated, and even to the extent that he might disregard the views of Executive Council Members. But, institutionally speaking, do Executive Council Members have no governance responsibility at all? Let us not talk about incidents that happened some time ago, but concentrate on the free television licensing incident which has caused such a grave public resentment in the past few days. Many members of the public are not concerned about whether any political considerations are involved. Their concerns are: Hong Kong Television Network Limited (HKTVN) has indicated that a number of channels would be provided; HKTVN has uploaded many programmes onto the Internet for public viewing; HKTVN is serious in producing quality programmes and has already established its own production studio, and employed many high-quality staff, screenwriters and directors. But at the end of the day, LEUNG Chun-ying and the Executive Council refused to grant a licence to the most serious applicant. Where were our Honourable colleagues who serve as Members of the Executive Council? Has Ms Starry LEE taken part in the process? Has Mrs Regina IP taken part in the process?

Today, when we propose a motion of no confidence in the Chief Executive, it is in fact the culmination of many incidents. For instance, regarding this latest incident, what are the views of our Honourable colleagues who are also Members of the Executive Council? Mrs Regina IP said that she had no comments. I hope the reporters can also ask Ms Starry LEE whether the DAB considers that a

licence should not be granted to HKTVN, and that it is better for people to have less choice of drama and entertainment programmes.

Listen up, people of Hong Kong, representatives of the pro-establishment camp and the DAB sitting in this Executive Council, and the NPP as well are involved. Therefore, our vote of no confidence is not only cast against LEUNG Chun-ying alone, but also against those Members of the Executive Council whom he appointed. Let us not talk about those who have resigned, or those who have stepped down or left because of scandals or self-claimed illnesses, but what about the incumbent Members? Who actually made yesterday's decision?

President, I would like to talk about another incident. Just now, the Chief Secretary said that much effort had been made by the Chief Executive in the Philippine hostage incident. In this regard, I think I am one of the persons who are qualified to make comments because I maintain close contact with the victims' families regularly every two or three weeks. When the Chief Executive met the families a few days ago, he specifically said that Mr James TO should not attend; it does not matter because I met them in my office both before and after the meeting, and I have a full picture.

The public's view on this matter is clear. Over the past year since he assumed office, what has LEUNG Chun-ying done in handling the Philippine hostage incident? It was not until President XI Jinping raised the matter with LEUNG Chun-ying face-to-face that he suddenly became active. TSE Chi-kin is a gentle and honest person; I am radical, but he is definitely not. However, what did he say on that day? He said, "It is only because of the Central Authorities' concern that the SAR Government is taking active measures in an unprecedented manner." What was the previous attitude of the SAR Government? Let us not talk about Donald TSANG's era, but concentrate on the past year. The authorities were just acting perfunctorily. Whenever we met LAI Tung-kwok, he would only ask us what we were doing, as if it had nothing to do with him. The authorities only sent a staff member from the Immigration Department to gather information, and they were only concerned about the civil claims for compensation we lodged. It was only after President XI Jinping's order that LEUNG Chun-ying said that the matter would be handled by the Government. But in the past year, has he ever said that the matter would be handled by the Government?

President, I seldom speak on this subject, and it is only because I am so overwhelmed by injustices that I say a few words today. How dare the Chief Secretary say that LEUNG Chun-ying has been actively seeking justice for the victims in the Philippine hostage incident in the past year? How can the Government think like that or say such words? This is hardly surprising at all because when the Chief Executive reviewed his performance in the past year, his comment was "he would not be complacent". I believe that insofar as the Philippine hostage incident is concerned, he will likewise say that he would not be complacent. What is it about? It is just a joke.

President, the situation today is the culmination of many incidents. As the Chinese saying goes, "it takes more than one cold day for the river to freeze three feet deep". I hope the Government (*The buzzer sounded*) ... would listen to public views carefully. His present decision of not granting a licence to HKTVM ...

PRESIDENT (in Cantonese): Mr TO, your speaking time is up.

MR CHAN HAN-PAN (in Cantonese): President, upon the commencement of this Legislative Session, Dr KWOK has immediately proposed two motions in this Council, one is to invoke the Legislative Council (Powers and Privileges) Ordinance to investigate into Secretary Paul CHAN, and the other is to cast a vote of no confidence in the Chief Executive. We have already got used to these motions which do not offer any new ideas. Several motions of this kind had already been proposed previously. Perhaps Dr KWOK cannot think of any livelihood issues and hence, he proposed these motions right at the start of the session.

To us, it is no big deal to criticize the Government. But I consider Dr Kenneth CHAN's rebuttal just now against Mr Christopher CHUNG's criticism that Dr KWOK has put personal interest over public interest unreasonable. In fact, we actually see that Dr KWOK has put personal interest over public interest, as reflected in his exposure rate. In September, his exposure rate was 53 times, and adding that onto the figure in August, his exposure rate was 123 times in total over these two months. But after proposing these two motions, his exposure rate

has soared immediately, and his exposure rate has already hit 113 times since 1 October. In other words, his exposure rate has increased by criticizing the Government. Is that not putting personal interest over public interest?

Moreover, there is no price to pay for criticizing the Government, and this practice has almost become a habit in the political arena. In our view, his speech is just a hodgepodge of arguments and criticisms, reproving this practice and censuring that measure. To me, the most far-fetched argument is to include the saga caused by a particular teacher who scolded police officers. The Chief Executive only asked the Secretary to submit a report after investigation into the incident, yet it became a justification for Dr KWOK to propose a motion of no confidence. Let us imagine, in case a similar incident happens in future and the Chief Executive does not ask the relevant Secretary to investigate and submit a report, Dr KWOK may jump on the Chief Executive and query why he does not instruct the relevant Secretary to submit a report after investigation into the incident. Hence, we consider that reason a bit far-fetched, obviously, he is opposing for the sake of opposing.

Moreover, over the past year or so after the Chief Executive came into office, although some incidents might not have been handled in the most satisfactory way, we indeed notice that the Chief Executive has put his heart into his work in other areas, and we should give him more time to complete the work. For instance, my friend has given birth in a public hospital recently. Before admission, she was very worried because many people told her that the public hospital was very crowded and nurses had no time to take care of her, so on and so forth. They presented a terrible picture to her, and then wished her luck. But when we visited her after the delivery, she told us that she has actually been taken care of by four nurses, and she was very happy about it. She had waited for two days for the delivery, although there were signs of blood, she had not gone into labour, and the hospital allowed her to stay two more days until delivery. As far as I can see, this whole incident is the direct result of the Chief Executive's decisive policy of zero delivery quota for "doubly non-permanent resident pregnant women".

Furthermore, I recall that in our previous discussions with the social welfare sector, the issue of poverty line was very often raised. The sector earnestly hoped that a poverty line could be set by the Government. I recall that

the Chief Executive had, during his election campaign, pledged to set a poverty line in future. Now, after assuming office for one year or so, he proposed an option for setting the poverty line.

Hence, when appraising a person's achievements and mistakes, we should not see with one eye; we should try to be fair and see with both eyes. He has made both achievements and mistakes, and we should adopt a holistic view, instead of picking up some biased and rather irrelevant examples to attack the Chief Executive. I think it is probably because the Member lacks new ideas and arguments that he has resorted to this approach. As I see it, if one really wants to criticize others, he should not take the stance of "all officials are inferior, and only he himself is the best", that is, all government officials and what they have done are erroneous, yet not a word is said about the right things they have done, which is highly unfair. Therefore, I hope Dr KWOK can give more views and suggestions about people's livelihood, and take less advantage in politics. That is really the better approach.

President, I so submit.

MR WONG YUK-MAN (in Cantonese): President, first of all, I wish to tell the Chief Secretary, she said that Dr KWOK Ka-ki had made false accusations but in the following speech of mine, every remark is true: "Uprooting domestic traitors and resisting foreign power".

President, the hostage tragedy which occurred in Manila on 23 August 2010 filled Hong Kong people with profound grief and anger. Because of the reckless and clumsy rescue operation staged by the Philippine authorities, eight Hong Kong people lost their lives in a foreign country, and for the injured victims like Ms YIK Siu-ling, they still cannot walk out of the darkness. Today, three years later, the bereaved families still persevere in seeking justice from the Philippine Government. Their perseverance is truly touching. This is an issue of justice which does not only concerned about them but also about Hong Kong people's dignity and travelling interests. However, the SAR Government has been perfunctory in performing its duty, in the hope that our resentment against the Philippines will fade away with the passage of time. Recently, the behaviour of LEUNG Chun-ying during his attendance of the Asia-Pacific Economic Co-operation (APEC) meetings held in Bali was downright infuriating.

On 7 October, a television station released a footage showing LEUNG Chun-ying and AQUINO III, LEE Hsien-loong, Prime Minister of Singapore, and Yingluck SHINAWATRA, Prime Minister of Thailand, chitchatting before a meeting. During the chat, LEUNG Chun-ying cringed and smiled obsequiously, going out of his way to appease AQUINO III. The excuse given afterwards was before the meeting on that day, they first celebrated the birthday of PUTIN, President of Russia. According to international practice, if two countries that are not on good terms attend an international convention, their leaders will at most only shake hands as a matter of courtesy, and deliberately keep a distance from each other. Have you seen Shinzo ABE cringe and smile obsequiously at Xi Jinping? Have you seen PARK Geun-hye and Shinzo ABE hug each other? Even if LEUNG Chun-ying is oblivious of that, as a Hong Kong resident or as a human being, when seeing this wimpy President AQUINO III on such an occasion, he should have gone up to him, looked in his eye and made a strong protest on behalf of the people of Hong Kong. Eight Hong Kong people died three years ago, but nothing was said and done during this period. However, LEUNG did not even realize that he had to make such a statement.

On 8 October, the presidential office of the Philippines issued a footage showing that LEUNG Chun-ying and AQUINO III were having "a good time together". The Philippine authorities also told the Hong Kong authorities that an official closed door meeting could be held after the APEC meeting. From the video, we could see that LEUNG Chun-ying, Edward YAU, Director of the Chief Executive's Office, and Carlson CHAN, LEUNG's Private Secretary, were seated on one side of a sofa, while AQUINO III entered the meeting room unhurriedly and sat in the centre of another sofa alone. It was obvious which side was superior and which inferior.

Regarding the Philippine authorities' remark on the "put behind" saga, LEUNG Chun-ying never dared deny it unequivocally, he was evasive and accused the other party of quoting out of context. If the situation changes in future and the Philippine authorities make public the audio recording to prove that LEUNG did make an indiscreet remark, I am afraid "689" would sink through the ground for shame. Worse still, the victims of the tragedy and all people of Hong Kong will be humiliated as well. After LEUNG Chun-ying took office, we all know too well what he has done in this incident.

As regards imposing sanctions against the Philippines, many people make a comparison with the Taiwan incident. But in my view, whether it is the SAR Government or the Central Government, they all want to put it behind. Let me remind the Chief Secretary, if she has done her homework, she would know that on 25 August 2010, the Publicity Department of the Communist Party of China issued a notice to all media in the Mainland concerning the hostage tragedy. Do you know what the notice was about? The Communist Party of China always issues orders to be complied with by all parties concerned. Let me read out the contents of the notice to the Chief Secretary, "The spokesperson of the Ministry of Foreign Affairs has formally announced our position on the incident involving Hong Kong tourists being held hostage in the Philippines and all media should adopt the same stance as the Ministry's; they should report positively on the efforts made by all sides in rescuing the hostages and handling the aftermath of the tragedy. The media should not link this incident to the relation between China and the Philippines, and should avoid using excessively agitating remarks". "The motive of the march in Hong Kong is not pure, people who take part in the march release their resentment against the Mainland. All networks should report the march in Hong Kong correctly and avoid being manipulated by the anti-China forces in Hong Kong."

This is the notice issued by the Publicity Department of the Communist Party of China to the media on 25 August 2010. How can you say the purpose was not to put the incident behind? Now, some pan-democrats are totally detached from reality. They loudly proclaim what President XI has done and what Premier LI Keqiang has said. See how firm the Central Government stands and how the SAR Government behaves like a "dead dog". Study harder, buddy.

Furthermore, concerning the motion of no confidence today, I think Mr CHAN Han-pan is also right, what is the purpose of proposing this motion? The pan-democratic Members should gather together. All 23 of them should be present here, buddy. Even though they lose in number, they should not lose in momentum. There are only four of them in the Chamber, with three of them from the Civic Party who are present to show their support to Dr KWOK Ka-ki. To fight a war, they have to gather all their people so that even though they lose in number, they do not lose in momentum. They just enter the Chamber, deliver a speech hurriedly and then leave immediately. How can they confront others in this way? They may as well not take any action. The same situation happened

when proposing the last motion. Dr KWOK Ka-ki is formidable, proposing two motions. I also cheer him on till my voice gets hoarse. I have written a speech. I am more serious than they. This article has to be passed on to future generations.

This article is very well written, "uprooting domestic traitors and resisting foreign power". President, don't you think it is wonderful? LEUNG Chun-ying is the domestic traitor in Hong Kong and the foreign power is the Communist Party. How can this article not be outstanding? It is rhythmic and forceful. He could have chosen not to propose any motion. What is the big deal of proposing a motion of no confidence? Taiwan had also proposed a motion on "the Island State", only that it was negated. This motion is just the same, it is merely a political gesture. Since the pan-democrats want to pick on LEUNG Chun-ying's governance, they should all be present in this Chamber and stop acting like last time. Only a few of them were present last time. I get hot under my collar seeing that. I am merely a rank and file, an independent Member. Buddy, I am only lending them a hand. Or they should have chosen not to propose a motion. I have digressed from the subject, President.

Regarding LEUNG Chun-ying, I dismissed him long ago. At his first Question and Answer Session last year — I wonder if Secretary Carrie LAM is present here — I said he was a despicable liar and he was not qualified to govern Hong Kong. Now over a year later, just look at him. I hope he will immediately appoint a rogue like Andrew FUNG to be the Information Coordinator, so all the rogues can gather together as a family. Thank you, President.

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

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

PRESIDENT (in Cantonese): Mr Abraham SHEK, please speak.

MR ABRAHAM SHEK (in Cantonese): President, I oppose the motion proposed by Dr KWOK Ka-ki today. Dr KWOK, you need not shake your head. You know that I will not support you, but I will tell you why.

President, a couple of days ago, I brought my granddaughter to visit the Legislative Council. I took her to my office and when she saw there were three monkeys, she asked why there were three monkeys. I told her that they were three wise monkeys, as they saw no evil, heard no evil and spoke no evil. She answered, "That means they do not lie, do not hear lies and do not see things that should not be seen." I said that was right.

I have been sitting here today, listening to the speeches of many Members. Although most of the things they talked about were facts, did they tell the truth? What were their justifications? Did they understand why the Chief Executive had acted that way? Did they speak the truth? Has the Chief Executive made any efforts? Or did they only criticize the Chief Executive for not doing a good job? Did they mention that he had done many things for the benefit of the people of Hong Kong? Has the Chief Executive listened to the people? Yes, he has, but did they say that he had listened? This reminds me of the three wise monkeys.

When we criticize others, we should think about how to make a genuine criticism and what we want to achieve in making these comments. We all hope that he can improve his governance. I hope that the Chief Executive has listened to the speeches of the 20-odd Members because a good leader should listen to criticisms, not just words of praise. Leave such good words to Members from the pro-establishment camp, not from the opposition camp. Just like a ship. Nowadays, all ships are equipped with an auto pilot system and are operated by computer. There is no need for manual operation. However, if one day the ship has to be operated manually, the captain will use the stars to guide him in the navigation. Hence, their criticisms are like the stars in the sky; but now they have turned something true into false in their criticism, and they do not speak the truth. It is hard for the Chief Executive to accept these criticisms, as he is also a human being, and it is hard for him to accept such criticisms.

Therefore, I hope that all the 70 Members here will give the reasons and speak the truth, which I think will benefit Hong Kong.

President, the second point I want to make is, originally I did not intend to speak. Normally I do not speak on such motions. However ... "Master TIEN" is not present here ... "Master TIEN" just put forward a proposal concerning my amendment to the "harsh measures" and he supported my amendment. I thank him and the Liberal Party for their support.

However, he also asked the pan-democrats to support my amendment to the "harsh measures". If they support my amendment, I will be very grateful. However, he asked me whether I and the Business and Professional Alliance for Hong Kong will support the motion of no confidence if the pan-democrats would use the 20-odd votes in their hands to support my amendment. I can tell him that we will not. We will not support this motion just because they support my amendment. My vote is sacred and I believe that one must cast his vote according to his own principle, that is, his principle of right and wrong.

If they think that my amendment to the "harsh measures" is right but do not support it because I represent the real estate sector, I will be very disappointed with the Civic Party. Why do we have the Civic Party? When they were still the Article 45 Concern Group, they talked about their principle, which was to tell the facts and that was everyone's right.

I wish to take this chance to ask the Civic Party, Democratic Party and all independent Members to take a look at my amendment, I am not taking this opportunity to make this statement. My amendment is not to oppose the "harsh measure". Tomorrow I will ask the Chief Executive. I am not seeking to relax the measures, I even want to make it tougher. All I want is to release the toxin in those measures.

When the Chief Executive visited Tsuen Wan, he said nothing was perfect. I am not looking for perfection. All I hope is that everyone can enjoy their basic rights enshrined in the Basic Law. We are all equal before the law. We do not need the Government to tell us that we can have a certain right if we comply, but when we do not comply, we will have to pay a 15% duty. This has nothing to do with the real estate sector. This is purely my personal view. I believe in the Basic Law. I speak from the perspective of upholding the Basic Law. Members can judge whether it is right or wrong.

However, Members should not refuse to support me just because I represent the real estate sector. Otherwise, the people who voted for them

should come to know them better. I also have to tell my daughters to take a good look at these people. They are led by the polls. If people are led by the polls, the Government will be very happy today because 60% people are against the "harsh measures". They quoted the polls just now which showed that 45% of the respondents were dissatisfied with the Chief Executive's performance. In that case, should the Chief Executive step down as they wish? Of course not. A poll is a poll, which will change.

President, I explained to the reporters on that day that my mother taught me four words when I was small, which were "good" and "bad", "right" and "wrong". She said that "right" and "wrong" would change with the times. Just like the poll, today it is this way but tomorrow it may be another way. Therefore, people should not make their judgment by following the polls. But she said "good" and "bad" would never change.

At present, "689" is the Chief Executive. Even though I did not vote for him, I now support him because I think he truly seeks after the interest of Hong Kong and he sincerely wants to do a good job. In this respect, if I have to criticize him, I will criticize his "harsh measures". However, for things that he does right, we have to tell him instead of attacking him repeatedly. "Yuk-man" has said that "a perception is reality". No, reality concerns the real facts. Real facts are real facts. You can fool a person for a time but cannot fool him for a whole life.

Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, I think Mr Abraham SHEK has put it very well when he said, "even if you can fool me in this life, you cannot in the next". There is hell in this life, I am telling you.

I heard Mrs Carrie LAM, Deputy Secretary ... sorry, I mean Chief Secretary, said during an interview with the press after Dr KWOK Ka-ki's motion was passed last time that they expected some Members would start attacking on certain issues or on certain people when the Council resumed its business and that would not be good. She said that Hong Kong needed more time. Do not tell lies please. The time spent on a meeting like what we are having today is the least productive. After you have heard what we said, you can refuse to listen. We have only been summoned to attend this meeting, that's all. We cannot do

anything for Hong Kong today, can we? Even if this motion of no confidence was passed, he could refuse to quit. He has told such lies ... Have we wasted any time in passing those bills? Your bills are under scrutiny, aren't they? Those "harsh measures". Is anyone impeding you in your work? And yet the Marine Department has spent one year in their work now.

I felt aggrieved when I heard earlier that they have urged the Philippine Government to respond to the four demands of apologizing, paying compensation, punishing officials who have done wrong and taking proper measures to protect the safety of visitors. Buddy, you cannot even do that in relation to the maritime disaster which occurred in the night of National Day. Talking about apologies, there was an unwilling one. It happened that the Director of Marine did not apologize and it was the Secretary who apologized on his behalf, and then the Director of Marine was urged to make an apology. With such an apology, we may as well have no apology at all. Have you apologized? Has the Chief Secretary apologized on behalf of the Government? I mean a formal apology. We said that the Japanese had not apologized because they had not apologized in Parliament, otherwise they would have apologized many times. Have you apologized? I do not know whether compensation has been paid, but have the officials who have done wrong been punished? Has anyone been punished at all? You people have made an apology and why would you apologize if you have not done anything wrong? Talking about protecting the safety of visitors, what protections are there? Have you made any new regulations after a year? You said the Philippine Government did not do well. Reflecting on your own situation, you cannot even meet the four demands in your own territory. In the Philippines, they at least have a parliament which can do things, but here in this legislature, you can submit something today and it will be rubber-stamped tomorrow, buddy.

The faults are too numerous to mention. Since the Chief Secretary has made some comments, others would follow the line taken by her, and Mr Abraham SHEK has said, "the good, the bad". I have watched the film entitled "The Good, The Bad And The Ugly". In this legislature, we do not have "the good" or "the bad", we have "the ugly". You may have watched this film starring Clint EASTWOOD. The Chief Secretary has now followed LEUNG Chun-ying in saying "Shout at them" if you are dissatisfied. You made the remarks and told the guy to attack his own colleagues, saying that people were kicking up a fuss without good reason. Why don't you take up the position of the leader of a political party? It will work well if you become Leader of the

Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) or that of "the Democratic Alliance for the Business of Hong Kong" and lead the pro-establishment camp, won't it?

President, first, the faults are too numerous to mention. On 25 March, I wore this T-shirt which reads "Property Gang versus Underground Party". Now that the Underground Party has won, the Property Gang feels aggrieved and often tries to deceive him. With more political crisis, there are bound to be more attempts to deceive. Look how complacent Mr Abraham SHEK is. It seems to me that he is saying, "See, I am supporting him again". Buddy, because you lack credibility, your enemy has struck back and is now trying to deceive us. For this reason alone, you have to resign. Second, as "Chief Executive dealing with homeland relationships" or "Chief Executive engaging in compensated dating", is there a single achievement you can name? Chief Secretary, you said that the situation of "sub-divided units" had to change but now we are told that it cannot be changed. He also failed to identify land. I have suggested that he could acquire land by means of Article 105 but he would not do so. He failed to build new public housing estates after demolishing the old ones, those four major public housing estates. I have demanded the reasons for that many times but there is no answer.

This placard depicting LEUNG Chun-ying is two-sided. President, take a look at this. The front shows LEUNG Chun-ying and it shows Barry CHEUNG at the back. The corruption problem alone is already ridiculous enough. First, there was the problem of MAK Chai-kwong which could not be resolved. Then, there were two scandals about Paul CHAN. Next, Paul CHAN recommended Barry CHEUNG, the person behind LEUNG Chun-ying, to be appointed as the Chairman of the Urban Renewal Authority, with the knowledge that he owed people money. The investigation has now shown us the facts, hasn't it? Is that practising cronyism, even if you are not accused of corruption? This is really a good place for Paul KRUGMAN to visit and write his academic papers. It matters not whether you know anything, who you know is what really matters. This "LEUNG Chun-ying" should really be ... out of my sight. He stinks.

President, it is all very simple. People talk about being sacred and they say voting is sacred. How sacred can it be? Before TUNG Chee-hwa stepped down, the Legislative Council used to give him full support and those who told TUNG Chee-hwa off were the villains at the time. Then, TUNG Chee-hwa had

to identify his inadequacies and after he had left office, the DAB began to play tricks and Donald TSANG had to adopt the principle of different affinities and showed them he was inclined towards them. They won by means of deception again, did they not? And so they said Donald TSANG was very capable. Later, when we inquired whether Donald TSANG had eaten abalones, they initially said we were kicking up a fuss without good reason, buddy. What happened in the end? It was found out that he had really eaten abalones, buddy.

When it comes to LEUNG Chun-ying, it is no different. One plus one equals to zero, building a wall to cover the hole and then assumes that there is no unauthorized works. It is the state of "what the superior loves, his inferiors will be found to love exceedingly"¹. I put this cushion printed with "You are cheating! Don't lie!" up for sale in Lunar New Year Fairs. A year has now gone by, buddy, and things have not changed. How can I trust you? Gregory SO is also a DAB member and all of them belong to the underground party. The dirty deeds of people have been covered up. They eat shit and complain about the foul smell but they are very rich indeed. Buddy, I am speaking here on behalf of those who cannot monitor you. Do you think I really enjoy making a speech here?

Chief Secretary Carrie LAM, you should ask yourself honestly this question: After LEUNG Chun-ying became aware of the matter of Paul CHAN, has he instructed him to do anything? To this date, LEUNG Chun-ying has not disclosed any information on his company registered in the British Virgin Islands (BVI) and Paul CHAN has been doing bad things in two companies registered in the BVI (*The buzzer sounded*) ... What is the point of having him as Chief Executive ...

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

MR LEUNG KWOK-HUNG (in Cantonese): ... he should disclose the information quickly. The company registered in the BVI.

¹ <http://ctext.org/mengzi/teng-wen-gong-i>

PRESIDENT (in Cantonese): Please stop speaking, Mr LEUNG.

DR LAM TAI-FAI (in Cantonese): President, when Chief Secretary Carrie LAM spoke this morning, she already said that the motion proposed by Dr KWOK Ka-ki today had no substance. After listening to Dr KWOK Ka-ki, I think the Chief Secretary Carrie LAM indeed has wonderful foresight. Dr KWOK Ka-ki's speech was riddled with ramblings and clichés without putting forward any new ideas. To say that his motion lacks substance is already respectful. How can his speech today arouse any attention and support from the people? "Yuk-man" was right in his criticism just now. They even lose in their momentum. This motion is proposed by the Civic Party, but only he is in the Chamber to show support. How can they give people the impression that their motion has any significance?

Therefore, Mr CHAN Han-pan, my Chaozhou brother, is right to say that they want nothing more than the limelight. The truth is that they want to create a platform; what kind of platform is it? It is the platform to rail against LEUNG Chun-ying; that's all. How can an opposition party act like this? They rack their brains to find reasons to accuse LEUNG Chun-ying for lacking ability and credibility and failing in whatever task he has undertaken. How about the loyalists? Of course they would chant praises to LEUNG, calling him a competent leader. This is a perfect example of causing rifts in the Legislative Council.

Many people say that being a politician, one should know how to exchange favours. Honestly, I do not know how and I will never exchange favours. If a politician needs to exchange favours, he has no integrity. Someone proposed an exchange in favours just now, saying if you support SD, BSD, SSD and the like, I would support this motion. I do not agree to such kind of exchange because the truth can never be exchanged.

The Government made it very clear at the onset that the implementation of "harsh measures" was to help Hong Kong permanent residents who are in need to purchase their own homes. The aim is very clear. But there are no statistics to prove that those measures can meet the home ownership needs of these people. Therefore, the truth needs not be exchanged because it will prove in time that the "harsh measures" introduced by the Government will only disrupt Hong Kong's free economic model, leading to unemployment in the business sector and

depriving it of opportunities for development. But eventually people still cannot buy their own homes. They are complacent as the property prices stop rising. Better wait till sites are identified for building public housing and Home Ownership Scheme flats before they applaud and congratulate themselves. Do not shout with joy with just a little achievement.

President, many people say that Hong Kong has now become more and more politicized and anything can be linked to politics. I do not know if you agree to that but I find that this phenomenon has already arisen. To be frank, after Hong Kong's reunification with China and with the implementation of "one country, two systems, and high degree of autonomy", the Motherland has, after reform and opening up, risen peacefully to become the second biggest economy in the world. It is inevitable that many people are jealous. Many foreign forces naturally want to see Hong Kong poorly governed. To them, it would be best if the model of "one country, two systems" fails, leading to chaos; the more chaotic the situation, the better. The SNOWDEN incident is just the tip of the iceberg. Everyone knows that foreign forces long to see chaos in Hong Kong and they will surely interfere in our political reform and create conflicts. Because of this, many people like to be influenced by foreign forces and they join in to stir up troubles and create conflicts in Hong Kong. I am very worried that such a phenomenon would occur, especially with the consultation on political reform coming up, there will be more confrontations and conflicts. The underlying causes of these conflicts, I think, are the over-frequent elections in Hong Kong. After the District Council election, there are the Legislative Council election and Chief Executive election. Also, in between there are the elections of whatsoever societies and village representatives. All these elections only lead to endless social conflicts. Why? That is because in a place of 7 million people, there are many political parties and affiliations. Both the pro-establishment camp and the opposition camp have many parties and affiliations under them. All of them have to scramble for supporting votes, and to succeed, they have to act according to the wishes of their voters. To put it nicely, they are fighting for the interests of their voters, but in reality, they very often go against the interests of the entire community and disregard what is best for its long-term development. As each of them acts according to its own interest, in the end great conflicts will arise. There are bound to be more and more conflicts and they will continue to disrupt the order and harmony of society, giving people the vision of a bleak future, a feeling of insecurity where they have no prospects.

As a matter of fact, some major conflicts are present in society already. First, the conflict between the people and the Government. With a widening wealth gap and the Government's failure in meeting the people's expectations, the conflict continues to aggravate. Just like the trouble arising from the result of the issuance of free television licences announced yesterday, no matter how Secretary Gregory SO explained that there was no political consideration or they had considered a basket of factors, if the authorities do not decisively and properly handle the situation, but hide behind the confidentiality system of the Executive Council, using it as an excuse not to make public the details, I can tell you that this incident will lead to a major conflict and confrontation between the people and the Government. In respect of this, I urge the Government to think twice.

Apart from that, the conflicts between China and Hong Kong are also deteriorating. For example, the "powdered formula restriction order" and the "harsh measures" launched by the Government to restrict Mainlanders coming to Hong Kong to purchase properties and powdered formula, I understand these measures are intended to protect Hong Kong people. The problem is that these measures are poorly implemented, leading lead to many conflicts between China and Hong Kong. The Mainlanders will say, Hong Kong people use Dongjiang water but when we travel to Hong Kong under the Individual Visit Scheme to buy cosmetics and other things, they impose all kinds of requirements. To them, Hong Kong people are "bad losers" and extort them. If you want to protect Hong Kong people's right to buy powdered formula, the right approach is to ensure a steady supply from the source. There are many ways to resolve the problem of children born in Hong Kong with non-Hong Kong permanent resident parents. Just take a look. How come people have to queue up four or five consecutive days to get a kindergarten application form? Secretary for Education Eddie NG said that it was normal. Are you kidding me? He actually considered it normal for someone to queue up four or five consecutive days for a kindergarten application form. A somewhat normal person would know that his comments were not normal. All these conflicts, coupled with the long standing conflicts between the pro-establishment camp and the opposition camp, have been a part of our history, but I believe that the problem will definitely be aggravated with the launching of the consultation on political reform.

Frankly speaking, there will unlikely be an end to the discussions on today's issue. My speaking time of seven minutes will soon be up. I have no time to speak more (*The buzzer sounded*) ... Today, I will abstain from voting.

PRESIDENT (in Cantonese): Dr LAM, your speaking time is up.

MR DENNIS KWOK (in Cantonese): President, I remember when Chief Executive LEUNG Chun-ying assumed office last year, he appeared in the front cover of *Time* magazine with the heading "Can Hong Kong trust this man?" I believe a front cover like this rarely appears in the media, particularly because after a year, we can still use the same cover with the same question of "Can Hong Kong trust this man?" People of Hong Kong still do not trust this man.

Earlier, Dr LAM Tai-fai said that Dr KWOK Ka-ki, my fellow member of the Civic Party, was revisiting old issues and simply repeating himself. I am not sure if Dr LAM has a split personality. He also expressed the view that each day there are news about people not trusting LEUNG Chun-ying, and he quoted the example of the issuance of television licences. As we are talking about the matter today, why would that be raking up old records? That is incorrect. We have news every day to show that we, the people of Hong Kong, do not trust our Chief Executive and we do not have to rake up old records.

Let us mention nothing about the old problems of certain Secretaries and simply talk about the current incident of Hong Kong Television Network's (HKTVN) application for a television licence. Has procedural justice which is upheld in Hong Kong been observed? Has our established rule of law been upheld? From what we have observed, the whole application process for television licences and the decision made by the Government yesterday showed that the Government had completely ignored the reasonable expectations of the public for the rule of law to be upheld and the proper procedures to be followed.

What are the reasonable expectations of the public? The matter is really very simple. The former Broadcasting Authority submitted a consultancy report after a long period of study to the Government of last term which recommended that three more new free television licences should be issued. The Government then invited prospective operators to apply for the licences. There were three applicants, including HKTVN, which met the application criteria. Based on these objective facts and principles, the public have a reasonable expectation regarding the issue of television licences. However, when the Government

announced yesterday that only two applicants had been granted licences without giving any justifications which could convince the public, people queried why the Government refused to follow what had been recommended by the consultancy report submitted to the Government of last term by the former Broadcasting Authority? The Government did not mention anything about that and only said that an array of factors had been considered. What then were the real reasons behind in making the decision? The people of Hong Kong do not know and it is therefore only reasonable and understandable that they raise that question.

President, in a society which upholds the rule of law, the Government exercises public authority with reasons and justifications. One important reason is that the public will then have confidence in the decision-making process of those exercising public authority. I will give an example. Even if the Government refuses an application for a public housing unit, it has to provide the applicant with the most basic reasons. But, with a decision on issuing free television licences which is of significant public interests, a decision which greatly affects public interests, why did the Government provide such a poor explanation which can hardly convince the public? That is why the people of Hong Kong do not trust the Government and that is the reason why they have no confidence in this Government. In fact, when Secretary Gregory SO gave the so-called reasons for not issuing the television licence yesterday, there was no reason why the people of Hong Kong could not see or notice that it was a lie. Do you really think they are stupid? The so-called array of factors is but a sham, not to mention the claim that political factors have not been considered. How can such responses convince the people of Hong Kong? Therefore, after a year, we can see for ourselves and give a clear answer to the question of "Can Hong Kong trust this man?" which is "No, we cannot". We can tell the Government led by LEUNG Chun-ying that although this motion will probably be negated, such a result neither reflects that the people of Hong Kong trust this Government, nor that they trust the SAR Government led by LEUNG Chun-ying.

President, I so submit.

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

MR PAUL TSE (in Cantonese): President, if my memory does not fail me, Dr KWOK Ka-ki first requested for allocation of a debate slot on 24 September and his request was granted on 9 October. It is true that many things have happened in the meantime. As said by the Chief Secretary, there is not much substance in this motion. However, since this is a motion and not a litigation document to be submitted in court which requires justification, many colleagues have, in response to the recent developments, kept on supplementing information about new incidents to support the motion, including information about the Philippine incident and the incident of announcing the television licences granted these couple of days.

President, according to my understanding, a motion of no confidence basically involves two main subjects for discussion. First, there are serious doubts about the integrity of the person concerned and therefore people have no confidence in him. Second, there are serious blunders in the governance and therefore the public and Members of this Council consider that the person cannot continue to play his role. Let us take a look at the motion dated 12 December 2012. The motion was based on the main subject of the integrity of the Chief Executive which was broken down into three issues, namely, whether he had plotted to obtain his throne at the expense of another person; whether he had tried to cover up a lie with another in his replies given in this Council and there was also the underlying problem of unauthorized building works (UBWs). Those three issues formed the basis for supporting the motion last time.

However, the motion proposed this time does not explicitly involve the integrity of the person. But, certainly, since the expression of "no confidence" is used, it can basically be interpreted in such a way. It means that people have no confidence in his ability to continue to lead Hong Kong. In this connection, the issue can be sub-divided into three questions. First, is there any serious failure for which he should be fired for a single offence? Second, are there a series of failures so that people can no longer tolerate with him, just like how the people felt towards former Chief Executive TUNG Chee-hwa in those days? Third, is there a downward trend in his scores which have dropped to the bottom to reach the MA Ying-jeou's nine point of support, which makes us think we have to do something?

Considering the situation this time, there seems to be no important matter which would lead us to form the opinion that the Chief Executive should be fired for a single offence. If there is, please correct me. But, if there is not, we have

to move onto the second question of whether there is a series of failures so that people think it is time to settle the score? In this connection, we can fill in the blanks in our own ways. There can be many reasons which include the Philippine incident or the issuance of licences as mentioned before. However, a more important point in my opinion is that the Chief Executive has apparently failed to appoint the right people in these couple of years. As Chief Executive and leader, the ability to appoint capable persons is very important. However, the past records of the Chief Executive in his appointment of his team, Members of the Executive Council and even the more junior D4 officer who is about to assume office, have given people the impression that his wisdom in appointing capable persons is really questionable.

To sum up, is there an important failure or a series of failures which make us press this voting button? President, in democratic systems like those of the Western countries, a motion of no confidence is a serious subject for discussion. It is different from what some colleagues think. They think it is just like the march on 1 July which we have every year. After a period of time has lapsed, we can press the button again and we do not even have to give any reasons when we do so and when we do so, it is not because of any particular incident. We can press the button first and in time, one thing will happen after another and we can easily find something to form the judgment that he has done wrong. However, I think that should not be the approach for us to adopt. On the contrary, we should consider that since we have given a period of appointment for the Chief Executive and his team, we should not hand down any important judgment within a short period of time when not many incidents have happened.

At the same time, it would be unfair for us to keep counting the points of failures since he assumed office, particularly in relation to the problem of integrity which we have already mentioned on the last occasion. Let me draw an analogy. In the demerit point system in relation to traffic matters, if no points have been deducted after a certain period of time, the person concerned should be given a clean slate. Even in criminal cases, we cannot mention the record of a single count of offence which a person has committed every time he is brought to trial and use it to demerit him, can we? I think it will be unfair if we do so.

Since the Chief Executive has "got away" on 12 December last year from the motion proposed formally against him, I think it will only be fair for us to consider what has happened since that date. In particular, we should look at whether there are any failures on his part or any failures in his governance which

are considered as blunders since that date. I think it will be fairer if a time frame is given.

President, considering the performance of the Chief Executive, including his behavior, and some colleagues have described it as "forfeiting the rights of Hong Kong people and bringing humiliation to them", I think there is a lack of transparency and credibility as reflected in incidents such as how he has handled the issuance of licences. These incidents also include, as I have mentioned before, the choices of appointments which call into question his wisdom and they have given people the impression that a black box operation is in place. In addition to the above, as some colleagues have mentioned, the problem of UBWs has not been fully and clearly explained and there has been procrastination on the part of the Chief Executive in giving an account of the overseas company owned personally by him.

However, all in all, I think there is a lack of any specific incident or a series of incidents or a downward trend shown by the results in a series of opinion polls which would make us deal with the matter by passing a motion of no confidence. President, I believe in the wisdom of the general public and they would know when it is a critical moment and when it is not. I also hope that Members of this Council will not think that as I had supported such a motion in the past, I would certainly do so this time. In fact, any responsible and wise Member should form his or her opinion and vote on a case by case basis. He or she should not make a single decision to vote for or against something every time because of arguments over ideologies or the established stance taken and ignore the facts.

President, I so submit, thank you.

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

MR WONG KWOK-HING (in Cantonese): President, I speak to oppose the motion proposed by Dr KWOK Ka-ki.

Looking back at CY's performance in the 10-odd months after he assumed office, he can be described as fighting a losing battle, in which he has encountered all sorts of unprecedented adversities and dangers. Why do I say so?

First, he was besieged by demands that he should step down even before he assumed office. Second, after he came into office, he began his administration amidst a barrage of invectives that he should step down, as well as unprecedented difficulties both internally and externally. Third, he suffered from waves after waves of attacks both internally and externally which aimed at "removing bad officials from the king"; as a result, accountability officials and core members of his governing team went down one after another. Fourth, under the siege of "hitting the sheep and teaching the monkey", high-ranking and senior civil servants were silenced, and their motivation and initiative had been seriously undermined. Fifth, he braced repeated hyped-up public opinions aiming at inciting sentiments of instability, and society was filled with words about the so-called "Hundred Days' Reform" and "Plan B". Sixth, the pan-democratic camp was opposing for the sake of opposing, and attacking Chief Executive LEUNG Chun-ying with unprecedented hard-hit moves. A total of 29 Council meetings have been held since the commencement of the current term of the Legislative Council, and they attacked LEUNG Chun-ying in four meetings (including today's meeting), which accounted for 13.7% of the total number of Council meetings.

President, let us revisit CY's performance in this losing battle over the past year or so. According to public opinion surveys conducted by both the University of Hong Kong and The Chinese University of Hong Kong, CY's support rating has started to rebound, and the public's satisfaction rate of the SAR Government as a whole has also rebounded. Conversely, the standing of the Legislative Council has been declining as it is plagued by incessant quarrels, filibustering and violations of parliamentary order with Members hurling objects around. In that case, should Honourable colleagues take a moment for reflection? President, the most important point is whether any achievements have been made by CY since he came into office one year or so ago? Has he actually done something that the public want him to do? Notwithstanding such dangerous adversity, has he actually done something that the previous term of Government would not and dared not do?

President, I will now list out 10 items of work in several aspects as examples. In fact, many Members of the pan-democratic camp have given varying degrees of support to them on different occasions. It is clear that CY has actually made some achievements in this losing battle.

On housing — a problem considered to be the most difficult by Hong Kong people, and they have expressed many views about it — he is willing to work from different perspectives.

Firstly, he sets out to formulate a long-term housing strategy. We have been lobbying the previous terms of Government on the overriding need of formulating a long-term housing strategy, so much so that "our teeth were bleeding", yet they all refused to do so categorically. On the contrary, CY is willing to do so. Now, the long-term housing strategy has already entered the consultation stage. I think the pan-democratic camp will have no objection to that.

Under the second and third items of work, he decisively resumed the construction of Home Ownership Scheme (HOS) flats and increased the production of public rental housing (PRH) units after he came into office. Due to time constraint, I will not go into the detailed figures. In the process, he met with many constraints in administration, as well as many difficulties in identifying land sites, not to mention the problems relating to "greenfield sites" and "brownfield sites" which have not been handled properly over the years. All these are well evident. Nevertheless, he is still willing to resume the construction of HOS flats and increase the production of PRH units. Considering these two measures alone, are they not in line with people's expectation?

Under the fourth item of work, he announced in March this year the implementation of the "Hong Kong property for Hong Kong residents" policy in Kai Tak and two sites were made available, indicating that he has indeed taken measures decisively to tackle the housing problem of Hong Kong people.

The fifth item of work refers to the "harsh measures" currently scrutinized by the Legislative Council. I think most Members would agree that the introduction of "harsh measures" is a decisive move on demand-side management taken by the Government. Otherwise, we will not have the recent situation in which property developers use different ways to promote their new developments, such as providing steep discounts, in response to the market. All these demonstrate CY's willingness to tackle the problem.

The above examples are related to housing. In terms of safeguarding the livelihood of local people — which is the sixth item of work — he introduced the policy of "zero delivery quota" for "doubly non-permanent resident pregnant women". According to Government statistics, in 2012, a total of 25 174 "doubly non-permanent resident pregnant women" gave birth in Hong Kong, but under this policy, the number in 2013 has dropped to zero — or has basically dropped to zero. That is the effect of this measure. The seventh item of work refers to the "powdered formula restriction order" repeatedly mentioned by Members just now. Should these measures also count as decisive measures?

The eighth item of work refers to the setting of a poverty line. The ninth item of work is the Government's willingness to study the implementation of standard work hours in preparation for taking the matter forward. Lastly, people with loss of one limb can also apply for Disability Allowance, which is an initiative the current-term Government is willing to undertake, even though this measure is still stalling due to obstacles created as a result of inter-departmental problems. I think there is not much dispute among Members regarding these 10 items of work.

I hope pan-democratic Members can give priority to the interest of Hong Kong people by seeking the largest common ground while accommodating the biggest differences, rather than opposing for the sake of opposing, or putting on a show for the sake of putting on a show. We should make good use of the time in our remaining tenure to serve Hong Kong people.

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

MR CHAN KAM-LAM (in Cantonese): President, this motion, being the second one proposed by Dr KWOK Ka-ki in the current term, is once again a motion asking somebody to step down. A kaifong once asked me, "Why do such motions often come up in the Council? Do Members have nothing more meaningful to do in the Council?" I advised this kaifong, "Don't get upset as the opposition camp is always opposing the Government. You need not be mad, it is their bounded duty to oppose the Government, and they will oppose each and every move of the Government, or else, how can they call themselves the opposition camp. It is a natural course of action."

In fact, the public need not have any expectation of them either. After LEUNG Chun-ying was elected the Chief Executive last year, the opposition camp had already asked him to step down even before he assumed office. Therefore, no matter what policy vision he proposed over the past year, and regardless of the merit of the relevant measures, the opposition camp will just oppose them categorically, stick to their prejudice and treat the Government with hostility.

It is nothing uncommon for Dr KWOK Kai-ki, together with the opposition camp, to make use of the platform of the Council and adopt various political means to obstruct the legitimate governance of the SAR Government. The proposing of motions to invoke the Legislative Council (Powers and Privileges) Ordinance and motions of no confidence, and so on, in the Council has seriously impeded the Government's administration and accelerated the internal strife in Hong Kong. Hong Kong people are feeling very helpless about the situation.

A good case in point is the funding application in relation to the Old Age Living Allowance scrutinized by the Legislative Council last year. As we can see, they used every possible means to stall the process, so much so that a good policy was almost foiled. Fortunately, the President's wise and decisive move to cut off the filibuster at that time saved the day. Today, the situation is the same for the housing policy. Issues of public concern, such as increasing land and housing supply, have been seriously obstructed due to the opposition of the opposition camp. They made many groundless allegations one after another, which include "scrambling for land", forcibly seizing agricultural land, building a "back garden" for Mainland tycoons, transferring benefits from the Government to the developers, or even hoarding of land by Secretary Paul CHAN for profits, and so on.

President, is Hong Kong developing in a fast or slow pace now? Given the opposition's intention to undermine the Government's governance and credibility, we indeed sense that the pace is slowing down. In last week's motion debate, I heard Dr KWOK Ka-ki say that "perception and impression are reality". In fact, that view was first mentioned by Mr WONG Yuk-man, and Dr KWOK just parroted what Mr WONG has said. According to Dr KWOK, when putting officials or the Chief Executive on a public trial, concrete evidence is not necessary, and one can ask them to step down so long as he dislikes them. Dr

KWOK Ka-ki criticized the Chief Executive for tearing society apart after he assumed office and the "Hong Kong camp" no longer exists, but I want to say, it is actually the opposition camp which is tearing Hong Kong apart.

Since he assumed office one year or so ago, LEUNG Chun-ying has been striving to rectify the inadequacies in policy implementation in the past, and he is determined to improve people's livelihood and rejuvenate the economy. Politicians should be pragmatic and impartial so that they can monitor the Government's administration from the perspective of Hong Kong's long-term development. Regrettably, the opposition camp has put the blame of all existing problems in society on the absence of a sufficiently democratic constitutional system in Hong Kong, and criticized the Chief Executive for not being elected on a "one person, one vote" basis and having no people's mandate and hence, he cannot represent public opinions. Mr IP Kin-yuen also took this view today.

I am surprised to hear those statements from the Civic Party which stresses justice and the legal system. Mr Alan LEONG and Mr Albert HO of the Democratic Party have respectively taken part in the elections of the Chief Executive, and they clearly understand that the Chief Executive who is elected according to the provisions of the Basic Law has sufficient mandate constitutionally. Hence, regardless of whether the Chief Executive is elected on the basis of "one person, one vote" or not, his political mandate and legitimacy will not be affected. The intention of their allegations is to overturn the existing legal system. Although the opposition camp speaks profusely of justice, the truth is that they give no regard to either the rule of law or justice.

In reviewing the words and deeds of the Civic Party, its misdemeanours are, in the words of the expression used by some colleagues earlier, too numerous to list. The legal case on the environmental impact assessment report of the Hong Kong-Zhuhai-Macao Bridge was instigated by the Civic Party behind the scene, which caused an increase of almost \$10 billion in the construction cost, as well as a delay of almost two years. The list goes on, such as assisting the legal case of foreign domestic helpers, creating the problem of "doubly non-permanent resident pregnant women", harbouring political rascals in the Council, conniving at their actions to disrupt order in the Council, as well as public order in society, and so on.

Their basic intention is to oppose the Government at all cost by supporting anything that challenges the Government, which results in social disorder, sluggish economic development and a contentious political atmosphere. They consider it a good thing. With the Government's difficulty in governance, those political rascals are the ones who really benefit (*The buzzer sounded*) ... while Hong Kong people are the ones who suffer ...

PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up.

MR CHAN KAM-LAM (in Cantonese): ... Thank you, President.

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

MR WU CHI-WAI (in Cantonese): President, originally, I have not planned to speak in this debate. But when several friends of the pro-establishment camp spoke just now, they repeatedly made the point that today's motion was a conspiracy of the pan-democratic camp, or it was intended to paralyse the Government. I cannot agree to this viewpoint.

In fact, in many past meetings, the pan-democratic camp had raised our dissatisfaction with the Government's administration in various aspects, and had proposed to set up select committees, so as to provide a chance for those political figures, who were considered dubious by the public, to seek justice and clear their names. However, friends of the pro-establishment camp always step forward and say that there is no need for investigation for the repeated reasons of wasting time and public money.

Nonetheless, we cannot deny that we must face the public today; we must face all citizens of Hong Kong. We must be responsible to society as a whole for our words and deeds. Can we hide inside the Council and pretend that nothing has happened? I am sorry, we cannot do so. When some incidents have happened, and the public have great doubts, we must try to get down to the bottom of it.

Take for example the recent incident about Hong Kong Television Network Limited (HKTVN). The public are gravely concerned about this licencing incident. Can the Government hide behind the confidentiality system of the Executive Council and refuse to give an account of the actual facts to the public? Can the Government address public concern if it refuses to give an account? Can the Government speak openly and work freely when public concern is yet to be addressed?

As a Government, its fundamental duty is to be accountable to its people in its governance by revealing to the public its entire policy vision. If it even fails to achieve this, how can it blame our Honourable colleagues, as well as friends in society who are concerned about whether the Government's governance is transparent enough and whether procedural justice has been violated for repeatedly challenging and querying the actions of certain Government officials? As elected representatives of the people, if we even fail to fulfil this task, or say that such work is tantamount to obstructing the Government's governance, what purpose do we serve by sitting in this Chamber?

It is a well-known fact that even if these motions are passed in the Council, they are not binding on the Government. For the so-called Members' motions, even if nobody raises any objection, they may not get passed under the separate voting system. As reflected from these fundamentals, this parliamentary system is inherently deficient, and these inherent deficiencies are undoubtedly subject to public query. Faced with this situation, if we fail to take any action to seek changes institutionally or push the constitutional system towards the direction of being more democratic, but conversely, blame continuously the friends who raise such queries as sabotaging the Council only for the sake of obstructing the Government's governance, it is not only tantamount to putting the cart before the horse, but also preventing our society from moving ahead.

We can consider the matter from another perspective. The pro-establishment camp in fact accounts for the majority in this Council. Honestly, they have votes, they have money, and they have people. If the Government wants to pass any motion, they in fact hold enough votes to get it passed. However, I note that many a times, the biggest problem faced by the Government is not our obstruction, but the sudden change of stance that its close friends might turn into enemies. The landfill incident is a case in point. How can one give an explanation?

If a political system cannot provide specific methods to resolve social conflicts and if the Government encounters concrete difficulties in governance, even its ally, Members of the pro-establishment camp may not always support the Government because they are not the ruling party. Nonetheless, even if they are not the ruling party, they would always criticize the views of other colleagues. What is it about?

I recall that many predecessors have said that in the Council of today, there are in fact all opposition parties. Because we all have no basis of ruling, nobody has to be responsible for the policies. What is the result then? Just like the current situation, Members always engaged in arguing and discussing piecemeal issues. This situation is attributed to the imperfect system, and that is why the pan-democratic camp has taken great pains, in the hope that the political system can take forward.

If there are no changes to address the fundamental problems, the situation will only perpetuates continuously. Originally, I did not intend to speak today, but I still want Members to think about the work done and the responsibility shouldered by the pan-democratic camp in this position, that is, raising the other side of problems in society. I think Members do not believe that there is only one side of a coin; actually, there are always two sides of a coin, that is, both positive views and divergent views. Is it fair that we should be criticized for raising divergent views in the Council?

This is my first term as a Member of the Legislative Council. In this Council, I have only served as a Member for a very short time, but I still hope that in the course of our discussion, we can focus on the matters *per se*, rather than the people. We have to address the issue of how we can strive to make our political decisions accord with public interest under an ineffective system.

Thank you, President.

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

(No Member indicated a wish to speak)

DR KWOK KA-KI (in Cantonese): President, a quorum is not present in the Chamber.

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

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

PRESIDENT (in Cantonese): Chief Secretary for Administration, please.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, as Mr Paul TSE has pointed out, a vote of no confidence in the Chief Executive is a very serious measure and such a topic should not be brought up for discussion in the legislature lightly. Today, I respond to this motion on behalf of the Government with a heavy heart, just like last week when I responded to Dr KWOK Ka-ki's motion to invoke the Legislative Council (Powers and Privileges) Ordinance (the Ordinance) to set up a select committee.

Let us do some counting now. Other than Mr WU Chi-wai who also proposed a motion of no confidence on 12 December last year, Mr LEE Cheuk-yan, Mr LEUNG Kwok-hung and Ms Cyd HO have respectively proposed motions directing accusations at the Chief Executive. Some of these motions urged the legislature to invoke the Ordinance to set up a select committee to inquire into the matters relating to the Chief Executive. There was also the motion proposed by Mr LEUNG Kwok-hung to "impeach the Chief Executive". Regrettably, today is the fifth time in this Council that a motion attacking the Chief Executive is proposed. Nevertheless, 34 Members have given their views on this motion and it is quite clear that they hold opposite views. Those who support the motion on "Vote of no confidence in the Chief Executive" have attacked the Chief Executive viciously while those who do not support the motion have given a fairer assessment of the governance of the Chief Executive over the past year.

President, as the head of the Government of the Hong Kong Special Administrative Region (SAR), the Chief Executive shall represent the SAR. He shall be accountable to the Central People's Government and the Hong Kong SAR

in accordance with the provisions of the Basic Law. Therefore, I have to respond solemnly and specifically to any remarks which attack the Chief Executive and will not allow Members to attack the Chief Executive maliciously or unrestrainedly, so as to cause damage to his constitutional position and his authority in governance.

I have heard the speeches of Members who are in support of the motion of no confidence today. To sum up, these Members have no confidence in four aspects of Mr LEUNG Chun-ying, the Chief Executive: First, his personal integrity. Second, his performance in governance. Third, his ability in handling specific incidents. Fourth, his team and his decisions of appointment.

Regarding the personal integrity of the Chief Executive, Members have used very negative expressions such as "lacking integrity", "telling one lie after another" and "having a despicable personality". However, all they are directing at was the incident of unauthorized building works (UBWs) in the Peak residence of the Chief Executive before he assumed office, or the problem of his ownership of an overseas company mentioned by one or two Members. Let me reiterate that a full account had already been given with regard to these two matters.

As far as the ownership of private property by the Chief Executive is concerned, the Chief Executive had given a public account on many occasions and the Legislative Council had had many debates on this matter. As I mentioned earlier, four relevant motions had been proposed since December last year and all of them were negated after thorough debate. In fact, we cannot see any justifications for Members to keep wrangling over this issue.

The Chief Executive has all along handled the issue of UBWs in his personal property in a responsible and serious manner. He had co-operated fully with the Buildings Department in their inspections and appointed a team of professionals in different areas to assist him in sorting out the problem and resolving it completely. The backfilling remedial works in the Chief Executive's Peak residence had been completed and the law-enforcement agency (that is, the Buildings Department) wrote to the property owner (that is, the authorized person appointed by the Chief Executive) in August this year to confirm that completion of the works had been reported. The other UBWs had also been removed completely.

On 10 December, the Chief Executive solemnly apologized in this Council to the people of Hong Kong for this matter, which is contrary to Mr IP Kin-yuen's claim that he has never apologized. For this matter, the Chief Executive apologized solemnly to the public on that day and he had certainly apologized to Members of this Council for his inadequacies in handling the matter.

I will now turn to the matter of ownership of an overseas company by the Chief Executive. First, the Chief Executive had relinquished all of his administrative duties in DTZ Debenham Tie Leung Limited a long time ago. With regard to the shares of Wintrack Worldwide Ltd. (BVI) and its subsidiaries and the shares of DTZ Holdings Plc and its subsidiaries previously held by the Chief Executive, he had voluntarily proposed to transfer them to a trust and the work involved had been completed. The trustee of the trust is a certified public accountant and the beneficiary is the Chief Executive's wife. The Chief Executive has updated the interests that he is required to declare in accordance with the Code for Officials under the Political Appointment System and the Annual Declaration of Registrable Interests of Members of the Executive Council. The updated declaration has been uploaded to the website of the Chief Executive's Office for public information.

When Ms Cyd HO was commenting on the integrity of the Chief Executive, she mentioned the incident related to the statement issued by the Hong Kong Police Force (HKPF) on a meeting held in connection with an incident about a teacher. Ms HO alleged that the way the Chief Executive and I responded to the incident had jeopardized the political neutrality of the HKPF. Since that was a serious allegation, I have asked my colleagues to look up the papers.

On 8 August this year, the HKPF issued a statement on police officers on pre-retirement leave participating in public meetings. In that statement, the HKPF had stated clearly that according to the Police General Orders, a police officer shall at all times abstain from any activity which is likely to interfere with the impartial discharge of his/her duties, or which is likely to give rise to the impression amongst members of the public that it may so interfere. The HKPF has also clarified that according to the Police Force Ordinance, every police officer is issued with a warrant card which is the proof of his/her appointment and authority. When officers proceed on pre-retirement leave, they will surrender their warrant cards to their senior officers on the last working day following which they will no longer have the authority to discharge constabulary duties.

Apparently, the HKPF would ensure that all police officers do adopt a fair and impartial approach in discharging their duties. The restriction balances the civil rights of officers and the requirement for them to impartially discharge their duties. It also enables the public to appreciate that police officers are politically neutral in order to maintain public's confidence and trust in the police's execution of duties. The statement was issued in the hope that the public would give their respect and support to front-line police officers who are executing their duties.

In agreeing with the statement, the Chief Executive as head of the Executive and I as Chief Secretary for Administration have done nothing to interfere with the political neutrality of the HKPF, have we? And how would the matter relate to integrity at all? I really do not understand. I think the Chief Executive and I have only done our duties in making such a response and it is also our obligation to urge the public to support the work of front-line police officers. Therefore, I have to put on record my response to the accusations made by Ms Cyd HO against the Chief Executive and myself.

The second aspect of the lack of confidence in the Chief Executive relates to the alleged inadequacies in his governance. In fact, since the Chief Executive assumed office, he has been leading the SAR Government, promoting the long-term social and economic development of Hong Kong and making efforts in improving the quality of life of the public. He proposed to formulate long-term planning, abandon the mindset of focusing on short-term needs and seek change while maintaining stability. He also considers that the Government should have the vision to be appropriately proactive and has formulated a series of specific policy measures in accordance with his vision of administration.

Under the leadership of the Chief Executive, the Government of this term has gradually fulfilled the promises made by the Chief Executive in his manifesto and the first Policy Address over the past year. In respect of economic development, the Chief Executive has proposed to formulate a holistic industrial policy. The Economic Development Commission, the Financial Services Development Council and the Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland are working at full speed in making recommendations on the way forward for Hong Kong. The Chief Executive has also led trade delegations to the United States and Chongqing and there will also be a visit to Guangxi and Fujian in the next few months to promote business opportunities and develop the extracorporeal economy for Hong Kong and strengthen our economic power.

In respect of housing and land, as some Members who are opposing today's motion have pointed out, the Government has been doing its utmost to increase housing supply in the short, medium and long runs under the leadership of the Chief Executive to address the core of the problem. The Government has also introduced a series of demand-side management measures to curb the trend of soaring property prices. We are now formulating a long-term housing strategy for the first time since 1998, so that the public can reach a consensus on the housing issue which is currently of greatest concern to them. The work done and the efforts made by the Chief Executive in resolving the housing problem are there for all to see. You may also have heard the Chief Executive say that he had to attend many meetings a day, but there would at least be one on housing and land. That also proves that he is very keen to resolve the housing problem for the people of Hong Kong as soon as possible.

Furthermore, the Chief Executive is very concerned about the poverty problem and the work on poverty alleviation and care for the elderly. In the past year, he has re-established the Commission on Poverty which was one thing the last Government had sought to achieve for a long time without success. In addition, an official poverty line has been drawn for the first time in Hong Kong which is an indication that this Government has the courage and determination to deal with the poverty problem. To bring immediate effect on poverty alleviation, we have introduced the Old Age Living Allowance benefiting more than 390 000 elderly persons and enhance the Work Incentive Transport Subsidy Scheme to alleviate the problem of the working poor. In addition, the six task forces under the Commission on Poverty have launched a number of projects on poverty alleviation. For example, the Community Care Fund has approved a total of 24 projects, among which 18 have been launched by the end of August and benefited more than 200 000 people. It is estimated that the remaining six projects to be implemented will benefit more than 570 000. The work on poverty alleviation undertaken by this Government has now reached a critical moment. The next step for us is to focus on formulating policies and undertaking planning work, so that poverty alleviation measures will be more pertinent to better meet the needs of the society.

With regard to environmental protection, A Clean Air Plan for Hong Kong released in March this year set out various measures to improve air quality which include the retirement of pre-Euro IV diesel commercial vehicles. The amended proposal which would incur about \$11.7 billion has obtained widespread support. Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022 published in

May this year has mapped out the strategy, targets, policies and timetables for waste management for the coming 10 years. We have also started the process of consulting the public on solid waste charging to enable the Government to prepare for the relevant legislative work.

In addition, this Government is aware that nothing that concerns the people's livelihood is a trivial matter and has introduced an array of measures benefiting the public. These measures include implementing the Universal Accessibility Programme, increasing the subsidy under the Elderly Health Care Voucher programme and expediting the extension of the scheme on concessionary fare of \$2 for the elderly. The above is a list of the work completed within a short time of about a year by this Government under the leadership of the Chief Executive. Therefore, I can hardly agree with what Mr Alan LEONG has described as "nothing has been achieved".

With our increased integration with the Mainland, the Chief Executive has pointed out that in areas prone to shortages, measures putting Hong Kong people first would be adopted. He announced that the zero quota policy would be adopted to curb the number of "doubly non-permanent resident pregnant women" giving birth in Hong Kong. When the supply of powdered formula was tight, export was restricted to ensure that there would be adequate supply for Hong Kong. The Government also introduced the policy of "Hong Kong property for Hong Kong residents". When the property prices were hot, the Buyer's Stamp Duty was introduced to suppress the demand of property from non-Hong Kong people. The above examples have shown that the Chief Executive is committed to serving Hong Kong and working for the benefits of its people.

The third aspect concerns the handling of a series of personnel matters. As Mr CHAN Han-pan has said, we should be fair in assessing the merits and demerits of a person. Certainly, Members who are against the Chief Executive or Members who support the motion of no confidence in him would mention incidents which lend support to attacking him. Examples are the maritime disaster which happened near Lamma Island, the follow-up work regarding the hostage incident in the Philippines and the matter concerning the issue of free television licences, the result of which was announced yesterday. However, have we forgotten the SNOWDEN incident, a very difficult problem which has been resolved smoothly under the leadership of the Chief Executive? As I mentioned earlier, when shortages arose and the people of Hong Kong began to worry, whether it was about bedspaces in maternity wards or restrictions on

powdered formula, the problems have been resolved one by one under the leadership of the Chief Executive.

As many Members have made a long speech on the problem of the Philippine hostage incident, I have to clarify once again. The incident happened more than three years ago. The Government understands the sorrow suffered by the families of the deceased, the injured as well as the entire community. It is aware that the people of Hong Kong are still generally dissatisfied that the Philippine Government has refused to admit responsibility in the incident. In the past three years after the incident, the SAR Government has been liaising with the Central Government and the Philippine consulate to urge the Philippine Government to respond seriously to the four solemn demands of those injured and the families of the deceased, including an apology, compensation, sanctions against officials responsible for the incident's mishandling, and devising and implementing effective measures to ensure tourist safety.

When the Asia-Pacific Economic Co-operation meeting held recently, the Chief Executive relayed the requests of the injured and the families of the deceased to the President of China. President XI immediately gave instructions at the venue for the relevant departments to follow up the matter. When the Chief Executive had the first opportunity to meet the President of the Philippines, he took the initiative to raise the demands concerning the hostage incident. The Chief Executive restated the four solemn demands of the injured and the families of the deceased during the meeting. He pointed out clearly that he disagreed with the Philippines' view that the hostage incident had already been resolved and reiterated that if the issue was not properly resolved, it would continue to affect the relationship between Hong Kong and the Philippines. He remarked that Hong Kong and the Philippines had to discuss and take appropriate measures so that both parties could put the hostage incident behind and develop their relationship with each other again. In the end, Hong Kong and the Philippines agreed that officials ranked at the level of cabinet secretaries from both sides would be assigned to discuss and follow up the matter. The SAR Government will continue to do its utmost to follow up the incident with a target-oriented approach by taking all practical actions in a just and systematic manner. The small progress which we have achieved at this stage after three years was the result of the intervention of the Chief Executive at an appropriate time and the Government has to keep up its efforts. Therefore, I hope that a fair assessment can be given to the Chief Executive.

Finally, it seems that there are certain comments on the team of the Chief Executive. However, Members may have noticed that members of the accountability team are united in giving our support to the Chief Executive. It is true that three politically-appointed Political Assistants had resigned for personal reasons, but that certainly had nothing to do with a lack of social harmony. I hope Members will not make any unnecessary speculations. Meanwhile, a new Under Secretary has joined the Government and I am confident that more aspiring people will be joining this team to serve the public in the future.

President, Hong Kong is currently facing many social, economic and livelihood issues which cover a wide scope. Constitutional reform consultation, which tops the list, will also commence in due course. In order to deal with these issues which are not only of paramount importance to the development of Hong Kong, but also of urgent concern of the public, one prerequisite has to be met. The Government, the legislature and various sectors of the society have to make concerted efforts to stop any unnecessary arguments and concentrate on doing the real work for the long-term benefits of the entire community. Repeated debates on issues which have been thoroughly discussed will only prolong infighting which will not be conducive to creating opportunities and room for development for our next generation.

President, opinions and comments on the administration of the Government given by various sectors of the society, including the Legislative Council, will be listened to with an open mind and considered carefully by the Chief Executive and the SAR Government, with a view to serving the people in a practical manner, as long as such opinions and comments are based on facts and are constructive. For example, today Ir Dr LO Wai-kiok said that he hoped that the communication between the Executive and the Legislative Council could be enhanced. I completely agree with the point that he has made. It is true that we have to enhance our communication, strengthen our interaction and build mutual trust so that we can meet the challenges one after the other. In January next year, the Chief Executive will be delivering his second policy address and the relevant consultation work will start soon. It is my hope that the Legislative Council will focus on discussing issues with us to promote the development of Hong Kong, so that we can work in concerted efforts to do some real work for the benefit of Hong Kong.

With these remarks, President, I urge Members to oppose the motion proposed by Dr KWOK Ka-ki. Thank you.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, you may now reply and you have three minutes 46 seconds.

DR KWOK KA-KI (in Cantonese): President, a vote of no confidence is a solemn motion in a democratic legislative assembly. Most of the legislative assemblies elected by people through democratic elections have a high regard for this kind of motions. With one in Australia, seven in Canada, one in France, four in Italy, four in Japan and three in the United Kingdom, the incumbent governments all took the bow and stepped down after the motions of no confidence concerned were passed. Nonetheless, we have no such high hopes because those governments are elected by the people, with their prime ministers or presidents directly elected through general elections, yet we do not have such an opportunity today because this Government is still elected through a coterie election.

Hence, in order to solve this problem, I concur with the point raised by the Chief Secretary for Administration that we must handle the constitutional reform properly, so as to give Hong Kong people a genuine choice. Regarding the speech made by the Chief Secretary, I would like to clarify a few points. First, I do not want her to involve the Civil Service in the matter as we only demand accountability from LEUNG Chun-ying; in fact, he should be accountable, and we are not targeting the Civil Service. Second, the Chief Secretary shamelessly mentioned certain things just now which are not true, and I would like to clarify here. Recently, in the latest auction of land sites in Kowloon East, nothing has been mentioned about "Hong Kong property for Hong Kong residents", and regarding the SNOWDEN incident, LEUNG Chun-ying had said "no comment" 19 times — as I was told by my colleague — I do not understand how this can count as a responsible attitude.

In fact, there is no need for the Chief Secretary to take it too seriously because as she is well aware, the present Legislative Council is a distorted Legislative Council as the Chief Executive is protected by the royalists, the Functional Constituencies (FCs) and the system of separate voting, and there is no need for him to be truly accountable to the people. At present, 55% of the people are against LEUNG Chun-ying, and as the saying goes "Justice lies in the people's heart." Today, Ricky WONG asks one question on behalf of the majority of the people, that is, whether there is still justice in Hong Kong. I move this motion of no confidence in order to state, on people's behalf, that justice and democracy should prevail in Hong Kong.

Separately, I would also like to respond to several Honourable colleagues in particular. The first one is Mr James TIEN who is in the Chamber now. Regarding his suggestion, his colleagues have betrayed him because Members of the Business and Professionals Alliance for Hong Kong held a different view. Nonetheless, after counting the votes, I know the motion will not be passed because the majority of FC Members will not do as he wishes. Hence, if he hopes that people can benefit from the Government's views and policies, I think he might as well rein in and join us today in support of the abolition of FCs. It is still not too late to do so now.

Regarding Dr LAM Tai-fai and Mr Abraham SHEK, their speeches today sound somewhat strange and awkward. Perhaps they want to appease both sides, but it is difficult to speak against their own wishes. I do not blame them. Ultimately, I am only concerned about their voting preferences. If we want society to move forward, then we must ask all accountability officials, especially the Chief Executive, to be accountable and responsible to the public. This motion today is meaningful, and of course, I can foresee — and it is a fact — that this motion will not be passed, but it has not (*The buzzer sounded*) ... prevented the Council from discussing this motion solemnly.

With these remarks, I hope Members will support ...

PRESIDENT (in Cantonese): Dr KWOK, your speaking time is up.

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

(Members raised their hands)

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

(Members raised their hands)

Dr KWOK Ka-ki rose to claim a division.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki 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, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the motion.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr YIU Si-wing, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the motion.

Mr Tommy CHEUNG, Mr Vincent FANG, Dr LAM Tai-fai, Mr Frankie YICK and Mr CHUNG Kwok-pan abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, 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, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Mr SIN Chung-kai voted for the motion.

Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the motion.

Mr James TIEN abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, nine were in favour of the motion, 17 against it and five abstained; while among the Members returned by geographical constituencies through direct elections, 34 were present, 17 were in favour of the motion, 15 against it and one abstained. 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): Second Member's motion: Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy.

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

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

OPTIMIZING PUBLIC FINANCES AND ENHANCING THE IMPETUS FOR INNOVATION IN HONG KONG'S ECONOMY

MR KENNETH LEUNG (in Cantonese): President, regarding this motion, a number of colleagues have asked me what it is all about. Here, I would like to spend 10 to 15 minutes to explain the underlying concept of this motion.

Today's motion is not purely a debate on policies, but on the fundamental principles of policies. This motion was drafted in English and the original text is "Given the lack of impetus for innovation in Hong Kong's economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget ..." This motion covers four basic areas: firstly, human capital; secondly, social infrastructure. Tax base and Capital Works Reserve Fund mentioned by me are actually minor issues.

What is meant by human capital? The 1979 Nobel laureate in Economics, Professor SCHULTZ from the University of Chicago, said that "Human capital is the most important factor to cultural and economic development." Later, another two Nobel Prize winners from the University of Chicago, BECKER and STIGLER, further elaborated the concept from various perspectives. If Members wish to know the meaning of human capital (not human resources), they should note that in a narrow sense, this term may be deemed as human resources or education investment. In a broad sense, it actually refers to the general education level, general knowledge, experiences and skills of the nationals or residents. Good human capital has two special characteristics: First, it is portability. What does this mean? As Hong Kong is an externally oriented economy, we cannot always follow the footsteps of our neighbouring areas. For example, assuming that Singapore and Shanghai have developed some new industries and we followed their footsteps two years later, it would be too late. Portability means the ability of local education and training institutions to enable an employee to transfer from one position to another, or even from one industry to another, without much difficulty. For example, a person who used to engage in public relations work can assume the post of Information Coordinator without any difficulty. This is an example.

Another special characteristics or feature of good human capital is its social connectivity. I wonder if there is a Chinese translation for this term, but let me refer it as "社會連接性". What does it mean? The term was not invented by me, but by a group of economists. It is about how local labour force can work happily as a team in harmony and give full play to team spirit while maintaining communication with other people and good liaison with different strata of society. To this end, there must be good human resources and matching manpower resources. But has local education and training imbued our human capital with such special characteristics? This is a major issue.

If we say that there is a need to invest on human capital, the Government will have to sort out how human capital can be measured and defined. In fact, the Organization for Economic Co-operation and Development (OECD) has developed the yardsticks for measuring human capital. It is basically measured by the percentage of education funding or expenditure in our Gross Domestic Product (GDP). However, such yardstick can only measure "quantity" but not "quality". I hope that the Government will refer to the World Forum on Statistics, Knowledge and Policy, an international forum organized by the OECD in 2009, during which a number of Korean representatives had highlighted various yardsticks for measuring human capital. I hope the SAR Government will make reference to them.

After discussing some academic or theoretical issues, I wish to talk about what we want the Government to achieve in respect of policy. The abovementioned training of human resources does not only refer to kindergarten, primary, secondary and tertiary education. More importantly, as some experts have said, it also covers on-the-job training and even on-the-job re-training, as well as the pursuit of non-job-related continuing education. Has the Government encouraged people to do so? Why do I say so? As a matter of fact, like other capital, human capital is also subject to depreciation. President, the Government may have done a good job in traditional education, including primary, secondary and tertiary education, which Mr IP Kin-yuen may not agree, but how about the latter three, namely, on-the-job training, on-the-job re-training and continuing education? What has the Government done? I hope that apart from providing direct funding, the Government will also consider expanding the tax deduction for expenses on continuing education.

I have briefly explained the meaning of human capital. Why do I say that another target of public finance is to devote resources on social infrastructure? What is meant by social infrastructure? Last week, Ir Dr LO Wai-kwok talked about basic infrastructure. In brief, social infrastructure can be said to be sustainable community works, which also includes basic infrastructure. Why should we spend public finance on social infrastructure? As a matter of fact, capital will deplete, that is, there will inevitably be capital flight and this is not new to economists. In order for a community to retain talents and even attract overseas talents to contribute to our society, there must be substantial input of resources on social infrastructure. What does social infrastructure cover? The definition may vary with different countries, but basically it covers medical, healthcare, housing and environment protection. Even the judicial and penal

systems belong to social infrastructure, which certainly covers communication and transportation as well. The abovementioned communication, transportation and even housing all belong to basic infrastructure. Nonetheless, the coverage of the social infrastructure in question is wider than the traditional basic infrastructure.

After discussing these two concepts, why do I propose broadening the tax base as well? Actually, I do not suggest that the tax base should be broadened now. But the fact is, the Government often talked about unstable income, and asked where the money would come from whenever substantial investment on human capital and social infrastructure was required. Before the Financial Secretary delivered his annual budget, he always highlighted the narrow tax base, saying that of the 3.2 million working population, only 40% were taxpayers, representing some 1 million people. Are Members aware of the amount of surplus as at 31 August 2013? It is "689". Here, "689" means \$689 billion.

While I put forward the idea of broadening the tax base, I do not mean to ask the SAR Government to do it right away but merely want to bring out some new ideas. Members are frightened to hear the idea of broadening the tax base, as it reminds them of what the then Financial Secretary Henry TANG said in 2006: Broadening the tax base means the introduction of a new tax called the Goods and Services Tax. Such thinking is nonetheless wrong. The broadening of the tax base under discussion seeks to bring more people, more transactions or assets into the tax net. What are the viable measures? Simply put, by attracting more overseas companies to set up their offices in Hong Kong and more talents to work in Hong Kong, the tax net will naturally be expanded. Furthermore, stepping up enforcement against duty evasion will also help expand the tax net. Of course, another issue is the evasion of tax by legal means, that is tax planning. The Government may amend the law to plug the loophole of evading tax by legal means. Broadening the tax base and introducing new tax, which Members are familiar with, are the possible options, but Members should not be too frightened, thinking that broadening the tax base is tantamount to increasing tax. Members may perhaps think in this way: Once the tax base is broadened, the number of taxpayers will, in principle, increase. Does this mean that the amount of tax to be paid by each taxpayer will decrease as a result?

I want to switch to another concept, that is, the Capital Works Reserve Fund (the Fund) of the Financial Services and the Treasury Bureau. Many colleagues and friends from the industry asked me about the functions of this

Fund and the reason for proposing the relevant changes. The Fund covers all income generated from the sale of government land. The revenue of the Fund fluctuated greatly during the years from 2008 to 2012, and had increased from \$23 billion in 2008 to \$86 billion in 2011-2012. This Fund mainly finances the public works programme, and the percentage of expenditure on civil engineering works has substantially increased in these few years. For example, while the expenditure on civil engineering works is 29% in 2011-2012, it rose to 49% in 2013-2014. President, I do not mean to deny the importance of civil engineering works, but the relevant expenditures will eventually reach the maximum one day. During last week's motion debate, I said that Hong Kong's basic infrastructure was actually not lagging behind. We were only lagging behind in respect of social infrastructure and human capital. I therefore hope that the Government will consider changing or expanding the usage of the Fund, so as to enable it to finance different capital expenditures in addition to basic infrastructure.

I am aware that seven Members have proposed amendments to my motion today, and they have put forward a number of specific proposals. I look forward to listening to their views. President, I so submit and hope that colleagues will support my motion today.

PRESIDENT (in Cantonese): Mr LEUNG, please move the motion.

MR KENNETH LEUNG (in Cantonese): I move that today's motion be passed.

Mr Kenneth LEUNG moved the following motion: (Translation)

"That, given the lack of impetus for innovation in Hong Kong's economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund."

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

Seven Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the seven amendments.

I will call upon the seven Members who have proposed amendments to speak in the following order, that is, Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr Andrew LEUNG, Mr SIN Chung-kai, Mr Ronny TONG, Ms Cyd HO and Mr Charles Peter MOK; but they may not move amendments at this stage.

PRESIDENT (in Cantonese): As Mr IP Kin-yuen is not present at the moment, I now call upon Dr Elizabeth QUAT to speak.

DR ELIZABETH QUAT (in Cantonese): President, it seems that there have been frequent public discussions on Hong Kong's economic development and competitiveness since the beginning of this year. This is certainly attributable to the fact that a number of rankings on competitiveness indicated that Hong Kong's competitiveness has been plagued by some hidden concerns or problems. As a matter of fact, the development of Hong Kong has been relatively slow in recent years, especially in terms of the impetus for innovation.

As I have said in the motion debate on "Enhancing the overall sustainable competitiveness of Hong Kong" held in May this year, Hong Kong has not really made any serious efforts on developing a knowledge-based economy in the past decade or so. While the Mainland and the neighbouring areas have continued to develop at full steam, we have come to a standstill and continued to rest on our laurels.

To boost Hong Kong's impetus for innovation as well as research and development (R&D), I reiterate that the Government should first increase investment in R&D and expeditiously raise the relevant ratio from 0.7% to 1%, with a view to achieving a progressive increase in the long run. On the other hand, we also need to start working on the younger generation.

President, a city or country draws its economic impetus from the innovative capacity of various sectors. It is a matter of how new technologies, skills and modes of business can help enhance operational efficiency, open up new possibilities and enhance competitiveness. And yet, such impetus requires the support of talents and resources, and talents must be nurtured from a young age.

Recently, a senior executive from the banking sector told me that as he has a two-year-old daughter, he was planning to emigrate from Hong Kong in a few years. His reason is that he thinks children in Hong Kong are very miserable nowadays. Not only are they forced to compete day after day and take part in numerous extra-curricular activities and examinations, they are also expected to be all-round. As such, they do not even have the time to play. He opines that these children cannot be innovative in the future, and he does not wish to see his children grow under such an environment. Despite the fact that it is pretty easy to make money in Hong Kong, he would rather sacrifice the quality of living. He prefers to earn less in exchange for his daughter to grow up healthily and happily.

President, the issue under discussion today is innovation and the impetus for innovation. Some studies show that innovation can be derived from people's curiosity, adventure, experience and dreams. However, in Hong Kong, some children are attending two kindergartens. Their parents have arranged them to have lessons for the entire day, attending both the morning and afternoon sessions. This is sick, right? If children in Hong Kong do not have time to play, make friends or explore the world, and are not allowed to make mistakes, Hong Kong will gradually become a place with no innovation and fun. Under these circumstances, we will suffer a loss of talents in the end. Nor can we attract talents to come to Hong Kong. If we are unable to cultivate the innovative capacity of our children, how can Hong Kong be innovative? Has the Government considered how the miserable fate of children living in Hong Kong can be changed?

I consider it imperative for teacher qualifications, education philosophy, teaching contents and methods to keep abreast of the times, be it kindergartens, primary and secondary schools or tertiary institutions. Take primary and secondary schools as an example. Apart from promoting electronic teaching, the Government may also make reference to the approaches adopted by the United Kingdom and Estonia, by including computer programming into the basic curriculum of primary and secondary education, with a view to culturing children's logical thinking and creativity from a young age. In so doing, regardless of their future occupation, they will benefit from logical thinking and are capable of utilizing the information and communication technology to enhance the innovative ability and creativity of Hong Kong as a whole.

Looking around the world today, leading countries and regions have invested heavily on innovation and R&D. They are not only essential elements of competitiveness, but also the basic infrastructure and strategic planning of the

modern world. To encourage innovation and business startup, Hong Kong must substantially increase investment in R&D and new industries. The current initiatives include the Research and Development Cash Rebate Scheme and the Small Entrepreneur Research Assistance Programme. While these are effective measures to promote R&D, they are definitely insufficient. In order to be on a par with other advanced economies, we may draw on the experiences of overseas sovereign wealth funds, such as the Government of Singapore Investment Corporation and the Temasek Holdings. The authorities should make rational use of our fiscal reserves to invest by setting up sovereign wealth funds, thereby taking the lead in promoting the development of industries that Hong Kong has advantages or development potentials. With the establishment of sovereign wealth funds, the SAR Government may also invest in new R&D projects that were previously introduced. These projects, which are either too difficult for the public to undertake or unattractive to them, are indeed beneficial to the economy and people's livelihood in future. Such an approach does not only tie in with Hong Kong's long-term development strategy, but also facilitates investments which enhance local competitiveness and opens new horizons for our economy. Furthermore, we consider that the Government may seek investment opportunities involving basic infrastructure, strategic industries and social enterprises in the Mainland, with a view to improving Hong Kong's long-term development strategy as well as promoting the economy and people's livelihood.

On the other hand, as I have mentioned time and again in the past, the major initiative introduced by the Government to provide funding for R&D products is the Public Sector Trial Scheme under the Innovation and Technology Fund (ITF). However, this Scheme only benefits existing recipients of the ITF. We therefore propose to expand the Scheme to cover more projects with potentials, thereby nurturing a prosperous environment.

President, the process of "usability testing" is absent from Hong Kong's original products from R&D to commercialization. Such testing aims at inviting, on a continuous basis, targeted groups to undergo testing at various stages of product design, so as to collect different response data, and thereby to improve the popularity and quality of the products. The Government should encourage and assist the industry to attach more importance to "usability testing" in the future.

Meanwhile, Hong Kong should also work at full steam to promote the development of Hong Kong as an intellectual property trading hub. What is more, Mainland consumers have great confidence in the "Hong Kong" brand, and

food products and medicines "manufactured in Hong Kong" or "tested in Hong Kong" do have an edge in the Mainland market. Therefore, we hold that the authorities should make use of this edge to vigorously promote local food product and pharmaceutical industry, and tap on the excellent goodwill of "manufactured in Hong Kong" and "tested in Hong Kong" to open up the Mainland market.

President, I would like to conclude by citing a new book entitled *Steal Like an Artist*. As its name suggests, the book mentions that creativity is a basket of ideas collected day by day, which after screening, will give birth to a new baby which touches people's hearts and brings significant implication to the world. Therefore, if our community can be more accommodating, create more room for thinking and allow more time for adults and children to expose to different matters and viewpoints, it will be of significant help to the development of a creative and innovative economy for Hong Kong in the future.

Although my speech does not seem to have great relevance to today's motion, I still want to reiterate that Hong Kong people do need more time, so it is imperative to promote family-friendly policies. While children in Hong Kong need more time to stay together with their parents, the working class also need family life. Apart from working day after day, Hong Kong people also need to spend some time to build up the human capital as suggested by the mover of this motion earlier, pursue continuing education and carefully contemplate their life project. The future development of Hong Kong is heavily dependent on talents.

President, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) does not oppose the broadening of the tax base, and consider that the Government should explore how to increase the source of revenue. Nonetheless, given the sound financial condition of the Government at present, we do not see any urgency for the SAR Government to make immediate changes. Furthermore, as there are currently expenditure subheads to deal with expenses involving human capital and social infrastructure, we do not consider it appropriate to increase the types of expenditure under the Capital Works Reserve Fund. Hence, the DAB has reservation about the original motion proposed by Mr Kenneth LEUNG (*the buzzer sounded*) ...

President, I so submit.

MR IP KIN-YUEN (in Cantonese): President, as Members may be aware, the estimated surplus have hit record high time and again, thus one difficult problem to be dealt with by the current Government is how resources can be deployed and distributed to meet public aspirations. The performance of the SAR Government on policy administration over the past decade or so has reflected an indelible fact, that is, the Government lacks long-term commitment on public policies; it also lacks the determination to use the fiscal surplus to plan long-term policies to alleviate various social problems.

The Government of Hong Kong has all along followed the principle of prudent financial management as set out in the Basic Law. It stresses that the expenditure must be kept within the limits of revenues in drawing up the budget, and has strived to achieve a fiscal balance. However, under this fiscal philosophy, the Government is unable to make long-term commitments concerning recurrent expenditure or long-term measures. Despite having a surplus, problems concerning people's livelihood cannot be solved, which is extremely absurd and ridiculous.

In recent years, whenever the Government has accumulated a certain amount of fiscal surplus, the Financial Secretary would introduce a series of so-called "handout measures" to waive rates, provide an electricity charge subsidy and give taxpayers a tax rebate for salaries tax. In the past five years alone, the Government had spent an estimated amount of \$20 billion to \$140 billion on such handouts, representing a total of some \$300 billion. The Government has long adhered to this financial management mentality and approach, and this is tantamount to wasting considerable resources on stop-gap short-term measures rather than planning long-term policies in the genuine interest of society.

Apart from giving "handouts", another way which the Government hoodwinked us is the injection of money into various funds. At present, more than 50 funds are now managed by different Policy Bureaux, government departments and units, with a balance as high as over \$70 billion in the last financial year. Some of them have even received non-stop funding, for example, the Community Care Fund, which we are familiar with, has received \$15 billion; the Employee Retraining Board has received \$15 billion; the Environmental and Conservation Fund has received \$5 billion and the Language Fund has received \$5 billion. The total amount of injection to all these funds

has exceeded \$100 billion. This sum of public money has actually been frozen by the Government and only a small amount will be used incessantly.

The Government prefers to invest heavily on funds, which have low transparency, low accountability and uncertain effectiveness, as a tool to manage public finance, so that the interests yielded will add up to a small vault in the end. Nonetheless, many funds have a pretty low usage and are therefore inexhaustible. Thus, the relevant expenditure is indeed bogus. The Government refuses to increase recurrent expenditure in a targeted manner, but has instead chosen to bypass recurrent expenditure as a means to deploy public resources for implementing government policies and projects. Its intention is crystal clear: It is reluctant to make long-term commitment, either in terms of staffing establishment or resources.

The Government has proposed deficit budgets in each of the past six years, but there are surplus year after year, with the greatest difference reaching as high as \$100 billion in one year. But then the Government keeps handing out candies, setting up funds and making injections over and over again. We therefore cannot help but ask: Do the setting up and usage of these funds and the so-called "handout measures" represent good value for money? Have they achieved the purpose of thinking in the way the people think and sensing the urgency that they sense?

Take the Education Bureau as an example. Despite the fact that the regular establishment of schools are in desperate need of improvement, the authorities have, on the pretext of flexible redistribution of resources, provided unstable resources in the form of cash grants or funds to schools for the employment of teachers or teaching assistants on contract terms, who are mostly young teacher graduates. According to the Education Bureau, about 4 000 primary and secondary teachers are employed by public schools using cash grants. Together with the nearly 2 000 regular teachers employed under defined contract period, teachers employed on contract terms account for some 15% of the overall teaching force. The situation is therefore very serious.

While it is understandable for schools to employ contract teachers and teaching assistants on contract terms to meet short-term needs, it should be noted that most of them are young graduates from teacher training institutions who are fresh blood of the education sector. As their existing salaries are relatively low, some have to teach in different schools or different subjects each year for as long as six to seven years. Worse still, their teaching experience may not necessarily

be recognized by other schools, not to mention to be awarded increment points. Given that school resources are unstable, it has become an extravagant hope for contract teachers and teaching assistants to have their posts made permanent. Instead, there is no job security and they have to seek new employer or have their contract renewed year after year. This is an exploitation of contract staff by the Government. Therefore, one of the important points of my amendment is that the Government should appropriately increase the number of staff on the permanent establishments of government departments and subvented organizations and reduce the number of contract staff.

I must point out that in respect of long-term policy planning on education, the Government has become less committed as reflected in its policy administration. Soon after the reunification when Mr TUNG Chee-hwa was still in office, education expenditure of the then government accounted for one-fourth of the total public expenditure. However, it has dropped to about one-fifth this year. Education expenditure only accounts for 4% of our Gross Domestic Product, which is much lower than certain developed regions. Mainland China, Taiwan and Macau are catching up at full steam and some have even overtaken Hong Kong by significantly increasing their education expenditure. Hong Kong, on the other hand, continues to rest on its laurel and reduces funding for education. This is extremely unacceptable to educators.

On the other hand, disparity between the rich and the poor has been growing and the Gini Coefficient has reached a record high of 0.537. Recently, the Government announced the official poverty line for the first time. Hong Kong's poor population was 1.31 million, representing a poverty rate at 19.6%. After deducting cash benefits like Comprehensive Social Security Assistance, there are still 1.02 million poor people in Hong Kong and the poverty rate has dropped by 4.4%, but it still stood at 15.2%. While a large number of people are living in misery, the most miserable thing is that the SAR Government is not lacking in money and our Treasury has been flooded with money. As at the end of August 2013, fiscal reserve has amounted to HK\$689.9 billion, which is indeed a huge sum of money. Furthermore, foreign currency reserve assets were as high as US\$303.5 billion at the end of September. Although the Government sits on such huge sum of money and assets, people's livelihood has yet to be genuinely improved. The handout measures have not only seriously wasted our precious fiscal surplus, but also resulted in the budgets seriously falling short of people's expectation.

I think the Government should adopt new thinking to restructure public finances, and properly use the fiscal surplus to plan long-term policies. The most pressing task is to increase the recurrent expenditure on policy areas such as education, medical service and social welfare, and to improve staff mix in particular, so as to realize the Government's long-term commitment to public policies, and provide better protection for the general living and career development of young contract teachers or other contract staff. Meanwhile, the Government should also ensure sufficient funding for policy implementation, alleviate social conflicts, improve people's livelihood and bring greater benefits to society.

Furthermore, the Government should also study ways to increase the stability of the overall government revenue. Determining the appropriate level of fiscal reserves is another issue worthy of consideration by the Government right away. The formulation of guidelines for accumulating fiscal reserves does not only facilitate the implementation of more recurrent expenditure projects, but also enhances public knowledge about the amount required for each of the major function of fiscal reserve, thereby avoiding allegations that the Government is stingy and the bureaucrats are getting rich but the masses are becoming poor. We need a transparent and credible reserve management system rather than blindly adhering to prudent financial management.

Many organizations have already put forward various proposals. SynergyNet, for example, has proposed the establishment of a financial stability fund. Should the Government properly consider these proposals? Even if they are not accepted, is it possible for the Government to exemplify their underlying principles in its own proposals? This is the main purpose of proposing my amendment today.

I so submit.

MR ANDREW LEUNG (in Cantonese): President, I am very grateful to Mr Kenneth LEUNG for proposing this motion, which is quite similar to the subject matters frequently raised by the Business and Professionals Alliance for Hong Kong (BPA) or formerly known as Economic Synergy. In fact, public finance is a test on how the Government optimizes public money to facilitate the development of society and the Government. I think today's discussion should focus on how we can use public finances to invest for our future and enhance the

impetus for innovation in Hong Kong's economy, but not the broadening of the tax base or how the grassroots who are now outside the tax net would be brought into the tax net. In my opinion, these two issues are totally irrelevant. I therefore propose this amendment in the hope that Members will discuss in a more focused manner. It is precisely because the topic of this motion is "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy" that an official from the Financial Services and the Treasury Bureau has been invited to give a reply. However, the official responsible for innovation management is not present.

As Members may be aware, a number of recent reports showed that the competitiveness of Hong Kong was declining. Also, according to the Global Competitiveness Report 2012-2013 published by the World Economic Forum, Singapore is the second most competitive economy in the world, second only to Switzerland. Although Hong Kong's ranking has been climbing in these two years and jumped from 9th last year to 7th this year, we only ranked 23rd in innovation while our neighbouring countries, Singapore and South Korea, ranked 9th and 17th respectively. Hong Kong is now a long way behind them. For higher education and training, Hong Kong ranked 23rd and again, it is way behind Singapore and South Korea, which ranked second and 19th respectively. The Report also pointed out that Hong Kong must improve in respect of higher education and innovation. I will put forward the relevant proposals and hope that the Government will seriously consider them.

Firstly, I want to discuss research and development (R&D). Comparing with other advanced economies, Hong Kong's R&D is pretty slow. South Korea was badly hit by the Asian financial crisis in 1997, and in order to shake off the crisis, the Government had promoted economic restructuring and launched "Design Korea" in 1998, under which the Government invested heavily on the development of innovation, culture and R&D in a planned manner, and provided various support for the enterprises, such as funding, equipment and skills. Apart from the enactment of laws, the Government had also provided support by setting up a number of Creative Content Agencies, thereby proactively assisting local enterprises to restructure. Nowadays, South Korea has built world famous brands such as Samsung and LG, and Korean cars, electrical appliances, mobile phones, cosmetics, drama series, movies and K-pop have successfully established foothold in the world market.

Singapore formulated the first Five-Year Plan on the development of science and technology in 1991, which intended to cultivate students' interests in science and technology from a young age. Singapore's Agency for Science, Technology and Research is responsible for investigating and examining the demand for industries; providing support and formulating talent recruitment policy; launching training and internship programmes for senior secondary, matriculation, university and postgraduate students, as well as introducing scholarship schemes, with a view to ensuring sufficient supply of R&D talents. Furthermore, the Government has built the Biopolis and Fusionopolis to provide world-class infrastructural facilities to attract overseas investors and talents. The development of Singapore in the past 30 years is obvious to all, and this is closely related to the importance that its Government has attached to the development of innovation and science and technology, as well as the nurture of talents.

Today, all industries around the world (especially those in the Asia region) are developing towards knowledge-based activities. Yet, R&D in Hong Kong only accounts for 0.76% of local GDP, which is far lower than that of Japan, South Korea, Singapore and the Mainland. To develop the science and technology industry, the Government must formulate proper policy on industries, and step up co-operation with universities so as to provide support for R&D projects of various kinds through research, funding or the Innovation and Technology Fund. In addition, it should also increase funding for various R&D grants and scholarships to train up talents and strengthen publicity. Therefore, the Government should perform its role as an agent properly by eliminating the obstacles between the Government, the industry, academia and the research sector, narrowing the gap between the business sector and the universities, and promoting science and technology transfer.

Meanwhile, the Government should also strengthen its support for enterprises. I hope that the Government will categorically consider the proposal put forward by the BPA time and again, and that is, to provide triple tax reduction and induce enterprises to put in more resources for R&D, with a view to enriching the products in terms of design and high value-added elements. This would create a clustering effect which helps attract more young people, especially the new entrants, to join and develop in the trade, thereby supporting the sustainable development of our creative industries.

It is learnt that local students and parents have set university studies as their goal in recent years, and many have neglected the importance of vocational training. When I was the Chairman of the Vocational Training Council (VTC), I observed that vocational education in Hong Kong has changed in response to economic development and needs over the years. New courses have been introduced, which better meet the needs of the labour market. The rates of securing employment and school attendance of these students are often higher than local university graduates. This proves that the local market has a strong demand for talents who have received vocational training, and the Hong Kong Design Institute under the VTC has been providing new blood for the design and creative media industries. I hope that apart from promoting diversification of education in future, the authorities will also proactively co-operate with various post-secondary education providers to vigorously support the development of vocational education in Hong Kong, and work with the business sector to encourage and promote among local enterprises the creation of more suitable posts for young people, thereby enabling young people to see a brighter future for vocational education and providing a ladder for upward mobility.

Competition for talents has gone global, and leading countries with advanced economic development have formulated policies to attract talents. Thus, Hong Kong cannot just resign itself to doom. The authorities may make reference to the Singaporean Government, which has introduced manpower training schemes for small and medium enterprises (SMEs) and helped them nurture the necessary talents in a planned manner. The Government will provide up to 70% training fee subsidy for staff selected by various SMEs. By subsidizing the training and instruction fees for one year, the Government will help alleviate the burden of SMEs and secure employment for students, as well as ensure an abundant supply of talents for SMEs to facilitate their growth.

Young people of Hong Kong have bright ideas, only that they lack the experience and funds to start up a business. We therefore suggest the authorities to promote a new concept called "crowdfunding". Crowdfunding seeks to make use of the Internet platform to display and brief on publicity proposals, in the hope of bringing their products to mass production. People who are interested to render their support, take part in the production or purchase the products may help the young people realize their dreams by offering sponsorship. I think the Government may enact legislation on crowdfunding and provide legal support for people seeking funding, thereby resolving the problems of communication and supervision. Furthermore, it may merge with the Angel Funds and Young

Entrepreneur Park to help young people build up their business networks, thereby enhancing their ability to secure employment and start up a business. This is beneficial to Hong Kong as a whole.

In order for the economy to gain new impetus, the support of basic infrastructure is very essential. It has been the longstanding wish of the industrial sector for the Government to develop the Loop into a base of scientific research for higher education and creative industries, and build the fourth industrial estate or Phase Three of the Hong Kong Science Park to support the creative industries and attract more high-tech companies to establish a presence in Hong Kong. In addition to land and suitable plants, the support of other basic infrastructure is also important, such as the registration system for intellectual property which has been long requested by the industrial and commercial sector. We propose that the Government should work with the State Intellectual Property Office to establish a standard patents system, under which Hong Kong will approve and vet applications direct. Patent applications having examined by this Office would then be approved in Hong Kong for the issuance of standard patent certificate to the applicant concerned. We propose that local professional bodies can join hands with the tertiary institutions to lay down the professional qualification requirements and details of supervision, with a view to nurturing local patent attorneys who are also well-versed in law and engineering, creating pathways for industries and providing favourable conditions for the development of innovative technology.

President, the Asia region has been developing rapidly in recent years, and competition among major cities has therefore intensified. Singapore has been very proactive in recruiting overseas talents, whereas South Korea has also achieved impressive development in technology. While our neighbouring countries and regions are catching up at full steam, Hong Kong's advantages are eroding. Worse still, there is an absence of economic restructuring and long-term planning. If we still do not catch up rapidly, it is very likely that we will be overtaken by other countries. I therefore hope that the authorities will formulate long-term and concrete R&D policies to promote the diversified development of our economy and enhance the overall competitiveness of Hong Kong.

I so submit.

MR SIN CHUNG-KAI (in Cantonese): President, first of all, I would like to thank Mr Kenneth LEUNG for proposing this motion which gives us an opportunity to discuss how public finance can be used to enhance the impetus for innovation in Hong Kong's economy.

In proposing this amendment, the Democratic Party hopes that the Government would respond to the lower ranking of Hong Kong in various areas in recent years, so as to achieve the objectives of enhancing the impetus for innovation in Hong Kong's economy, enhancing the competitiveness of various industries and trades, and protecting core values, including freedom of the press.

According to the World Competitiveness Yearbook 2013 released by the Institute for Management Development (IMD), Lausanne, Switzerland, Hong Kong's global competitiveness ranking has dropped from first to third. Hong Kong's ranking has further dropped a few places in the World Economic Forum ranking, as mentioned by Mr Andrew LEUNG just now. So, we must be concerned about this issue. In this report, Hong Kong's rankings in four areas namely economic performance, government effectiveness, enterprise effectiveness and infrastructure have become lower. Concerning economic performance, 16 years after the reunification, wages have not significantly increased in real terms and the transformation of industry has been stagnant. Regarding government effectiveness, with the emerging wave of retirement of civil servants, the problem of succession gap may easily arise. Given the slow pace of democratic development and the lack of training of political and policy research personnel, government effectiveness has been declining. Although enterprise effectiveness has maintained at a high level as enterprises have benefited from the favourable business environment, a low and simple tax system and the rule of law, ranking in respect of infrastructure has however fallen from 18th to 21st.

We discussed about infrastructure last week. The Government may think that the infrastructural development has become slower these few years. Other Members have also raised this point but I hope the Government would understand that the consultations conducted on infrastructure have often been unsatisfactory in respect of the relocation of residents, site identification and ecological conservation. This has created constant conflicts between the Government and the public, and as a result, Hong Kong's ranking among 60 cities has dropped to the third from the bottom. Factors such as imported inflation and erroneous housing policies also made the cost of living index remain high.

Furthermore, the international report also criticized the pollution problem in Hong Kong. Among a host of problems, the pollution problem in Hong Kong is really more serious than that in many cities. About air pollution, 16 major business associations have criticized the severity of the problem in Hong Kong, but the Government has not taken any measures to improve the situation. As regards light pollution, the Government has not yet enacted legislation or conducted consultations on the regulation of light pollution in the urban areas. Insofar as waste pollution is concerned, many issues have recently been raised, including the landfill problem. Although the Government is considering certain measures such as levy on wastes and the producer responsibility system, the progress is relatively slow.

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

According to the Travel & Tourism Competitiveness Report 2013 published by the World Economic Forum, among 140 countries and regions, Hong Kong ranked 71st, 118th and 50th respectively in terms of tourism infrastructure, environmental sustainability, as well as health and hygiene. In connection with tourism facilities such as hotel rooms, in the first seven months of this year, visitor arrivals reached 30 million passengers, an increase of 13% as compared to last year. There were only a supply of 68 753 hotel rooms with an occupancy rate of 88%; the average room rate was \$1,405, which is twice as high as that in the neighbouring Taiwan. These data indicate that the supply of hotel rooms is very tight and the room rate is relatively high. As regards environmental sustainability, the Government has not done enough in conservation, which is criticized in the report.

In terms of freedom of the press, Hong Kong's ranking in the Reporters Without Borders has dropped from 18th in 2002 to 58th in 2013, behind Taiwan and Japan in the region. There is a constant self-censorship and the Radio Television Hong Kong has slowly been sapped dry. Even though new television licences have been issued, there are strong repercussions. Freedom of the press has been eroded gradually, and coupled with the enactment of the Interception of Communications and Surveillance Ordinance (the Ordinance) some time ago, the freedom of information in Hong Kong has been dealt with heavy blows. The implementation of the Ordinance goes against the principle of journalists having to protect the sources of information. Protection of the sources of information is a principle which has been sincerely upheld by journalists, yet the enactment of

this Ordinance made journalists and the interviewees worry about eavesdropping on their telephone conversations. I believe some Honourable colleagues from the pro-establishment camp do not recognize that freedom of the press in Hong Kong is important to our economic development. They may also cite the fact that there is no freedom of the press in Singapore, yet the development of Singapore is better than that of Hong Kong. I do not quite agree with them. The amendment proposed by the Democratic Party and I intends to remind all of us that freedom of the press is vital for Hong Kong to maintain its status as the business and financial centre. If Hong Kong is to be developed into a network database centre in the Asia-Pacific region, and continue to attract other international news agencies to establish their Asia-Pacific headquarters here, freedom of the press is utterly important. Freedom of the press also plays an extremely important role in enhancing the impetus for innovation, the subject of this motion. I hope the Government would note that Hong Kong's ranking in a survey of the Reporters Without Borders has dropped 40 places in the past 10 years. The Democratic Party and I think that the Government should expeditiously enact legislation on freedom of information to facilitating public and media access to government records, so as to compensate for the deficiencies of the Code on Access to Information; and amending the Ordinance to protect the right of public access to information and freedom of the press, with a view to upholding the core values of Hong Kong.

The Democratic Party supports in principle the several amendments proposed today. For the amendment of Mr IP Kin-yuen, as I have just mentioned, the wave of retirement of civil servants has emerged, and there may be a temporary shortage of experienced staff. Therefore, various government departments and subvented organizations should appropriately increase the number of staff on permanent establishment and reduce the number of contract staff. This will facilitate the daily operation of the Government and the provision of better services to the public. When compared with the developed regions and countries in the Organization for Economic Co-operation and Development, the expenditure on education and healthcare in Hong Kong is below the standard. The Democratic Party therefore considers it essential to increase the recurrent expenditures on education and healthcare services, which helps to nurture talents through various channels such as education and vocational training. This can also respond to what Mr Kenneth LEUNG said in his original motion about human capital, alleviate social conflicts, improve people's livelihood, as well as bring greater benefits to society.

However, we have reservations about "broadening the tax base" as proposed in the original motion and raised by a number of Members. It is because broadening the tax base will include more people into the tax net. As people who can afford to pay taxes have already been included in the tax net, if the tax base is broadened, there are chances that some people may mistakenly fall into the tax net. Given that Hong Kong now has a huge surplus, there is no urgency to broaden the tax base for the time being. In the amendment of the Democratic Party and I, we ask the Government to permit enterprises in making declaration of profits to enjoy a 200% tax deduction for their expenses on employee training, purchase of green facilities and scientific research, and so on, with a view to encouraging enterprises to provide in-service training to employees, enhance their work in creativity and environmental protection. We hope Honourable colleagues would support our amendment. These measures are also similar to the amendment of Dr Elizabeth QUAT, which aim at promoting and guiding the development of scientific research and creative industries with competitive advantage and development potential.

The Democratic Party supports various amendments, including the amendments of Mr Andrew LEUNG and Mr Charles Peter MOK. Lastly, it is most regrettable that the Government announced yesterday the approach of selecting two out of the three applicants for television licenses. We propose in the amendment the opening up of the airwaves and urge the Government to consider renewing the licences of the two existing television stations by way of auction in future. Lastly, I would like to raise one point, Dr Elizabeth QUAT has just talked about emigration. Perhaps Dr Elizabeth QUAT and I have contracted different groups of people. I learn that more and more people will emigrate from Hong Kong because they have no confidence in the SAR Government and LEUNG Chun-ying.

I so submit.

MR RONNY TONG (in Cantonese): Deputy President, when Mr Kenneth LEUNG, the mover of this motion, delivered his speech just now, he said that some Honourable colleagues have asked him what his motion today is exactly about. I must admit that I am one of them. I absolutely have no derogatory intention, but I really have difficulties in understanding the motion solely on the basis of its wording.

Deputy President, let us take a look at the original text of the motion: Given the lack of impetus for innovation in Hong Kong's economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund. My interpretation is based on the logic of the original text. I have difficulties in understanding the motion because the logic of the original text is based on facts that I consider wrong. It seems that the basic message of this motion is the lack of impetus for innovation in Hong Kong's economy and there is inadequate capital, so it is necessary to broaden the tax base and give more flexibility to the Capital Works Reserve Fund in order to do more work.

Deputy President, for new arrivals or inbound tourists who do not have deep understanding of Hong Kong, they may, after reading this motion, mistakenly think that Hong Kong has inadequate capital, and we fail to extensively implement many large-scale projects because we lack the capital or have unstable revenues. Deputy President, this assumption may be poles apart from reality. Actually, our reserves and funds exceed \$1,000 billion. Since the reunification, the average annual revenue has exceeded the projected amount by \$35 billion. Deputy President, this is just an average figure. In other words, since the reunification, the underestimated annual revenue reached \$35 billion. I believe Hong Kong has the largest amount of fiscal reserve in the world, and the amount is enough for meeting the expenditures of the Government for more than 22 months. Deputy President, just imagine, if a Government's reserve is sufficient to sustain its operation for three months even if it does not have any revenue, the amount involved is colossal. At present, even the operation of the United States Government may not be able to sustain for three months; however, we can sustain for 22 months. Do we have no money, or are we not spending the money we have or what is the situation?

Deputy President, it is a common logic and I am not talking about small amount of money. I believe all Hong Kong people would understand. If the Government does not use the money it has, it does not have any reasons for increasing taxes or broadening the tax base. Yet, if the Government does not have money to spare, it will be a completely different story. Deputy President, as reflected by the aforesaid figures, we are not using the money we have and there is an imbalance between income and expenditure. Our income has well exceeded our expenditure. In fact, this fiscal management concept has contravened the provision of the Basic Law on achieving a fiscal balance and

pursuing a low tax policy. We have now failed to achieve these two objectives, we can neither achieve a fiscal balance nor maintain a low tax rate. Why then should we talk about broadening the tax base?

Deputy President, you may recall that the last-term Government had attempted to broaden the tax base. The reasons put forward were grand. The Government revenues were extremely unstable as we only have some 1 million taxpayers. The authorities proposed tax payment by all people, that is, the introduction of sales tax as in many other countries. But the effort ended in failure. The then Financial Secretary Henry TANG withdrew the proposal. What were the reasons? The most crucial reason was that the Government would only broaden the tax base but it was unwilling to allocate additional resources to help the poor. Under the Government's proposal, people would have to pay taxes for bread and food. Furthermore, the Government was unwilling to make suitable arrangements to alleviate the financial difficulties of the lower class. How can the broadening of tax base be accepted on this basis? This was certainly an abortive plan.

Mr Kenneth LEUNG has raised this issue again today, and I wonder if he still remembers the lesson of the last-term Government. On the need to broaden the tax base, we must ask a question: is the current tax base too narrow? Deputy President, many have commented that our tax base is too narrow. Even though the income of the Government is high, there are only 1 million taxpayers and among them, only a few ten thousand people pay the highest amount of tax. Deputy President, this argument is wrong. Hong Kong is different from other places in that every person in Hong Kong pays land tax on a daily basis. The land tax is not an official tax but a substantive tax. What are the reasons?

Hong Kong has adopted a high land price policy since the reunification, many people said that this was the situation before the reunification; even so, this does not mean it is a right policy. The land is sold by auction to the highest bidder; the higher the price, the better. Deputy President, after the land is sold, estate developers step in. As the saying goes, "Every man for himself, and the devil takes the hindmost", the developers certainly wish to make more money. The housing units are only sold to us after the developers have gained certain benefits. So, all of us have to pay more. When the units are sold, not to you Deputy President, but to me, an ordinary citizen; if I am a businessman or a practitioner, I have to pay a higher price. If the units are sold to businessmen for doing business, they have to pay a higher price. If the units are sold to the

transport industry or to factory owners, they have to pay a higher price. As a result, every cent is passed on to the public and nobody will be spared. Is that not a land tax?

Moreover, the supply of land is completely controlled by the SAR Government. The Government can always determine not to put up so many land sites for sale. Once there is less supply in land, property prices will soar, but the Government will not lose money because revenue from stamp duty will increase. Deputy President, I am not telling lies, just take a look at some published figures. In the year 2009-2010, our revenue from land sales was \$37.3 billion; in the year 2010-2012, the amount was \$62 billion, which was double the previous amount; in the year 2011-2012, the amount was \$83.1 billion, an increase of 50%; and the amount in the year 2012-2013 was \$69.1 billion, which was slightly lower but not bad. This amount included \$25 billion regrant premium from land exchanges or private treaty grants.

Deputy President, Mr LEUNG Chun-ying keeps shouting loudly that the "harsh measures" must be maintained; the Legislative Council should immediately endorse the proposal, and the severity of the measures should not be lessened. Who starts the trouble? Deputy President, the SAR Government is the initial instigator. It makes the flour prices stay high, which pushes up the bread prices. When the bread prices are high, the Government says that the prices should not be so high and we should not snatch bread. The Government takes \$100 from our pocket and gives us back \$10. What is the logic? To be honest, it made my blood boil whenever the issue of broadening the tax base is raised. As the authorities fail to formulate good financial management policies, as they fail to achieve a fiscal balance and fail to handle the high land price policy, how dare they want to broaden the tax base? How can they say there are no resources for investment? Deputy President, I hope the SAR Government would consider this issue carefully.

MS CYD HO (in Cantonese): Deputy President, there is a very abnormal situation in Hong Kong today; while the treasury is flooded with cash, people are living in poverty. Not only the grassroots have to suffer, life is also hard for the middle class because of high land prices and the industrialization of education and healthcare services.

For this reason, I would like to thank Mr Kenneth LEUNG for proposing this motion debate today, which allows us to re-examine the public finance management philosophy and the general direction. Unfortunately, the Labour Party initially thought that we could hardly support Mr Kenneth LEUNG's original motion. The most important reason is that in his motion, he proposes to broaden the tax base. If the motion and various amendments do not include the proposal of broadening the tax base, we will readily support them without much consideration because we are addressing the needs of the community. However, the situation is different when broadening the tax base is involved; in particular, the last-term Financial Secretary promoted the implementation of a sales tax on the basis of broadening the tax base. The then policy objective was to include non-taxpayers into the tax net. During the relevant discussions, we asked if people really did not want to pay tax. If they have a handsome monthly income that exceeds the tax allowance, why should they be reluctant to pay tax? Yet, if we introduce sales tax to broaden the tax base, such that even families with very low income have to pay tax, we cannot lend our support.

Mr Kenneth LEUNG has already explained that was not what he meant. A tax review may target the upper class, it may not necessarily target the lower class or people in poverty. However, his explanation comes too late, and I have to reiterate the Labour Party's stance on various amendments. Basically, so long as the amendments do not involve broadening the tax base, we will not hesitate to support them. As Mr IP Kin-yuen's amendment has not deleted the words "broadening the tax base", I have indicated to the Secretariat in proposing my amendment that if the Mr IP Kin-yuen's amendment is passed, I would withdraw my amendment because that is unacceptable to me.

However, after Mr Kenneth LEUNG has given his explanation, we may reconsider our stance, but I must make the above statement for record purpose. This is because I do not want the Government to say that the Labour Party has once voted in support of broadening the tax base. So, I must explicitly state that, based on what Mr Kenneth LEUNG has just said, he is asking for additional tax on commercial and trade activities, the Labour Party would later propose increasing the profits tax and the introduction of a tax on large dividend amounts, so that there will be sufficient capital for the implementation of universal retirement protection. We will elaborate on this point later, but I would like to explain again to Mr Kenneth LEUNG, of all the Members who have proposed amendments, all of them have deleted the words "broadening the tax base" except

the two Members who have close working relations with him. This shows that Members generally have a common understanding.

Deputy President, I am now going to discuss some basic issues raised in the motion and amendments. I thank Mr Kenneth LEUNG for mentioning the concepts of human capital and social infrastructure, which we strongly concur. Social infrastructure includes education, healthcare, social welfare, as well as universal retirement protection which is the aspiration of many people. I am also thankful to Mr LEUNG for talking about the rule of law, a subject that not many people have touched upon. In the past, we told the Department of Justice that experts were needed for Chinese law drafting. Experts well-versed in language and law should continuously study how Chinese laws would be drafted, instead of casually allowing a few senior staff members of the Law Drafting Division to do the work as what is done at present. For example, they casually added the term "伴侶" (partner) without legal definitions, and they casually changed the term "指明" (specified) to "指認" (designated). They introduced Mainland expressions into United Nations international agreements and then included such expressions in the common law in Hong Kong.

In handling the legislation related to the promulgation of law, we suggested to the authorities that a team of experts should be maintained to work on the legal language. Yet, we were told by the Department of Justice that funds were not available. For this reason, I agree to increase expenditures. As Mr Ronny TONG has just mentioned, expenditures cannot be increased now not because of inadequate revenues. In each of the many years in the past, we had a surplus of \$35 billion on average. This average surplus has been maintained in the past 16 years, even though we experienced two financial crises during the period, as well as the SARS outbreak. Although these incidents had dealt heavy blows to our economy, we still maintain this average amount, and the net growth has reached \$460 billion. Therefore, some policies cannot be promoted, not because there is no money or inadequate revenue, but because the Government does not intend to spend money on these policies.

John TSANG has said that, within five years after he took over as the Financial Secretary, the Government's recurrent expenditure had increased by 32% and the increase in overall expenditure had reached 62%. But, he insisted that the increase must tie in with economic growth. However, we often point out that, in studying this issue, we should not only trace back to the time after

John TSANG took office, that is, about five years ago. Instead, we should start reviewing the situation since 2003 or 2004. At that time, there was a serious financial turmoil, and Antony LEUNG greatly reduced departmental expenses, and required each department to reduce expenditure by 5%, followed by the substantial outsourcing of the work of Civil Service. Grass-roots civil servants used to lead a good life, but due to outsourcing, they became grass-roots workers exploited by contractors. The money came from suppressing spending. Yet, even with the economic growth since 2003, the difference in the Government's recurrent expenditure has never been recovered, and there is a gap so far.

Therefore, in the amendment proposed by me, the Labour Party asks the Government to increase its annual recurrent expenditure by \$20 billion as this can barely catch up with the difference. However, John TSANG always says that suggestions are welcome because he will never reject any funding applications for projects under mature policies. If such a request is not made, we will still have to adhere to the practice of striving to achieve a fiscal balance each year.

Nonetheless, striving to achieve a fiscal balance as specified in Article 107 of the Basic Law does not mean we have to attain a balance each year. At present, it is estimated that a fiscal balance will be achieved each year, but it turns out that there is considerable surplus. During the time between the first financial turmoil and the SARS outbreak, we tried to negotiate with the Government for adopting a mid-term approach in attaining a fiscal balance. If this approach is adopted, the Government should recover the underestimated amounts in the past by increasing the recurrent expenditure by \$20 billion.

Actually many officials are aware that by "mature policies", it does not depend on whether a consensus has been fostered in the community. For example, small class teaching is supported by all Members of this Council. Other measures such as improving air quality, providing green facilities and investing in the promotion of green industries of recovery and recycling, are supported by Members. Policies have become mature after discussion in this Council; only that the executive authorities is immature, and the Financial Secretary is not ready to discuss. Hence, the Government prefers handing out candies to doing real work. The proportion of expenditure spent on handing out candies has increased from the initial 3% to 10%. Over the years, the total expenditure on handing out candies reached \$150 billion. If this amount of \$150 billion is invested in long-term planning for small class teaching, increasing

public-funded university places and providing additional places in nursing homes and residential care homes for persons with disabilities, such services can be maintained for more than 10 years.

Deputy President, when the Government formulates the next Budget, it must consider the phenomenon of wealthy officials and poor people. It should immediately discuss with the community and this Council to increase the recurrent expenditure by \$20 billion a year, so as to reduce social conflicts in Hong Kong. Thank you, Deputy President.

MR CHARLES PETER MOK (in Cantonese): Deputy President, I would like to thank Mr Kenneth LEUNG for proposing this motion today. A few points in his motion have drawn my attention, which include the allegation of "the lack of impetus for innovation in Hong Kong's economy". It is because we rarely use "impetus for innovation" to describe our economy. I think Mr LEUNG has pointed out exactly what our economy lacks, that is, the promotion of new ideas with creativity and motivation. Therefore, I fully agree with his proposal of urging the Government to increase substantially its investment in human capital and social infrastructure.

However, it seems that other Honourable colleagues are not attracted by this point, but on the point of broadening the tax base. A number of Honourable colleagues have just expressed their views on the latter point. Mr LEUNG has also explained a while ago that his proposal was made from a broader perspective; yet it appears that other Honourable colleagues like to interpret his proposal from a narrower perspective. I still support Mr LEUNG but I believe that some wordings that have been "poisoned" can no longer be used. Nonetheless, I hope other Members would reconsider their stance after they have listened to Mr LEUNG's explanation.

Our economy has always been over reliant on the financial and real estate sectors. In recent years, the competitiveness rankings of Hong Kong have dropped continuously. Some said that Hong Kong's golden days have gone and we have been taken over by others. Yet, if we take a closer look at the scores of Hong Kong in various rankings, we will find that the reason for Hong Kong's lower rankings is often because our scores in areas such as innovation and creativity have become lower and lower.

In fact, Hong Kong does not lack the conditions for the development of innovation and technology, but in the Global Competitiveness Index 2013, we still have the lowest score in respect of innovation. Dr SCHWAB, Founder of the World Economic Forum, predicted that the future competition among economies will be based on innovation abilities.

I support the motion proposed by Mr LEUNG today because creativity is not just about innovation and technology, and we should not only explore new economic industries. In fact, traditional economies and economy as a whole also need innovation. In the face of an ageing population and a reducing youth and working population, it is all the more important to expand economic industries and create more upward mobility opportunities. This is the impetus for innovation that our economy needs.

For more than 10 years in the past, the Government has attempted to promote the innovation and technology industries, but the development of these industries has so far failed to support and drive the development of our economy. Before, the Government frequently indicated in the policy addresses and budgets that it attached importance to innovation and technology. However, we have not seen any measures taken by the Government to promote innovation and technology or accord priority to their development. Even worse, the Government's initiative in this area cannot be compared to its effort to scramble land and build houses. Housing development and land planning often take more than 10 years; similarly, it takes a long time and requires long-term investment of resources to nurture technological talents and develop scientific research industries, as well as promote the commercialization of the scientific research results.

My amendment aims at enhancing the development of innovation and technology, so as to provide the impetus for innovation that our economy lacks. Specifically, there are four key points. First, enhancing technology education; Dr Elizabeth QUAT has just expressed her hope that schools at different levels will enhance education in computer programming education and understand its importance. Actually, this point has also been mentioned in the latest Digital 21 Strategy public consultation document published by the Government. I will support Dr QUAT's amendment which is similar to mine.

Concerning technology education, quite a number of countries have problems of STEM manpower shortage in recent years, and they have been

fighting to get these talents. STEM refers to the four areas of Science, Technology, Engineering and Mathematics. There are demands for these talents all over the world and Hong Kong also has a shortage of such talents. In recent years, fewer and fewer students in Hong Kong have taken ICT, that is, the computer subject, while the demands for such talents are getting higher. Between March and July this year, my office joined with the eLearning Consortium to interview many parents, principals and teachers for the purpose of reviewing the technology education courses of primary and secondary schools. I am not sure if Honourable colleagues know that the curriculum guide of the computer subject was published in 1999; so we are actually teaching computer history. The Government should increase the recurrent expenditure on education, improve these curriculum guides and syllabuses, and especially improve the ancillary facilities of schools, in order to give teachers adequate support.

Second, create a good environment for starting up businesses. Enterprises and investors are craving for talents with potential for commercialization and handling international projects, so that more investors will invest in starting up businesses. With government policies and support for starting up businesses by enterprises, we would have a better environment for starting up innovation and technology businesses. We note that as there are few investors in Hong Kong in this area, people starting up businesses have to face many difficulties, and a vicious cycle is formed. In this connection, I strongly agree with the proposals raised by Mr Andrew LEUNG just now on addressing the inadequate scientific research in Hong Kong, which include tax relief and fund matching, and so on, such that government resources can be well utilized to support the development of the sector.

Third, I hope the Government would support the development of local applied scientific research and technology transfer. The technology sector has a longer investment cycle, higher risks and a lot of variables. As often reflected by a number of scholars engaging in scientific research in universities, they have been asked by universities to publish more research papers. Since university assessments are not conducive to conducting applied technology research and commercializing of scientific research results, these scholars would rather publish research papers. On the contrary, even if enterprises want to co-operate with these scholars, they demand instant and guaranteed results from the research team, which is really difficult and there are immense differences between the expectations of the two parties. Therefore, we should re-examine the

assessment criteria of tertiary institutions, provide suitable incentives, and address the problem at its root in encouraging research personnel to conduct applied technology research, as well as work on the commercialization of the scientific research results.

At present, even if the Government is willing to invest resources, owing to the complicated administrative procedures, it will take a long time before the sector can receive the assistance. Thus, we should break down barriers for the enterprises, so that they can enhance innovation. As Members of the sector have relayed to me, under the micro management of the Innovation and Technology Commission, they have to spend a lot of time on applying for resources. The sector is not alone in facing this problem, even the government-funded research and development centres have the problem for lacking in flexibility and hence lower efficiency. Hence, apart from requesting the Government to make long-term investments, we should also ask the authorities to break down barriers for these research personnel and organizations.

Fourth, the Government should assist Hong Kong technological enterprises to develop the local, Mainland and overseas markets. The results of the research subsidized by the Innovation and Technology Fund can now be implemented in the public sector through the Public Sector Trial Scheme under the Innovation and Technology Commission. I have always recommended the Government to relax the eligibility criteria, so that organizations or private enterprises can also implement their research and development results under this Trial Scheme.

Furthermore, the creation of local market is very important, and the Government should make efforts to support local technology companies. The South Korean Government restricts large enterprises to bid for government outsourcing projects with a tender price less than 800 million Korean Won (approximately HK\$5 million), and only invites companies with less than 300 people to bid for such tenders. Government departments at all levels are required to comply with this requirement. In that case, small and medium enterprises may be awarded government contracts and the local market will thereby be created. While other countries give priority to local market, why does the Government in Hong Kong refuse to change? That is why it has failed to achieve the same target. Apart from providing the resources and investing in private research, the Government must also deal with matters related to market development.

Lastly, I support the proposal in Mr SIN Chung-kai's amendment on a 200% tax deduction. Mr IP Kin-yuen proposes in his amendment to increase the number of staff on the permanent establishments of government departments and subvented organizations and reduce the number of contract staff; and I also support his proposals. Moreover, I concur with Mr IP and Ms Cyd HO in opposing the one-off measures to hand out candies, and requesting the Government to carry out long-term fiscal policy reform.

Deputy President, innovation and technology provides impetus for Hong Kong's restructuring, upgrading and growth. The Government should allocate more resources to support innovation and technology development; formulate long-term, comprehensive and specific policies on scientific research and technology industry; review the problem of science and technology policies being handled by various departments, and the rigid allocation of public resources. I hope Members would support my amendment, yet, Member may also support Mr Kenneth LEUNG's original motion so that the relevant proposals will be adopted.

I so submit. Thank you, Deputy President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, first of all, I would like to thank Mr Kenneth LEUNG for proposing his motion on "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy", and I would also like to thank Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr Andrew LEUNG, Mr SIN Chung-kai, Mr Ronny TONG, Ms Cyd HO and Mr Charles Peter MOK for their amendments, which gave us this opportunity to exchange views on the related issues.

Mr Kenneth LEUNG's motion and the amendments of these Members can be grouped into two categories: First, views on public finance management, including how to make proper use of the surplus, broaden the tax base and provide one-off relief measures; second, views on the allocation of resources, with emphasis on enhancing the competitiveness of Hong Kong, including how to increase substantially its investment in human capital and social infrastructure, as well as invest more resources in education and innovation and technology. First of all, I am going to briefly respond to the views on public finance management.

The SAR Government has always abided by the principle of prudent financial management. In the management of public finances, we also uphold the principles of being pragmatic, committed to the community and sustainable, and we strive to maintain a low and simple tax regime. Adherence to these principles is vital to maintaining the confidence of the international financial community, as well as local and foreign investors.

While upholding the principles of prudent financial management and the public finance principle of allocating resources where they are required, the SAR Government has not been conservative in spending. Since the year 1997-1998, incomes and expenditures have been hovering around 20% of the GDP; we had deficits in five years and we had surpluses in 11 years. In the year 2012-2013, the cumulative nominal GDP growth is about 50%, with comparable cumulative increase in income. But the cumulative increase in spending nearly doubled. In the year 2013-2014, the Government estimates that expenditure will reach \$440 billion, an increase of about \$250 billion as compared with the year 1997-1998, which is more than a one-fold increase. The nominal GDP growth during the same period is only slightly more than 50%.

The recurrent expenditure in the year 2013-2014 is projected to be \$291.3 billion, an increase of nearly one-fold as compared to the year 1997-1998. The rate of increase in recurrent expenditure reflects the Government's long-term commitment to improving people's livelihood. Its expenditure in areas such as education, health services and social welfare takes up about 60%. When compared to the year 1997-1998, the expenditure on education increased by about 70%, and the expenditure on health services increased by about 90%, while the expenditure on social welfare increased by about twofold.

Several Members who spoke just now have mentioned the need to optimize the use of fiscal reserves and make long-term plans. In the long run, a major challenge in respect of public finances is an ageing population. With the increase in the proportion of the elderly in our population, we expect rapid increases in healthcare and welfare expenditures. Last year, the number of elderly people aged 65 or above reached 980 000, accounting for 14% of our population, and this ratio will continue to rise. We estimate that, by 2041, the number of elderly people will increase significantly to 2.56 million, accounting for 30% of the population. Meanwhile, the proportion of the working population will become smaller, economic vitality will decrease, and the impetus for growth will become weaker, which will have far-reaching implications on the sustainability of government revenue and public expenditure.

At present, the input in healthcare and social welfare account for 40% of the recurrent expenditure of the Government. An ageing population will not only reduce the supply of labour, but also affect our productivity. With a shrinking working population and slower economic growth, the Government will face increasingly heavy pressure in respect of tax revenue. With the types of tax remains unchanged and a narrower tax base, the Government will have to face heavier financial pressure in the face of an ageing population and the resulted huge expenditure on social welfare. In the face of demands for expenditure in various areas, the Government should adhere to the principles of prudent financial management and allocate resources where they are required, so as not to upset the soundness and sustainability of public finances or excessively compress the resources to be allocated to other public services by the Government.

As to optimizing the use of fiscal reserve, I would like to point out that fiscal reserve is not our reserve assets but the total capital that the Government should use and can use each day. The level of reserves reflects the Government's overall cash balances. Reserves are used to meet the daily operational expenses and public works projects, which also include specific funds that cannot be casually transferred, such as the Land Fund, the Lotteries Fund and the Disaster Relief Fund. We must ensure that there are sufficient fiscal reserves to perform the major functions, which include strengthening the stability of Hong Kong dollars, serving as a buffer during economic downturns, coping with unfunded liabilities and committed expenditures, handling incomes from derivative investments, and meeting future needs, such as the challenges of an ageing population. Fiscal reserves are not inexhaustible, the Government therefore has the responsibility to strictly control spending and ensure financial sustainability.

Mr Kenneth LEUNG, Mr SIN Chung-kai and Mr Ronny TONG have expressed their views on broadening the tax base and reviewing taxation policies and measures. Hong Kong has all along pursued a simple and low tax regime, and the Government has committed to maintaining the principles of fairness and neutrality of our tax regime. In order to meet the needs of sustainable social, economic and enterprise development, and enhance Hong Kong's competitiveness, the Government conducts ongoing reviews of the tax regime. For example, when we formulate the annual budget, we collect the views of the community through various consultation channels; we have introduced many tax measures; and we have made appropriate tax regime adjustments from time to time in response to the trends of social development. A narrow tax base is an

issue that must be addressed in the long run. The Government published a "tax reform" consultation document in July 2006. Through this public consultation on the "tax reform", members of the public generally have deeper understanding of a narrow tax base, and they also recognize the need to address the problem. Yet, there are not any obvious tendencies or mainstream views in connection with the options to be adopted to broaden the tax base.

Mr IP Kin-yuen mentioned that the Government should actively consider ways to increase the stability of the government's overall revenue, and Mr Ronny TONG has discussed the high land price policy. Hong Kong is a small and open economy. Our tax base is narrow and some major revenues (such as profits tax) are particularly vulnerable to economic fluctuations; these are indisputable facts. However, government revenues are not substantially dependent on proceeds from land sales. Take the year 2012-2013 as an example. The largest part, about 40%, of government revenue comes from profits tax and salaries tax while the revenue from land sales only account for about 15%. The Government constantly assesses the tax system, in order to generate revenues in a more stable and diversified manner. We are committed to ensuring that the Government has steady income, and we made efforts to maintain tax revenues and chargeable incomes. For example, in the financial year 2007-2008, we changed the handling of investment incomes in the fiscal reserves, so that such revenues would be more stable and become a major source of government revenue. Moreover, we must faithfully implement the "user pays" principle. To this end, we have systematically conducted a phased review of various government fees and charges, especially those that have not been adjusted for many years, or those with excessively low cost recovery ratios, so that these fees and charges would not become subsidies, which affect government revenues.

Mr SIN Chung-kai's amendment urges the Government to permit enterprises in making declaration of profits to enjoy a 200% tax deduction for their expenses on employee training, purchase of green facilities and scientific research, and so on, while Mr Andrew LEUNG has made a similar proposal. At present, enterprises enjoy a 100% profits tax deduction for their expenses on employee training, purchase of green facilities and scientific research. If the Government permits enterprises to enjoy a 200% tax deduction for certain kinds of expenses, this will not only deviate from the principle of fairness of the tax regime, but will also be difficult to objectively differentiate if the enterprises enjoy a 200% tax deduction for other expenses. Therefore, we have reservations about any proposal concerning a 200% tax deduction for the prescribed expenses.

At present, only about 10% of all companies in Hong Kong have to pay profits tax; thus there are doubts as to whether a 200% tax deduction will constitute a tax incentive for all enterprises.

On investments in infrastructure, in 2012-2013, capital works expenditure amounted to \$62.4 billion; we expect that the capital works expenditure will reach \$70 billion in 2013-2014, which represents a two-fold increase when compared to the expenditure in 1997-1998. With a number of major infrastructure projects entering their construction peaks, the capital works expenditures in the next few years are expected to remain at the current high level.

Mr Kenneth LEUNG urged the Government to increase the types of expenses under the Capital Works Reserve Fund, including social infrastructure expenses. At present, there are 11 heads under the Capital Works Reserve Fund, including land acquisition, port and airport development, buildings, drainage, civil engineering, highways, new towns and urban area development, waterworks, housing, capital subventions and computerization. The areas of expenditure are set out in the budget of the Capital Works Reserve Fund. We will regularly review these areas of expenditure. For example, we will review the relevant heads and subheads in the formulation of the budget. If necessary, we will increase the types of expenditures in accordance with the terms of the Resolution in establishing the Capital Works Reserve Fund.

In late March this year, our unpaid commitments for capital works projects amounted to more than \$300 billion, equivalent to about a half of our fiscal reserves. As Hong Kong's public finances adopt a cash basis, there is no provision for committed projects. If there is an economic downturn and the Government's land revenue drops, we have to transfer funds from the general revenue account to the Capital Works Reserve Fund to pay the committed amounts. As this involves the use of reserves, we must adhere to the principle of prudent financial management, so as to ensure that there is sufficient financial capacity to maintain other public expenses and services when we implement infrastructure projects favourable to the development of Hong Kong.

Mr IP Kin-yuen has expressed his views on the Government's one-off relief measures and capital injection. From the microscopic perspective, the one-off measures implemented in the past helped the public cope with the stress of life. From the macroscopic perspective, these anti-cyclical measures can cope with

short-term economic fluctuations, maintain consumption power, as well as support the job market. We understand that political parties and the public have divergent views on whether the Government should extend the one-off relief measures introduced these few years. Some people, especially the grassroots, hope that the Government could help them reduce the burden of life and relieve pressure. There are comments that a one-off handout is inappropriate as resources should be used to provide regular funding for suitable policies and help people in need. In this regard, the Government is pleased to continue to listen to views from all sides.

Ms Cyd HO's amendment proposes that the Government should optimize its regular fiscal surplus by adding \$20 billion to its recurrent expenditure and increasing its investment in human capital and social infrastructure. The Government understands Members' concern for the wealth disparity issues and we also understand that education, training and diversified economic development can promote social mobility.

There are few types of government taxes and the tax base is narrow while the major government revenues including profits tax, revenues from land premium and stamp duty are variable revenues, which can hardly be accurately estimated. We should not rashly increase the recurrent expenditures substantially as a result of surplus generated in a year or a few years, because the variable revenues are higher than expected. The Government's total income and total expenditure are \$400 billion respectively, equivalent to 20% of GDP. If there are additional recurrent expenditures of \$20 billion each year (a 5% increase), the Government will have to formulate a deficit budget and reduce the fiscal reserve each year. Unless our economy has a corresponding increase in real terms so that there will be continuous growth in the Government's recurrent income without increasing taxes, all proposals that deliberately increase the recurrent expenditures to levels higher than those of economic and income growth run contrary to the principle of prudent financial management.

On this motion today, Members have discussed how to optimize the use of public finances and strengthen the impetus for innovation in Hong Kong's economy. I will gladly continue to listen to Members' views, and I will respond later to the issue of how to enhance the competitiveness of Hong Kong, as well as the views just expressed by Members on human resources, technology and information. Thank you, Deputy President.

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, as I said in last week's motion debate, the Hong Kong Government currently has a reserve of \$700 billion and a surplus of billions of dollars each year. The Government is indeed not without money, only that it is reluctant to spend money. Hence, in my view, it is relatively not a pressing issue for us to discuss broadening the tax base; the more pressing issues are how to return wealth to the people, and how to optimize public finances to help the poor who account for one seventh of our population. The original motion proposes to increase investment in human capital and social infrastructure, and so on. These proposals are rather vague, failing to point out the root of the problem and suggest possible solutions. I very much agree with the analyses and directions in the amendments of Mr IP Kin-yuen and Ms Cyd HO.

Simply put, optimizing public finance means the most efficient use of public funds. Speaking of efficiency, most people will tend to think that the market is most efficient, but it has been proven in practice that the market will fail. When society attaches too much importance to the market mechanism, the law of the jungle will prevail, which will create unfairness in society. Thus, efficiency and fairness are conflicting concepts in respect of optimizing public finances. It is one of the big challenges for politicians to achieve efficient public finance management and at the same time promote fairness in society. Of course, we know the deficiencies of egalitarianism and "communal pot"; while there is even distribution of income, people's enthusiasm is weakened and productivity naturally becomes lower. In fact, the community at large will not object to suitably widening the income gap, because common sense tells us that so long as the method and rule of distribution is fair, it will enhance efficiency. The public are also aware that, without efficiency, it will be very difficult to maintain the fair measures, and we can hardly solve the increasing social problems. Having said that, if society does not attach importance to fairness, the income gap will become so wide that there is a disparity between the rich and the poor, and in particular, if distribution is unfair, efficiency will ultimately become lower, which may also affect social stability in the long run.

Deputy President, we have been actively striving for universal retirement protection, social welfare planning, minimum wage and standard working hours in the hope of relieving the conflicts between social classes. As Hong Kong is a city that advocates freedom, we must attach importance to efficiency and fairness. In fact, we notice that the welfare states in Northern Europe can attain both

efficiency and fairness; that is why they have taken up the top positions in the ranking of the most liveable regions in the world for many years. For years, Hong Kong has been the most competitive city in the world, and we are, without doubt, efficient. Nevertheless, social conflicts have become increasingly acute and social division is also increasingly serious. Our society is significantly lagging behind in terms of fairness. I hope the Government and the business community will seriously consider the following idea: the election of the Chief Executive and the Legislative Council by universal suffrage is actually the only way to address unfairness in our society, and the only means to maintain efficiency of the market economy.

In the short to medium term, I support Mr IP Kin-yuen's proposals to "increase the number of staff on the permanent establishments of government departments and subvented organizations and reduce the number of contract staff", as well as increase the recurrent expenditure on policy areas such as education, medical service and social welfare, and so on. Ms Cyd HO proposes optimizing fiscal surplus by adding \$20 billion to the recurrent expenditure. It is because only by improving people's livelihood in a targeted manner can fairness be created in society and social conflicts alleviated. A nation is really rich only when its people are rich. If the Government and businessmen are rich but the people are poor, society is most unfair.

Deputy President, late last month, the Government finally announced the poverty line in Hong Kong. I urge the Government once again to take this step forward seriously because such an opportunity for development has been long awaited. From now on, we must draw reference from the poverty line to face squarely the vast number of people in poverty, carry out various social reforms and address the situation of disproportionate efficiency and fairness in Hong Kong. Besides, we must review and re-determine the priority of various social policies and help the poor people to get out of poverty. We should, first of all, gradually reduce the widening income gap, and give the grassroots a break. Next, focusing on the fact that Hong Kong's Gini Coefficient has remained high, we should gradually narrow the wealth gap. When public finances are used to provide social services, most of the beneficiaries are low-income people, and social welfare services such as education, primary healthcare and housing can improve people's quality of life and provide equal opportunities to people in respect of employment and other aspects of life. Now that Hong Kong already has the financial foundation for the promotion of fairness in society, if the Government still only attaches importance to economic development without

paying attention to social welfare, it will again miss the opportunity, and Hong Kong will be in decline. I hope that the Government would not miss the opportunity and become a sinner to be condemned by history.

Deputy President, I so submit.

MR DENNIS KWOK (in Cantonese): Deputy President, first of all, I would like to thank Mr Kenneth LEUNG for proposing this motion today, so that we have the opportunity to discuss such an important issue.

Deputy President, Mark ANDERSON, a famous information technology entrepreneur from the United States, has once said that China is a place with the spirit of creativity, but unfortunately there is no rule of law; the rule of law is upheld in Europe, but there is a lack of the spirit of creativity. Hence, if our policy can promote the rule of law and the spirit of creativity, we can build up a city with a high level of innovation and technology.

According to Mark ANDERSON's formula, Hong Kong should have become one of the best cities of innovation and technology in Southeast Asia because we have the rule of law and the spirit of creativity, and government policies are generally favourable to the business community. Some have even said that the Government is biased towards the business community. Why is innovation and technology in Hong Kong still not up to standard? Why does Hong Kong lag behind other countries or economies in terms of development capacity in innovation and technology?

According to the World Economic Forum's Global Competitiveness Report 2013, Hong Kong ranked seventh this year. However, it is especially pointed out by the World Economic Forum that if Hong Kong is to enhance its competitiveness, it must make considerable improvement in innovation and higher education, and more resources are needed. How is Hong Kong's ranking in this area? In terms of innovation, Hong Kong ranked 23rd, the lowest among the Four Asian Dragons while Taiwan ranked eighth, South Korea ranked 17th and Singapore ranked ninth. As for higher education, Hong Kong ranked 22nd, also the lowest among the Four Asian Dragons while Taiwan ranked 11th, South Korea ranked 19th and Singapore ranked second. When compared with other European countries such as Ireland and Austria, Hong Kong's investment in higher education is also inadequate. Thus, Hong Kong fails to develop

knowledge-based industries as well as innovation and technology industries, and we have been lagging behind other countries.

In fact, we do not start today turning a knowledge-based economy into the forerunner in economic development. If a place is lagging behind in innovation, technology and education, this is tantamount to losing at the starting line. The development of innovation, technology and education also complement one another; hence, if the education level is not high, the standards of innovation and technology will naturally be lower.

Deputy President, although we are not discussing about higher education today, the Government's investment in higher education will directly affect our development in respect of innovation, scientific research or innovation and technology industries, which causes serious impediment. Hong Kong has certainly done a good job in infrastructure development, but at a certain point of development, we also need to develop the human infrastructure. If we invest resources in the younger generation and higher education, we will not lose at the starting line, and Hong Kong will have prospects and competitiveness in the 21st century.

Will HUTTON, a famous political commentator in the United Kingdom, stated in his book *Them and Us* that the United Kingdom has implemented a rather successful system of innovation and technology, which boosted the spirit of adventure of scientists and businessmen, so that they can carry out some ground-breaking university researches. Its approach is to allocate part of the research funds to identify projects worth development. Yet, funds are not unconditionally allocated. In connection of university funding, reports on research are required to be submitted and reviews conducted regularly in the course of research and development of innovation and research, so that the private sector can identify if there are outstanding university research results. In this way, the research technologies of universities would have the support of the business community. In fact, Hong Kong can draw reference from the approach in the United Kingdom, and set up another specific fund for research and development of innovation and technology, in addition to the current university funding. On the one hand, universities are allowed to maintain the funding for various academic fields and various researches, and they will have additional funding for exploring and developing valuable innovation and technology projects on the other. I suggest that the Secretary should consider this approach.

In addition to government investment, innovation and technology must be supported by the business community before sustainable development can be attained. Unfortunately, the business community in Hong Kong has always shown little interest in innovation and technology. According to the Global Competitiveness Report 2013, Hong Kong companies ranked 25th in respect of scientific research, and they only ranked 21st in the area of scientific research co-operation between universities and the business community. It is not difficult to explain this situation because the most profitable industries in Hong Kong are real estate and financial industries. If real estate and finance are the main areas of economic development, we basically need not talk about research and innovation. It has been recognized that researches done by universities in Hong Kong are up to international standards. Given such a solid foundation, if we invest more resources in higher education to nurture talents, I think Hong Kong definitely has the potential to develop an innovation and scientific research industry to improve standards in this connection.

I know that local universities have been working with top overseas universities in research, which has attracted foreign and Mainland enterprises to come to Hong Kong to engage in applied research together. Other large enterprises from foreign countries are also attracted to participate in the development of Hong Kong into a research centre. I hope the Government can be more active in promoting such development.

Lastly, I would like to quote an example from the book *Them and Us* to illustrate that, if the Government is willing to actively commit to procure from some innovation and technology industries, they will serve as a very important pillar in the innovation and technology industry in Hong Kong. The United Kingdom is a good example of the Government taking the lead to promote the development of innovation and technology.

Deputy President, I so submit.

MR MARTIN LIAO (in Cantonese): Deputy President, regarding Mr Kenneth LEUNG's original motion of increasing investment in human capital and social infrastructure by broadening the tax base and increasing the types of expenditure under Capital Works Reserve Fund, I consider that, given our limited financial

resources, instead of discussing how to optimize public finances to invest in human capital and social infrastructure development, we should focus on studying and investing in economic development, promoting the diversification of industrial development and striving to improve people's livelihood. Otherwise, we are actually putting the cart before the horse. This is because development of human capital and social infrastructure can never be the goal in itself. A society cannot develop human capital and social infrastructure for the sake of investment in such two aspects. The relevant development must tie in with economic development and diversification of industrial development. The ultimate goal of economic development is to ensure that the whole society and everyone can benefit and the quality of living can be improved.

Deputy President, I am in support of Dr Elizabeth QUAT and Mr Andrew LEUNG's amendments. As I had proposed in the motion debate last year, we must promote economic restructuring and enhance Hong Kong's competitiveness in every aspect. Apart from consolidating our existing strengths, the Government must promote diversified development of industries and enhance the standards of education and innovation. The Government must adopt a multi-pronged approach by establishing new pillar industries with competitive edges and development potentials, so as to ensure healthy and sustainable economic development in Hong Kong. We must avoid over-reliance on a single industry and putting too much emphasis on the financial and real estate sectors, or else, the Hong Kong economy will become unsustainable and be out-competed by cities in other regions.

Deputy President, the amendment proposed by Mr Andrew LEUNG highlighted the importance of enhancing our competitiveness. The Government must, through various channels, provide specific education and vocational training, so as to nurture talents required by different professions for the diversified development of the economy. Regarding the ultimate goal of economic development, apart from promoting economic impetus and enhancing competitiveness, it is most essential to benefit the public and foster upward social mobility.

Lastly, I also agree with Mr Charles Peter MOK's point of view about urging the Government to formulate long-term policies on technology industries, in particular to step up efforts in supporting the development of local applied

science and technology as well as technology transfer, working for successful commercialization of research deliverables and brand building in Hong Kong to further strengthen the economic impetus of Hong Kong.

Deputy President, I so submit.

IR DR LO WAI-KWOK (in Cantonese): Deputy President, the topic of this motion is "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy". From the wording of the motion, as a basic principle of governance, such demands can easily get our support, but the question lies in their implementation.

Under the macro conditions of globalization of world economy and intensified competition among different regions, Hong Kong's ranking in various global competitiveness surveys has shown a declining trend in recent years. For example, the World Competitiveness Yearbook 2013 published by the Institute for Management Development, Lausanne, Switzerland shows that Hong Kong's ranking has dropped from first of last year to third. The China Urban Competitiveness Report in 2013 issued by the Chinese Academy of Social Sciences has also pointed out that Hong Kong's advantage is diminishing in face of competition from other Mainland cities. We have to re-position ourselves, enhance urban development planning and promote technological innovation. The rankings have coincidentally rung the bell alerting Hong Kong people.

(THE PRESIDENT resumed the Chair)

On the other hand, Hong Kong has fiscal reserves of more than \$700 billion. It is not surprising that there are voices in the community requesting optimization of public finances to facilitate economic development, but the question is how to optimize public finances in order to strengthen impetus for economic development and innovation in Hong Kong? I believe we should first clarify some concepts.

Firstly, what role should the Government play in promoting economic development? Should it be a major investor by increasing public finances

directly, or should it be a main promoter to formulate suitable and flexible policy initiatives to stimulate creativity and vitality of the people? The answer will be obvious. If the Government's long-term stance is clear, its policy direction is specific and the business environment is fair, a creative and vibrant market is expected to function normally.

Secondly, even though we have ample fiscal reserves, it does not mean that we can prescribe wrong medicine indiscriminately, or else some other problems will arise. For instance, a Member proposed in his amendment to "substantially increase the recurrent expenditure on policy areas such as education, medical service and social welfare, etc.", we should have more discussion about this.

On the one hand, such proposal is not necessarily related to the stimulation of economic activities. We should actually be cautious of this situation. Inappropriate expansion of the Government and the public sector is always easy to let loose but difficult to constrain, and can often impede the space of development of the public.

On the other hand, our existing recurrent expenditure on education, medical service and social welfare already accounts for 60% of the Government's recurrent expenditure. In 2013-2014, the estimated expenditure on these three areas was almost \$170 billion, representing an increase of up to 50% compared with that of 2007-2008. Any further substantial increase in these areas will definitely affect the expenditure on other areas. More importantly, public policies must realize the long-term commitment of the Government. If we wilfully increase the expenditure on these three areas, our sustainability will become really questionable.

As for the suggestion of broadening the tax base and reforming the tax system, there is a lack of urgency and it is difficult to reach a consensus in society. If we take actions hastily without thorough consideration, we may end up having the disadvantages coming ahead of the advantages.

President, as proposed by Mr Andrew LEUNG in his amendment, the right prescription is that the Hong Kong Special Administrative Region (SAR) Government should "formulate long-term infrastructure planning and nurture talents through various channels such as education and vocational training, etc., so as to promote the diversified development of the local economy, enhance

Hong Kong's competitiveness and foster upward social mobility, while ensuring the maintenance of a balanced budget by reallocation of resources".

I proposed a motion debate on "Formulating long-term infrastructure planning to promote sustainable development" in this Council last week. In the motion debate, quite a number of Honourable colleagues agreed that our current socio-economic problems, including homogeneous economic industries, inadequate land and housing supply to meet the needs of the society, and so on, were actually the bad consequences brought about by the absence of long-term planning in the past. Therefore, I stressed in my speech that the SAR Government must expeditiously formulate comprehensive and long-term planning in respect of urban development, population policy, land and housing, talents training, industry policy, transport and logistics, green infrastructure, and so on, and implement by practical means with priorities so as to ensure sustainable development of Hong Kong.

President, we should have diversified economic development in Hong Kong. In formulating strategies and allocating resources in the relevant areas, the SAR Government should exercise creativity and flexibility in its thinking and decision making, so as to formulate a balanced and visionary industrial policy with clear policy visions and targets. After that, consolidated matching measures should be provided in respect of land, taxation, capitals, talents training, collaboration among Government, the industry, academia and the research sector, and so on. The Government should take the lead in promoting industries with competitive edge and development potentials, so as to open up new economic areas. For example, the Government should provide economic incentives such as land for development, tax concessions, and so on to attract the sector to expand its investment in science and technology infrastructure, improve the mobile Internet and expand the regional data centre.

To encourage commercial investment in research and development, the Government should offer double or triple tax deduction based on enterprises' respective investment amount in research and development, and improve the existing funding approval mechanism for research and development to allow simple application by enterprises. Also, the Government should enhance procurement policy, including formulation of procurement policies supporting technology application and environment protection, so as to facilitate the development of green industries in Hong Kong.

President, we should not rely on huge government spending to stimulate creativity and vitality for the economy of Hong Kong. On the contrary, we have to urge the authorities to formulate comprehensive long-term planning, flexible and appropriate industry policy to promote sustainable development in Hong Kong.

President, I so submit.

MR JEFFREY LAM (in Cantonese): President, it is a widely known fact that Hong Kong's competitiveness has been declining in recent years while our neighbouring regions have been developing rapidly. As shown by the results of various competitiveness surveys, Hong Kong's advantage is diminishing. This is not an alarmist talk, but a statement based on facts. I believe that the motion proposed today is worth reflecting on. Our Honourable colleagues should think about the present and future of Hong Kong, instead of wasting our limited debate time on frivolous emotional disputes discussing vote of no confidence in this person or that person every day.

President, I am in support of optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy. Only by reasonable allocation of public resources can we specifically solve problems that are closely related to the well-being of the public but require substantial financial support, such as education, welfare and housing issues. But still, I would like to ask a question, "Where does the money come from"? Apart from tax revenue, land premium is the main source of income for Hong Kong at present. But the Government always describes land premium as a rather fluctuating source of income which we cannot heavily rely on. Therefore, how to improve our tax system and at the same time maintain a simple tax regime to enhance the competitiveness of Hong Kong is of great importance.

Hong Kong has all along been maintaining a simple tax regime with low tax rates, keeping the profits tax rate at 16.5%. We can say that this rate is quite stable and attractive. In recent years, the Government has also implemented one-off tax reduction measures each year to help small and medium enterprises (SMEs). However, our neighbouring regions and competitors have made appropriate adjustment on their tax regimes recently, making them more competitive to attract more foreign investment. If we do not broaden our vision

and adopt a different mindset, our edge in respect of the tax system will soon be taken over.

The Hong Kong General Chamber of Commerce has been asking the Government to maintain a simple tax regime and lower the profits tax rate from 16.5% to 15%, but the Government has all along refused the request. However, under the current macro conditions, Hong Kong cannot afford to stick to the *status quo* by saying that we meet changes by making no changes.

After detailed study and analysis, the Hong Kong General Chamber of Commerce suggested that the Government can adopt a two-tier profits tax regime. Hong Kong enterprises will be taxed at a rate 10% on the first \$1 million or \$2 million of their taxable income, and the rest be subject to taxation at the standard rate. I think the Government should seriously consider this suggestion of a two-tier profits tax regime. This is because, firstly, it will not affect our simple tax regime; and secondly, every company will be benefited, especially the some 70 000 SMEs and micro-enterprises with profits less than \$2 million.

We all know that SMEs are the bedrock of the local economy. As 98% of the enterprises in Hong Kong are SMEs, they employ over 47% of the local workforce. If SMEs can have sound and well established foundations, this will definitely help to stabilize the local economy. Also, the Government needs not rack it brains to think of offering one-off tax reduction measures for enterprise every year.

If a two-tier tax system is implemented, government revenue will only be reduced by approximately \$2.8 billion to \$4 billion, which will not have significant impact on the tax revenue of Hong Kong. On the contrary, the slight reduction in revenue can bring great benefits. Enterprises will be benefited from lower operating costs, and SMEs can use the money for further business development. This may also enhance the competitiveness of our tax system and attract foreign enterprises to invest in Hong Kong and set up regional headquarters.

In addition, with more intensified and frequent flows of capital and talents between Hong Kong and China, the Government should conduct a comprehensive study on how to remove obstructions and facilitate cross border co-operation in respect of the tax system; how to attract worldwide talents to

Hong Kong by offering better conditions in the context of our salaries tax regime; and how to encourage development and innovation in the commercial sector by means of tax deduction on research and development. As Ir Dr LO Wai-kiok has just mentioned, a double or triple tax deduction in respect of investment in research and development is actually not significant, but it will attract research talents to initiate more research and development activities with the introduction of such an attractive measure.

President, some people in the community are making too many demands, asking for this and requesting for that protection. The minimum wage must be increased each year, and it would be best if the Government hands out cash each year. However, they usually make loud demands for cash handouts by the Government without offering any practical and feasible proposals.

President, to solve the problems of people's livelihood, the Government must spend money, but how should we spend money when necessary? How should the money be spent? Where does money come from and where can we find talents? All these are problems. If we spend all our reserves today, can we pay no heed if we have no money for food tomorrow? I really do not want to see that we have used up our reserves and that our advantages are gradually eroding. If we still persist in frivolous political disputes instead of taking immediate action, we will surely reap what we sow. Therefore, we should have more discussion about how to enhance economic power and competitiveness given that we still have edges at the moment. Also, I hope that we can have more discussions about Hong Kong's infrastructure and economic development in this Council in the future.

President, I so submit.

MR NG LEUNG-SING (in Cantonese): President, speaking of public finances, we often hear the comments that Hong Kong has huge fiscal reserves. Yet there are two rather different sayings: one saying is that our reserves amount to more than \$700 billion while the other saying is that our reserves amount to some \$2 trillion. How should the Government optimize the reserves? First of all, I would like to clarify how "wealthy" we are. According to the information submitted by the Monetary Authority to the Panel on Financial Affairs on 6 May this year, the total assets of the Exchange Fund as at the end of 2012 amounted to \$2,781.1 billion. However, \$717.5 billion came from placements by fiscal

reserves while the rest are mainly from certificates of indebtedness for issuing banknotes (around \$290 billion), balance of the banking system (around \$260 billion), as well as exchange fund bills and notes (almost \$700 billion). All these three parts contain liabilities. They are not assets owned by the SAR Government and are not readily available for use. Therefore, to be accurate, the fiscal reserves only amount to some \$700 billion. After deducting the amounts committed for civil servants' retirement pension and infrastructure, not much is left.

This motion has mentioned broadening the tax base. No matter it is lowering the threshold for the tax net or introducing new taxes, I think it is worthy of consideration, but careful consideration is required. Those Hong Kong people who once ran business in other places and later returned to the territory are well aware of the advantages of low tax rates and the simple tax system of Hong Kong. The policy has been effective over years and has attracted a lot of investment. This is one of the main pillars supporting Hong Kong's competitive power. Any changes should be examined thoroughly to assess their pros and cons, before a decision is made.

I certainly agree with the idea of optimizing fiscal reserves. By optimizing, we mean to make effective use of money, to spend money when necessary. In recent years, well developed countries have to face the reality and start to carry out prudent financial management, with a view to reversing the situation of a high fiscal deficit due to overspending. We may wish to note that the King of the Netherlands declared in September that the country would no longer be a welfare state, and he urged people with capability to take responsibility for themselves and their families. Over the past 10 years, the unemployment relief and healthcare allowance of the Netherlands have been shrinking while the minimum age for receiving retirement pension has been raised to 67. The British Prime Minister also proposed in October to cut the welfare benefits for people aged below 25, so as to encourage young people to join the workforce or receive training. Hong Kong should learn a lesson from these changes and avoid repeating other countries' failure.

In my view, Hong Kong should increase its investment in human capital and social infrastructure. In fact, quite a lot of public financial resources have been put into education and the amount has reached \$63 billion in this financial year. This has contributed to one fifth of the government recurrent expenditure and is the policy area with the largest spending. At present, there are already

eight public tertiary institutions in Hong Kong. Moreover, moving from a three-year to four-year undergraduate programme for universities in recent years has used up a lot of resources. The introduction of 15-year free education will also need considerable resources. I think a dual-track approach may be adopted for investing resources in education. Apart from public money, getting donations from the private sector should also be encouraged. While individuals and enterprises may make contribution to the community through their donations, education and scientific research can be driven by the community, thereby meeting the actual needs of the market. It is true that there is a well-established foundation of individuals and enterprises making donations in education. As we can see, quite a number of buildings in the tertiary institutions in Hong Kong are named after the donors. But compared to well developed countries, I believe there is still room for further enhancement. The United States, being the world education hub, has a number of prestigious private institutions, such as the Ivy League. In this regard, Hong Kong may draw reference from the development of these prestigious institutions.

President, the Government's contribution should focus on creating a favourable environment, including improving infrastructure, enhancing efficiency of public organizations and strengthening overseas publicity; regarding people's livelihood, policies on housing, healthcare and the elderly should be enhanced but direct involvement is not required; as for scientific research, the research achievements of different tertiary institutions should be optimized and support from the capital market should be secured, so as to achieve efficacy of the market economy.

President, I so submit.

MR CHAN CHI-CHUEN (in Cantonese): President, the motion proposed by Mr Kenneth LEUNG today is "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy"; the premise is that there is a lack of impetus for innovation in Hong Kong's economy. I have gone through the various amendments and generally agree with this premise. Even for the royalist Members from the Democratic Alliance for the Betterment and Progress of Hong Kong, their amendment has only changed "lack of impetus for innovation" to "insufficient impetus for innovation", with the intention to tune down from "very poor" to "quite poor".

With this premise, what should be discussed next are the approaches, policies and measures to be adopted to enhance impetus for innovation in Hong Kong's economy. In his original motion, Mr Kenneth LEUNG suggests optimizing public finances, which includes, firstly, broadening the tax base, and secondly, increasing the types of expenditure under the Capital Works Reserve Fund to achieve a sound financial status. These can be regarded as investment in human capital and social infrastructure. I am sorry that it is difficult for me to support the motion when I see the words "broadening the tax base". I will not support the original motion or any amendments if they contain this phrase.

This motion reveals to us the huge discrepancies between the Chinese and English versions. The focuses are largely different. Take the Chinese version for example. What comes after the premise is "This Council urges the Government ... broadening the tax base"("本會促請政府.....擴闊稅基"), that is, to urge the Government to broaden the tax base in the first place. But in the English version, I heard clearly from Mr Kenneth LEUNG's speech that his emphasis is in fact on increasing the investment in human capital and social infrastructure, while broadening the tax base is only one of the suggestions which plays a less important part in his motion.

What Mr Kenneth LEUNG suggests today on broadening the tax base is loosely defined, or we may say it is more generalized. For example, just now he mentioned about tackling the problem of tax evasion and tax avoidance. If it is the case, there is in fact no need to broaden the tax base. Simply rephrase it with "improving the taxation system" can be more easily acceptable. Why? Whenever somebody suggests increasing the tax or broadening the tax base, I will ask whether they know how much money the Government has. We have to make the calculation again because today a number of colleagues have suggested different figures. If possible, the Secretary for Financial Services and the Treasury may tell Hong Kong people exactly how much money the Government has.

My version is as follows: as at the end of March 2013, the fiscal reserves amounted to \$733.9 billion and the surplus of the Exchange Fund during the same period was \$628 billion. According to my calculation, the total free reserve of the Hong Kong Government is \$1,362 billion. If the whole amount is distributed among Hong Kong people, each will get \$190,000. Then there will be no poor people in Hong Kong. The above figure is equivalent to 66.8% of our GDP in 2012.

We have been saying that the Treasury is flooded with cash, and that the Government rich while the people are poor. The SAR Government is criticized for being stingy, unwilling to spend money even though it has plenty. We should discuss how to facilitate the Government to optimize the fiscal reserves, instead of how to increase taxation. Even the SAR Government itself seldom takes the initiative to talk about how to broaden the tax base during the year. Therefore, we should ascertain whether the Government is making prudent use of the money in hand, and whether it has meet our demand to enhance the impetus for innovation in Hong Kong.

Recently, I like to read LEUNG Chun-ying's Policy Address because by doing so, I can see what he is doing and whether he, after assumption of office for one year, matches his actions with his words. In paragraph 180 of his Policy Address, he states that "Hong Kong's cultural and creative industries have run into an array of difficulties in recent years. Nevertheless, I (that is, LEUNG Chun-ying) have full confidence in Hong Kong's creativity and potential. With necessary resources and appropriate government support, these industries still have much room for development. Providing government support for creative industries is not uncommon. Examples can be found in Korea, Singapore and across the Mainland. I will explore suitable mechanisms to give full support to Hong Kong's cultural and arts activities and promote the development of cultural and creative industries". These are apparently LEUNG Chun-ying's style of making false, big and empty promises. He assumed the mission accomplished by simply talking about it.

How is the situation in the real world? Have you watched the news report yesterday? Secretary Gregory SO announced yesterday the decision regarding free television licence applications. I believe many Hong Kong people think that yesterday is the darkest day in Hong Kong's creative industries. Ricky WONG, an ordinary businessman, has hope and compassion in Hong Kong and the Government. Even at a time when he has yet to be granted a licence, he has planned to invest \$3 billion in the television industry and has employed hundreds of elites. The television industry provides room for nurturing human capital and developing creativity. It is the best example of increasing investment in human capital proposed in Mr Kenneth LEUNG's motion. We are not asking the Government to increase such investment. A crazy fellow in the business sector is now willing to do so. Yet the SAR Government is crushing creativity and the human capital that is being nurtured.

The Hong Kong Television Network Limited (HKTVN) has passed the vetting of the Communications Authority. The High Court has dismissed the judicial review instituted by its competitors. HKTVN has produced 200 hours of serial drama and 100 hours of variety programmes. Yet, in the end, the Government can, without giving any concrete reasons except the saying of a gradual and orderly approach, shatter the dream of the investor, usurp the job opportunities of more than 300 people, drive Hong Kong people into desperation, and add more difficulties to the creative industries of Hong Kong. This is the so-called assistance provided by the LEUNG Chun-ying Government to the creative industries of Hong Kong.

In fact there are a lot of examples that can be cited. Given that we have a Government that is not willing to grant television licences nor spend money, we should not discuss with it on how to broaden the tax base. Hong Kong is not in lack of money. We must not fall into the trap of the Government. The Government is not willing to do anything on the excuse that there is not enough money. We should not allow the Government to increase tax on this ground. Even if the reserves are doubled, the Government will not do anything if it is not willing to do so, and will not grant a licence if it decides not to grant one.

Have you heard about the fear of competition? Competition makes progress. Who says that running business will make profits for sure? It is for the market to decide who is the strongest and who can remain. The existence of a few more television stations may allow more people to get into the industry and show their creativity. There will be more human capital training. Isn't it a good thing? Why is the Government crushing the creative industries with its own hands?

MR FRANKIE YICK (in Cantonese): President, it is apparent that the economy of Hong Kong has overemphasized on the two pillars of financial services and real estate sectors. As a result, the problem of homogeneous industries has become more and more serious. Regarding the development of emerging industries, the situation is "all thunder but no rain". No concrete development directions and initiatives have been formulated, which not only fails to make any substantive progress in economic restructure, but also fails to address the various problems arising from our pillar industries being too homogenous.

In January this year, the Chief Executive established the Economic Development Commission, under which four working groups have been set up to deal with four major areas, namely, transportation, convention and exhibition industries and tourism, innovative technology, and professional services. However, no concrete measures have been announced so far.

The new-term Government always talks about industry diversification but it seems that it just pays lip service with no substance. Nowadays many university graduates tend to join investment banks, in the hope of making their first bucket of gold. They are unwilling to join other industries.

The Liberal Party considers the present situation unhealthy because many emerging industries (such as testing and certification, information technology, innovative industry, and other high-technology industries) are in lack of expertise. Young people with high qualifications have plenty of career opportunities in these industries. Yet they do not make such choice because they consider that these industries have not received sufficient investment and there is a lack of opportunities for development. Therefore, we should develop and assist emerging industries without delay.

Regarding the original motion, although we very much agree to substantially increase human capital and continuously invest in social infrastructure, we do not share the view that this can only be achieved through broadening the tax base.

On the suggestion of broadening the tax base, the Liberal Party considers this worthy of consideration if Hong Kong is facing a deficit. But with a huge fiscal surplus recorded every year, we should not broaden the tax base or even change the existing tax system lightly. A simple tax system with low tax rates is the cornerstone for Hong Kong's success, as well as an important factor attracting foreign investments in Hong Kong. The introduction of progressive tax and sales tax will only undermine Hong Kong's competitiveness in this aspect.

Given that the SAR Government has huge amount of foreign currency reserves, part of the investment return from these reserves should be used to develop emerging industries. As at the end of August this year, the Exchange Fund of the Hong Kong Monetary Authority had a total asset of \$2,858.4 billion. An amount as high as \$108.6 billion was returned from the investment of the Exchange Fund last year. The Liberal Party has always advocated that the

Government should optimize public money and suggested that the return from the investment of the Exchange Fund should be used in three major areas: relieving the burden of the middle class as well as the small and medium enterprises (SMEs), alleviating poverty and helping the disadvantaged, and investing in social infrastructure.

The Government should formulate more supporting policies and measures for emerging industries and their related trades. I would like to emphasize that investment in scientific research should be enhanced as we are indeed lagging far behind in this aspect. In Bloomberg ranking of the top 50 most innovative countries, Hong Kong ranks 36th while our strong competitor, Singapore, ranks seventh. Even China ranks 29th, which is seven places ahead of Hong Kong. Therefore, we need to step up our efforts in scientific research in order to enhance competitiveness.

The Liberal Party supports that the Government provides the industries a tax deduction of not less than three times of their investment in scientific research. Consideration can also be given to relaxing the restriction on application under the Research and Development (R&D) Cash Rebate Scheme by allowing a 30% cash rebate for R&D expenses with business partners, so as to promote the development of the industries concerned.

Hong Kong is basically in a state of full employment at this moment. There has been a lack of strategies and education directions for the development of industrial structure, resulting in a serious mismatch of manpower resources.

In view of the serious shortfall of manpower resources, we consider that manpower training should be stepped up. On the other hand, the Quality Migrant Admission Scheme and Supplementary Labour Scheme should be actively promoted so that experts and labour are imported to ensure sustainable development of Hong Kong's economy.

On increasing the investment in infrastructure, especially for the transport industry which I represent, although I have mentioned this issue during the past motion debates, or even during last week's motion debate on "Formulating long-term infrastructure planning to promote sustainable development", I would like to reiterate today that I hope more land and infrastructure for logistics can be provided as soon as possible, and land policies in line with logistics development should be formulated in the light of social circumstances and changes. This

includes making reference to the approach adopted by the Government in constructing industrial buildings in the last century. Warehouses are built by the Government as an infrastructure to tie in with the development of the industry, and such warehouses are then rented to SMEs at reasonable rates, so as to improve SMEs' room for survival.

Moreover, the project of building a logistics centre in Siu Ho Wan of Lantau Island, as well as infrastructure projects such as building a third runway at the Hong Kong Chek Lap Kok Airport should be implemented without delay.

Only with sufficient land and infrastructure can Hong Kong maintain its competitive edge in logistics and continue to promote the economic development of Hong Kong.

President, I so submit.

MS STARRY LEE (in Cantonese): President, the motion proposed by Mr Kenneth LEUNG today is "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy". President, this is in the right direction and I believe no colleagues or members of the public would raise objection. The point of argument, which has been raised just now, is whether the tax base should be broadened. Should this be carried out right now? The Democratic Alliance for the Betterment and Progress of Hong Kong has a clear stance: as the SAR has considerable fiscal surplus at present, it can achieve the objectives of the original motion without broadening the tax base.

In my speech, I will mainly talk about a few observations I have made on the fiscal management philosophy of the SAR Government. In fact, I have mentioned these observations repeatedly during the budget debate, and I hope the Secretary can respond on the progress of the study later. One of my observations, which has been discussed in this Council for a long time, is that the Government has underestimated its revenue for years. It has been unwilling to increase its recurrent expenditure because for years it has projected a slight deficit, but it often turned out to be a huge surplus.

When the Secretary spoke just now, he said that underestimation of revenue is only a short-term phenomenon or this situation only happened in certain years. But from my observation, the situation has persisted for years and

has become a standing practice. This can be attributed to the fact that the Government has based its revenue estimation on the average actual economic growth and inflation rate per annum. But for many years, or at least during the period after the financial tsunami when Hong Kong's economy has returned to the growth track, the actual revenue from different taxation items has already outrun economic growth. As a result, the Government has a huge surplus. I hope that the Secretary can talk about this in his response later. The Financial Secretary indicated in paragraph 140 of the Budget that a working group led by the Treasury Branch will be set up, while scholars and experts will be invited to join the working group to explore ways to make more comprehensive planning for our public finances to cope with the ageing population and the Government's other long-term commitments. The Budget has been announced for some time and theoretically a preliminary conclusion should have been made by now. I hope the Secretary can make a response later.

As I have already mentioned in the budget debate, I think the Government should put forward a fiscal management philosophy to keep abreast of the times, and in keeping with the times which should carry several features. First, the Government should acknowledge the fact that actual revenue from a number of taxation items has outrun real economic growth over the years, and suitably adjust the annual recurrent expenditure which is estimated on the basis of economic growth. Second, the Government should study the proposal of setting up a financial stability fund. Third, the Government should re-set a reasonable level of fiscal reserves. Fourth, when actual revenue exceeds projected revenue, the Government should put the surplus into an elderly fund, in order to improve elderly care, welfare and healthcare services, and prepare for an ageing population. This is non-controversial and will definitely be supported by this Council. Fifth, the Government should examine ways to properly utilize and invest the fiscal reserves. I hope that the Secretary can tell us about his latest views when he responds later.

President, next I would like to express my views on enhancing Hong Kong's competitiveness. A scholar from the United States, Richard FLORIDA, published a book titled *The Rise of the Creative Class* in 2002. In general, it says that if the United States is to maintain its international leading position and economic growth, it should expand the creative class in society. Based on his analysis, whether a city has a creative environment that allows the expansion of its creative class will depend on three "Ts", namely, technology, talent and tolerance. To compare the creative environment of different cities, he has

devised a creativity index based on the three "Ts". How is Hong Kong's performance in this aspect? According to the creativity index ranking announced in 2011, Hong Kong ranked 20th among 82 countries. In terms of talent and technology, it ranked 37th and 22th respectively, lagging far behind Singapore and even inferior to Taiwan. But the factor that pushed up our overall ranking is our high score in tolerance, which ranked 12th, a position ahead of Singapore which ranked 17th and Taiwan, 21st. This reflects that the free and accommodating atmosphere in our society can attract talents to develop their careers in Hong Kong.

However, we all see a worrying situation. Hong Kong is a city of immigrants, we do not have any resources. Our economic development mainly depends on a free and accommodating environment open to all, as well as the fact that people from every corner of the world and from any ethnicities are widely accepted to come to Hong Kong to make their contribution. However, a recent trend in society has worried us. The attitude of some Hong Kong people towards new arrivals and Mainlanders is terrible. They have also made serious accusations. From the earlier talks about "locusts", to the recent idea of "population deduction at source", all the blames are put on the new arrivals holding One-Way Permits (OWPs) for causing the core housing problem of Hong Kong. Even if it is not a kind of discrimination, it certainly is seriously prejudiced and unfair to the new arrivals. The message in these remarks will make people think that our city's xenophobic sentiments are ever rising.

President, on this issue, I think there are at least two points that need clarification. First, most new arrivals on OWPs are in fact coming for family reunion. According to the information submitted by the Security Bureau to the Legislative Council on 20 March this year, among the OWP holders settling in Hong Kong, half of them were coming for reunion with their spouses while the other half for reunion with their parents. Simply speaking, these people will not push up the housing demand in Hong Kong in the short run. Second, according to the Long Term Housing Strategy Consultation Document, the rising demand for housing in the past 10 years is mainly due to the changing family structure. In fact, the population has only increased by 5.3%, that is, 0.5% on average each year. Against the above two points, it is in the wrong focus to simply put all the blames on new arrivals for causing our housing problem. If such wrong argument is allowed to spread and make the new arrivals the scapegoats, xenophobic sentiments will be stirred up in the community, causing irrational development of the community. This would in turn undermine the economic

development and competitiveness of Hong Kong. Therefore, I hope that members of the public and our colleagues can continue to safeguard our core value of tolerance and stop making Hong Kong an anti-foreign city.

MR TONY TSE (in Cantonese): President, in the Annual Report 2013 — Competitiveness of Asian Economies published by the Boao Forum for Asia in late March this year, the overall ranking of Hong Kong among 37 major Asia-Pacific economies has climbed up from the third place in 2011 to the top position in 2012. Out of the five main dimensions of assessment, Hong Kong ranks top in both infrastructure and overall economic strength, but ranks eighth in human capital and innovation, which shows that there is obviously much room for enhancement in these two aspects. Taiwan, Israel and New Zealand get the highest ranking in human capital and innovation, mainly because of their high enrolment rate in higher education and the relatively high proportion of public education expenditure to financial revenue. Another reason is that with more people receiving higher education in these places, their capital output, such as patents and high-technology industries, will be higher. I believe many people are as worried as me. If the Government does not address the situation as early as possible and strengthen the overall input in education, the quality of human capital in Hong Kong will be affected while its productivity and competitiveness, as well as its overall development, will be jeopardized.

Although the Government has repeatedly emphasized that education constitutes the largest part in public expenditure, statistics show that expenditure on education accounts for around 20% of total public expenditure in 2012-2013, which has gradually declined from around 23% in 2007-2008. Education expenditure of Hong Kong amounts to less than 4% of GDP in recent years, which is rather low when compared with other countries and regions. Take the member states of the Organization for Economic Co-operation and Development as an example. Their average education expenditure amounts to some 6.2% of GDP. Our neighbours, Singapore, Shanghai and Macao have also been increasing their investments in education in recent years and have become well ahead of Hong Kong.

President, a number of studies indicate that the accumulation of human capital is a potential impetus for long-term economic growth, and hence investment in education is vital in driving long-term economic growth. I hope that the problem of lagging behind in education and human capital investments is only caused by the Government's belated awareness, but not its unawareness.

The Government should conduct a review as soon as possible to ascertain if the proportion and structure of education expenditure can meet the needs of the overall economic development of Hong Kong, and whether Hong Kong can remain competitive in the international field. I also hope that the Government can formulate concrete blueprints for tertiary education, with clear objectives and directions. Specifically, the quality of associate degrees should be monitored while their qualification should be re-positioned. With knowledge and academic qualifications, young people may then move up the social ladder.

Increasing investment in social infrastructure is also one of the major factors in maintaining Hong Kong's competitiveness. In the Report on Competitiveness of Asian Economies, while Hong Kong continues to rank top in the area of infrastructure, Singapore in the second place is posing a threat to Hong Kong. The rankings of Japan, Taiwan, Australia and even Mainland China are also going up. To maintain its leading position in the area of infrastructure, Hong Kong must step up its investment in social infrastructure. In August this year, Singapore unveiled its master plan for the coming decade, with an objective to building a new waterfront city. With its master plan ahead, will Singapore catch up with Hong Kong in terms of overall development? Will the SAR Government formulate its master plan for the coming decade?

President, the Chief Executive has stated in his Policy Address, which was also mentioned by the Secretary just now, that the number of elderly people aged 65 or above in Hong Kong will surge from 940 000 to 2 560 000 within 30 years, amounting to 30% of the total population, while the workforce will gradually shrink. Given that our economy mainly depends on export of services, if the number of markets remains stable or increases while the workforce dwindles due to population ageing, Hong Kong will need to increase its productivity in order to make up for the decreased working population. As I have said just now, accumulation of human capital is a potential impetus for long-term economic growth and hence investment in education is most important in driving long-term economic growth. On the other hand, I have reservation about broadening the tax base, as proposed in the original motion. Given the abundant fiscal reserves of Hong Kong at the moment, the problem is not that the Government has no money, but how should the Government optimize these reserves. Therefore, I do not see the need to broaden the tax base at this stage.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): President, in today's motion, the Government is urged to optimize public finances and enhance the impetus for innovation in Hong Kong's economy. It is true that Hong Kong's economic competitiveness has lost dynamism long ago and in recent years it is even going backward with no advancement. If we do not wake up and regain the fighting spirit of Hong Kong people, the prospect of Hong Kong is indeed worrying.

Frankly speaking, Hong Kong is troubled by a number of problems. The recent competitiveness ranking of Hong Kong has dropped from first last year to third. On world university rankings, the University of Hong Kong has slid by eight positions to 43rd. Though these rankings are not bad, an in-depth examination of Hong Kong's situation reveals that the city is losing its advantages. We really should not take this lightly. What I am most worried is that many people still do not believe that Hong Kong is now in crisis.

The difficulties faced by Hong Kong are too numerous to list. Examples include high property prices, high rentals, serious poverty problem, declining education quality, imbalanced economic structure, deteriorating business environment, and so on. These problems have been plaguing us for a long time and have directly or indirectly affected Hong Kong's competitiveness. If we still blindly believe in the policy of positive non-intervention and take no remedial measures, Hong Kong will surely continue to degenerate. Moreover, our competitors have been glaring at us like a tiger. If we still do not wake up, we will sooner or later lose our position as an international financial centre. By then, Hong Kong's economy can no longer support 7 million people.

Nevertheless, despite the various difficulties faced by us, Hong Kong still has its strength and advantages. As long as we are determined to optimize our existing advantages, we can still break away from the current predicament. One of our advantages is our sound public finances, with fiscal reserves as high as \$700 billion. So I strongly agree with the proposal of optimizing public finances. In fact, with the support of sound public finances, we are already better off than many places suffering from financial hardship. We can make use of our huge wealth to overcome our social and economic problems.

Of course I am not encouraging an indiscriminate use of our wealth, but I also oppose handing out sweeteners casually. But we can overcome the present social hardship and enhance Hong Kong's competitiveness by optimizing public

finances. This is in fact an investment in the future as our treasury will gain considerable returns. Hence when it is the appropriate time, we should boldly make use of money instead of being a scrooge. Fiscal reserves, no matter how big the amount is, will eventually be used up one day. But an investment in the future will generate continuous wealth.

On the other hand, I agree that it is necessary to consider the proposal of broadening the tax base. But, more important still, Hong Kong should first promote economic development. If more wealth is gained in society, the Government will get more tax revenue. In fact, if the economy can be effectively stimulated, it is worthwhile to implement measures such as tax reduction. In the past, I have repeatedly suggested to the Government to promote headquarters economy by attracting foreign-owned companies to set up their regional headquarters in Hong Kong, so as to provide impetus to our economy and create more jobs. But to promote headquarters economy, we have to provide tax concession to foreign-owned companies in the first place. It is a pity that the Government has never taken any action in this regard.

Of course, there is also opposition in the community to a tax reduction, for fear that this would only benefit business organizations. But as pointed out by some scholars, tax reduction will boost the economy and increase tax revenue instead. The abolition of estate duty is a good case in point. After the abolition, Hong Kong has gradually developed into an international asset management centre. The proposal is innovative. Similarly, a modest reduction of profits tax will definitely stimulate economic investment and enhance the competitiveness of Hong Kong, thereby increase tax revenue. I also support a modest concession of salaries tax to relieve the burden of Hong Kong people, especially the middle class, which in turn can stimulate consumer sentiment and boost the retail industry.

I understand that the proposal of tax reduction will certainly arouse controversy. Some may even think that the stability of tax revenue may be shaken. Therefore I suggest setting a trial period. For example, tax can be reduced for two years, followed by an assessment of its effectiveness. If positive feedback is received, tax reduction will continue; otherwise, it will be suspended. Such a flexible approach can probably set the opposing parties' mind at ease. In fact, our competitor, Singapore, has adjusted its tax rates from time to time in the light of economic and international trading environment, so as

to enhance competitiveness. I think these experiences will be valuable reference for us.

I so submit.

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

DR PRISCILLA LEUNG (in Cantonese): President, when we talked about the governance of the Hong Kong Government this afternoon, some colleagues said that there is an exodus of Hong Kong people emigrating abroad. In fact, large-scale exoduses occurred in 1984 as many people were worried about the possible drastic changes after the reunification with China. Today, in 2013, many friends of mine (especially the middle class) do tell me that they will make observation on Hong Kong for five years; and if they still cannot see much hope after five years, they will also emigrate. But their concerns are different from those back in 1984. They are not scared of China, but are worried about the future of Hong Kong and the increasingly chaotic situation in society. The general public in Hong Kong may already accept that Hong Kong is a stable society, economically and politically. However, after incessant discussions over the past decade or so, many people think that Hong Kong has now become politically and economically unstable. A number of in-fighting forces, such as non-stop opposition, the Occupy Central movement, and so on, will bring chaos to Hong Kong, and many people have thus become anxious.

Today when we talk about how Hong Kong can achieve a fiscal balance, I believe we should also consider broadening the tax base. The Basic Law provides that the capitalist system shall remain unchanged for 50 years and that Hong Kong shall achieve a fiscal balance, maintain a low tax policy and avoid deficits. These are not our aspirations, but requirements stipulated by the law. In fact, the Basic Law has already laid down the general direction and basis for Hong Kong's economic structure. However, is it really possible for Hong Kong's development to remain unchanged for 50 years? In view of the political development and the increasing demand in our society for more welfare facilities, is it really possible for our economy to remain exactly the same as before the reunification? Personally I think this is not possible. But when changes are made, how can we maintain the existing advantages of Hong Kong? I think Hong Kong people should pay attention to this.

Personally, I like the low tax policy of Hong Kong which is guaranteed by the Basic Law. In the past few years, I have heard many colleagues and more and more people talk about the need to broaden the tax base and introduce progressive tax. In conducting such studies, we should be mindful not to merely see the merits of the welfare system in other places, but overlook the existing advantages of Hong Kong which should be preserved. Countries in northern Europe have very good welfare systems, but they have a small population and the tax rate is very high. Among these countries, the tax rate of Finland is the highest, ranging from 75% to 78%. The tax rate in Sweden is not high among European countries, but has also reached 50%, while it is around 30% in Canada. I have two French friends who are lawyers and they tell me they pay 50% tax. Like us, they prefer to maintain the taxation system of Hong Kong. We should not make changes rashly unless it is necessary to do so. Today, we should examine the reasons why the Government should increase its expenditure. Members of the public all hope to ease the disparity between the rich and the poor, build more public rental housing, carry out healthcare reform, and plan ahead for the integrated retirement protection system in the light of the increasing elderly population. I think the Government must formulate policies to address these problems.

Today, I would like to specifically mention Mr IP Kin-yuen's amendment, he mentioned that the expenditure on a number of policy areas should be increased. Apart from expenditure, we would definitely support in other aspects. As mentioned by many colleagues, and I concur with them, expenditures on welfare and education should be increased because we need to enhance the competitiveness of our next generation. We also want to see that they can be self-reliant instead of relying on welfare to improve their living conditions. However, he has not mentioned how we can pay for the huge expenditures incurred in providing so many extra welfare benefits. He only talks about expenditures and I have the impression that he is spending like mad. Normally, when we propose a series of suggestions, we will at the same time also suggest how to achieve a fiscal balance. Therefore, I have certain reservation since he only make proposals without suggesting how to achieve a fiscal balance. I hope that when we propose improvement measures for Hong Kong's welfare system in this Council, we will bear in mind that we have to maintain a basis for economic stability in the long run while handing out various benefits. I believe that many taxpayers in Hong Kong are particularly concerned about this general principle. The Legislative Council should make government policies more in line with public opinions without undermining the existing advantages of Hong Kong. In the long run, therefore, I think the Hong Kong Government should

carry out a management policy that can fulfil public expectations. First, the various policies on people's livelihood. Even the problem of insufficient kindergarten places is related to our population policy. So I hope the current-term Government will adopt a bold and resolute policy, and will not, adopt the last-term Government's approach of "squeezing toothpaste out of a tube", and made piecemeal population planning when its term of tenure was about to expire. I hope that the Government can address various issues, including housing supply, in connection with the population policy, so that supply can meet social needs without crashing down the property market.

Lastly, I hope the Government can set up more business start-up funds to encourage those competent people who want to start their business and who can submit concrete plans to participate in the market by themselves, so as to (*The buzzer sounded*) ... vitalize the market. Thank you, President.

MR MA FUNG-KWOK (in Cantonese): President, first of all, I would like to thank Mr Kenneth LEUNG for proposing a motion which is worth discussing. The original motion mentions about broadening the tax base and substantial increase in human capital and social infrastructure investment. I agree with part of it. However, I hope I have not misinterpreted Mr LEUNG's point of view, it seems that the original motion is talking about broadening the tax base followed by increasing in government revenue. The Government can therefore substantially increase other investments in society. Are we bundling up broadening the tax base with tax increase, which makes it impossible to continue the discussion on broadening the tax base?

For the general public, once the issue of broadening the tax base is raised, they will automatically think of tax increase, and will definitely say no. The focus of discussion will easily be shifted, and the proposals will end in nothing. Given the current atmosphere in society and the fact that the Government has huge fiscal reserves, if we want to convince people to accept broadening the tax base, disregarding which type of taxes is to be increased, I am afraid social grievances would be aroused easily. This is a suicidal act, and the Government will not rashly take any risk. However, on the other hand, if we do not start studying the broadening of tax base at a time when economic conditions are favourable, should we only try to find solutions when the economic situation deteriorates?

The problem that Hong Kong has a narrow tax base has existed for long. Currently, our tax revenue mainly comes from profits tax, stamp duty, salaries tax and so on, which are directly linked with the local economic performance. At times when economic performance is good, government revenue will naturally increase. However, we all know that there are ups and downs in an economic cycle. Revenue from the above taxes will of course drop significantly once economic recession sets in. If the tax base is narrow and the Government has no other source of tax revenue, a fiscal deficit will likely resulted.

It is generally accepted that our simple tax regime with low tax rates is the cornerstone of Hong Kong's success. Undeniably, a simple tax regime is an important factor which attracts foreign investment. However, if the tax base is too narrow, the Government may not be able to maintain a stable and sustainable source of income to enhance its overall competitiveness. For example, the society expects the Government to make some long-term commitments in areas such as education, healthcare, welfare, and so on, but if the source of revenue is unstable, it imposes great hindrance to the Government, and it dares not make too many commitments.

Perhaps some may consider that the Government is irresponsible if it refuses to make any long-term commitments, but if the fiscal "pie" has not been made bigger, any further increase in social investment would mean a reduction of expenditure in other areas. Therefore, in my view, a truly responsible government should study broadening the tax base as the first step, and lead the society to discuss rationally on this topic, so that it can restructure public finances and use the surplus for long-term planning and bring more social benefits.

I hope members of the public can understand that broadening the tax base does not necessarily bring about an increase in tax. The purpose of broadening the tax base is to diversify tax revenue by establishing a fairer and more stable tax system. While maintaining the principle of keeping expenditure within the limits of revenues and given the current favourable economic conditions, the Government should clearly explain to the public and provide more data on future forecast of public expenditure, in particular the challenges brought about by the problem of population ageing, so that sufficient discussion can be conducted in society on broadening the tax base and examining how to make necessary reform. Also, if new types of taxes are to be introduced, the authorities may consider

adjusting or lowering the rates of some tax items, so as to avoid imposing additional burden on members of the public and impacting on the economy and people's livelihood.

President, the original motion also mentions about more investment in human capital and social infrastructure. While I support this proposal, I also think that it is far from sufficient if we just invest resources in these two aspects. Under the macro conditions of globalization, our broad direction is the development of a knowledge-based economy. Innovation and creativity are important elements to maintain competitiveness in this global trend. Apart from the traditional economic model, we have to adopt a new mindset and look for some other innovative outlets. We should also make use of the tax policy and public finances to facilitate economic development, open up new development areas and enhance Hong Kong's long-term competitiveness, so that we would not be out-competed by our competitors.

We can see that Hong Kong's neighbouring economies have been proactively exploring various outlets in recent years, such as the establishment of the Shanghai free trade zone, and the diversified and innovative economic development in Korea. The purpose is to expedite the transformation. Given that our competitors have been catching up intensely, we must capitalize on our existing edges and proactively look for new roles and positions. In fact, there had been discussions about the relevant topics from time to time in the past. A proposal was made by the last-term Government to develop the six industries where Hong Kong enjoyed clear advantages. This proposal did give us a brand new direction for development, but no comprehensive industrial policy has been formulated over the years. Very often, only piecemeal measures are adopted, or the Government simply draws a cake to allay hunger.

Take for example the policy on cultural industry. The Government only kicked start the West Kowloon Cultural District development project by allocating the sites. So far there is no comprehensive industrial policy. The provision of appropriate human resources, financial resources and policy resources in collaboration with the development was just limited to some piecemeal supportive measures. Although there is first class hardware support in the West Kowloon Cultural District, we still have to think about the role and position of the cultural industries, so as to put in more resources and explore how

to turn cultural activities into creative activities to facilitate economic development, and turn public expenditure into social assets.

With these remarks, President, I support the original motion.

MR ALBERT CHAN (in Cantonese): President, the discussion on how to enhance creative industries under the prevailing political climate is, on the one hand, extremely ironic, but on the other hand, it is timely. Recently, we can see that LI Ka-shing, Hong Kong's richest man, has substantially withdrawn his investment. Also, the Hong Kong Television Network Limited (HKTVN), chaired by the "naughty boy" Ricky WONG, failed to get a licence. It was shocking that the "naughty boy", regarded as a very creative and enthusiastic entrepreneur who has been working hard over the years for the future of Hong Kong, was rejected from participating in the development of the television industry. When we talk about how to enhance the impetus for innovation in Hong Kong's economy, it does not only involve public finances. The support of public finances is surely important, but a liberal political environment is even more important. Extreme political pressure will definitely suffocate innovation in the economy, no matter how much money is involved. When political control means everything, it will only result in the loss of creative talents. Under political pressure, creative economy and creative industries will just end up in suffocation and shrinkage.

President, I have submitted numerous proposals regarding creative industries or innovation development to the Government over the years. In 2003 during the SARS crisis, I submitted an opinion paper to the Government on innovative proposals to revive the economy. In 2005, I proposed the Mui Wo development project by forming an economic development circle with cultural, historical, geographical and environmental conservation elements. Learning from overseas experience, I proposed the ideas to the Government on how to promote the local economy. Some proposals were made 10 years ago and some were raised eight years ago, but the Government made no effort at all and it is just like a pool of stagnant water. With no political relationship forcing the Government to take actions, suggestions will just mean nonsense to the Government. So today in this Council, Members cannot but become "human recorders" putting all their suggestions made over the past 10 years into the proceedings of the meeting. Still, the Government only listens to the rich and powerful and its special political partners, and turns a deaf ear to any other opinion.

President, regarding the overall development of Hong Kong, the industrialists I contacted in the past were mostly disappointed with "689", the representative of Hong Kong communist regime, they are also disappointed with TUNG Chee-hwa and Donald TSANG. As for those reaping advantages by maintaining close relationship with the Government and influencing government decisions, particularly the property developers, it will be another matter. However, generally speaking, truly creative industries which yearn for further development in Hong Kong are treated with apathy. Many industrialists are thus frustrated.

President, I have been telling the Government how to develop high value-added industries over and over for more than a decade. Once again, I repeat my suggestions made over the past decade or so, including those proposed under the policy address and the budget. Particularly, when Henry TANG was holding the positions of the Secretary for Commerce, Industry and Technology, the Financial Secretary and even the Chief Secretary for Administration, I proposed several times, but he just did not care at all. Neither did he make use of his status and influence to do something for the industries in Hong Kong. Given the background of some officials, I do not have much expectation on them. Let us take Gregory SO as an example. What can we expect from him? Does Gregory SO, a Secretary who likes to present his name card, really care about the innovation development in Hong Kong or how airwaves in Hong Kong can meet public demand? As we have no expectation of the Secretaries, we well expect that their comments will be against public opinion. Hence, all we can do is to see if Ricky WONG can initiate a movement fighting for his rights. If he can lead such a movement on the coming Sunday and force the Government to change its policy, there is still be a small chance that Hong Kong's airwaves will be developing in a creative mode. Otherwise, from the perspective of creativity, the announcement made yesterday could be considered a death notice for the development of the television industry in Hong Kong.

President, in connection with the development of high value-added industries, I had previously mentioned five major areas. The first area is watch and clock industries. The development of watch and clock industries in Hong Kong was well-recognized in the past. However, owing to economic considerations, factories were relocated and established in China. In fact, we can set up factories in Hong Kong. Chances are good if we can have further

development in research and design. The second area is pharmaceutical manufacturing and medical equipment production industries. The third and the fourth areas are fashion and jewellery industries, while the fifth and sixth ones are food processing and environmental conservation industries. If we can develop these high value-added industries, it will not only create job opportunities for Hong Kong, but also provide more career options for our next generation. Tourism and finance are not the only industries in which our younger generation in Hong Kong would like to join and pursue further development. Development in these areas can even alleviate the problem of disparity between the rich and the poor. In the absence of such innovation and development, Hong Kong will just remain stagnant without progress.

MR CHUNG KWOK-PAN (in Cantonese): President, Mr Albert CHAN has mentioned the fashion industry at the end of his speech on creative industries. I believe creative industries include various businesses. Though the television station of Ricky WONG was not granted a licence, this does not mean that creative industries are dying. This is because some other industries will emerge.

Today's motion is about optimization of public finances. Mr Kenneth LEUNG mentioned right from the beginning that we might have to think about the policy of broadening the tax base. However, the current problem is that the Government is not in lack of money. Apart from fiscal reserves, the Government has more than \$2 trillion of foreign currency reserves. If calculated at a minimum annual return rate of 3%, the \$2 trillion-odd can bring about a return of up to some \$60 billion a year. I am not asking the Government to exhaust all such return. However, assuming the principal remains unchanged, if we just spend 50% of the \$60 billion derived from interest or return, which means \$30 billion, we can allocate \$10 billion for assisting the development of creative industries; and \$10 billion for helping the grassroots or alleviating poverty, I believe our general financial status will not be affected. Moreover, even if we broaden the tax base or reform the tax system to generate more income for the Government, it is still meaningless if the Government does not change its mindset and again puts the extra money in the fiscal reserves or foreign currency reserves without spending them. Therefore, if we just spend a small amount of the return each year, that is, some \$10 billion, on the development of creative industries, we will give Hong Kong a bright prospect.

As regards how to strengthen the impetus for economic development and innovation in Hong Kong, some industries have now established good foundations. I must certainly mention the fashion industry. In a recent chat with Ms Emily LAU, she told me that her niece, after graduation from Parsons The New School for Design, the most famous fashion design school in New York, was employed by a very famous fashion design company in the United States, but after working for that company for just one year, she decided to return to Hong Kong. Mr Kenneth LEUNG has just mentioned about how to attract overseas companies and talents. In fact, it is most important to have a platform and opportunities for development. Let us take the fashion industry as an example. Why did Ms Emily LAU's niece eventually decide to come back to Hong Kong even though she was working for a top brand company and has very good opportunities for development in New York? This is because there are rooms for development in the creative fashion industry in Hong Kong. A lot of overseas graduates with outstanding capabilities choose to return to Hong Kong in pursuit of further development.

Our textile and clothing industry has established a very good foundation, and China is a market with huge potentials. So, everything is ready. If the SAR Government can help establish favourable business environment and platform, I believe we can have great achievements by driving creative impetus with the fashion industry. The SAR Government established the Economic Development Commission last year, but so far no special recommendations or policies have been proposed. There is a working group under the Commission looking into the area of manufacturing industries, innovative technology and cultural and creative industries. I hope that the working group will consider developing fashion industry as the starting point to promote creative industries.

I of course consider that the fashion industry is not only restricted to clothes. As just mentioned by Mr Albert CHAN, watches and clocks, jewellery, shoes or hats can be included in the fashion industry as well. In this way, with the manufacturing industry and research as a foundation, the fashion industry can absolutely be developed into another emerging industry in Hong Kong other than the financial and real estate industries.

President, I so submit. Thank you.

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

MR TANG KA-PIU (in Cantonese): President, with regard to the wording of Mr Kenneth LEUNG's motion, I believe the four most sensitive words to different political parties and affiliations in this Chamber are "broadening the tax base". It is precisely because of these four words that the Hong Kong Federation of Trade Unions (FTU) has reservation about this motion. Why do we have reservation? We certainly agree that the number of taxpayers, especially those in the working population who pay tax direct, is small both in terms of the proportion and absolute number. We do agree with this. But the question is not whether a certain working population should pay tax, but they are unable to pay tax after deducting all allowances.

For example, a written question of last Wednesday revealed that of the existing 3.6 million working population, more than half (54.68%) is not required to pay any salaries tax, whereas another 20% pay between \$1 and \$1,000. In other words, three in every four people in Hong Kong's working population pay \$1,000 or less salaries tax. We consider this a sign of disparity between the rich and the poor as well as widening income gap, and people may not feel very happy for not being required to pay salaries tax. The filling of tax return bears criminal liability. Comparing with the survey on tenants' household income conducted by the Census and Statistics Department, one should exercise greater caution when filling his/her income in the tax return. Public rental housing (PRH) tenants who have forgotten to fill in the bonus amount when filling their tax return while their companies have done so for them may be prosecuted for misrepresentation and sent to prison, if this is disclosed by the Housing Department in its random inspections. This is criminally liable. I think the relevant data can better reflect the existing problems of society. It is alarming to society to have one in every four employees not or barely meeting the requirements to pay salaries tax.

Colleagues often mentioned Northern Europe, where bus drivers earn more than HK\$40,000 a month. They are certainly willing to pay tax. But how much do Hong Kong bus drivers earn a month? This makes broadening the tax base a pretty sensitive issue. Paying tax is not a problem to people who have the financial means, but the fact is that many people do not have such means. I believe any attempt to exploit the grassroots or sandwich class by proposing the sales tax will lead to strong repercussion from the public.

Let us turn to other data. Between 2001 and 2012, Hong Kong's GDP growth was 54.6%, whereas the increase in commodity prices was 16.2%. In

other words, the actual GDP growth after deducting commodity prices was 38% over the past decade. However, have the salaries of general employees risen by 38%? If we review the period from 2005 to 2012, GDP grew by an average of 4.21% in real terms per year after discounting inflation, while the annual rate of wage increase was only 0.9% in real terms. From this, we can see why so few people have to pay salaries tax. Where has the fruit of economic growth gone? It has become business profits or gone to the pockets of the high-salaried class. This is why the mentioning of "broadening the tax base" right at the beginning has made many people from the grassroots or sandwich class feel so bad.

Certainly, the society needs rational discussion to ensure that the Government can have sustainable finance. This is worth discussing. But if the discussion is geared towards the broadening of the tax base whereby people who are previously not subject to any direct tax will fall into the tax net, then the FTU will have reservation.

We notice that in the opening speech, the Secretary has highlighted the problem of ageing population. Of course, we are also very concerned about this problem because 30 years later, more than 25% or even 30% of Hong Kong's population will age over 65. Therefore, it is now time to make better use of our fiscal reserves. Instead of simply considering the broadening of the tax base, we should consider increasing the tax rates so as to enable Hong Kong to have a more robust retirement protection scheme. Frankly, we consider it necessary to re-consider an increase of the tax rates, especially the profits tax rate.

With regard to special funds earmarked for specified purposes, we notice that Mr Kenneth LEUNG has highlighted the possibility of further extending the usage of certain capital works funds. We are aware that one of the funds, which belong to the fiscal reserves, does not have any specified usage in spite of the huge amount of money involved. It is the Land Fund. Basically, the Land Fund has never been used but yields amounting to about \$10 billion of interest or investment income are received every year. So far, it has accumulated up to around \$210 billion. Will the Administration consider using the Land Fund and increasing the profits tax rate to create a special fund earmarked for the introduction of a comprehensive retirement protection scheme? I believe many Members are pretty concerned about the long-term care needs, so will special consideration be given by the Government to deal with problems that will inevitably emerge in a society with an ageing population or with a poor and ageing population by earmarking special funds for specified purposes?

I therefore hope that the SAR Government will make good use of public money and be well-prepared. While broadening of the tax base can be put to discussion, I nonetheless consider it more important for enterprises earning relatively higher profits to particularly consider passing on the benefits to society when the profits tax rate remains low.

I so submit. Thank you.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Kenneth LEUNG, you may now speak on the amendments. The speaking time limit is five minutes.

MR KENNETH LEUNG (in Cantonese): With regard to Members' earlier speeches, I want to reiterate that this motion does not aim to change Hong Kong's tax regime. I also believe a low and simple tax regime that adheres to the territorial source principle is absolutely favourable to Hong Kong.

Mr CHAN Chi-chuen also noticed that the main axis of the English version of my original motion is to increase the amount of investment in respect of human capital and social infrastructure. As Mr NG Leung-sing has clarified earlier, the amount of reserve available for use by the current Government is \$689.9 billion, but not \$2,000 billion as many colleagues have said. As Mr MA Fung-kwok has said earlier, considering the broadening of the tax base does not mean that the tax rates will be increased. In fact, a study showed that with a broadened tax base, our salaries tax and profits tax may be reduced to as low to 10%. We can still balance the book without the need to have a two-tier tax system.

Concerning the amendments from colleagues, Mr IP Kin-yuen's amendment is concerned with an increase in the expenditures of education, healthcare services and social welfare. I agree with him. When Dr Elizabeth QUAT spoke on her amendment earlier, she talked about the need to provide children with more freedom and the various creative industries. I agree with her too. As for Mr Andrew LEUNG's amendment, since his amendment proposes to delete two major items from my motion, namely human capital and social

infrastructure, I have reservation about his amendment. Mr SIN Chung-kai's amendment also talked about conservation and proposed tax concessions both in real terms and in terms of policy, for example, to provide a 200% tax deduction for expenses on employee training and the purchase of green facilities. I agree with them as well. Furthermore, he has also highlighted some more important core values, such as the access on information.

Earlier, Mr Dennis KWOK has mentioned our judicial system whereas Ms Cyd HO has also highlighted a case about procedural justice. These topics or issues are actually an essential part of social infrastructure. In his amendment, Mr Ronny TONG reiterated that Hong Kong has depended too heavily on the high land price policy and people are paying indirect taxes, which are common social phenomena. If a broadened tax base can help bring property prices back to a reasonable level, do Members think this is worthy of consideration? Ms Cyd HO's amendment also proposed to optimize regular fiscal surplus by adding \$20 billion to its recurrent expenditure. And yet, Ms HO has not mentioned how this \$20 billion should be used. Notwithstanding that, I still adopt an open attitude towards her amendment and will support it. The amendment of Mr Charles Peter MOK has proposed some concrete policies on technology industries and technology education, I will support him as well.

On the whole, today's motion has highlighted Members' obsession, and that is, broadening the tax base. Despite the fact that various political parties dare not utter these words to avoid losing votes, Members should think deeper that our tax base is extremely narrow. If additional capital is required for Hong Kong to achieve long-term development, Members should think deeper if there is any room or opportunity for us to secure more stable income sources other than to rely on the high land price policy.

In response to Members, the Secretary said that in 2041, there will be 2.56 million elderly people, representing 30% of our population. As we have expected the Government to give such a reply and stress the importance of prudent financial management — in the Secretary's speech, the term "prudent financial management" has appeared five times — this motion is actually a stimulus. The proposed broadening of the tax base would give the Government no excuse not to increase investment in human capital and social infrastructure.

President, I so submit.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I thank Members for giving valuable views on the motion "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy". I am going to make a consolidated response regarding Members' concrete proposals on the deployment of additional resources to enhance Hong Kong's competitiveness, thereby ensuring sustainable development.

Mr Kenneth LEUNG and a number of Members have urged the SAR Government to substantially increase investment in human capital. All along, the Government has invested heavily in education to nurture talents and promote social mobility, so that Hong Kong can sustainably develop. Education is the biggest expenditure area amongst various policy areas. The total government funding for education in 2013-2014 is \$76.9 billion, of which the recurrent expenditure amounts to \$63 billion, which is more than one fifth of the total recurrent government expenditure.

Since the reunification, we have put forward a number of important education reform measures, involving an annual recurrent expenditure of billions of dollars. Reform measures introduced over the past six years include the Pre-primary Education Voucher Scheme, free senior secondary education in public schools and the implementation of small class teaching in public sector primary schools by phases. For secondary education, we have introduced a new academia structure and a four-year undergraduate programme in 2012-2013.

With the implementation of various measures to enhance the quality of education, the Government has continuously put in additional education resources. The total expenditure on education in 2013-2014 was 60% higher than that of 1997-1998, and the recurrent expenditure has increased by nearly 70%. We anticipate that in the next two years, more than one third of the school-age young people will have the opportunities to take degree programmes; together with sub-degree programme places, nearly 70% of young people will be taking tertiary education programmes, thus contributing to the pool of talents underpinning our future development.

Many Members highlighted the importance of vocational training, which the SAR Government also strongly agrees with. In the past few years, we have been increasing the recurrent funding for the Vocational Training Council (VTC). The VTC is currently offering about 250 000 vocational education and training

places, including over 100 Higher Diploma programmes. These programmes provide students with professional knowledge as well as general education and training, with emphasis on both theory and practice. On completion of the programmes, students may choose to seek employment or pursue further study.

On employees' retraining, the Employees Retraining Board (ERB) has been striving to enhance the employability of local workers and has offered an average of over 100 000 training places in each of the past three years. In order to provide the ERB with long-term support, we have proposed to inject \$15 billion into it in the 2013-2014 financial year.

Furthermore, in response to the needs of different types of job-seekers, the Labour Department has implemented a number of special employment programmes, including the Youth Pre-employment Training Programme, the Employment Programme for the Middle-aged and the Work Orientation and Placement Scheme, with a view to enhancing the employability and competitiveness of young people, the middle-aged and persons with disabilities, as well as helping them enter the labour market to showcase their talents as soon as possible.

In the amendment, Dr Elizabeth QUAT urged the Government to take the lead in promoting and guiding the development of technological research, creative industry or other industries with competitive edge and development potentials. The Government has devised seven major strategies to promote the development of local creative industries, and as I am aware, Members have also mentioned some of them and we see eye-to-eye with each other on, for example, the nurturing of talents, facilitating start-ups and development of creative establishments, expanding local market size, assisting the industry to explore outside markets by promoting on the Mainland and overseas, fostering a creative atmosphere within the community, developing creative clusters in the territory and promoting Hong Kong as Asia's creative capital.

The Government injected \$300 million in 2009 to launch the CreateSmart Initiative (CSI), which aims to provide financial support to projects conducive to the development of creative development. The CSI has also received funding support from the Finance Committee of the Legislative Council, which has approved to inject an additional \$300 million in May 2013. We will continue to provide support for the industry to organize projects conducive to the development of creative industries and the nurture of talents.

Mr Charles Peter MOK mentioned the technology industries in his amendment. In 1999, the Government injected \$5 billion for setting up the Innovation and Technology Fund (ITF). On hardware support facilities, the Hong Kong Science Park (HKSP) and the Research and Development (R&D) Centres are the major technological infrastructures in Hong Kong. The HKSP offers one-stop infrastructural support services to technology-based companies and activities, including R&D facilities, infrastructure, and services and programmes, thereby enabling science and technology companies to nurture ideas and develop innovative technologies.

To cater for the long-term development needs of the innovation and technology (I&T) industry, the Government has commenced the development of Phase 3 of the HKSP. The entire project is expected to complete in stages between 2014 and 2016. Upon completion of Phase 3, the existing floor area of the HKSP will increase by 50% to 330 000 sq m, thus accommodating another 150 high-tech companies. The R&D Centres drive and co-ordinate applied R&D in the selected focus areas, as well as promote commercialization of R&D results and technology transfer.

From 2013-2014 onwards, in order to enhance universities' capabilities in technology transfer as well as commercialization and realization of research and development results, the Government will provide, through the ITF, a \$4 million funding per annum to six universities engaging in technological research and development and were appointed as local public sector R&D institutions.

In order to enhance the innovative culture in the community, we have since 2010 expanded the annual Innovation Festival into InnoTech Month, a month-long programme encompassing a wide array of activities including InnoCarnival. The number of participants to this flagship event increased steadily and reached a record high of over 200 000 visits last year.

Mr IP Kin-yuen's amendment urged the Government to increase the number of staff on the permanent establishments and reduce the number of contract staff. In keeping with the principles of prudent management of public resources, the Government has all along kept the civil service establishment under control in order to maintain a lean and efficient Civil Service. At the same time, new civil service posts will only be created when the operational need is fully justified, so as to ensure that various government departments will have the

necessary manpower to implement new policy initiatives and strengthen their services to the public.

Through the Voluntary Retirement Scheme and the freeze on recruitment to the Civil Service launched since 1999-2000, the total civil service establishment had been reduced from about 190 000 in 1997-1998 to around 160 000 in 2006-2007. We subsequently resumed civil service recruitment in 2007-2008, and the civil service establishment has increased by about 1% in each of the past five years. It is estimated that by March 2014, the civil service establishment will be increased to about 171 400. We will continue to appropriately increase the number of civil servants on a need basis.

The Non-Civil Service Contract (NCSC) Staff Scheme, introduced in 1999, aimed at providing Heads of Departments with a flexible means of employment to respond more promptly to changing operational and service needs of various Policy Bureaux and departments. Various bureau/departments will review from time to time whether the use of NCSC staff fits the ambit of the Scheme, and whether the service needs should better be met by other means. The relevant departments will proactively consider replacing NCSC positions by civil service posts if it is identified that the work involved should more appropriately be performed by civil servants.

With the concerted efforts of various bureaux/departments, the number of NCSC staff has gradually reduced from about 16 400 in March 2006 to about 14 500 in mid-2012, representing a reduction of 12%.

I am going to talk more on fiscal reserves. As I have pointed out in my earlier speech, fiscal reserves are not reserves for backup purposes but all that we have at our disposal for day-to-day use. As at the end of March 2013, the SAR Government holds fiscal reserves of about \$733.9 billion, which is equivalent to 23 months of government expenditure. It appears to be a huge sum of money. And yet, looking back at the record of the SAR Government since the reunification, we had fiscal deficit for five years in a row from 1998-1999 to 2003-2004. As a result, the level of accumulated reserves has significantly dropped from 28 months of government expenditure in March 1998 to around 13 months of government expenditure, representing an evaporation of 15 months of government expenditure. Given that expenditure on people's livelihood is easier to increase than decrease, we should not lightly propose to substantially increase recurrent expenditure at the expense of financial sustainability.

Earlier, a number of Members talked about the use of the Exchange Fund assets. Here, I wish to state clearly that although the Exchange Fund assets have reached nearly \$2,800 billion, it cannot be used to finance public expenditures. The relevant asset is comprised of three parts: The first part is the fiscal reserves that the Government placed with the Exchange Fund, and that is, the abovementioned reserve of \$700 billion. The second part is, as Mr NG Leung-sing has clearly explained, a backup of our debts, which have reached between \$1,200 billion to \$1,300 billion. The third part is the accumulated surplus of the Exchange Fund, which is about \$600 billion.

The Exchange Fund can only be used for purposes specified in the Exchange Fund Ordinance. The statutory purpose of the Exchange Fund is mainly to stabilize the exchange value of the Hong Kong currency and maintain the stability of our financial system. Any proposal to reduce the Exchange Fund asset may send wrong signals to the market. While Hong Kong has a robust financial system and its scale is also growing rapidly, the international financial market is extremely volatile and the global economic outlook is still highly uncertain, we must therefore protect ourselves against external speculative attacks. It is of utmost importance to maintain the size and robustness of the Exchange Fund in order to ensure monetary and financial stability.

A Member just now asked why the income of the Exchange Fund cannot be used to finance our expenditures. As a matter of fact, the Government's fiscal reserves have been placed with the Exchange Fund. Thus, investment return from the fiscal reserves is part of government revenue and is used to finance public services.

As Ms Starry LEE has raised two issues earlier, I would like to make a response. Firstly, it is about the underestimation of income. As I have said in my opening speech, in the longer term, the cumulative growth rate of nominal GDP is about 50% since 1997, which is similar to the growth of cumulative income. However, if we focus on a certain period of time, the growth may not be similar. This shows that the accuracy of our budget is affected by a number of factors, and the most important of all is the relatively unstable major income of the Government. In particular, profits tax and land premium are highly susceptible to economic fluctuations and are beyond government control in most cases. Therefore, when drawing up the budget, we will make the best assessment according to the available information in hand.

The second issue raised by Ms LEE is concerned with the Working Group on Long-Term Fiscal Planning (the Working Group) established by the Financial Services and the Treasury Bureau in June. Members of the Working Group are conscientiously conducting an in-depth study on a number of important issues, and the relevant proposals are brewing. The issues concerned include the pressure of ageing population on public finance, and the implication of an ageing population on the Government's long-term commitment. The Working Group has conducted a number of meetings on the relevant issues and proposals will be submitted to the Financial Secretary in late 2013 at the earliest.

A number of Members have expressed concern about Hong Kong's ranking in global competitiveness surveys in their earlier speeches. I wish to point out that, be it the global competitiveness or international credit ratings, the sustainability and continuity of a robust public finance depends on whether the Government has adhered to the prudent financial management principle of keeping expenditure within the limits of revenues and avoiding deficits. This principle has all along been an important factor. Being a free and open economy with a low tax regime, it is very important for the Government's fiscal reserves to protect us against economic adversities.

Looking around the world, many economies are facing similar problems of surging long-term public expenditures, and the need to reduce deficit and national debts, while other countries have set aside some fiscal surpluses and other revenues as reserves. Hong Kong should draw on this lesson and avoid doing things the reverse way.

All in all, we have been putting in resources to promote investment in human capital and social infrastructure. And yet, public resources are not inexhaustible. So are fiscal reserves. Therefore, in the face of the long-term resource need arising from an ageing population, we must prepare for the rainy days. We should adhere to the principle of pragmatism which guides the use of public resources, and allocate resources in accordance with actual needs and priorities, taking into account fiscal sustainability. When implementing new policies and measures, especially those involving long-term financial commitments, the Government must consider them thoroughly and conduct appropriate consultation in advance.

President, I so submit.

PRESIDENT (in Cantonese): Mr IP Kin-yuen, you may move your amendment.

MR IP KIN-YUEN (in Cantonese): President, I move that Mr Kenneth LEUNG's motion be amended.

Mr IP Kin-yuen moved the following amendment: (Translation)

"To delete "given the" after "That," and substitute with "under the broad environment of economic globalization, there is a"; to delete "," after "economy" and substitute with "; economic industries are homogeneous and the development of culture and creative technology is stagnant, resulting in serious aggravation of social and livelihood problems; in this connection,"; and to add ", and in particular, to appropriately increase the number of staff on the permanent establishments of government departments and subvented organizations and reduce the number of contract staff; in addition, the Government should adopt new thinking to restructure public finances, properly use the fiscal surplus to plan long-term policies, and substantially increase the recurrent expenditure on policy areas such as education, medical service and social welfare, etc., so as to realize the Government's long-term commitment to public policies, ensure sufficient funding for policy implementation, alleviate social conflicts, improve people's livelihood and bring greater benefits to society, rather than relying solely on the various short-sighted and piecemeal one-off measures of 'handing out candies' every year; at the same time, the authorities should actively study ways to increase the stability of the overall government revenue, so as to ensure that in times of economic downturn, the Government can still continue to spend resources on various public policies" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr IP Kin-yuen to Mr Kenneth LEUNG'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 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 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 CHAN Kin-por, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr IP Kin-yuen and Mr POON Siu-ping voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Mr Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Prof Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr MA Fung-kwok, Mr KWOK Wai-keung and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr Ronny TONG, Mr Alan LEONG, Mr WONG Yuk-man, Mr Gary FAN, Dr Kenneth CHAN and Dr KWOK Ka-ki voted for the amendment.

Dr Priscilla LEUNG voted against the amendment.

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Paul TSE, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr Michael TIEN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG and Dr Elizabeth QUAT abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, six were in favour of the amendment, nine against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, six were in favour of the amendment, one against it and 20 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Dr Elizabeth QUAT, you may move your amendment.

DR ELIZABETH QUAT (in Cantonese): President, I move that Mr Kenneth LEUNG's motion be amended.

Dr Elizabeth QUAT moved the following amendment: (Translation)

"To delete "," after "That" and substitute with "in the Global Competitiveness Report published by the World Economic Forum last month, Hong Kong ranks seventh in the world, rising by two places; but at the same time, the report points out that if Hong Kong is to upgrade its competitiveness, it must enhance its standards of higher education and innovation;"; to delete "lack of" after "given the" and substitute with "insufficient"; to add "to optimize the use of fiscal reserves, take the lead in promoting and guiding the development of technological research,

creative industry or other industries with competitive edge and development potentials, so as to open up new economic areas, and at the same time," after "Government"; and to delete "while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund" immediately before the full stop and substitute with ", with a view to attaining the goal of diversified economic development"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Elizabeth QUAT to Mr Kenneth LEUNG's motion, be passed.

Before I put Dr Elizabeth QUAT's amendment to question, I will first invite Mr Andrew LEUNG to move a motion to shorten the duration of the division bell to one minute.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy" 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 "Optimizing public finances and enhancing the impetus for innovation in Hong Kong's economy" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Dr Elizabeth QUAT to Mr Kenneth LEUNG's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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 Andrew LEUNG, as Dr Elizabeth QUAT's amendment has been passed, you may now move your revised amendment.

MR ANDREW LEUNG (in Cantonese): President, I move that Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT be further amended by my revised amendment.

Mr Andrew LEUNG moved the following further amendment to the motion as amended by Dr Elizabeth QUAT: (Translation)

"To add "; this Council also urges the Government to formulate long-term infrastructure planning and nurture talents through various channels such as education and vocational training, etc., so as to enhance Hong Kong's competitiveness and foster upward social mobility" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Andrew LEUNG's amendment to Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT 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): Mr SIN Chung-kai, as the amendments by Dr Elizabeth QUAT and Mr Andrew LEUNG have been passed, you may now move your revised amendment.

MR SIN CHUNG-KAI (in Cantonese): President, I move that Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG be further amended by my revised amendment.

Mr SIN Chung-kai moved the following further amendment to the motion as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG: (Translation)

"To add "; this Council also urges the Government to adopt the following measures, including: (1) to permit enterprises in making declaration of profits to enjoy a 200% tax deduction for their expenses on employee training, purchase of green facilities and scientific research, etc., with a view to encouraging enterprises to provide in-service training to employees, enhance their work in environmental protection and step up scientific research, so as to upgrade Hong Kong's competitiveness; (2) dovetailing with the conservation policy, to protect Hong Kong's natural landscape, as well as conserve buildings with local characteristics and intangible cultural heritage, etc., so as to attract tourists and enhance the competitiveness of Hong Kong's tourism industry; (3) to expeditiously issue additional sound broadcasting licences and television licences by way of auction, so as to increase market competition, and open up the airwaves and introduce public access channels, so as to increase information diversity, thereby providing people with quality programmes and fostering the development of cultural and creative industries; and (4) to expeditiously enact legislation on freedom of information for facilitating public and media access to government records, so as to compensate for the inadequacies of the Code on Access to Information and safeguard the data access rights of the public and freedom of the press, with a view to upholding the core values and competitiveness of Hong Kong" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr SIN Chung-kai's amendment to Mr Kenneth LEUNG's motion, as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG, 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 SIN Chung-kai rose to claim a division.

PRESIDENT (in Cantonese): Mr SIN Chung-kai 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, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG and Mr IP Kin-yuen voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr YIU Si-wing, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr Vincent FANG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr MA Fung-kwok, Mr POON Siu-ping and Mr CHUNG Kwok-pan abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr WONG Yuk-man, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr WONG Kwok-hing, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr Michael TIEN and Miss Alice MAK voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr Paul TSE, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr James TIEN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Mr LEUNG Che-cheung and Dr Elizabeth QUAT abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, six were in favour of the amendment, 10 against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 12 were in favour of the amendment, five against it and 11 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Ronny TONG, as the amendments of Dr Elizabeth QUAT and Mr Andrew LEUNG have been passed, you may now move your revised amendment.

MR RONNY TONG (in Cantonese): President, I move that Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG be further amended by my revised amendment.

Mr Ronny TONG moved the following further amendment to the motion as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG: (Translation)

"To add "; this Council also urges the Government to improve the existing over-reliance on the high land price policy" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Ronny TONG's amendment to Mr Kenneth LEUNG's motion, as amended by Dr Elizabeth QUAT and Mr Andrew LEUNG, 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)

Ir Dr LO Wai-kwok rose to claim a division.

PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok 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 Vincent FANG, Prof Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him,

Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr IP Kin-yuen, Mr POON Siu-ping, Mr TANG Ka-piu and Mr CHUNG Kwok-pan voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr NG Leung-sing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok and Mr Tony TSE abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Alan LEONG, Mr WONG Yuk-man, Mr Michael TIEN, Mr James TIEN, Mr Gary FAN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG and Dr Elizabeth QUAT voted for the amendment.

Dr Priscilla LEUNG, Mr Paul TSE, Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr CHAN Chi-chuen abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 18 were in favour of the amendment and eight abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 23 were in favour of the amendment and five abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Ms Cyd HO, as the amendments of Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG have been passed, you may now move your revised amendment.

MS CYD HO (in Cantonese): President, I move that Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG be further amended by my revised amendment.

Ms Cyd HO moved the following further amendment to the motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG: (Translation)

"To add "; this Council also urges the Government to optimize its regular fiscal surplus by adding \$20 billion to its recurrent expenditure" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO's amendment to Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG, 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 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, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG and Mr IP Kin-yuen voted for the amendment.

Mr CHAN Kin-por voted against the amendment.

Mr Abraham SHEK, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr WONG Yuk-man, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr Michael TIEN voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr Paul TSE, Mr Albert CHAN, Mr James TIEN, Mr CHAN Chi-chuen, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK and Dr Elizabeth QUAT abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, six were in favour of the amendment, one against it and 19 abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 13 were in favour of the amendment, one against it and 14 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Charles Peter MOK, as the amendments of Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG have been passed, you may now move your revised amendment.

MR CHARLES PETER MOK (in Cantonese): President, I move that Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG be further amended by my original amendment.

Mr Charles Peter MOK moved the following further amendment to the motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG: (Translation)

"To add "; this Council also urges the Government to formulate long-term, comprehensive and concrete policies on technology industries, including enhancing technology education, creating a good environment for starting up businesses, supporting the development of local applied scientific research and technology transfer, and assisting Hong Kong technological enterprises in developing the local, Mainland and overseas markets, so as to further strengthen the economic impetus of Hong Kong" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Charles Peter MOK's amendment to Mr Kenneth LEUNG's motion as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG and Mr Ronny TONG, 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 Andrew LEUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Andrew LEUNG 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, Prof Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr IP Kin-yuen, Mr POON Siu-ping and Mr TANG Ka-piu voted for the amendment.

Mr Tony TSE voted against the amendment.

Mr Abraham SHEK, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr NG Leung-sing, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok and Mr CHUNG Kwok-pan abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Alan LEONG, Mr WONG Yuk-man, Mr Michael TIEN, Mr Gary FAN, Mr CHAN Han-pan, Dr Kenneth CHAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai, Dr Helena WONG and Dr Elizabeth QUAT voted for the amendment.

Dr Priscilla LEUNG, Mr Paul TSE, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr James TIEN and Mr CHAN Chi-chuen abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 14 were in favour of the amendment, one against it and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 22 were in favour of the amendment and six abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr Kenneth LEUNG, you may now reply and you have two minutes five seconds.

MR KENNETH LEUNG (in Cantonese): President, it seems that the focus of today's motion can be condensed to four words: broadening the tax base. Why did I use these four words in my motion? First, I want to test the water. It has proved that these four words are, as I have expected, taboos to Members. And yet, I have at least done something for my voters. Second, I also want to find out if the Government is willing to increase investment in human capital and social infrastructure and I do not want to see the Government making complaints in this Chamber. But regrettably, it merely stressed the importance of prudent

financial management on the ground that there will be 2.56 million elderly people/retired elderly people in 2041, representing 30% of our population. Unlike what Mr Andrew LEUNG has said, my purpose of using the words "broadening the tax base" is not to bring the grassroots into the tax net. Rather, I hope that both newly established enterprises or people newly arrived to Hong Kong for work can contribute to Hong Kong's revenue. I therefore hope that Members would support my motion today by focusing on the increase of investment in human capital and social infrastructure today and casting aside the proposal to broaden the tax base. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Kenneth LEUNG, as amended by Dr Elizabeth QUAT, Mr Andrew LEUNG, Mr Ronny TONG and Mr Charles Peter MOK, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 9.30 am tomorrow.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Constitutional and Mainland Affairs to Mr Albert HO's supplementary question to Question 3

As regards the respective numbers of children who died of suicide and domestic violence, the Labour and Welfare Bureau has provided the following information:

(1) *Number of Children who died of Suicide*

According to the latest information provided by the Census and Statistics Department, the numbers of known suicide deaths involving persons aged below 18 each year between 2006 and 2012 are as follows:

<i>Age</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
0-4	-	-	-	-	-	-	-
5-9	-	-	1	-	-	-	-
10-14	2	5	4	3	6	6	3
15-17	12	5	8	9	16	8	7
Total	14	10	13	12	22	14	10

Note:

The suicide death figures presented refer to the number of suicide deaths occurred in a specified year known as at December 2013. They do not cover deaths occurred in that year which have not yet got a verdict by the Coroner's Court and registered with the Immigration Department.

(2) *Number of Children who died of Domestic Violence*

The Social Welfare Department set up a pilot and then a standing Child Fatality Review Panel in 2008 and 2011 respectively to facilitate the enhancement of social service systems pertaining to child welfare with focus on inter-sectoral collaboration and multi-disciplinary co-operation for prevention of occurrence of avoidable child death cases. The Review Panel of the Pilot Project and the standing Child Fatality Review Panel have reviewed the child death cases occurred in 2006 to 2009 and reported to the Coroner's Court.

WRITTEN ANSWER — *Continued*

The Panels reviewed a total of 447 child death cases which occurred in 2006 to 2009 and were reported to the Coroner's Court. Among these cases, 29 children died of assault, of which 22 perpetrators were parents of the deceased children.

<i>Perpetrator's Relationship with the Deceased Child</i>	<i>Year</i>		<i>Total</i>
	<i>2006 & 2007</i>	<i>2008 & 2009</i>	
Parent	9	13	22
Relative	0	3	3
Stranger	2	2	4
Total	11 ⁽¹⁾	18 ⁽²⁾	29

Notes:

- (1) Source: Review Panel of the Pilot Project on Child Fatality Review Final Report (December 2010)
- (2) Source: Child Fatality Review Panel First Report (May 2013)