OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 January 2015

The Council met at Eleven o'clock

MEMBERS PRESENT:

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

THE HONOURABLE STARRY LEE WAI-KING, 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.

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN
THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK, J.P.

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN, J.P.

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, S.B.S., 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, S.B.S., J.P.

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

THE HONOURABLE TANG KA-PIU, J.P.

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, B.B.S.

MEMBERS ABSENT:

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

DR THE HONOURABLE LEUNG KA-LAU
PUBLIC OFFICERS ATTENDING:

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

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

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

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

MR GODFREY LEUNG KING-KWOK, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

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

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

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MR MATTHEW LOO, ASSISTANT SECRETARY GENERAL
TABLING OF PAPERS

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

<table>
<thead>
<tr>
<th>Subsidiary Legislation/Instruments</th>
<th>L.N. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation</td>
<td>12/2015</td>
</tr>
<tr>
<td>Builders' Lifts and Tower Working Platforms (Safety) (Fees) (Amendment) Regulation 2015</td>
<td>13/2015</td>
</tr>
<tr>
<td>Construction Workers Registration (Amendment) Ordinance 2014 (Commencement) Notice 2015</td>
<td>14/2015</td>
</tr>
<tr>
<td>Construction Workers Registration (Fees) (Amendment) Regulation 2015</td>
<td>15/2015</td>
</tr>
<tr>
<td>Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Amendment of Schedule 2) Notice 2015</td>
<td>16/2015</td>
</tr>
<tr>
<td>Toys and Children's Products Safety Ordinance (Amendment of Schedules 1 and 2) Notice 2015</td>
<td>17/2015</td>
</tr>
<tr>
<td>Fugitive Offenders (Czech Republic) Order (Commencement) Notice</td>
<td>18/2015</td>
</tr>
<tr>
<td>Mutual Legal Assistance in Criminal Matters (Czech Republic) Order (Commencement) Notice</td>
<td>19/2015</td>
</tr>
</tbody>
</table>

Other Papers

No. 63 ─ Hong Kong Council for Accreditation of Academic and Vocational Qualifications Annual Report 2013/14
Measures to Tackle Problem of Shortage of Skilled Workers in Construction Industry

1. MR JAMES TIEN (in Cantonese): President, in the Policy Address recently delivered by him, the Chief Executive (CE) has stated that despite the measures rolled out in April last year to enhance the Supplementary Labour Scheme specifically for the construction industry in relation to public sector works projects, the relevant measures have yet to fully address the demand of the construction industry for skilled workers and there is a need to launch further enhancement measures. If these measures still cannot effectively resolve the acute shortage problem of skilled workers in the construction industry, the Government will explore with the construction industry and labour sector the introduction of other more effective and appropriate measures to reduce the adverse effects of the problem on Hong Kong's economic and social development. In this connection, will the Government inform this Council:

(1) apart from the assessment made by the Construction Industry Council, whether the Government has made its own assessment on the future shortfall in skilled construction workers on the basis of the current number of additional new construction works projects; if it has, of the details; if not, why CE is able to provide specific figures on future housing supply while no estimation on the shortage of skilled construction workers has been made;

(2) of the specific details and implementation timetable of the "further enhancement measures" and "other more effective and appropriate measures" as mentioned by CE, and whether it will consider afresh
the introduction of a special labour importation scheme for public housing and infrastructure works projects, by making reference to the practices adopted by the authorities for constructing the Hong Kong International Airport and carrying out the relevant works projects at Chek Lap Kok; and

(3) as CE has stated that if the shortage of skilled workers cannot be properly dealt with, it will seriously affect the implementation of public housing, hospital, school and public transportation projects, and will also indirectly lead to the escalation of construction costs, whether the authorities have assessed the economic and social losses to be caused to Hong Kong by such a situation?

SECRETARY FOR DEVELOPMENT (in Cantonese): Good morning, President and Members, as the Chief Executive stated in his Policy Address, the Government will continue to implement infrastructure and public housing works and so on, with a view to improving people's livelihood and meeting the needs of the community. Since 2013, the Government has worked with the Construction Industry Council (CIC) to assess the overall construction expenditure of both public and private sector works as well as the supply and demand of construction workers over a 10-year horizon. According to the latest report on manpower forecast for construction workers released by the CIC in October 2014, there will still be a shortage of about 10,000 to 15,000 skilled workers in the construction industry in the coming years.

My main reply to Mr TIEN's main question is as follows:

(1) On the forecast of the supply and demand of construction workers, the CIC collects relevant data from the industry and the relevant government departments. They have formed a task force comprising representatives of the relevant trade associations, labour unions, professional bodies, the Development Bureau and the Census and Statistics Department, to formulate the methodology of the manpower forecast, and to discuss and endorse the results of the forecast. The manpower forecast takes into account the latest forecast construction output of public and private sectors, the number of in-service workers and their age distribution, training and other relevant factors. The CIC will regularly update the forecasts
and promulgate its results. As the CIC's forecasts are prepared with inputs from the industry stakeholders and relevant government departments and have reflected the manpower situation of the industry, there is no need for the Government to conduct a separate forecast on the shortage of skilled construction workers at this stage.

(2) President, the Chief Executive stated in his Policy Address that we needed to further enhance the prevailing Supplementary Labour Scheme having regard to the unique characteristics of the construction industry. We will continue to uphold the overriding premises of giving priority to the employment of local workers and safeguarding their wage level. To this end, contractors are required to conduct 4-week local recruitment and accord priority to hiring local skilled workers in filling up the vacancies.

There are some unique operational characteristics of the construction industry not encountered by other industries. For instance, there are fine divisions in construction activities that involve various trades with diverse skills. The works processes are carried out in sequential order. For certain works processes that take less time to complete, skilled workers may not be able to find the relevant skill work at the same works site every day. Besides, the works may be affected by factors such as weather conditions, supply of materials and manpower, progress of upstream work processes, and so on. We are considering allowing imported skilled workers to work across more than one public sector works projects under the same contractors to enhance the flexibility of deployment and maximize their productivity.

In the next few months, we will closely liaise with the labour sector and the construction industry to work out the detailed arrangements with a view to launching the further enhancement measures as early as possible within the second quarter this year.

The relevant government departments will strictly enforce the law in light of the introduction of these measures to safeguard the interests of local workers and ensure that the above mechanism will not be abused. For instance, contractors are required by the Construction Workers Registration Ordinance to regularly submit workers' daily
attendance records. Upon request by relevant government departments, such information has to be provided for supervision and law-enforcement purposes. Labour Relations Officers of the relevant public works projects will also check the daily attendance record of imported skilled workers for the works projects and ensure that the contractors pay the wages as stipulated in their employment contracts to the workers.

On the other hand, the Labour Department will set up a dedicated Construction Industry Recruitment Centre to provide career counselling services, conduct on-the-spot job interviews and organize job fairs for local construction workers.

We will review the effectiveness of these enhancement measures in a timely manner following their implementation. If they still cannot effectively resolve the acute shortage problem of skilled workers in the construction industry, the Government will explore with the construction industry and the labour sector the introduction of other more effective and appropriate measures to alleviate the adverse impacts on Hong Kong's economic and social development. At present, the Government remains open to all possible options.

(3) President, the overall construction expenditure of Hong Kong in 2013-2014 was around $180 billion and is forecast to remain at the level between $170 billion and $240 billion per year in the coming 10 years.

If the shortage of skilled workers cannot be properly resolved, it will seriously affect the delivery of public housing, hospital, school and public transportation projects and lead to escalation of construction costs indirectly. It is forecast that, on average, the price of public sector works will be adjusted upwards annually in the coming few years. Thus, further delay in project implementation will lead to escalation of the construction costs for the projects.

Deferring the delivery of works projects will also entail serious losses to society and the economy. Hong Kong's economy only grew at an average annual rate of 2.7% in the five years from 2009 to 2013. The growth rate for last year is forecast to be only 2.2%.
Given the sluggish external demand, the domestic demand has become an important driver for Hong Kong's economy. The Government has taken proactive measures after the financial tsunami to maintain the stability of our domestic economy. The construction industry has played an important role to boost the domestic demand and create job opportunities, contributing to the close to full-employment situation in the labour market over the past few years. At present, the construction industry is facing an acute manpower shortage. Failure to alleviate the shortage of skilled workers in a timely manner will lead to project delays and deferrals to the commencement of worthwhile construction projects. In turn, this will lead to a more acute construction peak several years later which may result in more severe labour shortage and delay the realization of the economic and social benefits of these projects. If such a situation persists, it will undermine the long-term competitiveness and sustainable development of various sectors of Hong Kong. President, it is imperative that we implement the aforementioned proposed enhancement measures expeditiously to resolve the shortage problem of skilled workers.

MR JAMES TIEN (in Cantonese): President, I thank the Secretary for giving such a detailed reply. Actually a number of points in his main reply are also what I want to say. I think the first paragraph of the main reply has already spelt out a crucial point, that is, according to the report on manpower forecast released in October 2014, there will still be a shortage of about 10,000 to 15,000 skilled workers in the construction industry in the coming years. Although it is stated in the reply that a number of studies and discussions have been conducted, I would still like to ask the Secretary, when will these 10,000 to 15,000 skilled workers be able to come to Hong Kong to do such construction works?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, under the Supplementary Labour Scheme, applications for individual works projects have to be submitted to the Labour Advisory Board (LAB). At present, we do not have any fixed quota on the number of workers to be imported. It mainly depends on the needs of the projects and the prevailing labour market situation.
MR VINCENT FANG (in Cantonese): President, I think this issue has been arousing much controversy in the business and labour sectors, but now as we can see, various sectors in the territory indeed suffer from labour shortage. If we take a closer look, actually very few industries are qualified to import labour. In my view, only the manufacturing industry and the elderly service sector are able to import labour. Why do I say so? In the 1980s, the Government allowed the textiles industry to import labour. I also made an application at that time but did not import any in the end. Why? It was because there was a serious problem with accommodation. It was very expensive …

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

MR VINCENT FANG (in Cantonese): So, in my view, if the Government implements importation of labour, only these two industries will make it. Can the Government allow these two industries to import labour? Because if there is no importation of labour, everything, such as the MTR projects and the construction of public housing, will be delayed, thus having a great impact on Hong Kong's economy.

Hence, in my opinion, since the Government has already made the forecast — the Secretary's forecast is 15,000 workers — if it is not an overestimation, can we, as in the case of Chek Lap Kok back then, first import 5,000 workers, then look at the situation and decide further?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as mentioned in my earlier reply to Mr James TIEN's supplementary question, we do not intend to set any fixed quota at the moment. The procedure of the existing Supplementary Labour Scheme is actually similar to the procedure of importation of labour for the new airport back then. The main difference is that there was a quota for the plan in the past, but this time there is none. However, if we look at the quota which was set at that time, less than half was used in the actual implementation. Hence, at the present stage, we do not think we should set a fixed quota which may result in unnecessary disputes over the quota between employers and the labour sector. Instead, we should adopt a practical approach and scrutinize the applications submitted by the contractors for each project.
That is, after they have lodged an application and provided proof to the LAB that they are unable to recruit manpower from open recruitment, the LAB and the relevant government departments will scrutinize their applications together. If they consider that the application deserves support, they will give their support in writing. We think such a practical approach will achieve better results.

President, please bear with me for saying a few more words. Regarding the present enhancement measure, in the past, after a contractor had imported workers, these imported workers could only work for that particular contract for which the application was made at that time. As mentioned earlier, since the construction works processes were carried out in sequential order, sometimes the works progress would lag behind the original plan, resulting in "under-employment" of these imported workers during the implementation of the project. For this reason, the present enhancement measure will allow the imported labour to work for different public sector works contracts provided that their employer, being the same contractor, has applied to the LAB and obtained its approval. We believe this enhancement measure will enable the imported labour to attain better productivity and enhance the flexibility of deployment, which is beneficial to both parties.

PRESIDENT (in Cantonese): Since more than 10 Members are waiting to ask their questions, will Members and the Secretaries please make their questions and replies as concise as possible.

MR TOMMY CHEUNG (in Cantonese): President, actually from the late 1980s to early 1990s, the catering industry had also imported labour. That was the time when the catering industry had the most vigorous growth. President, you need not stare at me. I am not going to talk about importation of labour for the catering industry …

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

MR TOMMY CHEUNG (in Cantonese): Since the current wages and rents are already very high, if we want to import labour, I wonder how it can be done.
President, concerning the present issue, actually the Liberal Party had already mentioned two years ago that allowing the construction industry to import labour was conducive to the construction of public housing and public transportation works. In respect of Mr James TIEN's main question, the Secretary for Development replied that it was not necessary. The reason was that the CIC currently had sufficient manpower and there was a shortage of only about 10,000 to 15,000 workers. Actually there is a question which we always want to ask, that is, given the need to construct public housing, such as public rental housing units and Home Ownership Scheme flats, and as we now also talk about the need to construct hospitals, public facilities and road traffic facilities, including Hong Kong-Zhuhai-Macao Bridge, has the Secretary assessed the total manpower required in the coming years? Now we just want to ask the Secretary to expeditiously look into the figures and then approve the importation of labour. In this way, the Government will have no need to talk about the rising cost and say that owing to delay in the works progress, construction works cannot be completed on schedule in the end.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr Tommy CHEUNG for his supplementary question. The CIC's projected shortage of 10,000 to 15,000 skilled workers mentioned earlier has taken all the construction output of the public and private sectors into account. Thus the circumstances raised by Mr Tommy CHEUNG just now have already been taken into consideration.

MR TOMMY CHEUNG (in Cantonese): President, I will speak fast. I think this 15,000 …

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

MR TOMMY CHEUNG (in Cantonese): … is an overall figure. I just want to ask about several projects. If these projects are short of a certain number of workers, we may just import that number of workers.
PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding importation of labour, the commencement of works projects and invitation for tenders are conducted at different times. Besides, when we submit the funding proposal on a project to the Council, sometimes the situation will go beyond our original plan. So, in fact, it is necessary for labour to be imported only when funding approval has been granted and the project is going to be tendered. As such, the prevailing demand and supply situation in the labour market will be matched and followed closely.

MR ABRAHAM SHEK (in Cantonese): President, my supplementary question is very simple. I am highly supportive of this "quantitative" Supplementary Labour Scheme of the Government, but the existing scheme is actually quite complicated. Will the Secretary discuss with the trade again to see how to improve the existing system before "quantifying" it?

PRESIDENT (in Cantonese): I think what Mr SHEK meant was "enhancing" the scheme. Secretary, please reply.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, in April last year, we introduced an enhancement measure which mainly focused on handling the preliminary preparation work for these applications at that time. The purpose was to streamline the work and the workflow, thereby shortening the vetting and approval time. In the past, vetting and approval might take eight to nine months. After the introduction of this enhancement measure, as we can see, the two projects which have succeeded in application have taken only three to four months. The situation has improved. Of course, we will closely negotiate with the labour and construction sectors about the further enhancement measures which are currently proposed. If we can do better, we will never give up and will certainly continue to do our best.

MR POON SIU-PING (in Cantonese): President, the Secretary has mentioned earlier that the shortage of manpower in the construction industry has led to delay in works, but I cannot concur. The Secretary has also mentioned earlier
that it is necessary to accord priority to the employment of local workers. Actually last week there were media reports that a labour union had complained that 50 of its construction workers had registered in a job recruitment, but in the end none of them was hired. I would like to ask the Secretary, as the media said this was in fact a fake recruitment for the purpose of paving the way for employers to import labour, is that true? Does the Secretary know about the situation?

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr POON for his supplementary question. My reply is, regarding the news report about the labour union, I would like to tell Members that we treat the four-week open recruitment scrupulously. If there were applications from qualified local workers, we definitely would not allow importation of labour. In fact, apart from the two cases which were approved as mentioned by Secretary Paul CHAN earlier, the number of imported workers approved is 177. However, during this process, we have employed 51 local workers. The ratio is 1:3. That means for every three imported workers, one local worker has got hired. In other words, our system is successful and effective. Not all the workers hired are imported labour.

At present, we have received 18 applications under the enhancement scheme, involving 1,060 workers. However, after preliminary scrutiny by the Labour Department (LD), two applications were already unsuccessful, including one automatic withdrawal case, and another case which was not submitted to the LAB as it was rejected at the LD level. So I hope Members will understand that our role as the gate keeper will be performed stringently. Yet we must also be rational in handling the matter because there is currently an acute shortage of manpower. We must look at this issue calmly and strike a balance between the interests of the two parties.

MISS CHAN YUEN-HAN (in Cantonese): President, I am very angry. The reason is that if Hong Kong is unable to recruit local skilled workers because we do not have such a policy, we can still talk it out, but that is not the case. Hong Kong has a general importation of labour scheme which has been operating all
President, actually this time the Government is expanding the importation of labour. Why do I say so? The Secretary said that workers and trade associations had discussed in the CIC the tight manpower situation in 26 industries. At that time the conclusion of the labour unions was to adopt technical training …

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

MISS CHAN YUEN-HAN (in Cantonese): I was not making comments. I just hope the Secretary could give a clearer answer.

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

MISS CHAN YUEN-HAN (in Cantonese): At that time the labour unions mentioned training, and the Government did provide training which attracted some new workers. Honestly speaking, if 10 workers in the construction industry applied for jobs, at most only five or six of them would be employed. How would there be shortage of manpower? President, that is the present situation. The Secretary has mentioned earlier the overriding premises of giving priority to protecting the employment and wage level of local workers. Just now, Secretary Paul CHAN stressed that a decision would only be made after it had been vetted and approved by the LAB. Does he know that even if the employee representatives on the LAB have raised objection, the Commissioner for Labour can still grant approval regardless of any circumstances? As such, how can the employment and wage level of local workers be protected?

President, I had asked the Secretary yesterday, but he did not answer my question. Today, I would like to ask him again. As such, how can local workers be protected?

PRESIDENT (in Cantonese): Miss CHAN, you have already raised your supplementary question. Please let the Secretary reply.

Which Secretary will reply? Secretary for Labour and Welfare, please.
SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Let me answer the question, since this supplementary question concerns more about the work of the LAB and the LD.

Firstly, Miss CHAN, I would like to assure Members clearly that our gate-keeping role in the labour importation mechanism was considerably stringent. I have mentioned earlier that two applications submitted under the enhancement scheme have been approved, and 177 skilled workers will be imported. At the same time, we have offered 51 jobs to local workers. That means we really work in a fair and just manner. That is the first point. Judging objectively from the facts, if there is any technical requirement, we will definitely hire local workers. Hence, there is no need to worry. We will certainly accord priority to protecting the employment of local workers.

Secondly, we will provide further convenience to both parties. Later, we will put in place a dedicated "Construction Industry Recruitment Centre", a centre which I have decided to set up. The reason is that such a centre is also available in the retail and catering industries, and it has achieved very desirable results. It can conduct on-the-spot recruitment and provide on-the-spot career counselling services. It can also serve as a platform that shortens the recruitment time for employers and employees. Hence, under a win-win situation, local workers are able to secure employment while employers can also hire imported labour and commence the projects immediately. Why can we not handle the issue in a rational way? This is my opinion.

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, let me add some brief comments. Just now Miss CHAN mentioned our earlier communication with the LAB. In fact, we did say that we would strive to train local workers, and this is exactly what we are doing. Having obtained the funding approval from the Council earlier, the Government has injected $320 million, and this time the Policy Address also pledges to inject $100 million. However, at the present moment, training has its own limitations.
Firstly, upon training, the workers become semi-skilled, but what we lack now are skilled workers. We need to import skilled workers within a short period. Otherwise the works projects will be delayed.

Secondly, according to the data in hand, certain job types may be more toilsome in nature, so the enrolment rate and retention rate of the trainees upon training are lower for these job types. If we do not have enough skilled workers engaged in these work processes, such as the upstream work, yet we do not import any labour, resulting in delay in the works projects, the employment of local workers in downstream work will also be affected. Thus we need to look at the whole picture.

(Miss CHAN Yuen-han stood up and intended to ask further)

**PRESIDENT** (in Cantonese): Miss CHAN, this Council has spent more than 23 minutes on this question. As Members in the business and labour sectors are highly concerned about this topic, Members may follow it up through other channels. Second question.

**Services and Fares of Light Rail**

2. **MR LEUNG CHE-CHEUNG** (in Cantonese): President, it is learnt that with the completion of a number of public and private housing development projects in Tuen Mun and Yuen Long providing a total of some 140,000 residential units over the next decade, the population in the Northwest New Territories is expected to increase by about 400,000. Given that information from the Census and Statistics Department indicates that the average daily patronage of the Light Rail (LR) in September 2014 was as high as more than 500,000 passenger trips, some people are concerned that LR will have difficulties in meeting the transport needs of the existing and the additional population, and that the aging of the LR system has caused frequent occurrence of incidents in recent years. Moreover, the fare concessions of LR offered by the MTR Corporation Limited (MTRCL) are inadequate. In this connection, will the Government inform this Council:
(1) of the respective numbers of service disruptions of LR and traffic accidents involving LR as well as the resultant casualties, in each of the past three years; and the number of cases among such service disruptions in which MTRCL was fined under the Service Performance Arrangement and the amounts of fines involved respectively;

(2) given that MTRCL currently implements monthly pass schemes for several railway lines but does not offer similar fare concessions for LR, except for free interchange of LR provided for West Rail passengers only, whether the authorities will suggest MTRCL to consider reintroducing the monthly pass scheme for the LR so as to alleviate the financial burden of residents who frequently take LR, such as those who work or study in the districts as well as housewives; if they will not, of the reasons for that; and

(3) given that the Secretary for Transport and Housing, in response to a motion on "Enhancing the railway service in the Northwest New Territories" moved by me at a Legislative Council meeting in December 2013, stated that upon the completion of the study for the review and update of the Railway Development Strategy 2000, the Government would commence studies on the long-term development and management of public transport in the territory, including a review on the LR system, when the authorities will start the review on the LR system, and whether the scope of the review will include LR's retention or otherwise and the conversion of parts of the LR tracks to viaduct or underground sections?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, according to the Development Bureau, there are 14 and 24 sites in Yuen Long and Tuen Mun respectively which have been identified as having the potential to be rezoned for public and private housing development. If they are rezoned as planned, these sites can be made available for housing development in the coming five years, providing about 42 000 and 40 700 residential units respectively. The Government has also been actively taking forward the West Rail property development projects and the successfully tendered projects will provide about 5 800 residential units. A number of development studies and
land use reviews on various areas in the Northwest New Territories, including Hung Shui Kiu, Kam Tin South, Pat Heung and Yuen Long South, are being carried out. It is expected that a small number of residential units may be completed in these areas in the next decade. The figure of 140 000 residential units mentioned by Mr LEUNG Che-choeng cannot be verified for the time being. Nevertheless, population growth in the Northwest New Territories is a trend.

My reply to the various parts of Mr LEUNG's question is as follows:

(1) The MTR Corporation Limited (MTRCL) arranges regular maintenance for various components (such as vehicles, trains, tracks and overhead lines) of the railway system, which includes the Light Rail (LR), to ensure railway safety and reliability. In case of incidents, the MTRCL will carry out in-depth investigation in the first instance and adopt improvement measures to prevent future occurrence.

In the past three years (that is, 2012, 2013 and 2014), with LR vehicle trips totalling more than 1 million per year, 29, 27 and 33 service disruptions of eight minutes or above occurred respectively in the LR network. Amongst them, there were two, one and three service disruptions of 31 minutes or above respectively. Under the "Service Performance Arrangement", the MTRCL was fined $4 million, $15 million and $8 million respectively as a result of these service disruptions. Proceeds are put into a fare concession account and returned to passengers vide the "10% Same-Day Second-Trip Discount" scheme, in accordance with the provisions of the Fare Adjustment Mechanism.

In the past three years, according to the MTRCL, the numbers of traffic accidents involving the LR were 20, 27 and 29. Twelve, 21 and 16 cases involved casualties of 73, 105 and 46 respectively. Among the casualties, there were two deaths in two accidents that occurred in 2013(1).

(1) The first accident occurred on 19 August 2013 when a 67-year-old male pedestrian was hit by a 761P LR vehicle near Locwood LR Stop in Tin Shui Wai, and certified dead on the scene. The second accident occurred on 8 November 2013 when a 77-year-old male pedestrian was hit by a 615P LR vehicle near Melody Garden LR Stop in Tuen Mun, and certified dead at the hospital.
(2) The Government has been encouraging the MTRCL to review from time to time the effectiveness of existing fare concession schemes, and actively consider the feasibility of introducing new schemes to respond to the needs of different passenger groups, having regard to the outcome of the review on the Fare Adjustment Mechanism and the balance between the Corporation's financial prudence as a listed company and corporate social responsibilities as a public utility.

Currently, the fare concessions which can be enjoyed by LR passengers using Octopus Card include the "10% Same-Day Second-Trip Discount" scheme, "MTR Student Travel Scheme" and "Light Rail Bonus Scheme". In addition, passengers of West Rail Line can enjoy free rides on the LR if they use Octopus Card or hold the "Monthly Pass Extra". According to the MTRCL, these fare concession schemes cater for the needs of different passenger groups, and are more effective in meeting the needs of frequent LR passengers than launching Light Rail monthly pass scheme with fixed prices. In fact, about one-third of LR passengers (that is, about 160 000 passenger trips per day) enjoy free rides on the LR under the current interchange promotion. Together with the other fare concession schemes, the remaining two-third of LR passengers are only charged at an average fare of about $3.5 per ride. The MTRCL will continue to keep an eye on market conditions, review existing fare concession schemes, and consider whether to introduce new ones.

(3) The Transport and Housing Bureau will carry out the Public Transport Strategy Study (PTSS) to systematically review the respective roles and positioning of public transport services (including the LR) other than heavy rail.

In the Role and Positioning Review of PTSS, we will examine the long-term development of the LR. Major topics to be covered include the feasibility of increasing carrying capacity with the original design of the LR system; the feasibility of upgrading the design of the existing LR system to increase the carrying capacity; the long-term demand of Northwest New Territories for public transport services; and the development of various public transport
services including the LR in meeting such demand. We will commence the review after the manpower required is approved under the established procedures. We will also engage a consultant to offer necessary assistance.

Some people have raised the issue on whether we should put an end to the LR. The LR, which currently carries nearly half a million passenger trips per day, is now taking on dual roles: On one hand, it provides feeder service for the West Rail Line; on the other hand, it serves as an important public transport mode within the Northwest New Territories. In this regard, the Government will not prematurely give up the LR. For the time being, the crux of the matter is how the functions of the LR can be enhanced. When contemplating the future development of the LR, we should, at the same time, review the overall transport infrastructure of the Northwest New Territories in a holistic manner. We are at the moment open to various options with regard to the long-term development of the LR, and we will fully consider the technical and financial feasibility of any proposal, as well as its impact on the transport arrangement of the relevant districts.

MR LEUNG CHE-CHEUNG (in Cantonese): President, due to the completion of the West Rail, the original function of the LR as a major transport system has changed to that of a feeder system. As a result, a considerable number of people use the LR in the course of its daily operation. As mentioned just now, due to the increase in population, I am very concerned about the difficulties of the public in using transport services, particularly before and after school hours. May I ask the Secretary if there is any plan to urge the MTRCL to procure more LR carriages as soon as possible, so as to meet the needs of the public in the future? Does the Secretary have any timetable in this regard?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, just now, Mr LEUNG mentioned the transport needs of residents in Northwest New Territories, in particular, the needs arising from population increase. Of course, the demand for the services of the West Rail Line or the LR is very great. The Government has also urged the MTRCL to look at how the
number of LR carriages can be further increased. In fact, from April 2014 onwards, the MTRCL has also begun to increase the service frequency of the three busiest LR routes by introducing a total of 148 additional train trips per week. On the train fleet, at present, during the daily peak hours, an average of 130 LR trains are deployed to various routes and when necessary, either trailer cars are arranged or short-haul special trips are provided. As regards the need to increase the number of trains in the LR system, the Government agrees that there is such a need and discussions with the MTRCL are underway.

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

MR LEUNG CHE-CHEUNG (in Cantonese): I am asking the Secretary if there is any timetable for increasing the number of carriages but he did not give any reply.

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the MTRCL is also concerned about this issue and the Government is having discussions with it actively.

MR LEUNG YIU-CHUNG (in Cantonese): President, as Mr LEUNG Che-cheung said, the population in Yuen Long and its environs is on the increase, so pedestrians and vehicles are competing for space on the road. For this reason, the ancillary transport facilities in this area need to be examined and improved. Unfortunately, when Mr LEUNG Che-cheung asked the Secretary about the situation in relation to the LR, in particular, the possibility of converting parts of the LR tracks to viaduct or underground sections, the Secretary only responded by saying, "We are at the moment open to various options with regard to the future development of the LR, and we will fully consider the technical and financial feasibility of any proposal, as well as its impact on the transport arrangement of the relevant districts", so on, so forth.
Secretary, we told you long ago that at present, various dangerous scenes can be seen on LR platforms. Due to overcrowding, there are a lot of dangers, so we hope very much that improvements could be made. However, if the status quo is maintained, the possibility of making improvements is slim, so parts of the LR tracks have to be converted to either viaduct or underground sections. Since it is said that an open attitude is adopted, may I ask the Secretary for how long will such an attitude be maintained? When will the attitude of implementation be adopted? When will the transport measures for this area be improved, particularly those relating to the LR?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I also mentioned in the main reply that under the upcoming PTSS, the Role and Positioning Review would be conducted and one of the subject matters is the long-term development of the LR. In this process, we will consider various proposals on improving or increasing the carrying capacity of the LR as voiced by the community. Of course, specifically, we also have to consider whether or not they are technically and financially feasible and we adopt an open attitude. In addition, as we said in an earlier response given to the Legislative Council Panel on Transport, we hope that the review can be conducted in the next two years. In the process, we will consult the Legislative Council at an appropriate time.

As regards whether the LR tracks should be converted to underground or viaduct sections, I am also aware of the views in this regard among Members. The key lies in the technical feasibility, the impacts on other forms of transport in Northwest New Territories and whether or not this is viable in terms of economic benefits.

As regards the problem of insufficient platform space mentioned by Mr LEUNG, this is really a problem but it is difficult to comment in a general fashion, as there may actually be some limitations in terms of the structure of some platforms and if significant modifications are made, daily train services will be affected. When considering how to make improvements to platform space and facilities, it is necessary to consider the technical feasibility and how the impact on daily service can be minimized. At present, the MTRCL is also considering how to optimize the use of LR platforms, for instance, a complete refurbishment is being carried out at the Tai Tong Road Stop in Yuen Long, with a view to making improvements.
MR LEUNG YIU-CHUNG (in Cantonese): In fact, I am asking the Secretary what time is considered an appropriate time as he kept talking about "at an appropriate time". Would the Secretary please give us a more concrete reply? Will it be within this year? Or is there any time frame? When actually is the appropriate time?

PRESIDENT (in Cantonese): Secretary, on the time for consulting the Legislative Council, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have pointed out that the LR is covered in the Role and Positioning Review under the PTSS, so we hope that this study can be completed within two years.

MR STEVEN HO (in Cantonese): President, in the Government's reply, it is said that the population growth in New Territories West is expected to be a trend and at the beginning of Mr LEUNG Che-cheung's main question, it is also said that the population in Northwest New Territories will increase by 400 000. I would not venture to comment on whether this figure is correct but if I discount it by 20% and round it off, the population in the area will still increase by 300 000. At present, the population in Yuen Long is 587 000, that is, in the next decade, the population in Northwest New Territories will increase to as many as 900 000. Mr LEUNG Che-cheung asked whether the number of LR carriages could be increased, or as the Secretary has mentioned, whether the retention of the LR or ways to increase its carrying capacity would be reconsidered. On the basis of the population reaching 900 000, if the number of carriages is increased, the local road system will surely be affected — and by that I mean the road space for private cars or buses. However, if the number of carriages is increased, how will the authorities strike a balance in this regard? At the Pok Oi Roundabout, the traffic during the peak hours is already very congested and vehicles are held up for 15 minutes before they can reach Yuen Long. How is he going to solve this problem?
SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Government agrees that the population in Northwest New Territories has shown a trend of increase because we have plans to launch many housing projects in the area. When implementing these projects, we cannot disregard their impact on traffic. When replying to Mr LEUNG Che-cheung just now, my focus was on how to increase the carrying capacity of the LR but I understand that the LR has its limitations, since just like other vehicles, it also has to occupy road space, so we cannot rely solely on it. Rather, the carrying capacity of the West Rail is also important. In fact, in the next few years, the MTRCL has the plan to order 148 new carriages and increase the number of carriages from seven carriages at present to eight carriages from 2016 onwards. The number of trains will also be increased. It is expected that by then, the total carrying capacity of the West Rail will be further increased by at least 14%. In addition, as a result of the development of the Shatin-to-Central Link, an east-west corridor will be created after its completion and it will also serve to channel some of the passengers. No matter how, we agree that importance must be attached to Northwest New Territories. Since its pace of development will be relatively fast, regarding how to cater for the overall transport needs there, as I told Members earlier at meetings of the Panel on Transport, the Government will focus on studying the overall long-term needs of Northwest New Territories in the future and arrangements on the overall ancillary transport facilities.

In addition, in the process of examination, we will also examine the long-term development of the western part of Hong Kong together. As the Secretary for Development said publicly earlier on, we will consider the development of Lantau, the planning on artificial islands in the Central Waters, as well as the development of new towns and new development areas in Northwest New Territories, to see if there is a wider need for ancillary transport facilities, so as to carry out more integrated planning.

MR MICHAEL TIEN (in Cantonese): President, I wish to share with Members the actual situation in respect of the LR today. During the peak hours, the frequency of LR trains was five minutes on average and passengers have to wait for three trains before boarding, so three times five minutes equals 15 minutes. Secretary, passengers have to wait for 15 minutes before boarding a train, so this certainly cannot meet the service standard nowadays. The Secretary said that the key lay in enhancing the efficiency of the LR and the simplest approach is to
increase the number of carriages. At present, during the peak hours, eight of the 12 routes use single-carriage trains, whereas four routes use two-carriage trains. This notwithstanding, what was the arrangement? On one route, one two-carriage train is used for every seven single-carriage trains and on another, one two-carriage train is used for every nine single-carriage trains, and so on, so single-carriage trains are used on all the routes.

I made enquiries with the MTRCL and in reply, it said that this was because the Transport and Housing Bureau refused to grant permissions on the ground that there was not enough road space. However, the Secretary said just now that he would discuss the purchase of carriages with the MTRCL. As far as I know, the Kowloon-Canton Railway Corporation purchased some 20 carriages at the time I left it and that was the last time LR carriages were purchased. The major reason was insufficient road space.

Secretary, is it true that the number of carriages can never be increased on account of insufficient road space? If the answer is in the affirmative, the Secretary should not talk about enhancing the efficiency of the LR and he may as well consider replacing it with the kind of system for Kowloon East. I find this very contradictory, so can the Secretary help me?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, if the road condition permits increasing the number of carriages, we would also encourage the MTRCL to use trailer cars. In fact, at present, two-carriage trains are used on quite a number of routes. According to information in hand, two-carriage trains are used on many routes, including LR route number 761P from Tin Yat to Yuen Long. However, we also have to take into account the traffic condition on the road and Mr Steven HO also mentioned the considerations in this regard just now. In the long run, there are indeed limitations to further developing the LR in any significant way but at present, the patronage of the LR stands at 500 000 passenger trips daily, so we cannot overlook the role it plays.

As regards how to increase the carrying capacity of the LR system, this is the focus of our deliberation. If improvements in terms of the design can be made or there are other ways to increase the capacity, we will also consider them. When having discussions with the MTRCL, we also made it clear that the
importance of the LR system could not be overlooked, that is, in respect of the investment in carriages, the importance attached to the LR should be no less than that for the heavy rail system. As regards what improvement measures can be taken to enhance the efficiency of the LR, of course we will consider this in the review of the long-term development of the LR.

MR TAM YIU-CHUNG (in Cantonese): The Secretary said in his reply just now that he had also requested the MTRCL to attach importance to the carrying capacity of the LR. Nevertheless, as a member of the MTRCL Board, does he find that the MTRCL does not care much about the LR system? This is because if considered on its own, the LR system is loss-making. Moreover, the LR is only a feeder system, so the MTRCL does not have any intention to make improvements. If the number of trailer cars can be increased, this would actually be most helpful in easing the over-crowded situation. In that case, should the Secretary demand clearly in the Board how many trailer cars or carriages should be added and specify when this should be done? Should a clear timetable be provided to the Legislative Council, so that we can follow this up?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Mr TAM also pointed out just now that currently, the LR is indeed loss-making. According to the information of the MTRCL, in the past three years, the loss was on average some $100 million annually. Of course, we should not consider the LR separately because it is part of the overall railway system, nor can the MTRCL consider the loss or profits of the LR alone, rather, it should consider the railway system as a whole. Overall speaking, the railway system is not loss-making but profitable. Therefore, we think that the MTRCL has the financial capacity to increase its investment in the LR system by, among other measures, renewing its fleet and increasing the number of carriages. We have also discussed the relevant issues with the MTRCL recently.

PRESIDENT (in Cantonese): We have spent more than 23 minutes on this question. Third question.
Matters Relating to Protection of Wages on Insolvency Fund

3. **MR CHUNG KWOK-PAN** (in Cantonese): President, the major financial source of the Protection of Wages on Insolvency Fund (the Fund) is the annual levy on business registration certificates (BRCs). The Protection of Wages on Insolvency Fund Board (the Board) is tasked to administer the Fund and make recommendations to the Chief Executive with respect to the BRC levy rate. Some operators of small and medium enterprises (SMEs) have pointed out that as the economy of Hong Kong has remained stable in recent years, the Fund's expenditure on ex gratia payments disbursed to employees has been declining, resulting in a huge surplus accumulated by the Fund. In this connection, will the Government inform this Council:

1. of the number of claims received by the Fund from employees since April last year; the total amount of ex gratia payments and the number of companies involved in those claims; the industry which attracted the largest number of claims; whether there is an upward trend on the number of claims;

2. of the amount of BRC levy income credited to the Fund since April last year and the projected income for the next financial year; whether the authorities expect a growth in such income in the future; and the current accumulated surplus of the Fund; and

3. as there are views that the persistent uncertainties in the global business environment may impact adversely on the economy of Hong Kong, whether the Government knows if the Board will consider recommending once again a downward adjustment of BRC levy rate, so as to reduce the operation costs of SMEs in Hong Kong?

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, the Protection of Wages on Insolvency Fund (the Fund) is set up to provide timely financial relief in the form of ex gratia payment to employees of insolvent employers in the event of business closures and failure to pay employees. The ex gratia payment covers wages, wages in lieu of notice, severance payment, pay for untaken annual leave and untaken statutory holidays. The Fund is financed by an annual levy on each business registration certificate (BRC), currently at the rate of $250 per annum.
Under the Protection of Wages on Insolvency Ordinance, the Protection of Wages on Insolvency Fund Board (the Board) has the statutory functions of administering the Fund and making recommendations to the Chief Executive on the rate of levy. The Board reviews from time to time the scope of the Fund's protection and the BRC levy rate having regard to Hong Kong's socio-economic changes and needs as well as the Fund's financial position.

My reply to the question raised by Mr CHUNG Kwok-pan is set out below:

(1) The number of applications received by the Fund and its ex gratia payment payout are closely related to Hong Kong's economic situation. During the period of April to December 2014, the Fund received 1,741 applications from employees involving 345 employers and claiming ex gratia payment of $149.4 million. Compared with the same period in 2013, the numbers of applications from employees and employers involved and the claimed amount of ex gratia payment had increased by 3%, 2% and 44% respectively. In April to December 2014, the top three industries with the largest numbers of applications received were food and beverage service, construction and import/export trade.

(2) Under favourable economic situation and coupled with the increased number of BRCs, the income of the Fund as derived from the BRC levy will increase. In April to December 2014, the Fund received $266.6 million of BRC levy, down 26% on the same period in 2013. This was mainly due to the reduction of the annual levy rate from $450 to $250 in July 2013. The levy income in 2015-2016 is projected to be $337.5 million, similar to that of 2014-2015. As at December 2014, the accumulated surplus of the Fund was $3,967.2 million.

(3) In recent years, the local economy continued to record moderate growth but there are still uncertainties in the external economic environment. Based on past experience, the cyclical ups and downs of the local economy have significant impact on the number of applications received by the Fund and its payout. As a safety net for employees affected by business closures, it is crucially important to ensure the sustainability of the Fund and a sufficient level of cash
flow to cope with any economic downturn and sudden outbreak of major insolvency cases. On this basis, the Board monitors closely the financial position of the Fund and, where appropriate, conducts review of its scope of protection and the levy rate. As a matter of fact, the Fund's scope of protection was expanded to cover pay for untaken annual leave and untaken statutory holidays in 2012 and the levy rate was reduced from $450 to $250 per annum in 2013.

The Board is currently conducting a review of the coverage of the Fund and the levy rate. Apart from the Fund's current financial position, the Board will also take into consideration other relevant factors, including the additional payout of ex gratia payment arising from the review of the Fund's coverage of protection and the possible impact arising from a judicial review on the ex gratia payment of severance payment under the Fund. Once the result of the Board's review is available, the Government will consult the Labour Advisory Board and the Legislative Council Panel on Manpower on the relevant proposals.

MR CHUNG KWOK-PAN (in Cantonese): President, we certainly do not want to see an increasing trend in the number of bankruptcy cases. According to the information, the amount of claims for last year was around $149 million, and for 2015-2016, the levy income of the Fund is projected to be around $337 million, with the accumulated surplus of the Fund standing at $3,960 million at present. President, as the Financial Secretary is here, I would like to take this opportunity to ask a question. The latest return rate of the Exchange Fund is only 1.4%. Based on this return rate of 1.4%, the $3,960 million accumulated surplus of the Fund will generate an annual return of $550 million, which is much higher than the levy income of $300 million. If that is the case, is it possible for the authorities to abolish the BRC levy right away?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the financial position of the Fund is very healthy at present, so I have stated clearly in the main reply that a comprehensive review is now underway. Mr CHUNG, if it is confirmed after the review that there is room for adjustment, we will definitely consider adjusting the levy rate and we are sincere in doing so. In fact, it is our
intention to lower the BRC levy rate further, but it depends on the overall situation. Besides, a court case concerning the Fund is still in process. We have to wait and see if there will be an appeal to the Court of Final Appeal. If that is the case, we have to assess the impact on the Fund. Otherwise, the review will be completed soon, and the result will be announced once the review is completed. However, the Board still has to monitor the progress of the court case before coming up with a decision, and we will know in a few weeks whether there will be an appeal to the Court of Final Appeal.

MR ANDREW LEUNG (in Cantonese): President, the Secretary has made it clear that the Fund is financed by good employers in the form of advance payment to provide ex gratia payment to unfortunate employees affected by business closure, but it should not be interpreted as the Fund paying wages in arrears on behalf of insolvent employers. Moreover, it is stipulated in the Securities and Futures Commission Ordinance that the amount of the reserve should be capped at two years' operating expenses, and any amount in excess of which should not be received.

Yet in the case of the Fund, it now has around $3.9 billion of surplus. Based on the average expenses for the past 10 years, I estimate that the surplus is sufficient for supporting the operation of the Fund for 10 to 20 years. The Secretary should bear in mind that the levies are paid by good employers. Ten years ago, when the Fund was caught in the difficulty of insufficient funds for operation, employers were required to pay additional levy. Yet the levy rate was only lowered last year.

The Fund has a surplus of $3.9 billion at present. I do not think that Hong Kong will be struck by a disastrous bankrupt spree in the coming years despite of the fact that economic performance is cyclical. I think the Financial Secretary also knows this. Moreover, the business environment for SMEs is extremely poor. May I ask the Secretary whether he will ask the Financial Secretary to consider suspending the levy in the next three years and resuming such levy when the surplus of the Fund is reduced to a sustainably low level?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, thank you Mr LEUNG for his views. We will definitely convey his views to the Board. As I said earlier, the financial position of the Fund is very healthy at
present, with a surplus of around $3.9 billion, and I believe there is room for downward adjustment, yet the Board has to give regard to the progress of the court case.

Members should remember that we need to have two strings to our bow, for in the event of any economic downturn, the situation may deteriorate. We can tell this from history, and the closure of the Yaohan group in 1997 was a case in point. Back then, the Fund had paid out more than $67 million. I believe this is still fresh in Members' memory. There was also a time when the Fund was on the brink of bankruptcy. We had to make an urgent application to the Legislative Council for a provision of some $600 million, though not much had been spent eventually. Another case involving the closure of a large group is the closure of the Treasure Restaurant Group in 2002. At that time, the Fund had granted payment of $67 million to over 2,000 affected employees.

Definitely, we do not wish to see these situations, yet we have to leave some room for manipulation in such events. However, I agree that given the current surplus of the Fund, which is close to $4 billion, there should be room for improvement. Although the $250 levy is not a significant amount to employers, I agree with the view that savings should be made as far as possible and every single dollar counts.

MR VINCENT FANG (in Cantonese): President, I would like to follow up on some figures. According to the main reply provided by the Secretary to Mr CHUNG Kwok-pan, the levy income of the Fund for the coming year is projected to be $330-odd million and the claim amount for this year is some $150 million, which is an increase of 44%. In that case, the Fund will be running a surplus of over $200 million annually. Besides, the Fund already has a surplus of around $3.9 billion, and it will continue to accumulate. May I ask the Secretary, first, whether the $3.9 billion of surplus of the Fund is earning reasonable return? Second, as mentioned by Mr Andrew LEUNG, the payment granted by the Fund is only payment made in advance and will be reimbursed subsequently, so the actual surplus will be even larger. Even if all the surplus of the Fund is spent, the Fund will still have $350 million of levy income, and deducting the $150 million payment made, it will be running a surplus of $200 million per annum …
PRESIDENT (in Cantonese): Mr FANG, please state your supplementary question.

MR VINCENT FANG (in Cantonese): ... in addition to the $3.9 billion accumulated surplus of the Fund and provided that its surplus is earning reasonable return, a colossal sum will be accumulated. Therefore, I support lowering the levy rate, and there is no need to wait for the result of the appeal application of the case concerned. Is it necessary for the authorities to earmark such a colossal sum for a single case? I do not think so.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the concern of the Member is mainly about the healthy financial position of the Fund which provides room for downward adjustment of the levy. I definitely agree with this view. Therefore, I believe that in the near future, the Board will make a decision having regard to the progress of the case. Even if leave for appeal is granted for the case, I will assess the impact and if we can afford the payment incurred, I will put forth my proposal to the Board. Though the Chairman of the Board is independent, I will convey to him the proposal that there is room for lowering the levy and invite him to consider the levy thoroughly.

MR TOMMY CHEUNG (in Cantonese): President, the Secretary for Labour and Welfare and the Financial Secretary are both in the Chamber now, so this is a golden opportunity to ask this question. In fact, the Government often says that reserve should be kept to maintain its operation and the amount should be equal to the operating expenses for 18 months. However, given that the annual expenditure of the Fund is in the region of $100 million to $200 million only, is it necessary to keep the reserve level at $3.9 billion? The Secretary mentioned the $60 million payment involving the Treasure Restaurant Group earlier, but that was the amount required to pay on that date, and according to my understanding, the Group had adequate money to reimburse the payment after winding-up. If my information is incorrect, will the Secretary please correct me. Besides, it was only about tens of millions made in the form of advance payment, which would be reimbursed after the winding-up. I was told by the bank concerned that the loan taken out by the Group had all been settled, which meant they had adequate funds, so payment in arrears for employees, which should be given priority in settlement, must have been settled. As such, the Secretary should not
frequently quote the case of paying out $67 million to scare us. People will really be scared to death. Moreover, he is linking the catering industry to it and saying that $60-odd million had been spent. At present, the persons concerned will be liable to imprisonment if they do so, though they were not subject to such punishment in the past …

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

MR TOMMY CHEUNG (in Cantonese): President, my question is straightforward. Come to think about the present situation. As paternity leave has been introduced and minimum wage has been put in place, these measures have already caused intense pain to the catering industry. Buddy, will you simply waive the $250 BRC levy?

PRESIDENT (in Cantonese): Mr CHEUNG, please state your supplementary question and do not express your views.

MR TOMMY CHEUNG (in Cantonese): My question is: Will the Secretary waive the $250 levy? Buddy, I do not make this request in a temper, I am really begging you to do so.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): My reply to "Brother CHEUNG" is that: I totally agree that there is room for downward adjustment of the levy. However, we have to respect the Board. Mr David WONG Yau-kar is the incumbent Chairman of the Board, and I have to respect the views of the Board. As for me, I consider that there is room for downward adjustment and it will be secure to do so. I hope Members will give us some room and time to wait for the progress of the court case, which will be known in a few weeks. If the Legal Aid Department does not approve the application, we will go ahead to process the proposal of Members. I hope Members will wait with patience.
MR JAMES TIEN (in Cantonese): President, the Financial Secretary is also present today. The wealth management philosophy of Hong Kong is "Be prudent, be prepared for rainy days", which is reasonable. However, this is carried to the extreme, and the authorities are acting like a skinflint who keeps grabbing money. It may have gone overboard. Besides, we are only asking the authorities to stop charging the levy and not asking it to refund the $3.9 billion.

President, I know we do not have much time, so I will be more specific. The Government is now using an outstanding court case involving the Fund as the excuse, but will the authorities tell us the projected amount involved in the case? I think it is in the region of tens of millions to $100 million at worst. If that is the case, the authorities may make the decision now. Given the $3.9 billion surplus held by the Fund, the authorities should not only lower the levy but should waive the levy of $250.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, as I said earlier, the situation will be certain and clear in a few weeks, and we are working on that. Even if the appeal case goes to the Court of Final Appeal, we consider that we should adjust the levy rate if the risks concerned are deemed affordable. The review as a whole does not only examine the downward adjustment of levy but also considers the expansion of the scope of protection, so that both employers and employees will benefit, and we hope that both sides will be properly protected.

Certainly, all payments made under the Fund are subject to a cap, and the payments are not granted arbitrarily. Since the Fund is not a means to "settle the bill" for insolvent employers but only a means to provide emergency and timely assistance to employees in the form of advance payment, so a maximum amount is set. The arrangement seeks to ensure the sustainability of the Fund, so as to forestall the situation of the Fund itself running bankrupt. We will definitely give regard to the interest of employers, and we will at the same time strive to expand the scope of protection for employees. However, as I said earlier, the situation will become clear in a few weeks. Regarding the proposal put forth by Members, we have in fact started assessing our affordability in undertaking the risks involved.
MR JAMES TIEN (in Cantonese): The Secretary has not answered my question. He has been using the term "downward adjustment" all along, and even if there is no problem, there will only be downward adjustment. My question is: Will the levy be waived?

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I will not rule out this possibility. As I said a number of times earlier, Mr David WONG is the incumbent Chairman of the Board, and there are representatives of the labour sector and business sector on the Board, so we have to leave the decision to the Board according to the mechanism. As for the views expressed by Members today and the unanimous view of the Liberal Party, we understand and appreciate it. I will truthfully reflect the views to the Board and will share with the Board my personal view.

MR LEUNG YIU-CHUNG (in Cantonese): President, what a coincidence, all the Members who spoke just now were either Members from the Liberal Party or Members representing the business and industrial sector and the employers. After the Members had spoken, the Secretary bowed to admit his fault and repeatedly remarked that there was room for downward adjustment of the levy. After all, it is only talking about $250, why exaggerating it as if it is a big deal? How about the workers? Is it not a big deal for workers not being paid for their work? Their interests, which should be protected under the law, are not properly protected, yet it is not regarded as a problem at all. We have been incessantly urging Secretary Matthew CHEUNG to expand the scope of protection for employees, yet he says there is neither room nor money to do so, and he is worried that the Fund cannot cope with the expansion. But now, he bows to the business sector and admits his fault by saying that downward adjustment can be made to the levy. How can he do that?

PRESIDENT (in Cantonese): Mr LEUNG, please state your supplementary question.
MR LEUNG YIU-CHUNG (in Cantonese): I have to ask the Secretary: Given the enormous surplus and following the same logic, when will the authorities provide full protection for the statutory interests that should be enjoyed by employees without imposing various deductions as it does at present?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Mr LEUNG, I have made it crystal clear earlier that we will give due regard to the interests of employers, yet we also attach importance to the interests of employees. Apart from pointing out the room for downward adjustment of the levy, I have also made it loud and clear at the very beginning that the expansion of the scope of protection will be considered. When the scope of protection is expanded, the amount of advance payment received by employees will increase accordingly. We will definitely balance the interests of various parties. We will not be biased.

The issues raised by Members from the Liberal Party are about the levy, which are made from the perspective of employers. Now, Mr LEUNG is raising the concerns of employees. Both employers and employees are my service targets.

MR LEUNG YIU-CHUNG (in Cantonese): President, he has not answered what he will do.

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

MR LEUNG YIU-CHUNG (in Cantonese): He has only responded to the business sector that there is room for downward adjustment of the levy. He seems to have said that the levy can be waived. However, for the expansion of the scope of protection, he has not given any answer. He only says that he is between the employers and employees. Yet what does it mean? He has not answered my question at all.
PRESIDENT (in Cantonese): Mr LEUNG, please let the Secretary reply. Secretary, do you have anything to add about the expansion of the scope of protection?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I have made it clear in my earlier replies that we are conducting a review which covers two aspects. First, it is about the scope of protection. Members may recall that in the discussion about payment for untaken statutory leave and untaken annual leave, we have promised to conduct a review after a year, so we are fulfilling this promise now by examining whether there is room for further improvement and upward adjustment of advance payments. By the same token, we had promised at a Board meeting that the levy would also be reviewed. Over a certain period in the past, the levy had been increased two times and lowered two times. The levy was at its highest in 2008, which was $600 and then lowered to the current level of $250. We are truly striving to balance the interests of all parties, instead of being biased or lopsided towards any party. Mr LEUNG, you must know that we are being practical and realistic.

MS CYD HO (in Cantonese): The Fund is overflowed with a surplus of $3.9 billion for the scope of compensation in the past includes a lot of deductions which are mean and unreasonable. What does that $250 mean to them? If they go to the coffee shop of a five-star hotel to have three cups of coffee, it will cost them more than $250, and now, a boss in the business sector is depriving labour protection because of an amount that can only allow him to have three cups of coffee …

PRESIDENT (in Cantonese): Ms HO, please refrain from giving your views.

MS CYD HO (in Cantonese): President, I will be more specific. It is about the current maximum payment of $36,000 for wages in arrears. As in the case of ATV, over 600 employees have been defaulted on payment of wages. If the maximum payment is maintained at $36,000, the amount will at best be enough for the many lower middle class to pay two months of rent, and if their severance
payment exceeds $50,000, the amount in excess will be deducted by half. May I ask the Secretary, given the overflowed surplus held by the Fund, will the authorities abolish the cap for the payment for wages in arrears and the deduction of severance payment in excess of $50,000?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I have said earlier that we are now reviewing the scope of protection, which naturally includes the maximum payment for wages in arrears and wages in lieu of notices, and so on. The review will be comprehensive. However, it is impractical to abolish the maximum payment cap. Why do I say so? When a highly-paid employee, whose wage level far exceeds our imagination, applies for the ex gratia payment, it will pose a problem to the Fund — for some employees are earning extremely high wages. As for the maximum payment level, we will definitely give due regard to the actual economic situation and employment market in Hong Kong in the course of review, so as to examine whether there is room for adjustment on the whole. In this connection, I hope that the review will come up with specific outcome later, and Members will consider the review outcome reasonable.

MS CYD HO (in Cantonese): President, I urge the Secretary to make a promise on the maximum payment for wages in arrears here rather than citing the case of employees earning wages over $100,000, for these employees have a part to play in causing other employees to be defaulted on wages. I urge the Secretary to make a specific promise here to abolish the maximum payment cap to prevent the many lower middle class from suffering innocently.

PRESIDENT (in Cantonese): Ms HO, the Secretary has already answered your supplementary question.

MR WONG KWOK-HING (in Cantonese): President, I would like to ask the Secretary about the timetable for enhancing wage protection for employees. The Secretary has been quite general in his earlier reply, for he only said that he would balance the interests of both sides. In fact, in 2013, the contribution
made by employers had been lowered by nearly 50%. I hope the Financial Secretary has heard this, and the Government has been quite good to employers …

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

MR WONG KWOK-HING (in Cantonese): Alright. At present, the advance payment made by the Fund for employees covers four months of wages in arrears with the maximum amount capped at $36,000. The payment for wages in lieu of notice is one-month wage capped at $22,500 and the maximum payment for severance payment is capped at $50,000, with any amount in excess being deducted by half. Will the Secretary review this scope of protection and provide the timetable for enhancement, so that employees facing the plight of default on wages will receive better treatment?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the answer is that we will definitely conduct the review in a serious and comprehensive manner, and we will examine room for improving the existing maximum payment. In fact, all the concerns are about the maximum payment, whether it should be capped at $36,000 or a certain number of months of wages, which are all related to the cap. In setting the maximum payment, we have to consider the sustainability and stability of the Fund in the course of the review. For in the event of any economic downturn, such as the closure of large companies I mentioned earlier, the number of applications will surge, so contingency plans have to be put in place for handling such incidents.

However, I can tell Members that the financial position of the Fund is healthy at present and we are glad about this. Yet the healthy financial position is not the result of many other factors but the significant factors that the economy is good and the measures for preventing the abuse of the Fund are yielding effect. As for the request made by Mr WONG in his supplementary question, we will handle this seriously.
President, it has been reported that Asia Television Limited (ATV) has been plagued with financial problems recently. Apart from repeatedly defaulting on payments of employees' wages since September last year, ATV has even defaulted on its carrier licence fee and the fee for domestic free television programme service licence (TV licence) for 2014-2015 payable to the Communications Authority (CA). In addition, ATV’s TV licence will expire on 30 November this year and the Chief Executive (CE) in Council is considering its licence renewal application. In this connection, will the Government inform this Council:

(1) whether the authorities have grasped the latest situation in respect of ATV’s default on payments of employees' wages and the aforesaid licence fees, and whether they have regularly reported the latest situation to CE in Council; if they have not, of the reasons for that;

(2) given that ATV reportedly defaulted on payments of the aforesaid licence fees for 2012-2013, whether the authorities know if CA will assess afresh whether ATV’s financial position complies with the requirements of the TV licence; and the circumstances under which CA will suspend ATV’s TV licence under section 31 of the Broadcasting Ordinance (BO); and

(3) given that BO stipulates that where CE in Council decides not to extend or renew a TV licence, he shall notify the licensee at least 12 months before the expiry of the validity of the licence, and that ATV’s TV licence will expire on 30 November this year, whether the authorities have assessed if the fact that CE in Council has not yet made a decision on the renewal of ATV’s licence is tantamount to extending the validity period of the licence, and whether the purpose
of not making a decision is to allow ATV more time to look for new investors so as to facilitate the subsequent approval for the renewal of the licence; if this is not the case, when the authorities expect to announce the outcome of the licence renewal application?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): My main reply to the three-part main question is as follows:

(1) The Government is very concerned about Asia Television Limited (ATV)'s recent defaults on wage payments. We have repeatedly made open appeals urging ATV's shareholders and management to promptly and positively resolve the overdue wages owed to their staff in full accordance with the law. The Government has also offered appropriate assistance to the affected staff.

As regards the suspected offences committed by ATV under the Employment Ordinance (Cap. 57) (EO) for its default on payment of employees' wages for July to September 2014, the Labour Department (LD) has earlier laid a total of 34 summonses against ATV and the director concerned respectively for wilfully and without reasonable excuse failing to pay employees wages due under section 23 of the EO, and the director concerned for committing wage offences with his consent, connivance or neglect under section 64B of the EO. Fresh hearing of the case is scheduled to take place on 30 January 2015 at Sha tin Magistrates' Courts. In respect of ATV's late payment of wages for November 2014, the LD also laid 42 summonses on 27 January, including 21 summonses against ATV for offences under section 23 of the EO and another 21 against the director concerned under section 64B of the EO. Apart from the above, ATV's failure to effect wage payment for December 2014 to employees within the statutory time limit is currently under the LD's investigation. The LD will strictly enforce the law and initiate further prosecution action if there is sufficient evidence.

As far as broadcasting regulation of domestic free television programme (free TV) service is concerned, the Communications Authority (CA) has written to ATV several times to remind ATV of its obligation to abide by the BO (Cap. 562) and the licence
conditions, including but not limited to the requirement of maintaining adequate financial resources and manpower to ensure continued provision of free TV service meeting all statutory requirements and licence conditions, such as the broadcast of a specified number of hours of "positive programmes" as required under the licence.

To date, ATV has not yet paid the fixed fee for its "free TV service licence" and the annual fee for its "fixed carrier licence" for the licence year 2014-2015 in accordance with the statutory and licence provisions. The CA considers it a serious breach for ATV to have failed to settle the annual licence fees on time, being the second breach of the same requirement in three years. As such, it has provisionally decided to impose a financial penalty of a total of $200,000 on ATV. The CA has just received ATV's representations on the matter. The CA will consider ATV's representations before making its final decision in accordance with established procedures.

Moreover, the CA has decided to reject ATV's application for settling the licence fees in arrears in five instalments, and provisionally decided to direct ATV to settle the outstanding licence fees and interests in two instalments by 18 February and 18 March 2015 respectively. The CA will consider ATV's representations before making its final decision in accordance with established procedures. If ATV cannot comply with the said direction to pay the outstanding licence fees and interests according to the specified time frame, the CA will consider imposing a more serious sanction, including invoking the licence revocation procedures in accordance with the BO.

ATV's free TV service licence is due to expire on 30 November 2015. ATV submitted an application for renewal of its free TV service licence (renewal application) in November 2013. In processing the renewal application, the Chief Executive in Council will consider all relevant factors, including the licensee's operational capability, financial condition, and so on, before making a decision.
Section 31 of the BO provides that the CA may suspend a licence for a period of not more than 30 days in some specific circumstances, including the licensee's failure to pay the fee(s) payable under the BO (including licence fees), and the licensee's repeated and material contraventions of the legislation, licence conditions as well as the Code of Practice, direction, order or determination issued by the CA. As regards the free TV service licence, the CA shall, before making a decision whether or not to suspend a licence, serve on the licensee a notice in writing stating that the CA has under consideration the suspension of the licence and giving the grounds and any other reason concerned. The CA also has to consider any representation made to it in relation to the proposed suspension, and a public hearing has to be conducted in accordance with procedures for the hearing determined by the CA if the proposed suspension of the licence is due to material contraventions. Where the CA finally decides to suspend the licence, the suspension shall not come into force if an appeal under section 34 of the BO against the suspension is made to the Chief Executive in Council by the licensee, until the appeal is withdrawn, abandoned or determined.

I believe that the CA will handle any offences of ATV in accordance with the aforesaid legislation if it is deemed necessary to consider licence suspension upon the CA's examination of the nature and seriousness of the offences.

Under the BO, the CA shall as soon as is practicable after the receipt of a renewal application and, in any case, not later than 12 months before the expiry of the period of validity of the licence, submit recommendations to the Chief Executive in Council in relation to the extension or non-extension or renewal or non-renewal of the licence, and where appropriate, the conditions subject to which the licence may be extended or renewed. In this connection, the CA submitted its recommendations to the Chief Executive in Council on 4 November 2014 in accordance with the BO.

Under section 11 of the BO, the Chief Executive in Council may, during the period of validity of a free TV licence, extend or renew the licence, which shall take effect upon expiry of the validity of the licence. Under section 8(1)(a) of Schedule 4 to the BO, where the
Chief Executive in Council decides not to extend or renew a licence, he shall cause notice of the decision to be served on the licensee at least 12 months before the expiry of the validity of the licence, namely the so-called "12-month notice". Under section 8(2) of Schedule 4 to the BO, where it is necessary for the purpose of complying with the requirement as to the "12-month notice", the Chief Executive in Council may extend the term of a licence. In other words, the "12-month notice" is the length of notice as required by law that the Chief Executive in Council shall give to a licensee after it decides not to renew a licence. This requirement therefore shall not be regarded as "tantamount to extending the validity period of the licence" when the Chief Executive in Council has yet to make any decision.

I wish to point out that the Chief Executive in Council has strictly adhered to procedural and legal requirements in processing the renewal application since the CA's submission of its recommendations. The outcome will be announced after the Chief Executive in Council has made a decision.

**MR SIN CHUNG-KAI** (in Cantonese): *President, ATV has now become a "three nil" television broadcaster with no money to pay its staff, no quality programmes and no audience, which broadcasts reruns only. Many people do not consider the closedown of ATV a problem. Nevertheless, the Chief Executive in Council has spared no effort in protecting the "three nil" television broadcaster, allowing it to continue to barely survive and broadcast a number of programmes with less than one rating point. For example, the all-out programme "Cheer Up for ATV" has recorded only one rating point.*

*ATV’s TV licence is due to expire on 30 November this year, but the Chief Executive has been delaying the decision of non-renewal of ATV’s licence. In reality, this is tantamount to allowing ATV to keep running for at least 12 more months. Does such an act, which is tantamount to licence renewal, serve to allow ATV more time to seek funding and continue to perform its role as a television broadcaster for maintaining stability, rerun its fireworks show broadcast 24 years ago, attract no audience and default on payments of employees' wages?*
May I ask the Secretary whether the acts of ATV and the Chief Executive in Council have disappointed members of the public? I would like to ask the Secretary what measures can be taken so that the Chief Executive in Council may expeditiously make a decision? The Secretary pointed out in part (1) of the main reply that if ATV could not pay the licence fees, the authorities would invoke the licence revocation procedures. But the Secretary has not answered whether a winding up petition will be filed against ATV.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I hope Members will understand that licence applications must be processed through specific procedures. The Chief Executive in Council will continue to process the recommendations submitted by the CA in accordance with the relevant procedural and legal requirements.

ATV's existing free TV licence is valid till 30 November this year. Regardless of the outcome of its licence renewal application, ATV is obliged to continue to abide by all legal requirements and licence conditions, including the requirement of maintaining adequate manpower and ensuring that the services it provides will not be affected within the validity period of its existing licence. The performance of the licensee during the validity period of the licence is certainly one of the factors for consideration in processing the license renewal application. However, I hope Members will understand that after all, we have to process licence renewal applications in accordance with specific procedures.

MR SIN CHUNG-KAI (in Cantonese): The Secretary has not answered my question. I am asking the Secretary if ATV does not pay the licence fees …

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

MR SIN CHUNG-KAI (in Cantonese): My question is very simple. If ATV cannot pay the licence fees and interests in two instalments by 18 February and 18 March respectively, will the Secretary file a winding up petition?
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As stated in my main reply, the CA has rejected ATV’s application for settling the licence fees in five instalments, and provisionally decided that ATV must settle the relevant penalty, interests and licence fees in two instalments by 18 February and 18 March respectively. The CA will consider ATV’s representations before making its final decision in accordance with established procedures. If ATV cannot comply with the said direction to pay the penalty and interests according to the specified time frame, the CA will consider imposing a more serious sanction, including invoking the licence revocation procedures in accordance with the BO.

MS CLAUDIA MO (in Cantonese): President, watching television matters a great deal, especially in Hong Kong, as our television service is free. President, many people originally opined that the closedown of ATV would serve no good as it would render many people jobless. But the prevailing situation is nonetheless an awful mess. The employees have got no pay and even if they are paid, the money is given as loan to be repaid in future. What is going on? ATV has been thrown into such a chaotic situation. The Government is by all means responsible …

PRESIDENT (in Cantonese): Ms MO, please raise your supplementary question.

MS CLAUDIA MO (in Cantonese): President, I suspect that this policy bureau is playing hypocritical rhetoric, and in fact, I am pretty sure that it is doing so. The Secretary has gone too far in part (3) of his main reply, pointing out that "where it is necessary … the Chief Executive in Council may extend the term of a licence". The definition of "it is necessary" will be subject to whatever he says …

PRESIDENT (in Cantonese): Ms MO, please raise your supplementary question.

MS CLAUDIA MO (in Cantonese): … in other words, once it enters into the procedures of the Chief Executive in Council, it will be like a bottomless abyss or a black hole. The authorities may make any decision it wishes. President, my question is practical. Assume that the Chief Executive in Council informs ATV
of non-renewal of its licence in June, does ATV have a remaining business lifespan of five months, or will it be allowed to keep running until June next year as it should be given time to undergo such procedures as lodging an appeal? Is it the case that after all, the Chief Executive in Council is just procrastinating and cares nothing about this issue, and it will only become necessary when the current term of LEUNG Chun-ying's administration comes to an end?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I wish to stress one point. At present, when considering licence renewal, the Chief Executive in Council will definitely proceed in accordance with established legislation and procedures, and observe procedural justice in processing licence renewal applications. In respect of part (3) of my main reply given earlier on, in fact, Ms MO has also mentioned it. Under section 11 of the BO, the Chief Executive in Council may, during the period of validity of a free TV licence, renew or extend the licence. The applications are processed in accordance with the law without any other considerations.

MS CLAUDIA MO (in Cantonese): The Secretary has not answered my question. His reply can be regarded as a typical example of hypocritical rhetoric …

PRESIDENT (in Cantonese): Please repeat the part of your supplementary question that has not been answered.

MS CLAUDIA MO (in Cantonese): … now ATV is "five nil" instead of "three nil" — with neither conscience nor integrity. There is no government supervision at all …

PRESIDENT (in Cantonese): Ms MO, you are not supposed to make a speech now. Please refrain from expressing your views.

MS CLAUDIA MO (in Cantonese): President, he has not answered my question.
PRESIDENT (in Cantonese): Please repeat the part of your supplementary question that has not been answered by the Secretary.

MS CLAUDIA MO (in Cantonese): Right. First, assume that the Chief Executive in Council informs ATV of non-renewal of its licence in June, can ATV keep running until the end of November this year, which is tantamount to a remaining lifespan of five months, or until June next year? How to calculate the 12-month period after an announcement of non-renewal of licence? Or is it the case that basically there will be no mention of licence renewal, and that everything will be shelved until the end of the term of LEUNG Chun-ying's administration?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Commerce and Economic Development Bureau has all along been calling on ATV to provide services in accordance with its licensing conditions and the Ordinance. In fact, regarding Ms MO's question raised just now, I have made myself clear in the reply. Let me repeat it. Under section 11 of the BO, the Chief Executive in Council may, during the period of validity of a free TV licence, extend or renew the licence, which shall take effect upon expiry of the validity of the licence. Under section 8(1)(a) of Schedule 4 to the BO, where the Chief Executive in Council decides not to extend or renew a licence, he shall cause notice of the decision to be served on the licensee at least 12 months before the expiry of the validity of the licence, namely the "12-month notice". Under section 8(2) of Schedule 4 to the BO, where it is necessary for the purpose of complying with the requirement as to the "12-month notice", the Chief Executive in Council may extend the term of licence.

MS CLAUDIA MO (in Cantonese): President, I really do not mean to offend anyone, but there is just no reason for him to waste our time by reading out his answer from the beginning to the end. I will ask this final question clearly: Does the Chief Executive in Council have full power to decide when to approve or reject a licence renewal application? Does the Chief Executive in Council have the final say as far as the time is concerned?
PRESIDENT (in Cantonese): If Members wish to prevent the Government from evading a question, they should ask in a straightforward manner. If Members put forward complicated questions rendering officials unable to answer, the responsibility is not with the officials.

Secretary, do you have anything to add?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): I wish to respond to Ms MO by saying that if the Chief Executive in Council decides not to renew a licence, it shall observe the "12-month notice" requirement. Just as I stated earlier on, a "12-month notice" is required.

DR FERNANDO CHEUNG (in Cantonese): President, the Secretary is a "human tape-recorder", who keeps talking about some established procedures. He is indeed wasting the precious time of our Council. It is known all over Hong Kong that the awful mess of ATV must be cleared up. In addition to its default on wages, now it even turns it around by causing its staff to be in debt to the shareholders. This is outrageous …

PRESIDENT (in Cantonese): I remind Members again that they should refrain from making comments.

DR FERNANDO CHEUNG (in Cantonese): As regards the renewal of ATV’s licence, the Chief Executive indicated to the reporters yesterday that after he had received a licence renewal application, the departments concerned would conduct an analysis and then expeditiously submit a report to the Chief Executive in Council for scrutiny. However, the Government points out in its reply today that the CA submitted the relevant recommendations to the Chief Executive in Council on 4 November. I believe LEUNG Chun-ying means that after the CA has submitted its recommendations, the departments concerned will conduct an analysis, and then the Chief Executive in Council will scrutinize them and make a decision.
PRESIDENT (in Cantonese): Dr CHEUNG, please raise your supplementary question.

DR FERNANDO CHEUNG (in Cantonese): My supplementary question is very simple. Now LEUNG Chun-yung again directs the issue to the Bureau, indicating that it depends on whether the Bureau has completed the analysis. If it has not completed the analysis and submitted a report, they cannot proceed with the scrutiny. I wish to ask the Secretary a very simple question: When will he complete the analysis, and what is his current stance?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I thank Dr CHEUNG for his question. In line with the Chief Executive in Council's arrangements in handling other broadcasting licensing matters, the Commerce and Economic Development Bureau and the departments concerned will offer support having regard to the actual situation, so as to assist the Chief Executive in Council in handling licence renewal matters, including providing relevant information and assisting the Chief Executive in Council in ensuring that the handling process is in keeping with all legal requirements and procedural justice. We will continue to process this application under such a mechanism, and will also prudently process the licence renewal application under discussion in accordance with statutory requirements and established procedures.

DR FERNANDO CHEUNG (in Cantonese): President, it is very simple …

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

DR FERNANDO CHEUNG (in Cantonese): I am asking him when he will complete the analysis, and what his current stance is, which means whether a licence renewal is recommended or not. It is that simple. But now he is again repeating the established procedures. Please ask him not to repeat the words "established procedures".
PRESIDENT (in Cantonese): Secretary, can you give a reply to the Member's question about the time when the analysis will be completed and the stance of the authorities?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I can only say that the Chief Executive in Council has all along been handling this issue prudently, and we are also supporting the Chief Executive in Council in performing the relevant tasks. When the Chief Executive in Council has made a decision, the authorities will expeditiously arrange for the announcement of the outcome of the licence renewal application.

MISS CHAN YUEN-HAN (in Cantonese): President, my supplementary question focuses on an issue about which employees in Hong Kong are very concerned at present, and that is ATV’s default on payments of wages since November. The Government has set out clear provisions in relation to default on payments of wages in the existing legislation, and now it is an iron fact that this company has defaulted on payments of wages. As set out clearly in section 64B of the Employment Ordinance, if the default on payments of wages continues for more than seven days, the Government may initiate criminal prosecution forthwith. I wish to ask the Secretary whether he has discharged his responsibility as the enforcement authorities of this Ordinance, or he has been dragging his feet by issuing summonses only?

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

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Miss CHAN for her question. The summonses issued are criminal summonses which are tantamount to prosecution. In other words, the first court hearing is scheduled to be held this Friday. If convicted, the maximum penalty for the director concerned is three years' imprisonment.

MISS CHAN YUEN-HAN (in Cantonese): The Secretary has not answered my question. Why do I say so? In handling such liquidation cases, he is an old hand, and so am I. President, I must say he is mad by claiming that the issuance
of summonses is tantamount to embarking on criminal proceedings. The authorities can handle the matter by simultaneously initiating the liquidation procedures. Why does the Secretary refrain from doing so after such a long delay?

PRESIDENT (in Cantonese): Miss CHAN, the Secretary has answered your supplementary question. If you disagree with the Secretary's reply, and think that the Secretary is mad, please follow up on other occasions.

MR ALBERT HO (in Cantonese): President, my supplementary question is very simple, and I hope the Secretary can give a clear reply. At present, ATV is unable to pay employees wages, which is the most fundamental responsibility that an operator should discharge. Today, given ATV’s inability to pay wages, can the CA and the Chief Executive in Council decide separately or jointly to suspend its licence for 30 days on this ground? If it is not feasible, does it mean that the earliest time for the authorities to exercise its power to suspend ATV’s licence for 30 days will be 18 February when it fails to pay the first instalment of licence fees? Will the Secretary undertake to exercise such power promptly?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Government has all along been keeping in view the development from the perspective of employment and regulation of broadcasting service, and appropriate follow-up actions have also been taken. In respect of regulation of broadcasting service, the CA and the Government will not interfere with a licensee's routine operation, including its financial management. A licensee is obliged to discharge all its responsibilities in accordance with the BO and licence conditions. Certainly, I will also call on ATV's management to promptly resolve the overdue wages owed to their employees, so that they can get the unpaid wages.

MR ALBERT HO (in Cantonese): President, the Secretary does have some comprehension problems. My question is already a very simple one, but he still …
PRESIDENT (in Cantonese): Mr HO, please repeat your supplementary question.

MR ALBERT HO (in Cantonese): Given ATV’s default on payments of employees’ wages, does the Secretary have the power to suspend its licence for 30 days forthwith? Does the Secretary have such power? By then, if ATV fails to pay the first instalment of licence fees, does the Secretary have the power to suspend its licence for 30 days forthwith? I simply ask him if he has such power. Please ask the Secretary not to tell me other things.

PRESIDENT (in Cantonese): Secretary, in respect of the power to suspend a licence for 30 days, do you have anything to add?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the CA will consider various reasons in order to decide whether such a serious sanction should be imposed. I am not able to answer Mr HO’s supplementary question on behalf of the CA here.

MR ALBERT HO (in Cantonese): President, I am asking him whether he has the power to do so instead of whether he will do so. Does he understand? This is just simple Chinese.

PRESIDENT (in Cantonese): Mr HO, we have spent nearly 24 minutes on this question. As a number of Members are still waiting to raise their questions, Members may follow up on other occasions. Fifth question.

Comments Made by a Former Official of Central Authorities on Work of SAR Government

5. MR LEE CHEUK-YAN (in Cantonese): President, it has been reported that at a seminar held earlier in Beijing, a former Deputy Director of the Hong Kong and Macao Affairs Office of the State Council cum Chairman of Chinese
Association of Hong Kong and Macao Studies said that some young people in the Hong Kong Special Administrative Region (SAR) "are grossly lacking" in national and civic awareness, and that the Education Bureau and school sponsoring bodies of the SAR should be held responsible for that. He also considered that the Secretary for Education had to be subject to the supervision of the Central Authorities. In this connection, will the Government inform this Council:

(1) whether the work of the various Directors of Bureaux within the scope of affairs which the SAR administers on its own is subject, under the Basic Law, to the supervision of the Central Authorities; if so, of the relevant legal basis and details of the supervision;

(2) whether it has received any directions or instructions issued by the Central Authorities on the education policy of the SAR (e.g. the implementation of national education) since the establishment of the SAR; if so, of the details; and

(3) whether the authorities will take measures and use vast educational resources to provide school sponsoring bodies, advisory bodies and educators, etc. with guidance on how to further deepen students' understanding of the Basic Law and the "One Country, Two Systems" concept as well as enhance the national identity of young people; if so, of the details?

SECRETARY FOR EDUCATION (in Cantonese): President, the replies to the questions raised by Mr LEE Cheuk-yan, after consulting the Constitutional and Mainland Affairs Bureau, are as follows:

(1) Article 45 of the Basic Law stipulates that the Chief Executive of the Hong Kong Special Administrative Region (SAR) shall be selected by election or through consultations held locally and be appointed by the Central People's Government. Article 15 of the Basic Law provides that the Central People's Government shall appoint the Chief Executive and the principal officials of the executive authorities of the SAR in accordance with the provisions of Chapter IV of the Basic Law. According to Article 48(5) of the
Basic Law, the Chief Executive nominates and reports to the Central People's Government for appointment the principal officials including Secretaries of Departments and Directors of Bureaux. Against the above, the Central People's Government possesses the substantive power of appointment of the Chief Executive and principal officials of the SAR.

Article 43 of the Basic Law stipulates that the Chief Executive of the SAR shall be the head of the SAR and shall represent the Region. The Chief Executive of the SAR shall be accountable to the Central People's Government and the SAR in accordance with the provisions of the Basic Law. According to Article 48 of the Basic Law, the Chief Executive is responsible for the implementation of the Basic Law and lead the government of the SAR.

Article 12 of the Basic Law provides that the SAR shall be a local administrative region of the People's Republic of China, which shall enjoy "a high degree of autonomy" and come directly under the Central People's Government. Article 2 of the Basic Law also stipulates that the National People's Congress authorizes the SAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. According to Article 136 of the Basic Law, on the basis of the previous educational system, the Government of the SAR shall, on its own, formulate policies on the development and improvement of education, including policies regarding the educational system and its administration, the language of instruction, the allocation of funds, the examination system, the system of academic awards and the recognition of educational qualifications. The Basic Law has clearly stipulated that education is a policy area where the SAR Government can exercise "a high degree of autonomy".

In accordance with Article 60 of the Basic Law, the head of the Government of the SAR shall be the Chief Executive of the Region. The "Code of the Principal Officials under the Accountability Systems" (the Code) stipulates that principal officials are responsible for their respective portfolios designated to them by the Chief Executive and lead the executive departments within their respective
portfolios. They are accountable to the Chief Executive for the success or failure of their policies. The Code also clearly reminds the principal officials that the Government of the SAR must abide by the law and be accountable to the Legislative Council according to Article 64 of the Basic Law.

(2) As I mentioned in part (1), the Basic Law has clearly stipulated that education is a policy area where the SAR Government can exercise "a high degree of autonomy". The SAR Government shall implement education policy based on the Basic Law, our education philosophy and the actual needs. We welcome and treasure all the opinions from our citizens. Insofar as education policies are concerned, I have never received any direction or instruction from the Central Authorities.

(3) The Education Bureau has always attached great importance to the promotion of the Basic Law as its regular, ongoing task. Related learning elements of the Basic Law have long been incorporated into the curricula of primary and secondary schools. These include, for example, General Studies at primary level, Life and Society at junior secondary level and Liberal Studies at senior secondary level. The "Revised Moral and Civic Education Curriculum Framework" (2008) has strengthened the related content of the Basic Law. In addition, schools could promote Basic Law education with close reference to their own contexts and needs for curriculum development, through the relevant curricula and learning activities.

Promotion of Basic Law education should proceed along with the times. In tandem with the work of the Basic Law Promotion Steering Committee and the 25th anniversary of promulgation of the Basic Law in April 2015, the Education Bureau, apart from progressively deepening its regular tasks on Basic Law education that embrace curriculum content, professional development programmes for school heads and teachers, learning and teaching support, and so on, would also strengthen its work in other areas. These include the production of a video teaching resource package and the organization of an "Inter-school Online Quiz Competition" so as to enhance students' understanding on the Basic Law and the concept of "one country, two systems".
All along, the cultivation of national identity among students has been one of the learning goals in the school curriculum. Since 2001, the Education Bureau has continuously strengthened students' recognition of their national identity and the elements about China. For example, elements of different dynasties, festivals, cultures and major historical figures, and so on, have been progressively enriched in General Studies at primary level. Chinese History and Chinese culture are made compulsory learning contents in the junior secondary curriculum. Chinese History is an independent subject at both junior and senior secondary levels. Chinese culture is a core learning strand in the Chinese Language Key Learning Area. In Geography, the element of China-related learning content has been increased up to 30% of the whole curriculum at junior secondary level; Chinese music and art have been incorporated into the curricula of Music and Visual Arts. In addition, the Education Bureau has been organizing a series of Mainland exchange programmes for primary and secondary students since the 2003-2004 school year, and has all along endeavored to strengthen the content and quality of these programmes over the years. Through its existing mechanism, the Curriculum Development Council has continuously enhanced the related curricula as well as learning and teaching for students' better understanding of their country, culture and recognition of their national identity.

MR LEE CHEUK-YAN (in Cantonese): President, although the "689" Administration has always emphasized the need to educate the public on the Basic Law, many people are now violating the Basic Law blatantly. For instance, Stanley NG, a member of the Hong Kong Federation of Trade Unions as well as a deputy to the National People's Congress, has proposed introducing the national security laws into Hong Kong. However, no response has been made by government officials so far. My supplementary question concerns the remarks made by CHEN Zuoer that our education policy has to be subject to the supervision of the Central Authorities, which is, as mentioned in the main reply, apparently in contravention of Article 136 of the Basic Law, which stipulates that the SAR shall, on its own, formulate education policies. Despite CHEN Zuoer's obvious contravention of the Basic Law, the Government still insists on promoting education on the Basic Law. Why did the "689" Administration or Bureau Directors not point out CHEN Zuoer's violation of the Basic Law? Now I clearly request the Secretary to reply whether the remarks made by CHEN
Zuoer are in violation of Article 136 of the Basic Law. I earnestly hope that the "689" Administration can refrain from castrating itself and the concepts of "one country, two systems", "a high degree of autonomy" …

PRESIDENT (in Cantonese): Mr LEE, please refrain from making comments.

MR LEE CHEUK-YAN (in Cantonese): … betraying the high degree of autonomy enjoyed by Hong Kong people, so much so that it even feels inhibited from pointing out that CHEN Zuoer has acted in violation of the Basic Law. My supplementary question is very simple and I have only one question, and that is: Does the Secretary have the guts to clearly point out that CHEN Zuoer has violated Article 136 of the Basic Law?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Honourable Member for the supplementary question. As I clearly stated in part (1) of the main reply, education is a policy area where the SAR Government exercises "a high degree of autonomy", and education policy shall be implemented on the basis of the Basic Law, our education philosophy and the actual needs. Insofar as education is concerned, we will listen humbly to the opinions put forward by many people. Our major premise is to promote various education initiatives in the light of Hong Kong's actual needs, the major premise of the Basic Law, the development and prospects of students, and so on. We treasure all the opinions put forward by people in or outside Hong Kong.

MR LEE CHEUK-YAN (in Cantonese): President, you should have heard that the Secretary has not answered my supplementary question.

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

MR LEE CHEUK-YAN (in Cantonese): You should have known which part of my supplementary question has not been answered. It should be the part following "castrating itself" …
MR LEE CHEUK-YAN (in Cantonese): … dared not admit it. My supplementary question is very clear: Why did the Secretary have no guts to admit that or refuse to say that CHEN Zuoer has acted in violation of Article 136 of the Basic Law? And he keeps talking such nonsense as "listening humbly", and so on.

PRESIDENT (in Cantonese): Mr LEE, please let the Secretary give a reply. Secretary, do you have anything to add?

SECRETARY FOR EDUCATION (in Cantonese): President, I emphasize once again that many people put forward a lot of opinions, but I can hardly give replies to these opinions seriatim. Most importantly, we will promote our policies in accordance with the Basic Law, Hong Kong's special needs, our long-held education philosophy, and so on.

MR LEE CHEUK-YAN (in Cantonese): Does the Secretary have anything to add? You are most fond of asking this question.

PRESIDENT (in Cantonese): Mr LEE, the Secretary has already given a reply.

DR KENNETH CHAN (in Cantonese): President, I think that the Secretary was either pretending to be ignorant or deliberately misleading the Council. In answering the question raised by the Member in part (2), he said "insofar as education policies are concerned, I have never received any direction or instruction from the Central Authorities", but the main question is whether the SAR Government has received any direction or instruction on education policy from the Central Authorities since the reunification.

President, during his visit to Hong Kong in July 2007, President HU Jintao emphasized, and I quote, "we should put more emphasis on national education for the youth". In the following three years, Donald TSANG stepped up his
efforts year after year in a bid to "hard sell" national education. My supplementary question for Secretary Eddie NG is: Were the remarks made by HU Jintao and all efforts made by the SAR Government afterwards, namely those relating to the policy on and funding for national education, the instructions or directions issued by the Central Authorities?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Honourable Member for his question. In my main reply earlier, I have responded to the question concerning the criteria for promoting education-related activities in Hong Kong. During the entire process, we greatly welcomed the views put forward by people from all walks of life on education policy. Since the reunification, we have been very grateful to the Central Authorities and the various provincial and municipal governments on the Mainland for their vigorous support for the implementation of various education initiatives by the SAR Government, such as the Scheme for Admission of Hong Kong Students to Mainland Higher Education Institutions; Hong Kong-citizen children classes and schools operated in Shenzhen for Hong Kong students in need; and exchanges between students and co-operation between sister schools. On numerous fronts, the relevant units on the Mainland have offered a lot of assistance and put forward a lot of opinions on bilateral co-operation arrangements. Like our collaboration with overseas institutions on the education front, it is a most natural thing to do. Nevertheless, I must emphasize again that I have not received any direction or instruction on Hong Kong's education policy from the Mainland Government or institutions. Even though views are divided on the implementation of the entire syllabus of national education or even during the implementation period, we have continued to revise and fine-tune certain arrangements having regard to Hong Kong's actual situation and on the premise of the Basic Law.

DR KENNETH CHAN (in Cantonese): President, excuse me, I should ask the Secretary to let the Panels discuss his evasive remarks. I wish to raise a follow-up question by repeating my supplementary question. Secretary, do you consider the remarks made by HU Jintao as a piece of advice, an instruction or a direction? Can you answer my question in concrete terms?
SECRETARY FOR EDUCATION (in Cantonese): President, I can only give a reply according to my actual experiences and answer the Member's supplementary question faithfully. Within my portfolio and in the course of work, I have not received any other instructions or directions.

MRS REGINA IP (in Cantonese): President, I believe the Secretary is aware that some young people have recently commented that they are not emotionally attached to the State and consider their Chinese identity not authentic. I suppose the Secretary should have read these articles. It has been pointed out that one of the reasons for people's lack of emotional attachment to the State is they have never had a chance to read passages from Chinese classics. Neither have they read anything about literature, history and philosophy. Even though I was brought up in a colony, I am emotionally attached to the State because I have read the four major categories of Chinese classics, namely, Confucian classics, history, philosophy and belles-lettres. Moreover, I have great admiration for arts and literature. I have therefore naturally developed that feeling of attachment. Nevertheless, following the introduction of the New Senior Secondary (NSS) academic structure by the Education Bureau, prescribed texts have no longer been provided since 2007 and are replaced by school-based ones. Consequently, there has been a sharp decline in the standard of the Chinese language. In order to prevent the Chinese language standard from falling, the authorities concerned have now decided to introduce 12 additional prescribed texts from next year onwards, though they account for seven marks only. Many people have attributed young people's lack of emotional attachment to the State to the teaching of the Chinese language as a foreign language. Against this background, can the Secretary maintain that education is purely Hong Kong's internal affairs? If education influences students' perception of and emotional attachment to the State, can the Secretary still say that education is not subject to the supervision of the State as it is purely Hong Kong's internal affairs?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Honourable Member for her supplementary question. As I emphasized just now, education as one of the portfolios within the SAR's scope of autonomy has to be promoted in accordance with the Basic Law and the local actual needs. All Chinese people in Hong Kong must and are willing to have a better understanding of the State and the cultural development in other respects. On this premise, the
goal of education reform is very clear. Prior to the reform, Chinese history as a subject was not taught in individual prevocational schools at junior secondary level; after the reform, however, Chinese history was incorporated as a compulsory subject into the curricula of all prevocational schools, with constant efforts made to enhance its mode of teaching. The challenge before us is that China has a history of more than 5,000 years. Our biggest challenge is to find out ways to effectively promote Chinese history-related teaching and enable students to learn about, understand and gain some insight into Chinese history. The Curriculum Development Council has recently set up an ad hoc Committee on making further enhancements and identifying the crux of the problem, including stepping up efforts in striking a balance rather than spending more time on understanding ancient history as we used to do. Furthermore, teachers require more professional support and teaching materials have to be continuously updated, move with the times and become technology-orientated. All these are part of our efforts.

Regarding the teaching of the Chinese language as mentioned in the second point, I am fully aware of the situation but I am afraid that there is some misunderstanding. Actually, hundreds of prescribed texts have been retained after the introduction of the NSS academic structure, only that they are not taught as assigned or recommended texts. Instead, only some of them are selected for teaching purposes. After the implementation of the NSS academic structure for a period of time, we listened to the views of the academic sector and members of the community and hence selected dozens of prescribed texts, whereas schools are allowed to decide on their own how to teach and deal with the remaining texts.

The authorities concerned are fully aware that getting to know the development of Chinese culture should not be confined to classrooms. Therefore, in tandem with the need to conduct more study tours to facilitate exchanges between the two places, we have made special efforts to enhance the quality of and strengthen the arrangements for such exchanges so that schools may enjoy more autonomy and teachers may play a more leading role. Moreover, the sister school arrangement will be enhanced to better enable sister schools to perform their complementary function in teaching. President, as the Member mentioned just now, the effectiveness of the relevant arrangement must be enhanced.
MRS REGINA IP (in Cantonese): President, the Secretary has not answered my supplementary question. My question for him is: Given that subject-specific curricula or activities have such a profound impact on the national identity of young people, can the Secretary still say that education is purely within the scope of affairs of the SAR and not subject to the supervision of the State?

SECRETARY FOR EDUCATION (in Cantonese): I wish to add one more point concerning this. Just now, I pointed out that the implementation of education reform not only required the participation of the SAR. The participation of the governments and schools in the provinces and municipalities concerned is also required when it comes to the arrangement of study tours or formation of sister schools. This is also a good example of mutual co-operation, collaboration and complementarity.

DR FERNANDO CHEUNG (in Cantonese): President, my supplementary question is very simple. CHEN Zuoer stated that, in accordance with the Basic Law, the Secretary for Education in Hong Kong shall be subject to the supervision of the Central Authorities at any time. May I ask the Secretary whether or not the remarks of CHEN Zuoer's represent a correct interpretation of the Basic Law?

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Honourable Member for his supplementary question. On the premise of the Basic Law, the principal officials of the SAR Government and persons in charge of major policy areas should be heading in this direction. Hence, we will listen to the many diverse views expressed by different people. Our main objective is to assist in promoting the implementation of education policies in the SAR.

DR FERNANDO CHEUNG (in Cantonese): President, my supplementary question is very simple. CHEN Zuoer is not an ordinary person; he still retains a semi-official status. He said that in accordance with the Basic Law, the Secretary for Education shall be subject to the supervision of the Central Authorities at any time. Is such a remark correct? Will the Secretary please give a definite reply.
PRESIDENT (in Cantonese): Secretary, will you give a reply?

SECRETARY FOR EDUCATION (in Cantonese): Many people express a lot of opinions on education policy every day, so I am afraid I cannot comment on them seriatim. Our premise is that principal officials of the SAR are recommended by the Chief Executive and appointed by the Central People's Government. This is also our accountability hierarchy. Hence, the Basic Law and the actual implementation of policies in Hong Kong are our key references.

DR FERNANDO CHEUNG (in Cantonese): President, the Basic Law is so important that this is a cardinal issue of right and wrong. I just asked the Secretary whether or not the remark is correct, but he dared not take the question squarely. May I ask the Secretary to give me a formal reply as to whether this remark of CHEN Zuoer is correct? My question is just so simple.

PRESIDENT (in Cantonese): Dr CHEUNG, the Secretary has clearly responded to your supplementary question.

MR ALBERT HO (in Cantonese): President, if the Secretary dares not state his position on comments made by some former high-ranking Mainland officials, even though such comments relate to cardinal issues of right and wrong or serious matters involving the understanding of the Basic Law, how can he promote education? How can he teach the next generation how to have a genuine understanding of the interpretation of the Basic Law? If the Secretary dares not answer this question, I had better ask him another question.

As a Member of the Legislative Council of the SAR, I am now telling the Secretary that in accordance with Article 22 of the Basic Law, no department of the Central People's Government may interfere in the affairs under the purview of the SAR; according to Article 136 of the Basic Law, education is regarded as Hong Kong's internal affairs. This the Secretary should agree, too. Therefore, there is no question of instructions given by the Central Government to the Secretary for Education on how to deal with education issues, including those
relating to national education. Does the Secretary agree with me? He only needs to state whether or not he agrees with this view expressed by me as a Member. There is no need for him to respond to other questions.

SECRETARY FOR EDUCATION (in Cantonese): President, I thank the Honourable Member for his supplementary question. I would like to emphasize again that, under the leadership of the Chief Executive, principal officials must strictly abide by the Basic Law and administer Hong Kong in accordance with the law. Mr CHEN Duanhong, a professor at the Peking University Law School and a director of the Chinese Association of Hong Kong and Macao Studies, mentioned in a clarification issued by him on 9 January 2015 the remarks made by CHEN Zuoer about education in Hong Kong, and pointed out that the comments were made by CHEN Zuoer in his capacity as a member of the Chinese Association of Hong Kong and Macao Studies, not as an official of the Central Government. I reiterate that we respect the freedom of expression enjoyed by every one.

MR ALBERT HO (in Cantonese): It does not matter in what capacity the comments were made; what matters most is whether the comments were right or wrong. I have already put my question the other way round. Does the Secretary agree with my understanding of the Basic Law as mentioned just now? I am pinpointing my own views only. I believe many people agree with me, but does the Secretary agree with me?

PRESIDENT (in Cantonese): Secretary, are you willing to respond to the question raised by Mr HO?

SECRETARY FOR EDUCATION (in Cantonese): I respect the views of the Honourable Member.

PRESIDENT (in Cantonese): We have spent nearly 24 minutes on this question. Last oral question.
Work of Urban Renewal Authority

6. **MR CHAN HAN-PAN** (in Cantonese): President, at its inception in 2001, the Urban Renewal Authority (URA) was mainly tasked with urban renewal and building rehabilitation. It operates on a self-financing basis. In recent years, the Government has entrusted URA with more and more tasks, including the launch of the "Operation Building Bright" in 2012 to provide subsidies and technical support to the owners of dilapidated private buildings, as well as taking over all the building rehabilitation work from the Hong Kong Housing Society (HKHS) within a short period of time. Moreover, in the Policy Address recently delivered by him, the Chief Executive has proposed that URA be invited to assist in developing subsidized-sale flats. However, URA predicted last year that it would experience budgetary constraints. Some members of the public worry that URA may not have sufficient resources and manpower to cope with the additional work. In this connection, will the Government inform this Council:

1. whether it will make further capital injections into URA to ensure that URA has sufficient funds to operate and undertake the additional work; if it will, of the details; if not, the reasons for that;

2. whether it has assessed if the continued expansion of URA's scope of work by the Government will make URA focus only on certain work while neglecting other work, thus slowing down the pace of redevelopment of old buildings and old districts; and what measures are in place to ensure the main work of URA will not be affected; and

3. whether it knows if URA has estimated the additional manpower and expenditure needed for taking over the building rehabilitation work from HKHS in order to ensure that the quality of service can be maintained; if URA has, of the details; if not, the reasons for that?

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, the Urban Renewal Authority (URA) was established under the Urban Renewal Authority Ordinance in 2001 to replace the then Land Development Corporation to undertake and facilitate urban renewal. Redevelopment aside, the purposes of the URA also include improving the conditions and physical appearance of the
built environment through promoting the maintenance and improvement of individual buildings, as well as preserving buildings and sites of historical, cultural or architectural interest.

With the broad consensus built after two years' public engagement, in February 2011, the Government announced the 2011 Urban Renewal Strategy (URS), identifying "Rehabilitation" and "Redevelopment" as the core businesses of the URA. Proper building maintenance can extend the useful life span of buildings and reduce the need for redevelopment. From the perspective of urban renewal, "Rehabilitation" and "Redevelopment" are indeed interrelated and complementary to each other.

On "Rehabilitation", in the early years since its establishment, the URA piloted a building rehabilitation scheme in 2003. The Building Rehabilitation Materials Incentive Scheme and Building Rehabilitation Loan Scheme were officially launched in 2004.

To achieve the dual objectives of improving building safety and creating job opportunities, the Government launched in 2009 the one-off Operation Building Bright (OBB) initiative to provide assistance for the maintenance and repair of buildings aged 30 years or above. Apart from the funding support approved by the Legislative Council, the URA and the Hong Kong Housing Society (HKHS) also shared part of the costs and provided one-stop technical assistance to buildings participating in the OBB.

In 2011, with a view to enhancing building safety measures and further facilitating the owners of old buildings, the URA and the HKHS consolidated their five different subsidy and loan schemes targeting owners of old buildings and jointly launched the Integrated Building Maintenance Assistance Scheme (IBMAS).

In 2012, the Buildings Department implemented the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme to tackle the long-standing problem of building neglect in Hong Kong. To help needy owners fulfil the requirements of the schemes, the URA and the HKHS launched the Mandatory Building Inspection Subsidy Scheme (MBISS) to provide selected eligible building owners in their respective rehabilitation service areas (RSAs) with subsidy for the cost of their first building inspection.
The abovementioned are the URA's work on the rehabilitation front, and are one of the core businesses of the URA.

President, my reply to Mr CHAN Han-pan's three-part question is as follows:

(1) According to the audited accounts of the URA as at 31 March 2014, the URA was financially healthy with an accumulated surplus of approximately $13.9 billion and a net asset value of approximately $23.9 billion. While a deficit of about $2.3 billion was recorded in 2013-2014, the URA has projected that its financial position will improve in 2014-2015 and there is no need for capital injection by the Government. This is because a number of URA projects (including the Kwun Tong Town Centre Development Areas 2 and 3 as well as two projects at Hai Tan Street) were successfully tendered in mid to late 2014 while invitation for tender for another project in Fuk Wing Street is underway.

As regards Mr CHAN Han-pan's concern over the proposal for the URA to explore participation in the supply of subsidized sale flats in the Chief Executive's Policy Address just announced, we understand that the URA is currently studying the subject. We will discuss with the URA again when it has come up with concrete proposals.

(2) President, as I mentioned above, under the 2011 URS, the URA is tasked to adopt "Rehabilitation" and "Redevelopment" as its core businesses. On "Rehabilitation", the URA has participated in the OBB launched by the Government, and implemented the IBMAS and the MBISS in collaboration with the HKHS. On "Redevelopment", since 2009-2010, the URA has commenced 10 URA-initiated redevelopment projects, 10 projects under the Demand-led Redevelopment Project Pilot Scheme (including two which were terminated as they failed to attain the threshold of owners holding 80% or more of the property interests accepting the URA's acquisition offers), and two projects under the Pilot Scheme for the Redevelopment of Industrial Buildings (including one which was not proceeded further by the URA as all the owners were
prepared to redevelop the site by themselves). The number is more or less the same when compared with the 21 URA-initiated projects commenced in the period between 2004-2005 and 2008-2009, and it shows that the URA has not slowed down on the redevelopment of old buildings despite taking on more rehabilitation work.

(3) President, the 2011 URS stipulates that "Rehabilitation" is one of the two core businesses of the URA. To enable the URA to provide rehabilitation assistance to the public in a more focused and user-friendly manner, the URA and the HKHS have subsequently reached an agreement that the URA will take over the work of the HKHS under the IBMAS by phase. Starting from April 2013, the URA has extended its RSAs from the original Central and Western district, Wan Chai district and part of Kowloon to include the entire Kowloon urban areas, Tsuen Wan district and Kwai Tsing district. The URA will further extend its RSAs to cover the whole territory in July 2015, completely taking over the work of the HKHS under the Scheme.

In the past few years, the URA has been recruiting additional manpower to cope with its rehabilitation work. With the gradual completion of rehabilitation projects under the OBB, the manpower of the URA deployed for the OBB is expected to be gradually released to support the other rehabilitation initiatives of the URA in the next two to three years. The URA will, through staff redeployment and the use of information technology, such as a dedicated portal for rehabilitation, carry out rehabilitation work, as well as disseminate relevant information on building rehabilitation and conduct public education in a more cost-effective manner.

MR CHAN HAN-PAN (in Cantonese): President, given the grave public concerns about bid-rigging in recent years, the URA has put in place a diversity of systems, including evaluation by independent surveyors and new tender arrangements, which have greatly increased its workload. Although the OBB will be completed soon, new measures such as mandatory building inspection and
the RenoSafe Scheme have been introduced. If the URA has to take over all the work of the HKHS in providing assistance to old buildings, we believe the workload involved will increase considerably. But in his reply to my question, the Secretary said that such work can be carried out through internal redeployment of manpower. Secretary, if the URA can complete all the work to be taken over from the HKHS through internal staff redeployment, I am very worried that it would be impossible to prevent bid-rigging. Is the Secretary worried that the problem of bid-rigging will be aggravated as a result of a shortage of manpower of the URA?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the manpower of the URA and the situation of bid-rigging in society are not necessarily related. Perhaps let me tell Mr CHAN Han-pan here that in 2009-2010, about 32 staff members were deployed to carry out rehabilitation work, and the number of staff increased to 113 in 2013-2014, showing quite an increase in the staff establishment. We consider that as the URA is funded by public coffers, we must ensure value for money. Therefore, manpower can be increased to carry out work when necessary but on the other hand, it is also necessary for us to effectively utilize the resources in hand.

MR TONY TSE (in Cantonese): The Secretary said just now that since its inception in 2001, the URA has been mainly tasked to undertake and facilitate urban renewal and improve the built environment. However, as many people have seen, over the past decade or so, the URA’s redevelopment projects have often given the impression of being rather homogenous and more often than not, they are even very fragmented. They are not very much different from projects undertaken by private property developers, and have not produced significant effects in the renewal and revitalization of the district. In this connection, I wish to ask the Secretary whether he will urge the URA to follow the 2011 URS by adopting both "Rehabilitation" and "Redevelopment" initiatives to draw up plans and renewal actions for the entire site and even the entire area in some old districts in the future, so that improvement can be made to the environment of these old districts in their entirety?
SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr Tony TSE for his supplementary question. In fact, President, over a period of time in the past, we have seen the development of standalone buildings in various URA projects and this is to some extent related to the demand-led pilot scheme introduced by the urban renewal strategy because under this scheme, owners can propose to carry out redevelopment by themselves when the percentage of owners consenting to redevelopment has attained a certain threshold, and they can proceed to redevelopment when their proposal is accepted by the URA. The minimum site area is only about 400 sq m.

Therefore, for redevelopment projects carried out under such circumstances, there is indeed the situation highlighted by Mr TSE just now, and we have also noted the problem. The URA has recently reviewed the demand-led pilot scheme, and one of the considerations which have been adjusted is that the site area must not be smaller than 700 sq m and this can perhaps avoid the situation where the project scale is as small as that of previous projects. But this is still inadequate. I understand what Mr TSE was trying to say. He was saying that the most cost-effective way of urban renewal should be to undertake redevelopment in the entire site or the entire district, so that public coffers can be utilized to produce better results for society. Recently, the project in Kwun Tong which was put to tender last year has achieved this objective.

However, we must understand that in order to carry out redevelopment in the entire area or the entire district, the resumption process and various other areas of work will take quite a long time. Therefore, we encourage the URA to implement both long-term or short-term projects having regard to various needs and particularly, projects that will bring overall benefits to the community are all the more worthy of implementation.

MR TONY TSE (in Cantonese): President, the Secretary did not answer my question. I understand the situation of redevelopment, but the other measure is rehabilitation of buildings. You said that redevelopment projects under the demand-led …
PRESIDENT (in Cantonese): Mr TSE, please briefly repeat the part of your supplementary question not answered by the Secretary.

MR TONY TSE (in Cantonese): *Is it possible to implement both measures, namely, "Redevelopment" and "Rehabilitation", in tandem for carrying out renewal work in the entire area?*

PRESIDENT (in Cantonese): Secretary, do you wish to add anything in respect of matters on the rehabilitation front?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, we have carried out work on both fronts but in reply to the Member's question about whether both measures will be taken in the same district at the same time, that depends on whether or not the resources available will allow this, but this is not easy at all.

MR CHAN KAM-LAM (in Cantonese): *President, I think we all support the URA's purposes of rehabilitation and redevelopment, but the question is that over the past decade or so and in view of its development at the present when it is taking over the rehabilitation work of the HKHS, has the URA put excessive emphasis on rehabilitation to the extent that people may refer to it as the Urban Rehabilitation Authority? It is because judging from its current development plans, we do not see from many cases that the URA can indeed achieve results in redevelopment the entire area or in major urban redevelopment projects.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Urban renewal includes repair and maintenance as I have just said. If we look at the deployment of staff in the URA, the current manpower deployed for rehabilitation work accounts for only about 20% of its total manpower. Redevelopment of old buildings has remained to be the most fundamental business of the URA, and judging from the proportion in the allocation of expenditure, redevelopment is also the first and foremost task.
The arrangement for the URA to take over the rehabilitation work of HKHS in the area of urban renewal aims to facilitate centralization of resources and achieve better economy of scale.

MISS ALICE MAK (in Cantonese): President, first of all, I declare that I am a Non-Executive Director of the URA.

President, the Policy Address this year has again put forward some proposals in the hope that the URA can assist the Government in increasing the supply of housing. Due to changes made some time ago in some application criteria under the demand-led scheme, the residents of some districts have considered it more difficult to apply for redevelopment of their buildings. In fact, for various reasons, there have been concerns about whether the URA often has a lot of worries about its demand-led projects or building rehabilitation projects because of the principle of financial prudence consistently stressed by the Government, that is, the principle that the URA must resolve its own financial problems, and coupled with the fact that the Policy Address has now proposed that the URA should take up more work, may I ask the Secretary what measures there are to assist the URA to cope with the financial pressure that may be generated by an increase in its workload? What can be done to ease the worries of the URA about the Government imposing a straitjacket on it, so that assurances can be given to the URA in carrying out tasks assigned to it by the Government in taking forward the work of urban redevelopment?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, it is true that we expect the URA to observe fiscal discipline and in other words, they must operate on a self-financing basis as far as practicable, because the Financial Secretary made a capital injection of $10 billion into the URA upon its establishment. Having said that, it is not the case that we expect each and every of its projects to be self-financed or to record a surplus, for this is impossible, especially as urban renewal initiatives will have social benefits and social value. Therefore, it is only natural for individual projects to require subsidies. However, when the URA formulates business plans, generally speaking, we hope that while some of the projects are in need of subsidies, if, overall speaking, a surplus can be recorded in other projects, a balance can be struck.
As regards the daily work of the URA, the URA submits a business plan to the Financial Secretary through the Development Bureau annually, setting out its business plans for the next five years, and the plans for the next five years include the financial estimate of the URA. In simple terms, I would like to tell Miss Alice MAK that the business plans of the URA are subject to the approval of the Financial Secretary and if the URA introduces initiatives in line with government policies and with the approval of the Financial Secretary for these initiatives, I believe the Government will consider providing support in terms of resources.

We have provided support to the work of the URA by various means before. In brief, we have, among other things, made an injection of $10 billion to the URA upon its establishment; another example is that the URA is required to pay only $1,000 as the land premium for its redevelopment project and over the years, the URA has been exempted from land premium payment totalling as much as over $6 billion; and for another example, given the very good benefits brought about by the Kwun Tong project to the community, the Government has incorporated part of the land in the district into the development project to enable the URA to achieve greater benefits in planning when undertaking this development project as a whole. Therefore, Members can put their minds at ease. We are now waiting for the URA to conduct studies on the proposal made by the Chief Executive and when they have come up with concrete proposals, we will further hold discussion with the URA.

MR WU CHI-WAI (in Cantonese): President, first of all, I declare that I am a Non-Executive Director of the URA.

The Policy Address mentioned that participation by the URA in the supply of subsidized sale flats would be explored but in his reply the Secretary only said that discussion would be held with the URA. This is somewhat like a "chicken and egg" question because generally speaking, the land cost or project cost of the URA is very high. My question is: When the Chief Executive said that the URA will participate in the supply of subsidized sale flats, does it actually mean that the Government has plans to reintroduce the Sandwich Class Housing Scheme and to make it a long-term scheme, rather than turning URA projects into part of the housing supply purely on a one-off basis? I would like to ask the Government whether it plans to reintroduce the Sandwich Class Housing Scheme as a long-term measure.
SECRETARY FOR DEVELOPMENT (in Cantonese): President, concerning the Sandwich Class Housing Scheme, perhaps let me put it this way: Insofar as the URA is concerned, I think Members all know that the URA’s property development projects used to target at the private sector and therefore, the standards of their units are generally better than Home Ownership Scheme (HOS) units, whether in terms of the renovation or area of the units. In this connection, when we put forward this proposal for consideration by the URA, we did not make it mandatory that the URA must follow the HOS standards in respect of pricing and the target buyers. But as regards the specific details of operation, we wish to leave this to the Board of the URA to look into this issue. As far as I know, the URA has a task force to study this and after they have come up with proposals, we will further hold discussion with them.

What Mr WU mentioned just now is a policy area with a broader coverage involving not only the URA because the URA aside, the organizations to be invited by the Chief Executive to participate in the provision of subsidized sale flats as proposed in the Policy Address also include the HKHS and the Hong Kong Settlers Housing Corporation Limited. Therefore, that is a broader policy area.

MR WU CHI-WAI (in Cantonese): The Secretary did not answer my supplementary question. My question is: Does the Government have plans to reintroduce the Sandwich Class Housing Scheme to meet or cope with the high building cost of the URA?

PRESIDENT (in Cantonese): Secretary, do you have anything to add on whether the Sandwich Class Housing Scheme will be reintroduced?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have nothing to add. I have already tried my best to tell Members all that I know.

PRESIDENT (in Cantonese): We have spent more than 22 minutes on this question. Oral questions end here.
WRITTEN ANSWERS TO QUESTIONS

Support for Non-Chinese Speaking Students with Special Educational Needs

7. **DR FERNANDO CHEUNG** (in Chinese): President, quite a number of people have relayed to me that currently, non-Chinese speaking students (NC students) with special educational needs (SENs) have to wait for a long time for the services provided for them by the Government, and the existing support provided by ordinary schools for students of this type is also rather inadequate. In this connection, will the Government inform this Council:

   (1) of the current number of NC students with SENs, together with a breakdown by the type of disabilities they have and whether English is their first language;

   (2) given that the aforesaid people have pointed out that currently, tools for assessing and identifying the SENs of NC students are lacking, resulting in some educators mistakenly perceive the SENs of such students as language and cultural variations, of the measures that the Government has put in place to improve the related assessment and identification work;

   (3) of the details of the training on the SENs of NC students currently provided by the authorities to educational psychologists and teachers;

   (4) of the number of complaints received by the authorities in the past five years about the inadequate support given to NC students with SENs, together with a breakdown by the nature of the cases (including issues concerning assessment and identification, as well as teaching and learning);

   (5) of the details of the services currently provided by the authorities to NC students with SENs, including the relevant pre-school services, and the respective services provided to students attending ordinary schools which offer integrated education, special schools and international schools, together with the demand and supply situations of such services as well as the relevant waiting time; and
(6) of the details of the support services currently provided by the authorities to parents of NC students with SENs?

SECRETARY FOR EDUCATION (in Chinese): President,

(1) According to the records of the Education Bureau, as at September 2014, there are 349 non-Chinese speaking students (NC students) with special educational needs (SENs) studying in public sector ordinary schools. Of them, 108 have English as their spoken language at home. A breakdown of NC students by type of SENs is tabulated below:

<table>
<thead>
<tr>
<th>SENs type</th>
<th>Specific Learning Difficulties</th>
<th>Intellectual Disability</th>
<th>Autism Spectrum Disorders</th>
<th>Attention Deficit/Hyperactivity Disorder</th>
<th>Physical Disability</th>
<th>Visual Impairment</th>
<th>Hearing Impairment</th>
<th>Speech and Language Impairment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>101</td>
<td>108</td>
<td>30</td>
<td>22</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>73</td>
<td>349</td>
</tr>
<tr>
<td></td>
<td>(34)</td>
<td>(19)</td>
<td>(24)</td>
<td>(11)</td>
<td>(0)</td>
<td>(1)</td>
<td>(2)</td>
<td>(17)</td>
<td>(108)</td>
</tr>
</tbody>
</table>

Note:
Figures in bracket denote the number of students whose spoken language at home is English.

(2) Currently, NC students are covered by the "Early Identification and Intervention Programme for Primary One Students with Learning Difficulties" implemented in all public sector primary schools. Under the programme, the Education Bureau provides schools with the necessary tools and training. Teachers can make use of the "Observation Checklist for Teachers" to identify as early as possible Primary One students with learning difficulties and arrange for early intervention. To assist teachers in using the checklist to identify NC students in need of attention, we have provided them with a guideline which sets out the points to note and factors to consider for

(1) For the planning of education support measures, students whose spoken language at home is not Chinese are broadly categorized as NC students.
identifying NC students with SENs. To enable non-Chinese speaking parents to have a better understanding of and greater involvement in the programme, an information leaflet on the programme has been published in seven ethnic minority languages since 2011 for distribution to parents through schools and for public access at Education Bureau's website.

Learning difficulties encountered by NC students at lower primary level may be language- and culture-related. Hence, with reference to the Response to Intervention model that has been proven effective overseas, we advise schools to provide appropriate intervention for students first and continually review their learning progress after intervention to identify NC students with learning difficulties. Students found to have persistent or serious learning difficulties will be promptly referred to educational psychologists for assessment.

In assessing the SENs of the NC students, speech therapists and educational psychologists will approach the teachers and parents of the NC students to know more about the students' mastery of the mother tongue, upbringing, and learning performance and difficulties. Appropriate arrangements will be made in the light of students' cultural background and experiences as well as their language needs.

(3) The Education Bureau provides educational psychologists with continuing professional development activities. Overseas experts and local front-line educational psychologists have been invited to share the principles and strategies for assessing and supporting ethnic minority students. The Education Bureau also holds regular co-ordination meetings with educational psychologists under the "Early Identification and Intervention Programme for Primary One Students with Learning Difficulties" during which educational psychologists are advised from time to time of the points to note for the identification and assessment of NC students suspected of having SENs. They are also advised to adopt consistent procedures and criteria to ensure timely provision of appropriate assessment and support services to NC students.
To enhance teachers' professional capacity in catering for students with SENs, including NC students with SENs, the Education Bureau has been providing structured training courses pitched at basic, advance and thematic levels (BAT Course) for serving teachers since the 2007-2008 school year. Among other topics, there is one on how to cater for the educational needs of NC students and the related services for them.

(4) Under the current arrangements, schools are required to formulate a school-based mechanism and procedures for handling complaints. The Education Bureau does not collate information about complaints handled at the school-based level. Upon receipt of complaints lodged by members of the public about schools, including complaints related to care for students with SENs in ordinary schools, the Education Bureau will record and file the case for handling the complaints in accordance with the established procedures. According to our records, there were 25 such complaints in the past five years. As the Education Bureau does not keep particular record on the complainants' ethnicity or spoken language used at home, we are unable to provide the statistics required.

(5) The Social Welfare Department provides various community support services to persons with disabilities (including non-Chinese speaking persons) through the service network at district level. A case management approach has been adopted for some of these services where the case managers will formulate individual care plans with regard to the characteristics of individual service users (including NC students with SENs) for the provision of appropriate services. There is no waiting list for the above community support services.

Regarding rehabilitation services for pre-school children, the lessons or training sessions are mainly conducted in Chinese (mostly in Cantonese). At present, two early education and training centres provide a total of 85 places for early intervention and training for native English-speaking children. As at end-December 2014, of the 176 children who had chosen these two centres, 128 were waiting for these two centres only. Low-income families, while
waiting for the subvented services for their children, may apply for subsidy to obtain outside services for their children so that they can receive pre-school rehabilitation services as soon as possible. For those non-native Chinese or English-speaking children, pre-school rehabilitation service units will supplement with body language and environment-oriented teaching so as to assist children in receiving training based on their learning abilities.

The Education Bureau provides school-based support services for kindergartens admission of ethnic minority children and helps teachers develop effective teaching strategies to cater for the needs of individual children. We also enhance teachers' professional capacity in the effective use of support resources and screening tools for early identification of learning and developmental diversity among local and NSC children and making use of the interdepartmental mechanism under "The Comprehensive Child Development Service" for referral of children in need for further assessment.

As regards primary and secondary school education, it is the Government's prevailing policy to provide sufficient places in public-sector ordinary schools and special schools for all eligible students, including NC students with SENs, and offer appropriate support services to NC students with SENs to facilitate their early integration into the local education system and the community. Under the Disability Discrimination Ordinance, all schools have the obligation to admit NC students with SENs. To support ordinary schools to take care of students with SENs, including NC students with SENs, the Education Bureau has been providing public-sector schools with additional resources, professional support and teacher training. The Education Bureau encourages schools to adopt the Whole School Approach and the 3-Tier Intervention Model\(^{(2)}\) to provide support for their students, including NC students, in the light of their needs.

\(^{(2)}\) Tier-1 support refers to the use of basic resources and quality teaching in regular classrooms to help students with mild or transient learning difficulties. Tier-2 support refers to "add on" intervention, such as pull-out or after-school remedial programmes and hired professional services, for students with persistent learning difficulties. Tier-3 support refers to intensive individualized support for students with severe learning difficulties.
Special schools operate with a smaller class size ranging from eight to 15 students per class in different types of special schools. In general, apart from the ordinary curriculum/adapted ordinary curriculum offered to students according to their ability or the curriculum tailor-made for students with intellectual disability, these schools also develop individual education plans in accordance with the special needs of individual students, including NC students, to help them handle their learning, emotional or behavioural problems. Moreover, different types of special schools are provided with different specialist staff and additional teachers to offer diverse support services for the students.

Starting from the 2014-2015 school year, the Education Bureau has enhanced the support for NC students to learn Chinese and has put in place the "Chinese Language Curriculum Second Language Learning Framework" (Learning Framework) in primary and secondary schools in the 2014-2015 school year with a view to facilitating NC students to bridge over to mainstream Chinese Language classes. In brief, all schools (public sector and Direct Subsidy Scheme schools offering the local curriculum) admitting 10 or more NC students have implemented their school plans, and made use of the enhanced additional funding provided since the 2014-2015 school year to adjust the learning targets and adopt appropriate teaching strategies, drawing reference to the learning progress at different learning stages as described under the Learning Framework, to help their NC students overcome the difficulties in learning Chinese as a second language. Schools admitting a handful of NC students (that is, fewer than 10) will continue to support their NC students through their immersed Chinese language environment. These schools may also apply for additional funding on a need basis to provide after-school support to help their NC students consolidate the Chinese learning in class. Besides, the Applied Learning Chinese Course (for NC students) has been implemented at the senior secondary level in phases from the 2014-2015 school year to provide NC students with an additional channel to acquire an alternative recognized qualification, which would enhance their further studies opportunities and employability.
We will continue to facilitate schools to implement the Learning Framework by refining the related teaching and learning resources. We will also enhance Chinese Language teachers' professional capability in teaching NC students through diversified modes of professional development programmes and school-based professional support services.

As regards international schools, apart from a special school operated by the English Schools Foundation (ESF), some of the international schools, including the mainstream schools operated by ESF, also provide support services to their students with SENs according to their individual needs. Based on information provided by schools, the respective numbers of primary and secondary students with SENs in international schools in the 2014-2015 school year are about 465 and 419 (including 69 studying in the ESF special school). We have commissioned a consultancy study to look into the demand for international school places from overseas families living in Hong Kong for their children with SENs. The study is expected to complete in the second half of 2015. We will also continue to facilitate the provision of SENs support services in international schools through the School Allocation Exercise by giving favourable consideration under the marking scheme to applications with a plan to provide such support services.

(6) The Education Bureau has published the Non-Chinese Speaking Parent Information Package: Your Guide to Education in Hong Kong to provide non-Chinese speaking parents with basic information about the education services of Hong Kong. We have also translated various information leaflets in major ethnic minority languages with interpretation service provided at relevant briefing sessions for non-Chinese speaking parents. Besides, the Education Bureau has set up a dedicated website <http://www.edb.gov.hk/ncs> and a hotline (Tel. No.: 3540 7447) for non-Chinese speaking parents. Interpretation service has been offered through telephone conferencing by the Centre for Harmony and Enhancement of Ethnic Minority Residents funded by the Home Affairs Department since July 2010.
Communication and co-operation between parents and schools are essential for supporting students with SENs, including NC students with SENs. We have requested schools to establish a regular communication mechanism with parents in order to strengthen communication and co-operation in support of intervention programmes of the school. To enhance parents' understanding of their roles, the Education Bureau has compiled the Parent Guide on Whole School Approach to Integrated Education, providing parents with information on the procedures for identifying and assessing different types of SENs and on various support strategies. The guide has been uploaded onto the Education Bureau's website.

On the other hand, Parents/Relatives Resource Centres provide a focal point for family members/carers of the persons concerned (including NC students with SENs) to share their experiences and seek mutual support with the assistance of the centre staff. In 2015-2016, the Government will increase the social work manpower of the existing subvented Parents/Relatives Resource Centres to provide more systematic training and experience sharing.

The Government has also enhanced the short-term day care and residential care services for persons with disabilities, in particular those aged six to 14, so that their family members/carers may take a planned short break or attend to their personal business.

Processing of Appeal Cases Concerning Allowances and Grants Related to Trawl Ban

8. **MR STEVEN HO** (in Chinese): President, the legislation which bans trawling activities (trawl ban) came into operation on 31 December 2012, and the Fishermen Claims Appeal Board (FCAB) was also set up in November of the same year to handle appeals lodged by fishermen concerning ex-gratia allowances and one-off grants related to the trawl ban. However, some fishermen have recently pointed out that FCAB has procrastinated the processing of appeal cases, resulting in more than 800 outstanding cases at present. Regarding the processing of appeal cases by FCAB, will the Government inform this Council:
(1) why there are still many outstanding appeal cases awaiting processing;

(2) of the criteria adopted by the authorities for determining the order of priority for processing appeal cases; and

(3) of the time, as estimated by the authorities, still needed to complete the processing of all the appeal cases?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the legislation which bans trawling in Hong Kong waters came into operation on 31 December 2012. Under the one-off assistance package approved by the Legislative Council Finance Committee on 10 June 2011, an ex-gratia allowance is payable to eligible trawler owners affected by the trawl ban.

An Inter-departmental Working Group (IWG) was set up by the Government to handle matters relating to applications received from parties affected by the trawl ban. Applicants who are not satisfied with the decisions of the IWG may lodge appeals to the Fishermen Claims Appeal Board (FCAB).

Ex-gratia allowances amounting to $941.3 million had been paid out from the sum approved by the Finance Committee. For owners of larger trawlers, a lump sum ex-gratia allowance of $150,000 had been disbursed to each eligible applicant. For owners of inshore trawlers, the amount of ex-gratia allowance payable to individual applicants depended on the number of successful applications and the apportionment criteria (for example, vessel type, length of eligible inshore trawlers, the capacity of the engine(s), equipment on board, the percentage of time spent on trawling and/or production in Hong Kong waters). Around 30% of the total amount of ex-gratia allowance, together with the contingency amount, have been reserved to cover successful appeal cases as may be determined by the FCAB.

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

(1) and (3)

The FCAB has received 858 appeal applications. Each appeal case is based on its own account of complex and technical information. Having meticulously reviewed such information, the FCAB might need to follow up as necessary including verification. To ensure
that the appeal cases are processed in a just and fair manner, the FCAB will conduct hearing for each individual appeal. Before handing down the decisions, the FCAB would need to digest the statements submitted by the Appellants and the IWG, carefully consider the justifications and allow a reasonable period of time for both parties to respond to each other's submissions. In view of the large number of appeals lodged and the enormous amount of information involved, it would take time for the FCAB to complete the processing task.

To ensure that the appeal process is completed within a reasonable time frame, the Government had hitherto expanded the FCAB to a pool of five Chairmen and 20 Members, and appointed three additional legal advisers in mid-2014. With the introduction of roster mechanism, the Chairmen and Members have been assigned to sit in relevant hearing sessions with the number as well as frequency of hearings increased such that the hearing process could be expedited. To ensure that the appeal cases are processed in a just, fair, smooth, economical and expeditious manner, we would need to make sure that there is a good measure of consistency among Chairmen and Members in their work. In the first stage and the second stage, the FCAB will conduct hearings on 32 cases and the remaining cases respectively. The FCAB has conducted hearings for nine cases in the first stage, and has promptly scheduled to process the remaining 20 or so cases under the first stage as well as the remaining 800 or so cases under the second stage. After completing action on the appeal cases under the first stage, we expect that the processing of appeal cases under the second stage would take less time.

(2) The 32 cases under the first stage are extracted from a cross-section of the appeal cases based on vessel type (that is, stern trawlers, pair trawlers, hand trawlers and shrimp trawlers) and classification (that is, inshore trawlers (upper tier), inshore trawlers (lower tier), larger trawlers which generally do not operate in Hong Kong waters, and ineligible trawlers) with a view to covering all the parameters and criteria that had been taken into consideration in the IWG's assessments. During the second stage, the FCAB will hear the remaining appeal cases in a sequence that accords with the date on which the appeal was lodged.
Domestic Free Television Programme Service Licences and Allocation of Television Spectrum

9. MR CHAN CHI-CHUEN (in Chinese): President, on 15 October 2013, the Chief Executive (CE) in Council decided that the applications for a domestic free television programme service licence from Fantastic Television Limited (Fantastic TV) and Hong Kong Television Entertainment Company Limited (HKTVE) be granted approval-in-principle, but the application of Hong Kong Television Network Limited (HKTVN) be rejected. It has been more than a year since the authorities made that decision, but there is still no definite date for Fantastic TV and HKTVE to start broadcasting. In this connection, will the Government inform this Council:

(1) whether it knows the work progress of Fantastic TV and HKTVE in preparing for television broadcasting, and why the Communications Authority (CA) is still unable to reach a consensus with the two television broadcasters in respect of licence conditions;

(2) of the allocation principles and justifications for arriving at the current arrangements for television spectrum; whether the authorities plan to allocate television spectrum to the above two new television broadcasters for their use; if they do not, whether the authorities will re-allocate the television spectrum;

(3) when the authorities expect Fantastic TV and HKTVE to start broadcasting; and

(4) given that HKTVN has earlier re-submitted an application for a domestic free television programme service licence, of the current progress in processing the application; whether CA has made recommendations to CE in Council in respect of the application?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, my reply to the four-part question is as follows:

(1) On 15 October 2013, the Government announced that the Chief Executive in Council had decided to grant approvals-in-principle to the applications for domestic free television programme (free TV)
service licences from Fantastic Television Limited (Fantastic TV) and HK Television Entertainment Company Limited (HKTVE), but the formal licence grant is subject to the Chief Executive in Council's further review and final determination under the Broadcasting Ordinance (BO) (Cap. 562) at the second stage.

After the announcement of the decision, the Communications Authority (CA) has immediately proceeded with the follow-up work, including that:

(i) the CA should verify whether Fantastic TV and HKTVE have completed corporate restructuring as proposed in their applications, and whether their corporate status after the said restructuring complies with the requirement under the BO that a free TV service licensee shall not be a subsidiary of a corporation;

(ii) consequential to the two applicants' requests for using the airwaves for broadcasting in the course of the follow-up work, the CA should secure confirmations from them that the follow-up work for their applications should continue to proceed on the basis of the application contents at the time of the grant of approvals-in-principle, including the proposals to deliver free TV services via fixed networks;

(iii) Fantastic TV and HKTVE should submit confirmations and undertakings for the purpose of implementing the requirements imposed by the Chief Executive in Council when approvals-in-principle were granted in October 2013; and

(iv) the CA issued to the two applicants the draft licences on 1 April 2014 and subsequently had several rounds of discussions with them on the proposed licence conditions therein.

The CA submitted its recommendations in respect of the two applications to the Chief Executive in Council on 19 January 2015. The Chief Executive in Council is now processing the two
applications in accordance with the procedures and the law. The Government will announce the outcome after the Chief Executive in Council has made its final determination.

(2) Despite their requests for using airwaves for broadcasting, the two licence applicants granted with approvals-in-principle confirmed with the CA in late June 2014 that any follow-up work for their applications should continue to proceed on the basis of the original applications (that is, to deliver free TV services via fixed networks).

The free TV service licences of the two incumbent free TV licensees are due to expire by the end of November 2015. The CA submitted its recommendations to the Chief Executive in Council on the two licensees' applications for licence renewals, and will work out the assignment arrangements for the frequency spectrum in accordance with relevant legislation and the "Radio Spectrum Policy Framework".

(3) According to the proposals put forward by Fantastic TV and HKTVE in their applications, which have been granted approvals-in-principle, the two applicants have proposed to commencement the integrated Cantonese and English channels within 12 months and 24 months respectively from the grant of their licences.

(4) The CA is examining the application for a free TV service licence submitted by Hong Kong Television Network Limited (HKTVN) in April 2014 in accordance with the BO and established procedures, including examining the views received in the public consultation exercise on the application from June to July 2014 and requesting for several times further information from HKTVN as required. Moreover, the CA has commissioned an independent consultant to conduct market analysis and prepare a consultancy report for assessing the possible impacts of the application on the local television market and overall broadcasting industry. The consultancy study is still in progress.

We believe that the CA will examine the application carefully and submit its recommendations to the Chief Executive in Council as soon as practicable.
Discretionary Places Admission Under Primary One Admission System

10. **MR ALBERT HO** (in Chinese): President, currently, at the Discretionary Places Admission stage (DPA) under the Primary One Admission (POA) System, parents may submit applications for admission of their children to any government or aided primary school without the restriction of the school net. It has been reported that while more than 52,000 students participated in DPA of POA for September 2015, only 42.9% of them have been admitted by their preferred schools. A number of parents of students consider the "Points System" set by the Education Bureau for the DPA unfair. In this connection, will the Government inform this Council:

(1) of the respective total numbers of the discretionary places provided by the schools participating in DPA, the remaining discretionary places, and the places for Central Allocation provided in POA for September 2015 by the schools in various districts as demarcated in the "POA 2015 Primary School Lists by School Net for Discretionary Places Admission Stage"; and

(2) whether it will review the Points System for DPA, including increasing the weightings of the criteria for "first-born child" and "applicant child of the right age", so as to increase the chances of students meeting these criteria to be admitted to their preferred schools; if it will review, of the details; if not, the reasons for that?

**SECRETARY FOR EDUCATION** (in Chinese): President,

(1) The Primary One Admission (POA) System administered by the Education Bureau aims to allocate public sector Primary One (P1) places\(^1\) in an orderly manner and to prevent using children's ability as an admission criterion so as to reduce the incentive for drilling children in early childhood education.

The POA System is divided into two stages, namely the Discretionary Places Admission stage and the Central Allocation stage. At the Discretionary Places Admission stage, parents may

---

\(^1\) Public sector P1 places refer to the places of government and aided primary schools.
apply to any public sector primary schools. Each primary school will allocate no less than 20% of its P1 places to applicant children according to the Points System. In brief, if a school is not oversubscribed for the relevant quota, the school should accept all the applicant children. If it is oversubscribed, the school should admit applicant children according to the objective(2) Points System. At the Central Allocation stage, school places are allocated based primarily on parents' prioritized choices. In the event of oversubscription, school places of a school are allocated by means of the Random Number generated by the computer for each applicant child concerned.

The Discretionary Places Quota of each school are set out in the Primary School Lists by School Net for Discretionary Places, and the Provisional Number of Places for Central Allocation of each school in the Choice of Schools List by School Net for Central Allocation(3). These Lists are also made available on the Education Bureau's website during the relevant stage for reference of parents.

The Discretionary Places Quota is based on the provisional number of P1 classes, which is derived from the number of outgoing P6 classes or the number of classrooms divided by six (whichever is the greater and subject to the availability of classrooms), of a public sector primary school. The Quota constitutes 50% of the total places of the provisional number of P1 classes of a school. Likewise, the Provisional Number of Places for Central Allocation is primarily based on the provisional number of P1 classes and may include the remaining discretionary places quota (if any) and additional places arising from use of other classrooms (if any) under individual schools' school-based development, and so on.

Under the POA System, the whole territory is divided into 36 school nets on which public sector primary schools are located. To cope

(2) In line with the afore-mentioned guiding principle underpinning POA, schools are not allowed to use children's ability including academic results (such as kindergartens attended or certificates/awards from extra-curricular learning activities) as a selection criterion at the Discretionary Places Admission stage.

(3) Starting from POA 2014, the Choice of Schools List includes the "Choice of Schools List for Central Allocation" for applicant children residing in the school net and the "Choice of Schools List for Central Allocation (For Applicant Children Residing in the Mainland)" for applicant children residing in the Mainland.
with the year-on-year changes in the demand and supply of school places at the Central Allocation stage, it is the established practice to borrow school places from neighbouring school nets/districts to meet the shortfall of a school net. The places so borrowed are counted towards the Provisional Number of Places for Central Allocation of the school net concerned. As a matter of fact, the eventual number of places for Central Allocation is subject to adjustment based on the actual demand. Take for instance, based on the available information, to meet the demand for the Central Allocation under POA 2015, it is estimated that the provisional number of students allocated to each class will temporarily increase to 31 in school net 73 (Yuen Long West), and 30 in school net 74 (Yuen Long East) and school net 84 (Tai Po). The situation is similar to that of the previous POA cycle. The Discretionary Places Quota and Provisional Number of Places for Central Allocation for POA 2015 totalled 24,350 and 27,301 respectively. Details of the number of relevant places of individual school nets have already been set out in the two afore-mentioned Lists.

On the other hand, it is not the practice of the Education Bureau to publicize the remaining discretionary places quota of public sector primary schools in each allocation cycle. The main reason is that the allocation of P1 places is subject to adjustment based on the actual demand. This is to ensure adequate provision of school places to meet the demand on one hand, and to avoid unnecessary speculations and labelling on individual schools on the other.

(2) In each POA cycle, we will gauge stakeholders' views on POA arrangements for in-depth deliberations with the Primary One Admission Committee with a view to enhancing the relevant arrangements.

The arrangements under POA, including the Points System of the Discretionary Places Admission stage, have been formulated after extensive consultation and have balanced the concerns of different stakeholders. We understand that the Points System may not fully meet the aspirations of all stakeholders. Yet, its objective is in line with the afore-mentioned guiding principle underpinning the POA system. While the POA seeks to address needs of different parents,
it allows schools to retain a certain degree of autonomy in student admission so as to maintain their characteristics. We do not have any plans in the meantime to revise the Points System, including the weighting of the criterion of "first-born child" and "applicant child of the right age".

Nationality Considerations in Opening of Bank Accounts

11. **DR CHIANG LAI-WAN:** President, a local English newspaper has reported that a man who came to Hong Kong on a dependant visa was refused by three local banks one after another to open a bank account for him allegedly because he was a Pakistani. It has also reported that banks often have to review every account opened overseas by citizens of countries such as Pakistan because they do not want to be accused by the United States of aiding South Asian terrorist organizations, and that global bank regulators have, in recent years, tightened rules on foreign nationals opening bank accounts overseas in a bid to stop money laundering. In this connection, will the Government inform this Council:

(1) whether it has assessed if the refusal of banks to open an account based on nationality considerations constitutes discrimination under the existing discrimination ordinances; if the assessment outcome is in the negative, of the reasons for that, and whether it will introduce legislation to outlaw such practices of banks; if it will, of the legislative timetable; if not, the reasons for that; and

(2) whether it has reviewed if the guidelines issued by the authorities to the banking and financial sectors on prevention of money laundering by terrorists have caused differential treatments based on nationality considerations?

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY:** President, the Treat Customers Fairly (TCF) Charter, which was initiated by the Hong Kong Monetary Authority (HKMA) and signed up by all retail banks in Hong Kong in 2013, stipulates that banks in Hong Kong that engage in the mass retail market should provide reasonable access to basic banking services for members of the public. Furthermore, the Code of Banking Practice prescribes,
among other things, that banks should comply with the relevant legislation for the promotion of equal opportunity and should not discriminate against any customer simply on the ground of race in the provision of banking services or in the quality and terms of the services provided.

The HKMA issued a circular in December 2014 to all banks, reminding them of the importance of complying with the requirements under the TCF Charter, the Code of Banking Practice and the relevant anti-discrimination laws. The circular requests banks to adopt, where appropriate, a flexible and pragmatic approach in the process of securing documentary proof from applicants to support their applications for banking services. The management of banks should ensure that appropriate measures are taken, and that front-line staff understand and comply with the relevant policies and guidelines. The circular also reminds banks that care should be exercised whenever an application for services is rejected, and that the decision should be based on valid reasons and not purely on the basis of race or nationality. Banks are also requested to review their internal policies, procedures and controls to ensure that they are in full compliance with the requirements, and to provide suitable training and guidance for front-line staff.

Meanwhile, the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (AMLO) (Cap. 615) requires banks to undertake customer due diligence measures and keep relevant records. The guideline published by the HKMA under the AMLO requires banks to assess money laundering and terrorist financing risks of individual customers by taking into account various risk factors and to apply measures commensurate with the identified risks. Save the restrictions under the subsidiary legislation of the United Nations Sanctions Ordinance (Cap. 537), the AMLO and the guideline have no specific requirement that would prohibit a bank from establishing a relationship with a customer from any particular place. The HKMA has reminded banks on many occasions of the importance of applying reasonable and proportionate anti-money laundering and counter-terrorist financing controls to ensure that businesses and customers have access to suitable services in Hong Kong.

To conclude, we do not accept banks using any supervisory guidelines as an excuse to give unreasonable treatments to customers based on race or nationality considerations. Regarding the case of an individual customer cited in this question, we have already followed up with the Public Complaints Office of the Legislative Council Secretariat in early January 2015.
Increase in Rentals of Parking Spaces Under The Link Management Limited

12. **MR ALBERT CHAN** (in Chinese): President, I have received complaints from quite a number of public rental housing (PRH) tenants that The Link Management Limited (The Link) has, in recent years, repeatedly and substantially increased the monthly rentals of the parking spaces in its car parks in PRH estates, aggravating the burden on the PRH tenants renting those parking spaces. In this connection, will the Government inform this Council:

   (1) whether it received complaints in the past three years from PRH tenants about the increase by The Link of the monthly rentals of its parking spaces; if it did, whether the authorities enquired with the company about the average annual increase in such monthly rentals and which car park registered the biggest increase in monthly rentals;

   (2) whether it has studied if the monopolization of the parking spaces in the districts concerned by The Link's car parks has enabled the company to substantially increase the monthly rentals of these parking spaces in recent years; if the study result confirms such a situation, of the solutions; and

   (3) whether it has assessed the impact of The Link increasing the monthly rentals of its parking spaces on the PRH tenants who need to rent such parking spaces because of their work; if it has made such an assessment, of the details; if not, the reasons for that?

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, to enable the Hong Kong Housing Authority (HA) to focus its efforts in fulfilling its mission to provide subsidized public housing, and to improve the HA's financial position in the short to medium term with proceeds from the divestment of facilities, the HA divested 180 properties, including car-parking facilities, through The Link Real Estate Investment Trust (The Link) in 2005. The Link has been a private entity since its listing on 25 November 2005. The Government and the HA do not hold any shares of The Link. The business direction and day-to-day operation of The Link are entirely independent of the Government and the HA. My overall reply to Mr Albert CHAN's question is as follows:
As mentioned above, The Link has been a private entity since its listing in 2005, and is entirely independent of the Government and the HA. As a private property owner, The Link has the right to determine the rents of its properties, including the parking spaces in its car parks. The Government and the HA has no right to interfere. Hence, neither the Government nor the HA has obtained or maintained record of the rental information of The Link, including the average rate of increase in rental charges of its parking spaces and the rate of increase in rental charges of individual car parks. In addition, the HA does not collect any statistics of complaints from public rental housing (PRH) tenants about the increase of the monthly rental charges of parking spaces under The Link.

However, in view of Mr CHAN's question, we have checked the public documents uploaded by The Link onto its website. According to the Interim Report of The Link for the six months ended 30 September 2014, the car park income per space per month in 2012, 2013 and 2014 were $1,338, $1,529 and $1,738 respectively.

Although The Link is entitled to determine the rents of the parking spaces in its car parks just like other private property owners, The Link also has to comply with the relevant law and the provisions of the land leases. Unlike public car parks, generally speaking, the leases of the car parks of The Link in public housing estates contain conditions clearly stipulating that parking spaces should be restricted to the parking of vehicles by the residents and visitors of the lot concerned, and some land leases require spaces be provided for the parking of vehicles by the residents or visitors of other specified lots. Since the car-parking facilities of The Link are located in public housing estates, the target customers are mainly public housing residents. The Link has to consider the needs and affordability of its target customers when operating its car-parking facilities in order to maintain its business.

The Government's policy on parking provision is to provide sufficient parking spaces to meet demand, but at a level which will not unduly attract potential passengers to opt for private cars in lieu of public transport. The Government has been providing suitable number of parking spaces to meet demand in different districts through various means, including: (i) requesting developers, through the terms in land leases, to provide suitable number of parking spaces for different types of vehicles in the developments having regard to the requirements of the Hong Kong Planning Standards and Guidelines and the
adjacent traffic and parking conditions; (ii) converting sites which have no immediate development plans into temporary car parks if necessary; and (iii) adding more on-street parking spaces at appropriate locations as long as road safety and other road users are not affected.

Moreover, when divesting car-parking facilities through the listing of The Link in 2005, the HA retained car parks in about 110 public housing estates, Home Ownership Scheme courts, shopping centres and factory buildings. Some of these car parks are located in the vicinity of The Link's commercial facilities. New car-parking facilities have also been built by the HA since the listing of The Link. As at end of 2014, there are 130 car parks under the HA, providing a total of about 28 200 parking spaces.

Measures to Ensure Supply of Housing

13. **DR KWOK KA-KI** (in Chinese): President, in January last year, the Development Bureau submitted to the Panel on Development of this Council a paper setting out some 150 potential housing sites. The Secretary for Transport and Housing announced the Long Term Housing Strategy on 16 December last year, stating that the Government had accepted the projection methodology of the Long Term Housing Strategy Steering Committee and had updated the projection of long-term housing demand for the 10-year period from 2015-2016 to 2024-2025. A total housing supply target of 480 000 units was adopted for the coming 10 years, with the public-private split maintained at 60:40. Hence, the public housing supply target would be 290 000 units, comprising 200 000 public rental housing (PRH) units and 90 000 subsidized-sale flats, whereas the private housing supply target would be 190 000 units. On 18 December last year, the Financial Secretary announced the establishment of a Housing Reserve (the Reserve) to meet the public housing supply target on the financial front, and the transfer of all the investment return on the Government's fiscal reserves in 2014 (about HK$27 billion) to the Reserve. In this connection, will the Government inform this Council:

   (1) of the respective numbers of PRH units, subsidized-sale flats and private residential units which (i) were completed in the past five years, (ii) will be completed in the next five years, and (iii) are vacant at present (set out such information in a table);
(2) regarding the aforesaid 150-odd potential housing sites, of (i) their specific locations, (ii) their sizes, (iii) the latest progress of amending the relevant statutory plans, (iv) their proposed uses (for public or private housing), and (v) whether they are "Green Belt" sites (set out such information in a table);

(3) regarding the idle residential sites currently owned by the Government, of (i) their number, (ii) their specific locations, (iii) their sizes, and (iv) their planning progress (set out such information in a table); whether the authorities will undertake to give priority to planning such sites for the use of public housing;

(4) of the specific criteria for determining the quantity of land put up for sale in each quarter; whether the authorities will ensure that they will review the quantity of land put up for sale in a timely manner when the total housing supply target has been met;

(5) whether it knows the information of the sites owned by private developers; if so, of (i) the number, (ii) the specific locations, and (iii) the sizes of the idle residential sites among those sites (set out such information in a table);

(6) of the details concerning the regulations requiring private developers to complete the construction of residential units within a designated period after successfully bidding for a residential site; whether it will explore imposing a requirement that private developers must put up residential units for sale within a designated period after the units are completed; if it will, of the details; if not, how the authorities will attain the target set for private housing supply;

(7) whether it knows the profit and loss situation, as well as the cash and investment balance of the Housing Authority (HA) in each of the past five years and each of the next five years (set out such information in a table); how the authorities will regulate the price levels of the subsidized housing units to be sold by HA in future;
of the details of the arrangement of using the Reserve to support HA in constructing public housing; how the authorities will monitor the use of the Reserve; the amount of funds the authorities intend to transfer to the Reserve in each of the next five years (set out such information in a table); and

whether it will increase the supply of other types of public housing (such as the re-introduction of the Sandwich Class Housing Scheme); if it will, of the details?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, to solve the current housing problem, we must adopt a multi-pronged approach to increase land supply and housing supply. Therefore, the "Long Term Housing Strategy" announced by the Government last December adopted the "supply-led" approach. Based on the latest projection of housing demand, the Government has adopted 480,000 units as the total housing supply target for the coming 10 years (that is, 2015-2016 to 2024-2025), with the public housing supply target of 290,000 units, comprising 200,000 public rental flats and 90,000 subsidized sale flats, whereas the private housing supply target will be 190,000 units. It is undoubtedly a huge challenge to deliver this total housing supply target and land supply is of particular importance.

The most immediate and effective way to augment land supply in the short-to medium-term is to make more optimal use of the developed areas in the existing urban areas and new towns, as well as the land in the vicinity of existing infrastructures, through land use reviews and increasing development intensity where planning terms permit. The information paper on "increasing land supply" (LC Paper No. CB(1)407/14-15(01)) submitted by Development Bureau to the Legislative Council Panel on Development in early January this year has reported the latest progress of the various initiatives to increase land supply (including land use reviews).

In consultation with the Development Bureau, my replies to Dr KWOK Ka-ki's questions are as follows:

(1) The production of public rental flats and subsidized sale flats in the past five years and the production forecast for the next five years are at Annex A. Private domestic completions in the past five years and production forecast for the next five years are at Annex B.
As regards the vacancy of Public Rental Housing (PRH) units, as the number of vacant flats will change from time to time according to the progress of allocation, the figures provided are only snapshot figures indicating the situation at a given point of time. As at end December 2014, the number of lettable vacant flats\(^{(1)}\) was 2,829. The vacancy rate was 0.4%, which fell within the Housing Authority (HA)'s Key Performance Indicator of keeping the vacancy rate at a level below 1.5%. As for the private sector, according to statistics published in the Rating and Valuation Department's "Hong Kong Property Review 2014", as at end 2013, the overall private domestic stock was 1,123,600 units, of which 46,600 units were vacant. This represented a vacancy rate of about 4.1%, which was the lowest since 1997, and was considerably lower than the long-term average vacancy rate of about 5% over the period from 2004 to 2013.

\(^{(2)}\) As mentioned above, to meet the total housing supply target of providing 480,000 units of public and private housing for the coming 10 years, the Planning Department has conducted a series of land use reviews over the whole territory on the Government land currently vacant; under Short Term Tenancies; or different short-term, "Government, Institution or Community" and other government uses; as well as Green Belt sites. The various land use reviews have identified in total some 150 potential housing sites (including 70 Green Belt sites), most of which may be made available for housing development in the five-year period from 2014-2015 to 2018-2019 for providing over 210,000 flats, with over 70% of them for public housing, subject to timely amendments to the respective statutory plans for change of land use and/or increase in development intensity.

Statutory plan amendments had already been initiated in respect of 45 of these sites as at end December 2014, among which nine sites had completed the statutory rezoning procedures. The geographical distribution of these some 150 sites; their estimated flat production

\(^{(1)}\) There are certain flats which are not occupied but are "unlettable" since they are reserved for a purpose and are not available for letting to PRH applicants. They include flats pending or under conversion or structural repairs; flats withheld from allocation for operational/management reasons; flats reserved with reservation fees paid by the URA, and so on. There are also flats which are "under offer" to applicants and are expected to be taken up in the near future.
capacity; estimated year of land availability; and proposed types of housing by districts are provided in the aforementioned information paper on "increasing land supply" (LC Paper No. CB(1)407/14-15(01)). Relevant details are at Annex C and Annex D(2).

As with the established practice, we will further consult relevant District Councils (DCs) and the local community when we finish the technical assessments and firm up the planning parameters to proceed with statutory plan amendments. More detailed information of individual sites will then be provided.

(3) The Government does not compile statistics on vacant Government land regularly. Nevertheless, the aforementioned land use reviews already covered the currently vacant Government land in order to identify potential housing sites. For individual sites of unleased or unallocated Government land identified with potential for residential or other developments, we will review and assess its development feasibility in accordance with the established mechanism. When a plot of land is found suitable and ready for development, we will make appropriate arrangements, including allocating it for public housing development; including it in the Land Sale Programme; or allocating it for other uses.

Some of these sites have indeed been allocated for residential development. For example, government sites at Lok Lam Road, Fo Tan (site area of about 1 190 sq m), at Mei Tin Road, Tai Wai (site area of about 687 sq m) and at the junction of Oi Kan Street and Oi Tak Street, Shau Kei Wan (site area of about 476 sq m) were added to the 2013-2014 Land Sale Programme for disposal.

(4) It is the Government's general practice to compile and announce the annual Land Sale Programme before the commencement of a financial year. The Land Sale Programme includes sites anticipated

(2) These some 150 sites are part of the land that could be made available in the five year of 2014-2015 to 2018-2019. The estimated number of sites, residential flats and year of land availability are subject to adjustments depending on the timely completion of plan amendments, the technical assessments of individual sites and the progress of relevant procedures or works.
to be available for sale in the year and sets out relevant basic site information in advance. This practice provides the market with transparency of land supply and facilitates the necessary preparations by the market.

The Government announces quarterly Land Sale Programmes in advance to provide the market with certainty on land supply. When compiling quarterly Land Sale Programmes, the Government takes into account various factors, including the private housing supply target of the Government, market conditions, progress of various procedures required (such as termination of short-term tenancies, infrastructure works, amendments to outline zoning plans, and so on), size and location of sites, estimated flat numbers that could be produced by the sites, realized or projected land supply in the year and in different quarters, and so on. The Government reviews quarterly Land Sale Programmes from time to time, taking into account the private housing land supply from various sources.

(5) The Government does not compile statistics on the land owned by developers.

(6) After purchasing a residential site, the developer is required to complete the construction of a minimum gross floor area specified in the conditions of sale and obtain an occupation permit from the Building Authority within the Building Covenant (BC) period specified under the conditions of sale. In general, the BC period for residential developments varies from 48 to 72 months. The Government sets an appropriate BC period for each development project by taking into account the actual circumstances of each project, including relevant factors such as its development scale and complexity.

As private residential development projects are privately owned properties, subject to the lease conditions, developers are free to offer their properties for sale taking into account their commercial considerations and other factors. Therefore, the Government does not require developers to sell off their properties within a specific time frame. In order to respond to the society's housing demands
and to facilitate developers to plan and conduct pre-sale of their residential properties flexibly according to the actual circumstances, the Government extended the maximum pre-sale period for private residential properties under the Lands Department Consent Scheme from 20 months to 30 months in July 2013. The Lands Department also issued a new Legal Advisory and Conveyancing Office Circular Memorandum in October 2014 with a view to streamlining the pre-sale consent application procedures and shortening the processing time. The Lands Department will continue to expedite the processing of pre-sale consent applications such that more private residential units can be made available for sale as soon as practicable.

Apart from the Government Land Sale Programmes, sources of private housing land supply also include railway property development projects, projects of the Urban Renewal Authority (URA), private development or redevelopment projects. The aim of setting a private housing land supply target is to build up a sufficiently large land reserve over a period of time to ensure steady land supply to the market. The actual supply of housing land depends on the progress of relevant statutory or other procedures, Government land sale results, the planning of the projects of the Mass Transit Railway Corporation Limited and the URA as well as their tender results, and developers' initiative to carry out lease modifications/land exchanges for their development or redevelopment projects. These are inevitably affected by market factors.

The Government will continue to work hard to increase land supply through a multi-pronged approach and expedite the supply of land to the market to achieve the 10-year private housing supply target.

(7) The HA's Overall Total Surpluses and Cash and Investment Balances in the past five years, and the next five years on the basis of the Proposed Budgets and Forecasts from 2014-2015 to 2018-2019 are set out in Annex E.
According to the established Home Ownership Scheme (HOS) pricing formula, selling prices of HOS flats are determined by applying a certain discount to the market value. The discount is to take into account the affordability of the eligible households. The affordability is determined based on the principle that for at least 50% of the flats for sale, a mortgage-to-income ratio of not more than 40% can be achieved for eligible households with income at the level of the current HOS income limit for White Form applicants. Under normal circumstances, HOS flats would be sold at 30% discount from the market value, but the HA would consider offering a higher discount if the aforesaid affordability criteria could not be met.

(8) The HA is the major organization for the provision of public housing. The Government will ensure that the HA has adequate funding to meet the production target under the Long Term Housing Strategy. Given the huge financial commitment, the Government has to make advance planning. The Government will make provision for spendings on public housing by instalments where other public services will not be affected. The Government has set aside the investment return on the Government's fiscal reserves at about $27 billion for the Housing Reserve at the end of the year 2014. The Government will take into account the actual situation for making provision by instalments in future.

The Housing Reserve and its cumulative investment return\(^{(3)}\) will be used to support the public housing development programme and the related infrastructure. The HA has to assess its medium- to long-term financial requirements through its established five-year rolling Budgets and Forecasts exercise. When the Government and the HA have reached agreement on the quantum and timetable of funding injection from the Government, the Government has to seek approval of the Finance Committee of the Legislative Council for drawing funding from the Housing Reserve to support public housing development. At the same time, the HA will continue to adopt every possible measure to ensure the cost-effectiveness of the public housing development programme.

\(^{(3)}\) The Hong Kong Monetary Authority is responsible for the investment of the Housing Reserve.
In the 2015 Policy Address, the Chief Executive suggested that in addition to the HA's HOS flats and the subsidized sale flats of the Hong Kong Housing Society (HS), there should be different forms of subsidized sale flats to meet the needs of different people. To expand the forms of subsidized home ownership and further improve the housing ladder, the Chief Executive proposed to the HA that suitable flats among its PRH developments under construction be identified for sale to "Green Form" applicants in the form of a pilot scheme, with prices set at a level lower than those of HOS flats. Target buyers would mainly be sitting PRH tenants and PRH applicants who have passed the detailed vetting and are due for PRH flat allocation. The HA has started to consider the implementation details of the pilot scheme, including eligibility criteria, price setting mechanism, resale arrangements, site selection principle, and so on.

Development of land and housing requires substantial amount of public resources, including land, financial and manpower resources. With limited resources, our priorities are to house PRH applicants to PRH flats, and to assist low- and middle-income families for home ownership. The Government will strive to achieve the supply targets of PRH and subsidized sale flats under the "2014 Long Term Housing Strategy". From the policy perspective, the Government currently has no plan to re-introduce Sandwich Class Housing Scheme.

Annex A

Public Rental Flat Production and Subsidized Sale Flat Production in the past five years and Production Forecast for the next five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Rental Flat Production</th>
<th>Subsidized Sale Flat Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HA</td>
<td>HS</td>
</tr>
<tr>
<td>2009-2010</td>
<td>15 389*</td>
<td>0</td>
</tr>
<tr>
<td>2010-2011</td>
<td>13 672*</td>
<td>0</td>
</tr>
<tr>
<td>2011-2012</td>
<td>11 186*</td>
<td>0</td>
</tr>
<tr>
<td>2012-2013</td>
<td>13 114*</td>
<td>0</td>
</tr>
<tr>
<td>2013-2014</td>
<td>14 057*</td>
<td>0</td>
</tr>
</tbody>
</table>
### Year | Public Rental Flat Production | Subsidized Sale Flat Production
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HA</td>
<td>HS</td>
<td>HA</td>
</tr>
<tr>
<td>2014-2015#</td>
<td>9 900</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015-2016#</td>
<td>23 300</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2016-2017#</td>
<td>12 100</td>
<td>100</td>
<td>2 200</td>
</tr>
<tr>
<td>2017-2018#</td>
<td>19 000</td>
<td>0</td>
<td>4 100</td>
</tr>
<tr>
<td>2018-2019#</td>
<td>12 800</td>
<td>1 000</td>
<td>4 300</td>
</tr>
</tbody>
</table>

Notes:

* The figures are the HA's PRH production, which includes the production of PRH, interim housing projects transferred from surplus HOS to PRH, but excluding interim Housing, the production of projects built as rental housing but subsequently transferred to Buy or Rent Option Scheme (BRO)/Mortgage Subsidy Scheme (MSS) flat housing.

^ The figures are the HA's HOS flat production figures, which include the production, Private Sector Participation Scheme (PSPS) and BRO/MSS. Surplus HOS flats completed between 2002 and 2004 with unspecified usage are counted as production at the first time they are put up for sales.

# Figures are rounded to the nearest hundred.

---

**Annex B**

Private domestic completions in the past five years and Completion forecast for the next five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of private domestic completions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>13 400</td>
</tr>
<tr>
<td>2011</td>
<td>9 400</td>
</tr>
<tr>
<td>2012</td>
<td>10 100</td>
</tr>
<tr>
<td>2013</td>
<td>8 300</td>
</tr>
<tr>
<td>2014</td>
<td>15 700</td>
</tr>
<tr>
<td>2015</td>
<td>13 000</td>
</tr>
<tr>
<td>Year</td>
<td>Number of private domestic completions</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>2016</td>
<td>20,000</td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>40,000</td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Figures for 2015 and 2016 are provisional. Confirmed figures will be published in the Rating and Valuation Department's "Hong Kong Property Review 2015" (tentatively in April).

(2) Figures for 2017-2019 are preliminary estimates based on known information regarding development on disposed sites where construction has started or will start. These estimates are subject to change depending on factors, including the construction progress or the commercial decision of developers to change their development schedule, and so on.

Annex C

Distribution of the Potential Housing Sites (As at 31 December 2014)\(^{(1)}\)

<table>
<thead>
<tr>
<th>DC(^{(2)})</th>
<th>Estimated Number of Flats (Approximate)</th>
<th>Estimated Year of Land Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Number of Sites (Number of Sites Already Initiated Rezoning)</td>
<td>2014-2015</td>
</tr>
<tr>
<td>Central and Western(^{(3)})</td>
<td>2,700</td>
<td>2</td>
</tr>
<tr>
<td>Eastern</td>
<td>3,000</td>
<td>7</td>
</tr>
<tr>
<td>Southern</td>
<td>10,400</td>
<td>14</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>16,000</td>
<td>12 (6)</td>
</tr>
<tr>
<td>DC{(2)}</td>
<td>Estimated Number of Flats (Approximate)</td>
<td>Estimated Year of Land Availability</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td></td>
<td>Total Number of Sites (Number of Sites Already Initiated Rezoning)</td>
<td>2014-2015</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>1 900</td>
<td>1</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>3 060</td>
<td>4 (1)</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>980</td>
<td>1 (1)</td>
</tr>
<tr>
<td>North</td>
<td>19 600</td>
<td>6</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>8 100</td>
<td>11 (4)</td>
</tr>
<tr>
<td>Tai Po{(4)}</td>
<td>27 600</td>
<td>23 (14)</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>25 300</td>
<td>12</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>42 000</td>
<td>14 (2)</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>40 700</td>
<td>24 (11)</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>3 100</td>
<td>6</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>15 000</td>
<td>13 (5)</td>
</tr>
<tr>
<td>Islands</td>
<td>1 000</td>
<td>1 (1)</td>
</tr>
<tr>
<td>Total</td>
<td>&gt;210 000</td>
<td>151 (45)</td>
</tr>
</tbody>
</table>

Notes:

(1) For sites rezoning of which have not yet been initiated, their development parameters (including estimated flat number and estimated year of land availability) are subject to changes depending on further technical and other assessments.

(2) No sites were identified for rezoning for residential use in two districts (Yau Tsim Mong and Wan Chai) out of the 18 districts.
(3) For Central and Western District, the two identified sites are subject to land use review and their development parameters (including the flat number) will be further revised.

(4) In early 2014, we informed the Legislative Council Panel on Development and subsequently DC Chairmen and Vice-chairmen the overall picture of these potential residential sites, among which 23 are in Tai Po district. Since then, we have provided Tai Po DC specific details of 14 sites for rezoning for residential use initiated in 2014, and we plan to provide Tai Po DC information on the remaining sites shortly. The total site number and other development parameters are thus subject to changes.

Source of Information: The information paper on "increasing land supply" submitted to the Legislative Council Panel on Development by the Development Bureau in early January this year (LC Paper No. CB (1)407/14-15(01))

---

**Annex D**

Potential Housing Sites Requiring Plan Amendments  
(As at 31 December 2014)

<table>
<thead>
<tr>
<th>District Council</th>
<th>Estimated Land Availability Year(1)</th>
<th>Location</th>
<th>Existing Zoning</th>
<th>Planned Zoning</th>
<th>Housing Type(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central &amp; Western</td>
<td>To be confirmed</td>
<td>Ka Wai Man Road Phase 1, Sai Wan</td>
<td>U</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>To be confirmed</td>
<td>Ka Wai Man Road Phase 2, Sai Wan</td>
<td>U</td>
<td>R</td>
<td>Public</td>
</tr>
</tbody>
</table>

Total: 2 sites (Approx. 2 700 flats) (The identified sites are subject to land use review, and their development parameters including the flat number will be further revised.)

<table>
<thead>
<tr>
<th>Eastern</th>
<th>2016-2017 and After</th>
<th>Junction of Chai Wan Road, Wing Ping Street and San Ha Street, Chai Wan</th>
<th>O</th>
<th>R</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Between Cheung Man Road and Chai Wan Park</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Java Road, North Point</td>
<td>G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td><strong>District Council</strong></td>
<td><strong>Estimated Land Availability Year(1)</strong></td>
<td><strong>Location</strong></td>
<td><strong>Existing Zoning</strong></td>
<td><strong>Planned Zoning</strong></td>
<td><strong>Housing Type(2)</strong></td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------</td>
<td>--------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Behind Chai Wan Swimming Pool, Chai Wan</td>
<td>GB, G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Hau Yuen Path, Braemar Hill</td>
<td>G/IC</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Braemar Hill Road</td>
<td>G/IC</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Next to St. Joan of Arc Secondary School, Braemar Hill</td>
<td>G/IC</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td>Southern</td>
<td>2014-2015</td>
<td>West of Wong Ma Kok Road (near Regalia Bay), Stanley</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2014-2015</td>
<td>East of Wong Ma Kok Road (near Regalia Bay), Stanley</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Wah Fu North, Pok Fu Lam</td>
<td>O</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Wah King Street, Pok Fu Lam</td>
<td>O, Road</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Wah Lok Path, Pok Fu Lam</td>
<td>G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Lee Nam Road, Ap Lei Chau</td>
<td>OU</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Near Carmel Road (Cape Road, south to Ma Hang Estate), Stanley</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
</tbody>
</table>

Total: 7 sites (3 000 flats)
<table>
<thead>
<tr>
<th>District Council</th>
<th>Estimated Land Availability Year(^{(1)})</th>
<th>Location</th>
<th>Existing Zoning</th>
<th>Planned Zoning</th>
<th>Housing Type(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kowloon City</td>
<td>2015-2016</td>
<td>Sheung Shing Street, Ho Man Tin(^{(3)})</td>
<td>R(B)3 (Original O)</td>
<td>R(B)3</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Junction of Lung Cheung Road and Lion Rock Tunnel Road, Kowloon Tong</td>
<td>GB</td>
<td>R(B)</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Ko Shan Road, To Kwa Wan</td>
<td>G/IC</td>
<td>R(A)</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Red Hill Peninsula, Tai Tam</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Site 1, Nam Fung Road, Shouson Hill</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Site 2, Nam Fung Road, Shouson Hill</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Nam Fung Road (near Aberdeen Tunnel), Shouson Hill</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Kai Lung Wan, Pok Fu Lam</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>Total:14 sites (10 400 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(1)</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(2)</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------</td>
<td>----------</td>
<td>----------------</td>
<td>---------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Mok Cheong Street, Ma Tau Kok</td>
<td>2016-2017 and After</td>
<td>CDA</td>
<td>R(A)</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>Total: 4 sites (3,060 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>2014-2015</td>
<td>Choi Hing Road and Choi Hing Lane, Ngau Tau Kok(3)</td>
<td>R(A)1 (Original G/IC, GB, Road)</td>
<td>R(A)1</td>
<td>Public</td>
</tr>
<tr>
<td>2014-2015</td>
<td>Choi Wing Road, Ngau Tau Kok(3)</td>
<td>R(A)2 (Original G/IC)</td>
<td>R(A)2</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>J/O Shung Shun Street and Yan Yue Wai, Yau Tong(3)</td>
<td>CDA(5) (Original CDA)</td>
<td>CDA(5)</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>J/O Wai Lok Street/Wai Yip Street, Cha Kwo Ling</td>
<td>OU</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Hiu Ming Street/Hiu Kwong Street, Kwun Tong(3)</td>
<td>R(A) (Original O, GB)</td>
<td>R(A)</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Ko Chiu Road, Yau Tong</td>
<td>G/IC</td>
<td>R</td>
<td>To be determined</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Opposite to Richland Gardens, Kowloon Bay</td>
<td>O</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Yan Wing Street (near Lei Yue Mun Estate), Yau Tong</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Po Lam Road (Near Po Tat Estate), Kwun Tong</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(^{(4)})</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(^{(2)})</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------</td>
<td>----------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ex-Cha Kwo Ling Kaoline Mine Site(^{(3)})</td>
<td>R(B)1, R(B)2, R(B)3 (Original R(A)4, G/IC, O)</td>
<td>R(B)1, R(B)2, R(B)3</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ex-Cha Kwo Ling Kaoline Mine Site(^{(3)})</td>
<td>R(B)4 (Original R(A)4)</td>
<td>R(B)4</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Ting On Street, Ngau Tau Kok</td>
<td>G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total: 12 sites (16 000 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>2015-2016</td>
<td>Fung Tak Road, Diamond Hill</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total: 1 site (1 900 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>2014-2015</td>
<td>Tai Wo Hau Road Phase 1, Kwai Chung(^{(3)})</td>
<td>R(A)2 (Original R(A), O)</td>
<td>R(A)2</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2014-2015</td>
<td>Near Mayfair Gardens, Tsing Yi(^{(3)})</td>
<td>R(A)4 (Original GB)</td>
<td>R(A)4</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2014-2015</td>
<td>Lai Kong Street, Kwai Chung(^{(3)})</td>
<td>R(A)2 (Original G/IC)</td>
<td>R(A)2</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Tai Wo Hau Road Phase 2, Kwai Chung(^{(3)})</td>
<td>R(A)2 (Original G/IC,O)</td>
<td>R(A)2</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Near Cheung Wang Estate, Tsing Yi(^{(3)})</td>
<td>R(A)3 (Original GB, R(A))</td>
<td>R(A)3</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Container Port Road, Kwai Chung</td>
<td>OU (Container Related Uses), I, Road</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------</td>
<td>----------</td>
<td>----------------</td>
<td>---------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>2014-2015</td>
<td>North of Yin Ping Road, Tai Wo Ping&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>R(C)13 (Original GB)</td>
<td>R(C)13</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Total: 1 site (980 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>2016-2017</td>
<td>Near Cheung Shan Estate, Tsuen Wan</td>
<td>O, R(A), G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>After 2016-2017</td>
<td>Po Fung Terrace, Tsuen Wan</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>After 2016-2017</td>
<td>Castle Peak Road, Tsing Lung Tau</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>Total: 13 sites (15 000 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

<sup>(1)</sup> Estimated land availability year.

<sup>(2)</sup> Housing type:
- Public
- Private

<sup>(3)</sup> Additional notes for Sham Shui Po site:
- Location: North of Yin Ping Road, Tai Wo Ping
- Zoning: R(C)13 (Original GB)
<table>
<thead>
<tr>
<th>District Council</th>
<th>Estimated Land Availability Year(^{(1)})</th>
<th>Location</th>
<th>Existing Zoning</th>
<th>Planned Zoning</th>
<th>Housing Type(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>After 2016-2017</td>
<td>Site 1, Route Twisk, Tsuen Wan</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>After 2016-2017</td>
<td>Site 2, Route Twisk, Tsuen Wan</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>After 2016-2017</td>
<td>East of the &quot;V&quot; zone, Lung Yue Road, Tsing Lung Tau</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>Total: 6 sites (3 100 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sha Tin</td>
<td>2014-2015 Lok Wo Shan Lane, Area 111, Ma On Shan(^{(3)})</td>
<td>R(B)5 (Original O)</td>
<td>R(B)5</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-2016 Au Pui Wan Street, Area 16B, Fo Tan</td>
<td>I</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-2016 Site to the north of Tai Po Road near Garden Villa, Tai Wai</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-2016 Site to the north of To Shek Service Reservoir, Sha Tin</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-2016 Whitehead, Ma On Shan</td>
<td>G/IC</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015-2016 J/O Hang Kin Street and Hang Ming Street, Area 90B, Ma On Shan</td>
<td>O</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(^{(1)})</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(^{(2)})</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Ma On Shan Road (Northern Portion)(^{(3)})</td>
<td>R(A)9 (Original GB)</td>
<td>R(A)9</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Ma On Shan Road (Southern Portion)(^{(3)})</td>
<td>R(A)9 (Original GB)</td>
<td>R(A)9</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Site to the north of Lai Ping Road near Yung Ping Path, Kau To GB, R(B)</td>
<td>R</td>
<td>Private</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Shek Mun &quot;O&quot; site near Shek Mun Business Area, Sha Tin</td>
<td>O</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Hang Tai Road, Area 86B, Ma On Shan(^{(3)})</td>
<td>R(A)8 (Original G/IC, Road)</td>
<td>R(A)8</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total: 11 sites (8 100 flats)</td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>2015-2016</td>
<td>Queen's Hill, Lung Yeuk Tau G/IC(2)</td>
<td>G/IC</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Pak Wo Road, Fanling G/IC</td>
<td>G/IC</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Land at Former Fanling Magistracy, Fanling</td>
<td>G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Fanling/Sheung Shui Area 30 near Po Shek Wu Road I, OU (Bus Depot)</td>
<td>I, OU</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Ching Hiu Road, Sheung Shui GB, G/IC</td>
<td>GB, G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Area 48, Fanling/Sheung Shui I, GB</td>
<td>I, GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total: 6 sites (19 600 flats)</td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(^{(1)})</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(^{(2)})</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Tai Po</td>
<td>2014-2015</td>
<td>Site1A, J/O of Fo Chun Road and Pok Yin Road, Pak Shek Kok, Tai Po (former Science Park Phase 4)(^{(3)})</td>
<td>R(B)6 (Original OU (Science Park))</td>
<td>R(B)6</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Site 1B, Fo Chun Road, Pak Shek Kok, Tai Po (former Science Park Phase 4)(^{(3)})</td>
<td>R(B)6 (Original OU (Science Park))</td>
<td>R(B)6</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Site 1C, Chong San Road, Pak Shek Kok, Tai Po (former Science Park Phase 4)(^{(3)})</td>
<td>R(B)6 (Original OU (Science Park))</td>
<td>R(B)6</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Site 1D, Fo Yin Road, Pak Shek Kok, Tai Po (former Science Park Phase 4)(^{(3)})</td>
<td>R(B)6 (Original OU (Science Park))</td>
<td>R(B)6</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Lo Fai Road (Eastern Portion)(^{(3)})</td>
<td>R(C)9 (Original GB)</td>
<td>R(C)9</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Lo Fai Road (Western Portion)(^{(3)})</td>
<td>R(C)9 (Original GB)</td>
<td>R(C)9</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Lai Chi Shan, Tai Po(^{(3)})</td>
<td>R(B)8 (Original GB)</td>
<td>R(B)8</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Near Fung Yuen, Ting Kok(^{(3)})</td>
<td>R(C)10 (Original GB, G/IC)</td>
<td>R(C)10</td>
<td>Private</td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>--------------</td>
</tr>
<tr>
<td>2015-2016</td>
<td>West of Nethersole Hospital, Tai Po</td>
<td>R(A)10 (Original GB)</td>
<td>R(A)10</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Chung Nga Road East, Tai Po</td>
<td>R(A)9 (Original G/IC)</td>
<td>R(A)9</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Near J/O Tai Po Road and Yat Yiu Avenue, Tai Po</td>
<td>R(C)7 (Original R(C))</td>
<td>R(C)7</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Area 9, Tai Po</td>
<td>R(A)9 (Original G/IC, GB)</td>
<td>R(A)9</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Near Cheung Shue Tan Road, Tai Po Kau</td>
<td>R(C)8 (Original GB)</td>
<td>R(C)8</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Chung Nga Road West, Tai Po</td>
<td>R(A)9 (Original GB, G/IC)</td>
<td>R(A)9</td>
<td>Public</td>
<td></td>
</tr>
</tbody>
</table>

We have already consulted Tai Po DC the above 14 sites (13 930 flats), and will shortly provide DC information of the remaining sites.
<table>
<thead>
<tr>
<th>District Council</th>
<th>Estimated Land Availability Year(1)</th>
<th>Location</th>
<th>Existing Zoning</th>
<th>Planned Zoning</th>
<th>Housing Type(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2016</td>
<td>Junction of Hang Fu Street and Hoi Wing Road, Area 16, Tuen Mun(3)</td>
<td>R(A)22 (Original G/IC)</td>
<td>R(A)22</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Ex-Hong Kong Christian Service Pui Oi School, Area 39, Tuen Mun(3)</td>
<td>R(A)22 (Original G/IC, GB)</td>
<td>R(A)22</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Area 29 West, Tuen Mun(3)</td>
<td>R(A)21 (Original G/IC, (R(A))</td>
<td>R(A)21</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Area 2, Tuen Mun(3)</td>
<td>R(A)23 (Original G/IC)</td>
<td>R(A)23</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>Ex-Perowne Barracks (near Kwun Tsing Road), Area 48, Tuen Mun(3)</td>
<td>R(B)14 (Original G/IC)</td>
<td>R(B)14</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td>North of Jade Cove, So Kwun Wat, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Area 54 Site 5, Tuen Mun(3)</td>
<td>R(A)25 (Original G/IC, GB, Road)</td>
<td>R(A)25</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Kei Lun Wei, Area 54, Tuen Mun(3)</td>
<td>R(A)24 (Original G/IC)</td>
<td>R(A)24</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>South of Kwun Chui Road, Area 56, Tuen Mun(3)</td>
<td>R(B)2 (Original GB and R(B))</td>
<td>R(B)2</td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(^{(1)})</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(^{(2)})</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Tuen Mun Kau Hui and Tin Hau Road, Tuen Mun</td>
<td>O</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Tak Bond Dangerous Godowns and Highways Department Maintenance Depot, Tai Lam Chung, Tuen Mun</td>
<td>G/IC</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>East of Tuen Hing Road, Area 23, Tuen Mun</td>
<td>GB, R(B)10</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Wu Shan Recreational Park at Wu Shan Road and Lung Mun Road, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>Ex-Hong Kong Christian Service Pui Oi School (Remaining portion), Area 39, Tuen Mun</td>
<td>G/IC, GB</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>2016-2017 and After</td>
<td>West of Lee Kam STFA Primary School, Tuen Mun</td>
<td>R(B)</td>
<td>R</td>
<td>Public</td>
<td></td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(1)</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(2)</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Siu Sau (Northern Portion), So Kwun Wat, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>San Hing Road, Tuen Mun</td>
<td>R(E), GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>San Hing Road Extension, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Hong Po Road, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>North of The Aegean, So Kwun Wat, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>North of Fiona Garden, So Kwun Wat, Tuen Mun</td>
<td>GB</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td><strong>Total: 24 (40 700 flats)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuen Long</td>
<td>2014-2015</td>
<td>Ha Ko Po Tsuen, Kam Tin North(3) (Original U)</td>
<td>R(B)1</td>
<td>R(B)1</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Tin Wah Road Phase 1, Lau Fau Shan</td>
<td>R(C)</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Shan Pui Ho East Road (Next to Hong Kong School of Motoring), Yuen Long</td>
<td>R(D)1</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2015-2016</td>
<td>Long Bin Interim Housing Phase 1, Yuen Long</td>
<td>O</td>
<td>CDA</td>
<td>Public</td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(1)</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(2)</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------</td>
<td>----------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Kam Sheung Road Site 6, Kam Tin South</td>
<td>AGR</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Kam Sheung Road Site 1, Kam Tin South</td>
<td>AGR</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Wang Chau North/South Phase 1, Yuen Long(3)</td>
<td>R(A)4 (Original GB)</td>
<td>R(A)4</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Tin Wah Road Phase 2, Lau Fau Shan</td>
<td>R(C), GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Near Tan Kwai Tsuen (Northern Portion), Yuen Long</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Near Tan Kwai Tsuen (Southern Portion), Yuen Long</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Long Bin Interim Housing Phase 2, Yuen Long</td>
<td>O, R(B)1</td>
<td>CDA</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Kam Sheung Road Site 4a, Kam Tin South</td>
<td>OU (Rural Use)</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>Undetermined</td>
<td>Kam Sheung Road Site 4b, Kam Tin South</td>
<td>OU (Rural Use)</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>Undetermined</td>
<td>Kam Sheung Road Site 5a, Kam Tin South</td>
<td>AGR</td>
<td>R</td>
<td>Public</td>
</tr>
</tbody>
</table>

Total: 14 sites (42,000 flats)
<table>
<thead>
<tr>
<th>District Council</th>
<th>Estimated Land Availability Year(1)</th>
<th>Location</th>
<th>Existing Zoning</th>
<th>Planned Zoning</th>
<th>Housing Type(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islands</td>
<td>2015-2016</td>
<td>Tung Chung Area 27&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>R(A)1 (Original G/IC)</td>
<td>R(A)1</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>Total: 1 site (1 000 flats)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sai Kung</td>
<td>2016-2017 and After</td>
<td>Anderson Road Quarry</td>
<td>OU (Mining &amp; Quarrying)</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Anderson Road Quarry (upper quarry site)</td>
<td>OU (Mining &amp; Quarrying)</td>
<td>R</td>
<td>Private</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>South of Chiu Shun Road, Tseung Kwan O</td>
<td>GB, G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>North of TKO Village, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>East of Movie City, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>West of Tsui Lam Estate, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Northwest of Ying Yip Road, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Bus Terminus South of Hong Sing Garden and North of Mau Wu Tsai, Tseung Kwan O</td>
<td>GB, G/IC</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>West of Yau Yue Wan Village, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>South of Po Lam Road, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td>District Council</td>
<td>Estimated Land Availability Year(^{(1)})</td>
<td>Location</td>
<td>Existing Zoning</td>
<td>Planned Zoning</td>
<td>Housing Type(^{(2)})</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------</td>
<td>----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>North of Po Lam Road South, Tseung Kwan O</td>
<td>GB</td>
<td>R</td>
<td>Public</td>
</tr>
<tr>
<td></td>
<td>2016-2017 and After</td>
<td>Near Ho Chung New Village, Ho Chung</td>
<td>G/IC</td>
<td>R</td>
<td>Private</td>
</tr>
</tbody>
</table>

Total: 12 sites (25 300 flats)

Abbreviation:

- AGR: Agriculture
- CDA: Comprehensive Development Area
- GB: Green Belt
- G/IC: Government, Institution or Community
- I: Industrial
- O: Open Space
- OU: Other Specified Uses
- OU (Bus Depot): Other Specified Uses annotated Bus Depot
- OU (Container Related Uses): Other Specified Uses annotated Container Related Uses
- OU (Rural Use): Other Specified Uses annotated Rural Use
- OU (Mining & Quarrying): Other Specified Uses annotated Mining & Quarrying
- OU (Science Park): Other Specified Uses annotated Science Park
- U: Undetermined
- R/R(A)/R(B)/R(C)/R(D): Residential/Residential(Group A)/Residential(Group B)/Residential(Group C)/Residential(Group D)
- V: Village Type Development
- Road: Area shown as "Road" on the OZP

Notes:

1. The Estimated Land Availability Year is for reference only. The land available for housing development is subject to changes depending on the timely completion of plan amendments, the technical assessments of individual sites and the progress of relevant procedures or works.

2. The housing type is for reference only, and may be subject to change depending on the practical consideration.

3. Site completed/undergoing statutory planning procedures for rezoning to residential use.

Source of Information: The information paper on "increasing land supply" submitted to the Legislative Council Panel on Development by the Development Bureau in early January this year (LC Paper No. CB(1)407/14-15(01))
Annex E

The HA's Annual Overall Total Surpluses and Year-end Cash and Investment Balances in the past five years and next five years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investment Balance at beginning of year</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
<td>($B)</td>
</tr>
<tr>
<td>Overall Total Surplus for the Year*</td>
<td>7.7</td>
<td>8.2</td>
<td>4.4</td>
<td>5.8</td>
<td>6.4</td>
<td>5.0</td>
<td>4.6</td>
<td>3.9</td>
<td>4.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Add: Adjustments on non-cash items (mainly Depreciation) and others</td>
<td>4.5</td>
<td>6.1</td>
<td>3.8</td>
<td>3.8</td>
<td>4.4</td>
<td>3.4</td>
<td>4.5</td>
<td>5.5</td>
<td>9.9</td>
<td>14.8</td>
</tr>
<tr>
<td>Less: Payment of capital expenditure (a) Construction works</td>
<td>5.8</td>
<td>6.4</td>
<td>7.6</td>
<td>8.9</td>
<td>9.2</td>
<td>12.6</td>
<td>16.6</td>
<td>21.0</td>
<td>24.3</td>
<td>28.3</td>
</tr>
<tr>
<td>(b) Other improvement works and computer assets</td>
<td>0.5</td>
<td>0.6</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
<td>1.2</td>
<td>1.1</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Cash and Investment Balance at end of year</td>
<td>62.4</td>
<td>69.7</td>
<td>69.4</td>
<td>69.2</td>
<td>70.0</td>
<td>65.0</td>
<td>56.3</td>
<td>43.6</td>
<td>32.5</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Notes:

* The Overall Total Surplus for the Year includes the results from the Consolidated Operating Account and the surplus from the Funds Management Account and the Agency Account.

# Based on the HA's Proposed Budgets and Forecasts for 2014-2015 to 2018-2019. With the fund generated from the annual operation and the cash and investment balance at about $70 billion in April 2014, it is projected that the HA will be able to meet the funding requirement of its operation and the construction programmes in the budget and forecast period. Nevertheless, the HA's cash and investment balance is projected to decrease significantly over the years mainly due to the projected increase in construction costs and operating costs while no rent adjustment for PRH is assumed at this stage.
Impacts of Drop in Oil Prices on Hong Kong

14. **MR FREDERICK FUNG** (in Chinese): President, international oil prices have plummeted in recent months, with the average prices of NYMEX Light Sweet Crude Oil Futures and ICE London Brent Crude Futures tumbling from the peak of over a hundred US dollars/barrel to below fifty US dollars/barrel, the lowest closing price in six years, and the downward trend is comparable to that after the outbreak of the financial crisis in 2008. Some analysts have anticipated that oil prices will remain at low levels for a prolonged period of time in the future. In this connection, will the Government inform this Council:

1. whether it has assessed the impacts of tumbling oil prices on the various aspects of the Hong Kong economy, including the economic environment, the inflation rate and the foreign exchange market, etc.; if it has, of the outcome; of the impacts of low oil prices on government tax revenue as well as its expenditures on fuels;

2. whether it has assessed the impacts of low oil prices on the energy market as well as the import prices of fuels for electricity generation and vehicles, etc.; if it has, of the outcome; whether, as estimated by the authorities, a substantial portion of the rate of reduction in the import prices of fuels will be reflected at the retail level, including whether the electricity tariff and retail prices of auto-fuels will drop to a similar extent; if they will not, of the reasons for that; and

3. whether it has assessed how the persistently low oil prices have impacted on the operating costs of public utilities that are sensitive to oil prices, and whether there is any room for public transport operators, including franchised bus companies that have sought fare increases on grounds of high oil prices, to make downward adjustments of their fares; if there is not, of the reasons for that?

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): President, the consolidated replies of Government Economists and Financial Services and Treasury Bureau, Environment Bureau and Transport and Housing Bureau to the three parts of the question are as follows:
In overall terms, as Hong Kong is highly services-oriented with low energy dependency, the direct positive impact of a drop in oil and other related energy prices on the Hong Kong economy should be relatively mild. Yet, the positive impacts on individual sectors will hinge on the intensity of their oil usage. Specifically, the more fuel-intensive industries, such as airline, local transport, restaurants, and construction, would in general benefit more from lower operating costs.

As for inflation, since Hong Kong's energy consumption relies totally on imports, volatility in oil prices would have a direct impact on inflation via changes in fuel prices. Yet, the items directly-related to fuels in the Composite Consumer Price Index have a weighting of less than 1%, and given the low dependency on oil of Hong Kong economy, the direct benefit from the drop in oil prices on inflation should be limited. However, the sustained decline in oil prices may also drag down other import prices and could still help to lower inflation in Hong Kong.

The oil price plunge would also have indirect impacts on Hong Kong economy by affecting the external environment. The drop in oil prices would be beneficial to net oil-importing economies. Should the decline in oil prices improve the economic outlook of Hong Kong's major trading partners, it would render some indirect support to Hong Kong's exports and economy. Nevertheless, the recent drop in oil prices was drastic, further complicating the already-uncertain external environment. These include adding uncertainties over the pace of the United States monetary normalization, heightening deflation risks in the eurozone and Japan, and exerting pressures on the public finances and exchange rates of some net oil-exporting economies, which might in turn cause further gyrations in the world economy and financial markets. The Government will monitor the situation closely.

For government tax revenue, according to the Dutiable Commodities Ordinance, certain types of hydrocarbon oil (that is, aircraft spirit, light diesel oil, motor spirit) are commodities subject to excise duties. Duty on hydrocarbon oil is charged at specific rates per unit quantity. Hence, the duty revenue on imported hydrocarbon oil is affected by the quantity of oil imported, not the oil price.
The two power companies mainly use coal and natural gas for electricity generation. The proportion of oil consumption is very small. The prices of coal purchased by the two power companies do not link with international oil prices. For natural gas, the price of some contracts is to a certain extent related to oil price. The actual price changes will vary according to the terms of individual gas supply contracts. The continual fall of oil price will help alleviate the pressure of fuel costs for electricity generation. If the downward trend of fuel prices continues, the actual reduction will be reflected in the future electricity tariff.

Regarding auto-fuels, since the beginning of July 2014, international crude oil prices have accumulated a reduction of about 50%. The trend movements of import prices for unleaded petrol and diesel are roughly the same during the period. In this period, oil companies, in response to falling import prices, have adjusted downwards the retail prices of unleaded petrol and diesel, each 19 times, with maximum accumulated reduction of over $3.2 per litre. According to our observation, this is generally in line with the trend movements of international oil prices over the same period, and represents around 50% of the import price of its refined oil products. In addition to the import prices of refined oil, retail price also includes tax ($6.06 for unleaded petrol and tax free for diesel), and other operating costs, such as land costs, Government rent, staff costs, transportation, promotion, operation of oil terminal, and so on. When oil companies adjust their prices, apart from the import prices of oil products, they also take into account changes in these operating costs.

The Government is aware of the concerns of the public over the fares of public transport services. We are of the view that fares should be set at a reasonable level, having regard to the acceptability and affordability of the public on one hand, and the long-term financial sustainability of public transport operators on the other. This is to ensure that the public can continue to enjoy quality and cost-effective services as well as modal choices.

Public transport services fuelled by oil products with regulated fares include franchised buses, green minibuses, taxis and ferries.
There is no fuel surcharge for the above public transport services. Fare adjustments have all along been made with reference to changes in costs and revenue in overall terms (instead of changes in fuel price alone) and do not have retrospective effect. For franchised bus which is a road-based mass carrier, there is a passenger reward arrangement under its fare adjustment arrangement. Under this arrangement, when the rate of return for an operator reaches or exceeds the threshold of 9.7% as a result of changes in the overall costs and revenue, the operator has to share the profit above the threshold as fare concessions with the passengers on an equal basis.

As for green minibuses, taxis and ferries, the Government will continue to closely monitor the impact of a fluctuating oil price on them. However, we must point out that their fare adjustments would also be made with reference to changes in the overall costs and revenue. Although changes in fuel price would inevitably affect the operating costs of these public transport services, we have to carefully assess whether such changes would give room for a fare reduction. This is because major operating costs of these public transport services are made up of various components. They include wage expense or rental, maintenance and insurance, apart from fuel cost. Since the cost components and their weightings vary for these public transport services, the impact of changes in fuel price on them will not be the same. Moreover, as the expenditure on various cost components (particularly the labour cost) have basically been increasing in recent years, we have to carefully assess whether the decrease in fuel cost is sufficient to offset the increase in other costs.

Any fare adjustment should take into account changes in the overall costs and revenue. Therefore, whether the fares of these public transports can be reduced as a result of a decrease in oil prices would depend on the overall cost and revenue position. The Government will continue to keep the situation in view.

Private Tenancy Allowance for Civil Servants

15. MRS REGINA IP (in Chinese): President, under the Civil Service Regulations, if an officer who is receiving a Private Tenancy Allowance (PTA) changes to a new private tenancy before an existing tenancy expires (a change of
tenancy), the officer shall continue to receive, for the original remaining period of the existing tenancy, PTA on the scale of rates prevailing on the commencement date of the existing tenancy (locking condition). However, in case an officer is required to make an application for a change of tenancy and a change of accommodation under assistance because of his landlord's instigation of a break clause provided in the existing tenancy, the Director of Accounting Services (DAS) may exempt the officer from the locking condition. I have received complaints from some civil servants that their tenancies were terminated by their landlords, and DAS has exempted them from the locking condition regardless of their wishes, thereby subjecting them to PTA on the most recently announced scale of rates under the new tenancies. However, this has caused them to suffer losses as the new rates are lower than the old ones. In this connection, will the Government inform this Council:

1) of the various factors for determining the PTA rates and the formula for arriving at the rates;

2) whether DAS exempts, without exceptions, all cases which may be exempted from the locking condition; if DAS does not, of the specific procedures for deciding whether exemption will be granted; and

3) of the policy objectives of exempting civil servants from the locking condition; for cases in which the existing tenancies are terminated involuntarily by PTA claimants, whether DAS will consider if they wish to be exempted and special circumstances (e.g. the granting of exemption will cause them to suffer losses), and exercise discretion not to grant the exemption?

SECRETARY FOR THE CIVIL SERVICE (in Chinese): President, the reply to the question is as follows:

1) Private Tenancy Allowance (PTA) is an accountable rental allowance provided by the Government to officers appointed on overseas terms before 1 October 1990 and to officers appointed on local terms before 1 October 1990 receiving a salary on or above point 34 of the Master Pay Scale. The rates of the PTA are determined by the substantive salary point and family status (including marital status and number of family members) of the officers concerned. These rates are adjusted annually in line with
the territory-wide full-year rental trend of the corresponding classes of domestic properties compiled by the Rating and Valuation Department, so as to cater for changes in market rentals.

(2) The current "locking condition" under the PTA scheme was implemented following the approval of the Finance Committee of the Legislative Council on 19 May 2006. Details of the arrangement and implementation mechanism are set out in the Civil Service Regulation (CSR) 852(4).

The relevant CSR stipulates that if a PTA recipient changes to a new tenancy before an existing tenancy expires, he shall, for the original remaining period of the existing tenancy, receive PTA on the scale of rates prevailing on the commencement date of the existing tenancy. Furthermore, the PTA payable during the period shall not exceed the cost of renting accommodation of the existing tenancy, as if the existing tenancy is not prematurely terminated.

Nevertheless, the CSR particularly provides that in case a PTA recipient is required to change the accommodation under assistance due to a premature termination of the existing tenancy by the landlord, the officer will be exempted from the "locking condition", subject to the officer's provision of relevant documentary proof to the satisfaction of the Director of Accounting Services (DAS).

Hence, in accordance with CSR 852(4), any PTA recipient who wishes to terminate an existing tenancy before its expiry is required to apply to the Treasury for a change of tenancy beforehand. If the application is approved, the "locking condition" stipulated in the CSR will automatically apply. DAS will only exercise the power of exemption vested in him under the CSR when he is satisfied that the officer has provided adequate documentary proof to show that the premature termination of a tenancy is due to the landlord's instigation of a break clause and that a change of accommodation under assistance is required.

(3) The exemption from the "locking condition" aims to enable an officer whose tenancy is prematurely terminated by the landlord to cope with the market rent of a new tenancy at that time by using the prevailing PTA rate. In considering whether an exemption should
be granted, DAS' decision is based entirely on the facts of the case and whether the documentary proof submitted by the officer concerned are adequate to meet the conditions stipulated in CSR 852(4). All cases are treated with impartiality and are not influenced by the personal wishes of the applicants.

Open-air Heated Public Swimming Pools

16. **DR HELENA WONG** (in Chinese): President, some members of the public who frequently use the open-air heated public swimming pools under the Leisure and Cultural Services Department (LCSD) during winter have relayed to me that swimmers often feel chilly and are susceptible to catching a cold when they leave the pool, as the pool water temperature is much higher than the air temperature. In this connection, will the Government inform this Council:

   (1) among the heated swimming pools under LCSD, which ones are fitted and not fitted with warm passages made of windbreak tents connecting directly to the changing rooms (warm passages);

   (2) whether it has plans to retrofit warm passages to those open-air heated swimming pools under LCSD which are not yet fitted with such facilities; if it has such plans, when the related works will commence; if not, of the reasons for that; and

   (3) whether it will, on the premise of not affecting swimmers' safety, study the placing of fan heaters or other portable heating devices on the pool decks of open-air heated pools so as to reduce the impact on swimmers caused by temperature difference between the pool water and the air; if it will, when it will conduct the study; if not, of the reasons for that?

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President, my reply to the three parts of the question is as follows:

(1) The Leisure and Cultural Services Department (LCSD) manages a total of 43 public swimming pools and 24 of them provide heated swimming facilities, of which eight are outdoor heated swimming pools. Six of these pools, namely those in Lai Chi Kok Park
Swimming Pool, Tuen Mun Swimming Pool, Yuen Long Swimming Pool, Fanling Swimming Pool, Sha Tin Jockey Club Swimming Pool and Tseung Kwan O Swimming Pool, have walkways covered and enclosed with windproof materials. The remaining two heated pools in Wan Chai Swimming Pool and Sham Shui Po Park Swimming Pool respectively have not been fitted with such a walkway.

(2) Wan Chai Swimming Pool will be redeveloped into an indoor swimming pool complex. The redevelopment works have already started and are expected to be completed in 2016. For Sham Shui Po Park Swimming Pool, the LCSD will consider the usage rate of the swimming pool and examine in conjunction with relevant departments the feasibility of and the cost involved in enclosing the walkway connecting the changing rooms to the pool with windproof materials.

(3) The LCSD provides heating devices at appropriate locations at swimming pool complexes, for example, in changing rooms. As regards the installation of fan heaters or other portable heating devices on the decks of outdoor heated pools, we need to take into account factors such as electrical and mechanical safety, environmental friendliness and cost-effectiveness. The LCSD will continue to monitor the usage rates of outdoor heated pools and further consider this issue.

Regulatory Arrangements for Cross-boundary Vehicles

17. MR WONG KWOK-HING (in Chinese): President, given the expected completion of the Hong Kong-Zhuhai-Macao Bridge (HZMB) in late 2017, the public are increasingly concerned about the regulatory arrangements for cross-boundary vehicles. In this connection, will the Government inform this Council:

(1) of the number of registration of, as well as the average daily and full-year numbers of crossings made by, each type of cross-boundary vehicles (i.e. cross-boundary coaches, cross-boundary hire cars, Hong Kong cross-boundary private cars, mainland official/enterprise vehicles, vehicles of the Hong Kong Government
and cross-boundary goods vehicles) which were given approval for regular quotas (commonly known as "cross-boundary vehicle licences"), in each of the past three years;

(2) of the respective monthly numbers of applications received and quotas approved under the Ad Hoc Quota Trial Scheme for Cross Boundary Private Car since implementation of the Scheme in 2012, as well as the monthly quotas actually utilized by the applicants and their percentages in the total quotas approved; whether the authorities have plans to review the effectiveness of the Scheme; if so, of the review timetable;

(3) whether the authorities have drawn up the details of the regulatory arrangements for using HZMB by cross-boundary vehicles, and whether such arrangements will follow the recommendations made in the consultancy study reported in 2009 to the Panel on Transport of this Council, i.e. the existing regulatory arrangements for cross-boundary coaches/hire cars/goods vehicles be maintained, and the existing quota system for private cars be relaxed through managed control; if so, of the details, including whether the regular quotas for cross-boundary vehicles and ad hoc quotas for cross-boundary private cars will be increased, and whether the eligibility criteria for applying for these two types of quotas will be relaxed;

(4) given that the supplementary information on the total traffic projections per day for HZMB submitted by the Government to the Public Works Subcommittee of this Council on 21 May 2008 indicated that the total traffic volumes per day of HZMB would be 9 200, 15 350, 27 400 and 35 700 in 2016, 2020, 2030 and 2035 respectively, and such projections were based on the assumption that the existing quota system for cross-boundary private cars would remain unchanged, of the respective estimated percentages of the aforesaid traffic projections in the design capacity of HZMB per day; and

(5) whether the Government will set a minimum traffic volume target for HZMB; if it will, whether it will relax the quotas for cross-boundary vehicles in order to achieve such a target; if it will relax the quotas, of the additional quotas?
SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to Mr WONG Kwok-hing's question is as follows:

(1) The governments of Guangdong and Hong Kong have been jointly implementing and administering a quota system covering all cross-boundary vehicles (excluding goods vehicles and Lok Ma Chau-Huanggang cross-boundary shuttle buses) to regulate and control cross-boundary traffic since 1982.

The numbers of cross-boundary vehicles travelling between Guangdong and Hong Kong under regular quotas and with closed road permits issued by the Transport Department in the past three years are as follows:

<table>
<thead>
<tr>
<th>Types of Vehicles</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-boundary coaches</td>
<td>1 117</td>
<td>1 110</td>
<td>1 116</td>
</tr>
<tr>
<td>Cross-boundary hire cars</td>
<td>347</td>
<td>348</td>
<td>346</td>
</tr>
<tr>
<td>Hong Kong cross-boundary private cars</td>
<td>25 544</td>
<td>26 610</td>
<td>27 365</td>
</tr>
<tr>
<td>Mainland official/enterprise vehicles</td>
<td>2 093</td>
<td>2 264</td>
<td>2 550</td>
</tr>
<tr>
<td>Hong Kong government vehicles</td>
<td>32</td>
<td>31</td>
<td>26</td>
</tr>
</tbody>
</table>

The respective numbers of cross-boundary goods vehicles holding closed road permits issued by the Transport Department were 14 362, 13 928 and 13 552 in 2012, 2013 and 2014.

When the Government collects the entry and exit records of cross-boundary vehicles, such statistical information is grouped into three types of vehicles, namely cross-boundary coaches, cross-boundary goods vehicles and cross-boundary private cars (including cross-boundary hire cars, Hong Kong cross-boundary private cars, Mainland official/enterprise vehicles and Hong Kong private cars holding ad hoc quotas), with no further breakdown. According to the information provided by the Immigration
Department and the Customs and Excise Department, the numbers of cross-boundary trips made by cross-boundary vehicles per day and per annum in the past three years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cross-boundary Trips (in thousands)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-boundary coaches</td>
<td>Daily average</td>
<td>3.5</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Annual Total</td>
<td>1277</td>
<td>1343</td>
<td>1396</td>
</tr>
<tr>
<td>Cross-boundary goods vehicles</td>
<td>Daily average</td>
<td>21.0</td>
<td>20.7</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>Annual Total</td>
<td>7671</td>
<td>7560</td>
<td>7224</td>
</tr>
<tr>
<td>Cross-boundary private cars</td>
<td>Daily average</td>
<td>18.0</td>
<td>18.2</td>
<td>18.0</td>
</tr>
<tr>
<td></td>
<td>Annual Total</td>
<td>6584</td>
<td>6641</td>
<td>6588</td>
</tr>
</tbody>
</table>

(2) The Ad Hoc Quota Trial Scheme for Cross Boundary Private Cars (the Trial Scheme) has been in smooth operation generally since the implementation of the first phase in late March 2012. As at the end of December 2014, the Transport Department has received applications for 4,682 ad hoc quotas and issued 4,337 quotas. Of which, 3,638 quotas have been used, accounting for about 84% of the quotas granted during the same period. The monthly figures of quota applications, quotas granted, quotas used in the month and their percentages of quotas granted are listed in the Annex.

We have been closely monitoring the implementation of the first phase of the Trial Scheme (that is, Hong Kong private cars entering the Mainland) and maintaining close contact with the relevant departments of the Guangdong Province and their designated agencies in Hong Kong, that is, the China Travel Service (Hong Kong) Limited and the Hong Kong General Chamber of Commerce, to refine and improve the work procedures and information system so as to enhance work efficiency and service quality. The two governments have said publicly that the second phase of the Trial Scheme (that is, Guangdong private cars entering Hong Kong) would be implemented at an appropriate time, with no specific timetable. The arrangements for the Mainland private cars to enter Hong Kong are also subject to further deliberations by experts from
both sides. In formulating the arrangements for the second phase, we will listen to the views from different sectors of the community and garner support from the Legislative Council before rolling out the scheme.

(3) To tie in with the commissioning of the HZMB, the governments of Guangdong, Hong Kong Special Administrative Region and Macao Special Administrative Region have set up the Co-ordination Group on Cross-boundary Matters. The Co-ordination Group is now actively pressing ahead with relevant policy studies and discussing relevant cross-boundary transport arrangements. The scopes of policy studies and discussions cover regulation and quota system of cross-boundary vehicles, toll level for cross-boundary vehicles, traffic management, operation and maintenance, rescue and emergency plan, enforcement co-ordination, customs clearance facilitation, and so on. Since the studies concerned and the discussions among the three governments are still in progress, we are unable to provide details of the cross-boundary transport arrangements at this stage.

We will, having regard to the functions and characteristics of the HZMB, put in place relevant traffic arrangements that would complement the local road system to bring the economic and transportation benefits of the HZMB into full play.

(4) According to the Feasibility Study of the HZMB conducted by a consultant engaged by the governments of the three sides, it was estimated that the traffic flow in 2035 would be 35 700 to 49 200 vehicles per day, and the concerned volume/capacity ratio (peak hour flow) is about 0.51 to 0.86.

(5) The HKSAR Government has no plan to set a minimum traffic volume target for the HZMB. Regarding the arrangements of granting quotas to cross-boundary vehicles, as mentioned in part (3) above, the three governments are still actively pressing ahead with studies and discussions on the relevant policies and have not yet finalized the arrangements.
Annex

Ad Hoc Quota Trial Scheme for Cross-Boundary Private Cars Overview on Applications for and Use of Quotas

### 2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Applications for Quotas (Number)</th>
<th>Quotas Granted&lt;sup&gt;(1)&lt;/sup&gt; (Number)</th>
<th>Quotas Used in the Month&lt;sup&gt;(2)&lt;/sup&gt; (Number)</th>
<th>Percentage of Quotas Used in the Month among the Quotas Granted&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>269</td>
<td>208</td>
<td>68</td>
<td>32.7%</td>
</tr>
<tr>
<td>May</td>
<td>138</td>
<td>121</td>
<td>112</td>
<td>92.6%</td>
</tr>
<tr>
<td>June</td>
<td>98</td>
<td>94</td>
<td>109</td>
<td>116.0%</td>
</tr>
<tr>
<td>July</td>
<td>87</td>
<td>78</td>
<td>83</td>
<td>106.4%</td>
</tr>
<tr>
<td>August</td>
<td>109</td>
<td>104</td>
<td>70</td>
<td>67.3%</td>
</tr>
<tr>
<td>September</td>
<td>99</td>
<td>95</td>
<td>93</td>
<td>97.9%</td>
</tr>
<tr>
<td>October</td>
<td>62</td>
<td>58</td>
<td>71</td>
<td>122.4%</td>
</tr>
<tr>
<td>November</td>
<td>96</td>
<td>93</td>
<td>46</td>
<td>49.5%</td>
</tr>
<tr>
<td>December</td>
<td>213</td>
<td>201</td>
<td>99</td>
<td>49.3%</td>
</tr>
</tbody>
</table>

### 2013

<table>
<thead>
<tr>
<th>Month</th>
<th>Applications for Quotas (Number)</th>
<th>Quotas Granted&lt;sup&gt;(1)&lt;/sup&gt; (Number)</th>
<th>Quotas Used in the Month&lt;sup&gt;(2)&lt;/sup&gt; (Number)</th>
<th>Percentage of Quotas Used in the Month among the Quotas Granted&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>137</td>
<td>126</td>
<td>43</td>
<td>34.1%</td>
</tr>
<tr>
<td>February</td>
<td>179</td>
<td>168</td>
<td>226</td>
<td>134.5%</td>
</tr>
<tr>
<td>March</td>
<td>99</td>
<td>92</td>
<td>162</td>
<td>176.1%</td>
</tr>
<tr>
<td>April</td>
<td>69</td>
<td>64</td>
<td>88</td>
<td>137.5%</td>
</tr>
<tr>
<td>May</td>
<td>88</td>
<td>79</td>
<td>65</td>
<td>82.3%</td>
</tr>
<tr>
<td>June</td>
<td>113</td>
<td>107</td>
<td>72</td>
<td>67.3%</td>
</tr>
<tr>
<td>July</td>
<td>80</td>
<td>78</td>
<td>97</td>
<td>124.4%</td>
</tr>
<tr>
<td>August</td>
<td>119</td>
<td>105</td>
<td>63</td>
<td>60.0%</td>
</tr>
<tr>
<td>September</td>
<td>108</td>
<td>99</td>
<td>97</td>
<td>98.0%</td>
</tr>
<tr>
<td>Month</td>
<td>Applications for Quotas (Number)</td>
<td>Quotas Granted (^{(1)}) (Number)</td>
<td>Quotas Used in the Month (^{(2)}) (Number)</td>
<td>Percentage of Quotas Used in the Month among the Quotas Granted (^{(2)})</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>October</td>
<td>115</td>
<td>104</td>
<td>97</td>
<td>93.3%</td>
</tr>
<tr>
<td>November</td>
<td>198</td>
<td>186</td>
<td>96</td>
<td>51.6%</td>
</tr>
<tr>
<td>December</td>
<td>346</td>
<td>322</td>
<td>168</td>
<td>52.2%</td>
</tr>
</tbody>
</table>

### 2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Applications for Quotas (Number)</th>
<th>Quotas Granted (^{(1)}) (Number)</th>
<th>Quotas Used in the Month (^{(2)}) (Number)</th>
<th>Percentage of Quotas Used in the Month among the Quotas Granted (^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>118</td>
<td>112</td>
<td>222</td>
<td>198.2%</td>
</tr>
<tr>
<td>February</td>
<td>152</td>
<td>139</td>
<td>141</td>
<td>101.4%</td>
</tr>
<tr>
<td>March</td>
<td>195</td>
<td>182</td>
<td>131</td>
<td>72.0%</td>
</tr>
<tr>
<td>April</td>
<td>91</td>
<td>86</td>
<td>154</td>
<td>179.1%</td>
</tr>
<tr>
<td>May</td>
<td>88</td>
<td>77</td>
<td>65</td>
<td>84.4%</td>
</tr>
<tr>
<td>June</td>
<td>132</td>
<td>124</td>
<td>52</td>
<td>41.9%</td>
</tr>
<tr>
<td>July</td>
<td>100</td>
<td>93</td>
<td>118</td>
<td>126.9%</td>
</tr>
<tr>
<td>August</td>
<td>156</td>
<td>147</td>
<td>55</td>
<td>37.4%</td>
</tr>
<tr>
<td>September</td>
<td>102</td>
<td>100</td>
<td>147</td>
<td>147%</td>
</tr>
<tr>
<td>October</td>
<td>251</td>
<td>242</td>
<td>107</td>
<td>44.2%</td>
</tr>
<tr>
<td>November</td>
<td>214</td>
<td>205</td>
<td>152</td>
<td>74.1%</td>
</tr>
<tr>
<td>December</td>
<td>261</td>
<td>248</td>
<td>269</td>
<td>108.5%</td>
</tr>
</tbody>
</table>

Notes:

1. "Quotas Granted" refers to the quotas granted in the month after completion of all necessary formalities required by the Transport Department and the authorities of Guangdong Province.

2. "Quotas Used" refers to the use of valid quota (that is, in the period specified by the quota) by owners of Hong Kong private cars in the month for driving to Guangdong Province via Shenzhen Bay Port. As the applicants may opt for a later effective month for their quotas at the time of application, the number of quotas actually used each month may be higher than the number of quotas granted in the month.
Training on Racial Equality for Police Officers

18. **MS EMILY LAU** (in Chinese): President, it has been reported that during a police operation to disperse supporters of the road occupation movement in Mong Kok on 26 November last year, some police officers allegedly hurled discriminatory remarks at a protester of South Asian descent. Some members of the public are concerned whether police officers have received adequate training on racial equality. In this connection, will the Executive Authorities inform this Council:

(1) how many workshops were organized by the Police in collaboration with the Equal Opportunities Commission for raising serving police officers’ awareness of racial equality, and how many police officers participated in such workshops, in each year since the enactment of the Race Discrimination Ordinance (Cap. 602) in 2008;

(2) of the respective contents of the courses on human rights and racial equality, as well as the respective proportions of such courses, in the regular training courses for police officers at rank-and-file level and those of the Inspectorate rank; and

(3) whether they have provided training courses on human rights and racial equality to police officers at senior levels; if so, of the ranks of the target trainees; if not, whether they will consider providing such training courses; if they will not, of the reasons for that?

**SECRETARY FOR SECURITY** (in Chinese): President, the Police have been providing services to the public in an impartial and respectful manner without discrimination. Police officers shall, in accordance with relevant legislation and policies, ensure that all citizens receiving services shall be given equal treatment, irrespective of their gender, family status, race and whether or not they are disabled. The Police are also committed to tying in with the Government in promoting equal opportunities and eliminating all forms of discrimination. Elements of equal opportunities have been included in the "Force Vision and Statement of the Common Purpose and Values" since 1996 to instill among police officers the concept of maintaining harmony with people of different cultures, backgrounds and races on the basis of mutual respect. In addition, the Police established a Working Group on Non-ethnic Chinese in 2006 to review and
appraise mechanisms and initiatives within the Force that relate to ethnic minority issues, develop means to enhance dialogue and engagement with ethnic minority communities, and formulate a policing strategy to work in partnership with ethnic minority communities to fight crime. Upon the full implementation of the Race Discrimination Ordinance (RDO) (Cap. 602) in 2009, the Police issued departmental instructions in the same year to require police officers to get well acquainted with RDO's requirements and relevant regulations.

In addition, the Police have been keeping in touch with the Constitutional and Mainland Affairs Bureau and the Equal Opportunities Commission (EOC) in strengthening their officers' professional sensitivity to issues relating to human rights and equal opportunities on various fronts and guiding them to discharge their duties and responsibilities in a fair, just and impartial manner, with respect of human rights, as well as to serve the community with fairness and compassion.

The Administration's reply Ms Emily LAU's question is as follows:

(1) Following the implementation of the RDO, the Police, in conjunction with the EOC, have conducted a series of large-scale workshops for police staff, including the civilian, to enhance their understanding of racial equality issues through explanation on the ordinance. The Police have also produced Training Day package on the RDO to raise police officers' awareness on racial equality required in the delivery of services to the public.

Starting from 2012, the workshop hosted by the EOC on "The Introduction to Anti-discriminations Ordinances in Hong Kong" has been included in the Junior Command Courses for Inspectors/Senior Inspectors to provide attendees with a detailed explanation of the anti-discrimination legislation in Hong Kong, including the RDO. So far, a total of 21 workshops were organized for 371 Inspectors/Senior Inspectors. Furthermore, during their foundation training and continuation development programmes, police officers receive relevant training on the provisions of and requirements under laws including the Basic Law, the Hong Kong Bill of Rights Ordinance (HKBORO) (Cap. 383) and various anti-discrimination ordinances. In the past five years, the Police provided relevant training for an average of some 2,000 new recruits and serving officers each year.
(2) and (3)

The Police attach great importance to the inculcation of such values as human rights and equal opportunities for police officers. To ensure that police officers have adequate awareness of human rights and equal opportunities as well as sufficient understanding of the anti-discrimination legislation in Hong Kong, the Hong Kong Police College have included topics on the protection of human and civic rights, equal opportunities and related issues in the training provided for officers of different ranks, subject to programme needs and arrangements.

Both the foundation training for new recruits and the training for serving officers (for example, the criminal investigation training courses, development and promotion courses for junior police officers) have a cornucopia of topics on human and civic rights, for example, provisions of and requirements under relevant legislation including the Basic Law, the HKBORO, the Crimes (Torture) Ordinance (Cap. 427) and other anti-discrimination ordinances; the concept of equal opportunities in the Force Values; and briefing on human rights and constitutional protection relating to the execution of police duties (including rights exercisable by detainees, assistance to crime victims, and personal data and privacy). As part of the foundation training, new recruits are also required to perform community services for ethnic minorities to enhance their knowledge of the cultures of non-ethnic Chinese and promote mutual understanding. In the Command Courses for officers from the Inspectorate to Superintendent rank, topics on human rights and racial equality covered include community policing, racial discrimination, and personal data and privacy, and so on.

Meanwhile, the Police regularly conduct Training Days on different topics for front-line officers. Specifically on protection of human and civil rights, the Police have produced various Training Day packages covering areas such as anti-discrimination ordinances in Hong Kong, non-ethnic Chinese religions and cultures, detainees, skills in conducting everyday stop-question-and-search, handling of abuse cases, and professional attitude and communication skills required in dealing with members of the public.
Moreover, the Police also conduct talks and experience-sharing sessions for officers of various ranks from time to time. Examples of which are thematic talks delivered by professionals and scholars of human rights law for officers of the Inspectorate rank or above on the balance between human rights and law enforcement, and talks held by lawyers and EOC legal advisors for officers of the Senior and Chief Superintendent rank on the latest discussions in society on such topics as sexual orientation and sexual identity.

Measures to Address Challenges Brought by Demographic Changes

19. DR LAM TAI-FAI (in Chinese): President, in his 2015 Policy Address, the Chief Executive put forward measures to unleash the potential of local labour force, as well as recruit talent and professionals from outside Hong Kong etc., in order to address the challenges brought by demographic changes. Such measures include the extension of the retirement ages of new recruits for the civilian grades and the disciplined services to 65 and 60 respectively as from the middle of this year. However, the extension of the employment of serving civil servants beyond retirement age will be subject to operational needs, succession planning and recruitment situation of departments. Moreover, the Government suspends the Capital Investment Entrant Scheme (CIES) with immediate effect. In this connection, will the Government inform this Council:

(1) whether it has assessed how far the local labour force can be unleashed by extending the retirement age of civil servants; if it has assessed, of the details and set out the relevant figures for each of the next 10 years; if not, the reasons for that;

(2) of the number, as estimated by the authorities, of serving civil servants who will be willing to have their retirement age extended, with a breakdown by department;

(3) whether it has assessed how internal promotion opportunities in government departments will be affected by the extension of the retirement age of civil servants, and whether this measure will dampen people's desire to join the Government's work force; if it has assessed, of the details; if not, the reasons for that;
whether it has assessed which government departments will make
arrangements for the extension of the retirement age of serving civil
servants due to operational needs, succession planning or not being
able to recruit the manpower required, as well as of the respective
grades and numbers of such civil servants; if it has assessed, of the
details; if not, the reasons for that;

of the impact, as estimated by the authorities, on the Government's
expenditure brought by the extension of the retirement age of civil
servants, including the annual additional expenses to be incurred by
various departments in future for civil service remunerations and
fringe benefits such as medical, housing and retirement protection
benefits;

whether it has assessed the impact of the extension of the retirement
age of civil servants on the turnover of civil servant quarters,
including whether the average waiting time of staff of various
disciplined services for allocation of quarters will be longer; if it has
assessed, of the details;

given that the staff of disciplined services have to meet specific
requirements for physical fitness in order to cope with the
operational needs, whether it has assessed the impacts of the
extension of the retirement age of disciplined services on the quality
of their service; if it has assessed, of the details; if not, the reasons
for that;

of the number of meetings held by the Government with civil servant
groups and disciplined services unions on the proposal to extend the
retirement age of civil servants, as well as the Government's
follow-up actions and responses;

of the average annual economic gains brought about by CIES to
Hong Kong since its implementation;

of the total investment in Hong Kong made by persons permitted to
reside in Hong Kong under CIES in the past decade, with a
breakdown by country/place of origin of such persons;
(11) whether it has compiled statistics on the number of enterprises which have benefited from the investment projects under CIES; whether it has assessed if the suspension of the scheme will affect the employment rate and types of jobs available in Hong Kong, as well as whether the suspension will dampen overseas investors' desire to invest in Hong Kong;

(12) why the authorities had not considered enhancing CIES but decided to suspend it, and whether the reasons include that the scheme was ineffective in the past;

(13) whether it has assessed the annual economic losses to Hong Kong as a result of the suspension of CIES, and the respective annual decreases in the amounts of overseas and mainland capital investments in Hong Kong in the coming five years; if it has assessed, of the details; if not, the reasons for that; and

(14) of the new specific plans in place for recruiting talent and professionals from outside Hong Kong who meet the needs of Hong Kong's economy and long-term development, as well as the industries which will mainly be covered by the relevant measures?

SECRETARY FOR THE CIVIL SERVICE (in Chinese): President, with regard to the question, the reply of the Civil Service Bureau concerning extension of the service of civil servants part (1) to (8) and that of the Security Bureau concerning the Capital Investment Entrant Scheme (CIES) part (9) to (14) are as follows respectively:

(1) to (8)

As announced in the Policy Address published on 14 January 2015, the Government has decided to extend the service of civil servants. The Civil Service Bureau sent a letter to all civil servants to explain the details of the relevant initiatives on the same day. Before formulating the initiatives, the Civil Service Bureau released a consultation paper on "Extension of the Service of Civil Servants" (the Consultation Paper) on 3 April 2014 for a four-month consultation up to 2 August 2014. During the consultation period,
we received a total of 371 submissions from the public (including individuals claiming themselves as civil servants), the grade/departmental management, the staff side of Departmental Consultative Committees (DCCs), civil service staff bodies and non-civil service parties through different consultative platforms (including the Central Consultative Councils, DCCs, civil service staff bodies, and so on). Having thoroughly considered the feedback received during the consultation and the examination of relevant issues (including the financial implications), the Government has decided to adopt the initiatives proposed in the Consultation Paper with suitable refinements and/or appropriate mechanisms.

The initiatives for extending the service of civil servants enable the Government, as an employer, to take early actions in responding to the demographic challenges arising from an ageing population in the coming years, while ensuring operational effectiveness of bureaux/departments in the meantime. We believe that the initiatives would also help to set an example for the private sector and other public bodies to follow. It is difficult to quantify the extent to which the initiatives for extending the service of civil servants could unleash the labour force, as the whole labour force is subject to a number of variables.

One of the initiatives for extending the service of civil servants is to raise the retirement age of new recruits joining the Civil Service from mid-2015 to 65 for the civilian grades and 60 for the disciplined services grades (regardless of their ranks). Having regard to the job nature and distinct physical requirements of the disciplined services grades, a difference of five years will be maintained between the retirement ages of the disciplined services and civilian grades. This arrangement has duly taken into account the feedback received through the consultation and relevant management considerations (including the job requirements of disciplined services) of the disciplined services departments.

As regards the allotment of quarters, from 1 June 2000 onwards, non-disciplined staff appointed on new terms of appointment will not be provided with quarters except for post-tied quarters. As for
disciplined services staff, since the future waiting time for departmental quarters is subject to a host of factors, it would be difficult to assess at this juncture the long-term impact arising from the adoption of a higher retirement age for new recruits. Relevant departments will continue to closely monitor the demand situation for quarters.

Under the existing Civil Service Provident Fund (CSPF) Scheme, the Government's contribution rate will increase from 5% to 25% upon an officer's completion of 30 years of continuous service. If the existing contribution scale of the CSPF Scheme remains unchanged, the new recruits who would be subject to a higher retirement age of 60/65 would have a longer period of time to enjoy the higher contribution rates. According to the results of an actuarial study, the Government's expenditure on annual Mandatory Provident Fund (MPF)/CSPF contributions is projected to increase by the peak of $12.8 billion to $106.5 billion in 2084, representing an annual government contribution rate of 19.6% (that is, the percentage of the Government's overall contribution over the overall salary cost) for that year. The long-term average contribution rate will increase from the current level of 18.0% to 19.2%, exceeding the 18% endorsed by the Executive Council in 2001. Having regard to the Government's long-term financial implications, we will adjust the CSPF contribution scale for new recruits so that the Government's long-term MPF/CSPF contribution rate would remain at 18%. As regards civil service allowances/benefits (such as medical benefits), since the expenditure concerned will be subject to various factors (including the circumstances of individual civil servants), it is difficult to provide an accurate assessment of the financial implications. That said, we expect that the financial implications would be insignificant in the long term.

As far as serving civil servants are concerned, the Government will adjust the existing mechanism on further employment so as to provide departments with more flexibility to retain civil servants beyond retirement age taking into account operational needs, succession planning and recruitment situation, which vary from grade to grade and from time to time. This initiative can strike a balance among various considerations, including meeting the
operational needs, avoiding promotion blockage and maintaining healthy turnover of the Civil Service. As the number of further employment cases will be affected by a number of factors, including operational needs, succession planning and recruitment situation of individual grades/departments, which would vary from time to time, the Government is unable to project the numbers of applications and approved cases of individual grades/departments.

Insofar as civil service new recruits are concerned, having regard to the population projection which shows that nearly one third of the population in Hong Kong will be 65 or above in 2041, there is a clear case to extend the working life of civil servants and indeed the whole labour force. Generally speaking, it may possibly take longer for future civil servants to be promoted to the next higher rank (where applicable). Nonetheless, we believe that it should not affect the overall attractiveness of civil service jobs. And civil service jobs would still remain generally attractive in terms of job nature, remuneration and fringe benefits, and so on.

(9) Since the implementation in October 2003 to the end of 2014, CIES has brought about $216 billion of capital investment into Hong Kong. The yearly breakdown is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital investment (HK$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 (October to December)</td>
<td>145</td>
</tr>
<tr>
<td>2004</td>
<td>2,015</td>
</tr>
<tr>
<td>2005</td>
<td>2,176</td>
</tr>
<tr>
<td>2006</td>
<td>2,659</td>
</tr>
<tr>
<td>2007</td>
<td>5,828</td>
</tr>
<tr>
<td>2008</td>
<td>11,024</td>
</tr>
<tr>
<td>2009</td>
<td>18,221</td>
</tr>
<tr>
<td>2010</td>
<td>21,248</td>
</tr>
<tr>
<td>2011</td>
<td>31,576</td>
</tr>
<tr>
<td>2012</td>
<td>34,927</td>
</tr>
<tr>
<td>2013</td>
<td>37,486</td>
</tr>
<tr>
<td>2014</td>
<td>48,747</td>
</tr>
<tr>
<td>Total</td>
<td>216,052</td>
</tr>
</tbody>
</table>
In the past 10 years (2005 to 2014), 25,213 applicants were granted formal approval under the CIES, investing a total of about $213.9 billion. The breakdown by nationality/region is as follows:

<table>
<thead>
<tr>
<th>Nationality/region</th>
<th>Applicants granted with formal approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Nationals with Permanent Residence Overseas (majority from Gambia, Guinea Bissau and Vanuatu)</td>
<td>22,680</td>
</tr>
<tr>
<td>Canada</td>
<td>373</td>
</tr>
<tr>
<td>Macao SAR</td>
<td>363</td>
</tr>
<tr>
<td>Taiwan</td>
<td>333</td>
</tr>
<tr>
<td>The United States</td>
<td>206</td>
</tr>
<tr>
<td>Australia</td>
<td>188</td>
</tr>
<tr>
<td>The Philippines</td>
<td>135</td>
</tr>
<tr>
<td>Japan</td>
<td>100</td>
</tr>
<tr>
<td>Indonesia</td>
<td>99</td>
</tr>
<tr>
<td>The United Kingdom</td>
<td>88</td>
</tr>
<tr>
<td>France</td>
<td>83</td>
</tr>
<tr>
<td>New Zealand</td>
<td>77</td>
</tr>
<tr>
<td>Malaysia</td>
<td>64</td>
</tr>
<tr>
<td>Others</td>
<td>424</td>
</tr>
<tr>
<td>Total</td>
<td>25,213</td>
</tr>
</tbody>
</table>

As an international financial centre, Hong Kong's financial services are very well developed and diverse. As such, we believe that suspending the CIES will have minimal impact on the financial services sector and its employees. For example, for investment in equities under the Scheme, in 2014, about $19.5 billion was invested in equities which accounted for a very small proportion of the turnover of the Hong Kong Stock Exchange (in 2014, the average daily turnover of the securities market was $69.5 billion). Furthermore, there are over 12,000 CIES applications under processing. The applicants will make the required investment in the next two to three years upon approval.

The Administration has considered different options when reviewing the CIES, including increasing the investment threshold and personal asset requirement. After deliberation, we consider that Hong Kong
does not lack capital investment and attracting capital investment entrants should no longer be our priority. Instead, in view of the global competition for talent, our focus should be on attracting global talent, professionals and entrepreneurs to enhance our competitiveness. Therefore, we have decided to suspend the CIES and enhance the investment category under the General Employment Policy (GEP) to focus on attracting entrepreneurs to come to Hong Kong to develop their business.

(13) See reply to part (11).

(14) To meet the population challenges of an ageing population and declining workforce, we must build up human capital by complementing our local workforce with non-local talent, professionals and entrepreneurs. In line with this policy objective, we plan to implement the following enhancement measures in the second quarter of this year:

(i) implement a pilot scheme to attract the second generation of Chinese Hong Kong permanent residents who have emigrated overseas to return to Hong Kong;

(ii) relax the stay arrangements for entrants under the GEP and the Admission Scheme for Mainland Talents and Professionals to facilitate the entry and stay of professionals and entrepreneurs;

(iii) relax the stay arrangements for entrants under the Quality Migrant Admission Scheme, adjust the scoring scheme to attract quality migrants with an outstanding education background or international work experience; and

(iv) list clearly the factors to be considered under the GEP investment stream and favourably consider applications to establish or join in start-up businesses supported by government-backed programmes.

The above admission schemes for talent, professionals and entrepreneurs, including the pilot scheme, are not sector-specific.
Impact of Road Occupation on Tram Service

20. **MR TANG KA-PIU** (in Chinese): President, during the road occupation movement (occupation movement), some parts of the tramway along Yee Wo Street in Causeway Bay were obstructed, resulting in suspension of tram service between the east and west of the Hong Kong Island. Hong Kong Tramways Limited (HKT) has pointed out that the patronage of tram service during that period dropped as compared to previous years, and tram maintenance work was also affected as some of the tramcars could not return to the depot in the Western District. Some tram drivers have pointed out that the incident not only affected tram service but also caused their income to drop. In this connection, will the Government inform this Council whether it knows:

(1) the average daily (i) patronages, (ii) numbers of trips (iii) distances in kilometres travelled, as well as (iv) incomes from tram fares, in respect of the tram service during the three periods from 1 to 27 September, 28 September to 14 December and 15 December 2014 till now; how such figures differ from those in the same period of the preceding year in terms of percentage points;

(2) as HKT has pointed out that during the occupation movement, some tramcars were taken out of service for safety reasons as maintenance of them could not be carried out, whether HKT had reduced the number of tram trips as a result; if so, of the number of trips so reduced and the resultant loss in fare income; whether HKT has indicated that it is under pressure to increase fares due to reduction in income;

(3) the respective numbers of tram drivers in each shift, and their average numbers of working hours and hours of overtime work each day during the three periods mentioned in (1); whether HKT had requested some of its staff members to take no pay leave during the occupation movement; and

(4) the additional expenses incurred by HKT for procurement of heavy-duty machines and cables wiring for the Sai Wan Ho Depot to facilitate tram maintenance work to be carried out there during the occupation movement, and whether HKT has plans to procure more machines for the depot, so as to ensure that tram maintenance work will not be affected by similar incidents in future?
SEKRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, during the Occupy Central movement, owing to the blockage of the tram track by protesters in Central, Admiralty and Causeway Bay, east-west tram service was interrupted and had to be operated in sections. Following the removal of obstacles in Causeway Bay by the Police on 15 December 2014, tram service has resumed normal.

My reply to the various parts of Mr TANG Ka-piu's question is as follows:

(1) and (2)

According to information provided by the Hong Kong Tramways Limited (HKT), the average daily patronage, service frequency, mileage and fare revenue prior to, during and after the Occupy Central movement, and the corresponding year-on-year comparisons, are set out in Annex 1. The HKT pointed out that only short-haul tram service (that is, trips from Kennedy Town to Sheung Wan, from Shau Kei Wan to Victoria Park, and from Kennedy Town to Happy Valley since the reopening of the tramway along Queensway) could be maintained during the Occupy Central movement. Tram journeys were therefore shorter than normal, resulting in a higher daily average service frequency. Yet, patronage and fare revenue, as shown in Annex 1, have both dropped.

According to the HKT, although the company is still under pressure resulting from an increase in operating costs and a decrease in fare revenue, it has no plans to apply to the Government for a fare adjustment at this stage.

(3) According to information provided by the HKT, the average daily number of tram drivers on duty, their basic daily working hours and average daily overtime working hours during the three periods mentioned in part (1) are set out in Annex 2. The operator advised that there was no change in the basic working hours of the tram drivers during the Occupy Central. It, however, needed to adjust manpower deployment with certain flexibility in response to partial service disruption. Similar to what would happen under normal situation, the HKT had reminded its staff that they might apply for paid or non-paid leave on their own accord. The operator would
consider such applications flexibly. In doing so, the HKT had maintained close communication with its staff, and was appreciative of the understanding and support from the staff side.

(4) According to the HKT, given the need to carry out certain maintenance service that was essential for maintaining tram service during the Occupy Central movement, the operator has installed some equipment at an additional cost of about $200,000. As to whether it would procure more equipment, considerations must be given to the cost-effectiveness to do so and possible impact on the operating costs and tram fares. In case of large-scale incidents and public activities in future, the Transport Department and the HKT will keep in close liaison and implement appropriate contingency measures in the light of the actual situation, with an objective to maintain tram service as far as practicable to minimize the inconvenience caused to the passengers.

Annex 1

<table>
<thead>
<tr>
<th>Periods</th>
<th>Information on tram service (Percentage difference as compared with the same period in 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average daily patronage</td>
</tr>
<tr>
<td>From 1 to 27 September 2014*</td>
<td>194 000 (-2.5%)</td>
</tr>
<tr>
<td>From 28 September to 14 December 2014</td>
<td>147 000 (-30.0%)</td>
</tr>
<tr>
<td>From 15 December 2014 to 13 January 2015</td>
<td>187 000 (-7.2%)</td>
</tr>
</tbody>
</table>

Notes:

* Tram service has been suspended on 15 and 16 September 2014 due to typhoon.

# Only short-haul tram service (that is, trips from Kennedy Town to Sheung Wan, from Shau Kei Wan to Victoria Park, and from Kennedy Town to Happy Valley since the reopening of the tramway along Queensway) could be maintained during the Occupy Central movement. Tram journeys were therefore shorter than normal, resulting in a higher daily average service frequency.
### Annex 2

<table>
<thead>
<tr>
<th>Periods</th>
<th>Information on tram drivers work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average daily number of tram drivers on duty</td>
</tr>
<tr>
<td>From 1 to 27 September 2014</td>
<td>240</td>
</tr>
<tr>
<td>From 28 September to 14 December 2014</td>
<td>229</td>
</tr>
<tr>
<td>From 15 December 2014 to 13 January 2015</td>
<td>246</td>
</tr>
</tbody>
</table>

Note:

^ Meal breaks included but overtime hours excluded.

### Light Pollution Caused by Sunlight Reflected by Glass Curtain Walls

21. **MR JAMES TO** (in Chinese): President, it has been reported that some motorists have complained that at dusk, the glass curtain walls of the International Finance Centre reflect sunlight from a low angle right in front of them, making them unable to keep their eyes open and thus affecting road safety. Some residents of the Yau Tsim Mong District have also complained that the glass curtain walls of the International Commerce Centre reflect sunlight into their homes, affecting their daily lives. Regarding light pollution caused by sunlight reflected by glass curtain walls of buildings, will the Government inform this Council:

   (1) of the number of complaints received by various government departments in the past five years about light pollution caused by glass curtain walls of buildings, broken down by government department and the District Council district in which the building is situated, together with the names of the buildings involved; among the complaints, of the numbers of those made by residents and motorists respectively;
(2) besides the Environmental Protection Department, whether other government departments are responsible for handling and following up such kind of light pollution complaints; and

(3) whether the government departments concerned will take follow-up actions after receiving such kind of complaints; if they will, of the details; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Buildings Ordinance (BO) provides for the planning, design and construction of buildings and their related works, regulating mainly the structural and fire safety, as well as hygiene and other aspects of buildings. In particular, the Building (Construction) Regulations (B(C)R) under the BO set out the material, design and construction requirements of glass curtain walls. The requirements are, among others, that curtain walls shall safely sustain the combined dead loads, imposed loads and wind loads, and shall be constructed of non-combustible materials. However, there is no express provision in the B(C)R to regulate the reflection of sunlight by glass curtain walls. Regarding the three-part question, my reply is as follows:

(1) Relevant departments have not maintained statistical information on complaints about the reflection of sunlight by glass curtain walls of buildings. Regarding the buildings mentioned in the question, the Buildings Department (BD) received in 2012 complaints referred by the Environmental Protection Department about the glass curtain walls of the International Commerce Centre (ICC) reflecting sunlight into the flats of nearby estates. However, the BD has not received any complaints about reflection of sunlight by the glass curtain walls of the International Finance Centre.

(2) and (3)

In general, upon receipt of a complaint about the glass curtain walls of a building, the BD staff will conduct an inspection, investigate if the glass curtain walls involve building safety issues or unauthorized building works, and take enforcement action as appropriate.
Regarding the ICC case, in view of the concern of the residents of the relevant estates, the BD has relayed to the then authorized person (AP) responsible for the ICC project the request of the residents for the owner to take appropriate mitigating measures. The BD has learnt from the AP that the owner of ICC had appointed an expert to conduct a study on mitigating measures and would consider applying non-reflective materials to the curtain walls on certain floors to improve the situation.

Moreover, the BD promulgated a new guideline in September 2014, requiring that the glazed portion of the building envelope (such as curtain wall and window) of residential buildings and residents' recreational facilities should have an external reflectance (that is, the percentage of daylight reflected from a glass surface) of not more than 20% as one of the pre-requisites for the granting of gross floor area concessions for residential buildings. The new guideline will take effect in April 2015. The BD is also considering extending the application of a similar guideline to commercial buildings. The BD is consulting the building industry on the proposal.

Establishment of Housing Reserve

22. **MR NG LEUNG-SING** (in Chinese): President, on 18 December last year, the Financial Secretary announced the establishment of a Housing Reserve (the Reserve) to meet the 10-year public housing supply target on the financial front, and the transfer of all the investment return on the Government's fiscal reserves in the current fiscal year (about $27 billion) to the Reserve. In this connection, will the Government inform this Council:

1. given that the cash and investment balance of the Hong Kong Housing Authority (HA) is projected to decrease significantly and continuously over the coming few years, whether the authorities have estimated the amount needed to be transferred each year from the Reserve to HA in support of its public housing construction projects;
(2) of the specific measures put in place to urge HA to enhance the cost-effectiveness of its public housing construction projects; and

(3) whether it has assessed if the establishment of the Reserve will affect the levels of expenditure of other public services?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, regarding the establishment of a Housing Reserve and the financial position of the Hong Kong Housing Authority (HA), our consolidated reply is as follows:

In accordance with the Long Term Housing Strategy, the public housing supply target will be 290,000 units in the next decade, comprising 200,000 public rental housing units and 90,000 subsidized sale flats. This is an important step in improving the living environment of the community. However, building over 200,000 public housing units will cost hundreds of billions of dollars. The projected funding gap will be over $100 billion even after taking into account the HA's tens of billions reserves and the potential surplus from the future sale of Home Ownership Scheme flats.

In its proposed budgets and forecasts for the period from 2014-2015 to 2018-2019, the HA estimates that it will have sufficient funding to meet its recurrent expenditure and implement its current public housing construction programmes for the coming five years. Nevertheless, the HA also estimates that its cash and investment balance will decrease significantly over the next few years due to projected increase in construction costs and operating costs.

As the HA is the major supplier of public housing, the Government will ensure that the HA has adequate funding to meet the public housing supply target. Given the huge financial commitment, the Government has to plan forward through setting aside funding by phases for meeting the 10-year public housing supply target, when our fiscal conditions permit it. The arrangement can also avoid adding pressure on future government finances and causing fiscal volatility.

In view of the above considerations, the Government has decided to set aside the 2014 investment return on the Government's fiscal reserves and retain the sum within the Exchange Fund for the Housing Reserve. The Housing Reserve and its cumulative investment return will be used to fund public housing...
development programmes and related infrastructure construction projects. The HA has to assess its medium- to long-term financial requirements based on its five-year rolling budgeting process and adopt every possible measure to ensure the cost-effectiveness of public housing development programmes. When agreement on the amount and timetable of funding injection from the Government has been reached, the Government will seek funding approval from the Finance Committee of the Legislative Council, in accordance with established procedures, for the establishment of the Housing Reserve to support public housing development.

The Government has requested the HA to continue reviewing its revenue raising and cost saving measures. Construction costs are the largest capital expenditure of the HA which have been increasing in recent years. The HA will continue to enhance the cost-effectiveness of its development programmes by closely monitoring the cost trend in the market and project construction costs, as well as comparing them with the approved budget in the course of detailed project design, tendering and construction. The HA will also continue reviewing various cost saving measures, including implementing cost saving initiatives similar to those launched by the Government recently.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill. We now resume the Second Reading debate on the Land (Miscellaneous Provisions) (Amendment) Bill 2014.

LAND (MISCELLANEOUS PROVISIONS) (AMENDMENT) BILL 2014

Resumption of debate on Second Reading which was moved on 9 July 2014

PRESIDENT (in Cantonese): Mr Tony TSE, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.
MR TONY TSE (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Land (Miscellaneous Provisions) (Amendment) Bill 2014 (the Bills Committee), I now submit the Bills Committee's Report to the Council and report on the major deliberations of the Bills Committee.

The level of penalties for unlawful occupation of Government land under the existing Land (Miscellaneous Provisions) Ordinance (the Ordinance) has not been revised since 1972. The Land (Miscellaneous Provisions) (Amendment) Bill 2014 (the Bill) seeks to enhance the deterrent effect against the relevant offences by increasing the level of penalties.

The Bill increases the penalty for the offence of unlawful occupation of unleased land from the existing maximum fine of $10,000 to a maximum fine of $500,000 for the first conviction and $1,000,000 for each subsequent conviction. It also introduces an additional daily fine of $50,000 for the first conviction and of $100,000 for each subsequent conviction for each day during which the offence continues. As for the offence of erecting structures on unleased land or removing earth, turf or stone from unleased land without permission, the relevant maximum fines are also increased by 50 times accordingly.

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

The Bills Committee held two meetings with the Administration to deliberate the Bill. Members in general support the legislative amendments as set out in the Bill.

In view of the substantial increases in the level of penalties as proposed by the Administration in the Bill, a member enquired whether the Administration would provide to the Court certain factors for its consideration in determining the level of penalty for the offender so that greater consistency could be achieved among different Judges.

The Administration advised that when cases of unlawful occupation of Government land were brought to the Court, the Administration would furnish the relevant facts, including the size of land occupied, whether the occupation
involved permanent structure(s), whether the occupation affected public safety, and so on. From past experience, factors that the Court has taken into account in determining the level of penalty included whether the offender had committed a repeated offence and whether the offender had gained from the occupation. Therefore, the Administration considered it more advisable to allow the Court sufficient room to determine the level of penalty.

The Bills Committee considered that merely increasing the level of penalties would be inadequate for carrying out effective land control, and urged the Administration to devise more effective enforcement measures against unlawful occupation of Government land. The Administration should also step up patrols and site inspections and make use of advanced technology to facilitate early detection of occupation of Government land and take prompt enforcement actions.

The Administration advised that apart from promptly taking appropriate follow-up actions upon receipt of complaints, referrals or inspection reports, the Lands Department (LandsD) has also put in place a series of measures to enhance its enforcement efforts. Such measures include updating and expanding patrol routes by incorporating newly identified spots which are vulnerable to unlawful occupation, increasing the frequency of patrols, making use of aerial photos to facilitate inspection, providing training to front-line and investigating officers, and so on.

Some members expressed concern that there were cases of land purchase, in which a buyer bought a piece of land and part of the land was in fact Government land. As a result, the buyer inadvertently committed the offence of unlawfully occupying Government land. These members urged the Administration to step up its efforts in educating the public that prospective buyers of land or private properties should be careful when making property transactions to avoid contravening the law inadvertently.

The Administration agreed that the buyer's awareness of land title is of vital importance. With a view to arousing public awareness, the Administration has recently aired radio and TV Announcements of Public Interest to disseminate the message that "Unlawful Occupation Lead to Serious Consequences", cautioning members of the public against engaging in unlawful occupation of
Government land. Moreover, the Administration advised that it would continue its publicity and public education efforts through different channels, including The Law Society of Hong Kong, Estate Agents Authority, District Offices and the rural community.

The Bills Committee supports the resumption of the Second Reading debate of the Bill and will not propose any amendment to the Bill.

Deputy President, as Chairman of the Bills Committee, this is my report on the deliberations of the Bills Committee. Next, I would like to present some personal opinions on the Bill.

We all agree that the Amendment Bill indicates that the Government is determined to combat illegal occupation of Government land. Land is a most valuable resource. Raising the level of penalties can serve as a deterrent against unlawful occupation of Government land and facilitate best utilization of land. I therefore support the amendment to the relevant Ordinance.

During the scrutiny of the Bill, I was concerned that while section 7 of the Ordinance provides for fines and imprisonment terms for prohibition on removal of earth, turf or stone from unleased land, the Ordinance does not stipulate that an offender shall restore the land from which the earth, turf or stone was removed. Besides, members of the public may be unclear about the definition of "removal" in the Ordinance. For instance, if someone moves the earth and stones in a river on Government land from one location to another and thus diverts the course of the river or creates a blockage, will it be regarded as "removal" under the Ordinance? However, I understand that even if the Government cannot initiate a prosecution against such behavior specifically in accordance with the aforesaid Ordinance, it can still invoke other laws and ordinances to monitor the aforementioned illegal occupation of Government land.

Moreover, as I have just mentioned, members were concerned that a buyer of private land may inadvertently commit the offence of unlawfully occupying Government land in purchasing property which is partly situated on Government land. The Administration advised that it would step up the publicity and public education efforts as well as reminding prospective buyers that they should be careful when making property transactions. However, in regard to this issue, I would like to express some opinions which are related mainly to the problem of determining land boundaries.
Land boundaries and area are determined by the results and records of on-site surveys. However, in the early years of Hong Kong, surveys and records on land boundaries in the New Territories were made in a really hasty manner. At that time, the Government only wanted to identify the villagers in a short period of time to facilitate collection of taxes. Besides, the tools and techniques for carrying out surveys back then were not as precise and advanced as the present ones. Therefore, the records of land boundaries demarcation are rather imprecise and the records of plans are quite simple which cannot accurately demarcate land boundaries. As a result, what we see on the spot usually may not entirely tally with the information of land boundary records and it is difficult to ascertain the location of land boundaries on the spot. For example, for the land in the New Territories, objects which were used for determining land boundaries back then, such as fields and houses, may not exist anymore after years of development. It resulted in a loss of some objects which can be used as reference for determination of land boundaries. Therefore, the early land boundary plans or records which are rather simple and imprecise are insufficient to meet the needs of present-day development. As some private lots may be situated on Government land, there are constant disputes over land boundaries and land titles in the New Territories.

In regard to the issue of determining land boundaries, the surveying professionals have already reflected to the Government time and again the hope that a statutory status can be given by way of legislation to the fine land boundaries which are currently obtained by carrying out afresh on-site surveys to replace the rough boundaries in the old plans, and to draw land boundary plans so that the determination of land boundaries can be clearer, more standardized and precise which can tally with the information of on-site surveys. This will not only prevent the buyers from inadvertently committing an offence by purchasing Government land, but also reduce the number of legal proceedings and disputes arising from unclear land titles in future. More importantly, it can resolve the long-standing problem of unclear boundaries of land in the New Territories and facilitate expeditious land development and utilization of valuable resources. Therefore, I hope the Government can address this problem practically.

Moreover, regarding the enhancement of public education and publicity, I think that the Administration should also remind the buyers to seek relevant professional advice, including accredited surveyors, when making land transactions to verify the information of the lot in question.
Deputy President, although the proposal of the Amendment Bill focuses on raising the level of penalties, I think the Administration should also enhance the inspection and management of Government land. During the scrutiny of the Bill, the Administration advised that it would not be practical for the LandsD to patrol all unleased and unallocated Government land in Hong Kong on a regular basis. However, it is a relatively passive approach for the Administration to merely rely on receipt of complaints or referrals to take follow-up actions and conduct site inspections, which will easily give rise to occupation of Government land without permission. I therefore consider that the Administration has to adopt a multi-pronged approach, including making proper arrangements for staff establishment. Apart from carrying out patrols and site inspections proactively, the Administration should also, as mentioned by other members, utilize modern technology to facilitate the law-enforcement and monitoring work so that the patrols and monitoring actions will be more effective and systematic, with a view to enhancing the effectiveness of law enforcement. It is hoped that the Administration can adopt the relevant measures for enhancing the management and law-enforcement actions as soon as possible.

I would like to emphasize that if the Government tolerates the extensive illegal occupation of Government land, not only does it fail to properly manage the valuable land resource, it will also give rise to a large number of problems when the Government promotes the development of such land in future, including clearance, *ex gratia* payments, and so on. The Government should proceed with caution when addressing such problems.

Deputy President, I so summit.

**MR WU CHI-WAI** (in Cantonese): Deputy President, the purpose of the Bill is to increase the penalties for unlawful occupation of Government land and the Democratic Party supports it. We believe the amendment is conducive to combating increasingly rampant fly-tipping activities and unlawful occupation of Government land which have taken place frequently in the countryside in recent years. Since the amounts of fines were minuscule, which failed to thwart fly-tipping activities, we expect the amendment to help enhance the deterrent effect.

Of course, only increasing the penalties is not enough. The solution to the problem of unlawful occupation of Government land depends on whether the Lands Department (LandsD) has enforced the law and what means it adopts for
this purpose. An audit report published in 2012 on "unlawful occupation of Government land" mentioned a case in Yuen Long which involved unlawful occupation of Government land for 18 years as the LandsD had not taken enforcement actions to demand the occupier to demolish the illegal structures and restore the land. Moreover, as I pointed out in the Bills Committee meeting, I had handled a case involving illegal erection of structures on private farmland used as a barbecue site. The LandsD issued a warning letter to the property owner a year and a half ago demanding demolition, and even stated in the letter that persistent violation would result in the Department invoking the relevant ordinance to recover the land. However, the property owner has hitherto not acted in compliance. Of course, I understand that individual District Lands Offices are tied down by heavy workload but if the LandsD fails to enforce the law, how will citizens have confidence in the Government being able to protect public interests?

Another point I wish to talk about is how the LandsD undertakes enforcement actions. I recall that the 2012 audit report made criticisms about the Land Control Information System. When the Panel on Development discussed this issue last year, I had asked the Government, as the audit report suggested that mobile devices would facilitate the enforcement actions undertaken by LandsD personnel and the Department also expressed in 2012 that they would explore this option, why the LandsD seemed to have not done any follow-up work with the lapse of two years. At the time the government official giving a reply only said they would conduct a study and the results would be available at the end of 2014. I wonder if the Government has an answer now? If it does, I hope the Secretary can tell us in his reply later. If it does not, it reflects the crux of the problem, which is the LandsD actually does not care about using what ways and tools to facilitate its land monitoring, enforcement and management work. If it is the case, no matter how many laws we enact, the problem of Government land being unlawfully occupied will remain not effectively mitigated.

Let me ask the question I raised back then again today. Does the Government consider that visual inspection using maps is the most effective method for the LandsD personnel? With the current technology, are there not better ways to properly conduct land management? I even doubt if the government officials actually possess complete land measurement data. In October 2013, Mr Albert HO of the Democratic Party asked a written question requesting the Government to provide the information on six pieces of
Government land under "Agriculture" or "Open Storage" use located in the Outline Zoning Plans (OZPs) in the Yuen Long area. The reply given by the Government at the time is: (I quote) "the Government does not keep registers of Government land of different zonings under the various OZPs. As such, the Government cannot provide the detailed and categorized information and usage of Government land under the six OZPs as requested under this part of the question. According to the LandsD's observation, Government land zoned 'Agriculture' and 'Open Storage' under the six OZPs in question is situated in sporadic locations and in between private land, and is mostly covered by temporary structures, bushes, sites under Government Land Licences and Short Term Tenancies, river courses, slopes, graves, and so on." (End of quote) Why does the LandsD perform its duties based on "observation" instead of "plans"? It exactly explains why we kept asking the Government during our scrutiny of the Bill what methods it would use, after increasing the penalties, to ensure the information gathered by LandsD staff during inspection is accurate. If they do not rely on tools but only visual inspection, how could they identify if the sporadic land located in between private land is Government land and whether it has been unlawfully occupied? If they are not capable of doing so, does it mean the LandsD’s attitude towards and determination in land management need to be rectified? If the LandsD is unable to properly discharge such duties, how can it convince the public that the Government will crack down on unlawful occupation of Government land with full vigour?

As Mr Tony TSE mentioned just now, a surveyor had published a newspaper article which discussed the problem of land measurement in the New Territories. The article pointed out that the measurement of land in the New Territories mainly took place between 1890 and 1905, which was what we usually call the "Block Crown Lease" nowadays. The article stated that as the land measurement plan was done manually and included in the land lease as an attachment, who could guarantee there was no error in the drawing? This is why I raise my doubts. As the basic measurement is questionable, why does the Government think LandsD staff can achieve effective enforcement simply by visual inspection?

Lastly, I wish the Government can rectify its attitude towards unlawful occupation of Government land. The audit report in 2012 included the response from the then Secretary for Development, currently the Chief Secretary for Administration, Mrs Carrie LAM. The then Secretary (Mrs Carrie LAM) responded at the time, (I quote) "the administration of government land particularly in the New
Territories, is always not straightforward. Government sites are spread all over the New Territories and this has made it impracticable for the LandsD to patrol them regularly. For the effective use of the public resources allocated to the LandsD, acting mainly on complaints (including media reports) is a reasonable approach." (End of quote) Certainly, I understand the complexity of the land issue in the New Territories and the reason carries a lot of historical questions, and coupled with the poor measurement arrangements, the whole issue is made more complicated. However, if the Government considers the best way to tackle the problem of unlawful occupation of Government land is to act on complaints, it has failed to keep the gate and in turn knowingly or unknowingly encouraged some people to unlawfully occupy Government land. At the same time, even if the penalties were increased, it would indirectly cripple the enforcement work, rendering it difficult to accomplish the intended objectives.

Therefore, if the Government believes that the resources for tackling unlawful occupation of Government land are insufficient, extra resources should be sought from the Legislative Council. If the Government considers visual inspection inadequate to handle the current work directions required by the Bill, should it not clearly tell us and the public that it has actually begun using advanced technology, including maybe global positioning or other more sophisticated land measurement methods? On the one hand it will make the enforcement work meet the basic requirement which is not to wrongly implicate the innocent, and on the other, it can provide a complete solution to the land ownership disputes in the New Territories resulted from poor land measurement methods.

For these reasons, I believe increasing penalties through this Bill is only the first step of a way longer task. The heavier and more important task is to enhance the land measurement arrangements and systems in the New Territories or Hong Kong as a whole, with a view to making clear plans. The Government is duty-bound to start the relevant work as soon as possible to clarify what kinds of widely-accepted measurement standards should be used in Hong Kong.

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

MR WONG KWOK-HING (in Cantonese): Deputy President, I rise to speak in support of the Land (Miscellaneous Provisions) (Amendment) Bill 2014. The amendment introduced by the Bill seeks to address the very serious situation of
unlawful occupation of Government land, which amounted to 10,592 cases in 2012 and 11,016 cases in 2013. From the figures of these two years, we can see that the number of cases of unlawful occupation of unleased or unallocated Government land has kept rising, an indication that the current legislation bears no deterrent effect, law-enforcement actions are not stringently taken, and that loopholes abound.

With the amendment introduced by the Bill, penalties will be raised by 50 times, whereas the fine for the first conviction will increase from $10,000 to $500,000, which looks huge, and the fine for any subsequent conviction will double. However, a point to regret is that the imprisonment term will remain unchanged at six months. For this reason, while I can see a heightened deterrent effect through the current amendment, the extent is still limited. In this regard, I hope the authorities can note and study if the intended purpose is achieved subsequent to the amendment introduced to the relevant ordinance. If the intended deterrent effect is not achieved, penalties should be further enhanced, especially through extending the imprisonment term.

The current amendment introduced by the Bill actually has some measure of deterrent effect against unlawful occupation, rubbish dumping, erection of structure or unlawful excavation, especially when removal of earth, turf and stone from Government land — even removal constitutes an offence — or excavation, as we always put it, is mentioned here. Hence, I call for enhanced publicity by the Government, such that members of the public are made aware of the unlawful nature of unauthorized removal of earth, turf and stone from Government land. In my opinion, there is really a need for enhanced education, since many people are unaware of how serious the offence of unlawful excavation is.

As regards the 10,000 or so cases over the past two years, as a former directly elected Member of New Territories West, I have received a lot of complaints about fly-tipping, in particular debris, back then. Such situation is actually not uncommon and most annoying, but there is very often no way to look into or handle the complaints, so the cases are left not attended to. Therefore, in my view, increased penalties for the offences should be followed by a review of the vigour of law enforcement. On this latter issue, I think that if the authorities do not dial up the vigour of enforcement, the deterrent effect of enhanced penalties may still be limited.
On the stepping up of the vigour of law enforcement, I have a few points which I hope the Secretary and related departments will consider. First, I call on the authorities to conduct aerial video filming regularly such that a basis can be formed for comparing relevant data. This initiative does not take much time nor effort, and it enables investigations to be conducted in a regular and proactive manner. Aerial investigation allows timely updates on changes made to Government land to make up for the staff shortage.

Second, I hope the authorities can also consider conducting regular aerial patrols. Apart from video filming, aerial patrol is also essential. Deputy President, given the rapid advancement in technology nowadays, new inventions have come out in recent years, like remotely piloted drones, which are now extensively used in video filming. Should the Government not update the current equipment, upgrade existing technology and extensively adopt remotely piloted unmanned air vehicles in order to assist in the monitoring of Government land? Of course, the use of remotely piloted drones is predicated on the fact that the normal flight paths are not tampered with. In fact, can such use fall under the purview of District Lands Officers, such that they will do the monitoring under their purview in a time-sensitive and timely manner, thus making up for the shortfall in manpower and technology? This is the second point.

The third point is, it very often takes a long time for complaints to be handled and law-enforcement actions taken by the authorities. This is also the area where I as a Member always receive complaints from members of the public who criticize the authorities for opening the gate for reporting offences but making no undertaking at all. Therefore, should the Government not consider making a pledge in its reply by stating the time needed to handle and address reports received and whether the complaints can be handled, in the form of a clear performance pledge? This is the third point.

Fourthly, I also call on the authorities to pay attention to some popular sites of fly-tipping. The problem is particularly serious in the New Territories, where some parcels of farmland or Government land are very often filled up with debris in no time. To save money and effort, some irresponsible operators just dump debris anywhere they like instead of the lawful landfills. As for these black spots for fly-tipping, I suggest that the authorities install video recording systems to help enforce the law and pursue the responsibility.
Lastly, and that is the fifth point, I call on the authorities to look into increasing the manpower of the Lands Department (LandsD). At present, insofar as fly-tipping and unlawful erection of structure and excavation on Government land is concerned, due to the manpower shortage at the LandsD throughout the law-enforcement process … in fact, how undermanned is the LandsD? They have organized marches, petitions and protests earlier to accuse their director of the manpower shortage and the challenge they face in finishing all the items in the job order. Therefore, under this circumstance, I think that if no additional manpower is made available by the authorities, the vigour of law enforcement will still be limited despite the amendment introduced to the relevant ordinance. Hence, will the Secretary please review the LandsD's manpower in respect of law enforcement. If there is a shortage, I hope that he will seek funding from this Council, and we will definitely spare no effort in offering our support, since this is livelihood-related and constitutes a major initiative in terms of human resources.

After talking about these suggestions, I lastly call on the authorities to conduct regular reviews after the Bill is passed today and brought into effect. I hope the Secretary can consider reviewing the effectiveness of the relevant ordinance in vigorously cracking down on unlawful occupation of Government land a year, half a year or two years after it has taken effect — the frequency of review is of course subject to the Bureau's consideration. If it proves to be ineffective, what improvements can be made? In my opinion, the authorities should conduct regular reviews to see if, for example, the imprisonment term should be further extended. Is the current term of six months' imprisonment, if maintained, inadequate as a deterrent? I hope the authorities can review it together and propose regular reviews where necessary.

Deputy President, we see that the Government's current amendment to the ordinance stems from relevant criticisms made by the Public Accounts Committee in May 2012 with regard to the Director of Audit's Report No. 58. The executive departments under the Government should make improvements once problems are discovered instead of taking actions only after being criticized by the Director of Audit. Therefore, I certainly see the need for regular review, and look forward to the authorities' response to my comments and suggestions.

Thank you, Deputy President.
DR KENNETH CHAN (in Cantonese): We all know that land is a most precious public resource in Hong Kong, and the Government always says that it will explore all possible means to identify developable land for housing construction to meet the housing demand of Hong Kong people and their aspiration for home ownership. Therefore, occupation of land by any person or company or organization entirely constitutes a crime of plundering public resources. For this reason, insofar as the general principle and the general direction are concerned, the Civic Party definitely supports the Government's review of the penalties in this Ordinance and we also support the Government in increasing the penalties for the relevant offences.

Let me come back to the Bill. The existing penalties for occupation of Government land already have a history of 41 years during which no amendment has ever been made to them. As we all know, even if we compare buying a cup of "silk stocking tea" 41 years ago with buying one today, various considerations such as inflation, and so on, are involved, and its price has gone up a lot. It is certainly undesirable if the penalties have remained unchanged for 41 years and particularly, to many local despots and the evil gentry or companies or bosses engaging in unlawful business operation that have plundered land or Government land, they will think that they can earn back the money paid for such small fines imposed on them in a wink.

According to a paper of the Legislative Council, between 2008 and 2013, among the 58 convicted cases for the offence under section 6(4) of this Ordinance, which we seek to amend now, the offenders were fined between $500 and $10,000, at an arithmetic average of around $4,700 per case, and six cases were fined to the maximum level. The area of unleased land occupied varied, ranging from less than 1 sq m up to about 4,600 sq m. Five hundred dollars to $10,000 are indeed small amounts of money and to businessmen engaging in illegal business, they may be able to earn back the money through various unscrupulous means in a short time. Therefore, the Civic Party supports the Administration's proposal to amend this Ordinance in order to increase the penalties for occupation of Government land.

Besides, I wish to make one point in particular. As a number of colleagues have reminded the Government over and over again during the deliberations on the Bill, even if the making of legislation is necessary and we agree to increasing the penalties through legislative amendments, if legislative amendments are made to the penalties but the vigour of enforcement remains
inadequate, that would lead to wastage and amount to bluffing, without achieving the desired effect of practically deterring and even curbing the evil act of occupying Government land. Here, I would like to particularly cite some examples. An example is the reckless and rampant opening of unauthorized columbaria which has never ceased to exist. The Gig Lok Monastery in Tuen Mun is a very good example that I have been consistently following up.

In respect of last year's Budget, I particularly put questions to the relevant government department, namely, the Lands Department (LandsD), on this point. Then I came to realize that concerning the case of occupation of Government land by Gig Lok Monastery, the LandsD conducted a total of 55 site inspections and about 1,280 sq m of Government land was found occupied by the Monastery at the date of first discovery. After a number of inspections, the LandsD issued a total of seven statutory notices and a fine was imposed at least thrice. The area of Government land occupied, which originally measured 1,280 sq m, was gradually downsized and currently the Monastery is still occupying about 140 sq m of land. This case has dragged on for a long time indeed and the residents in the district have sometimes complained. Is this "monastery of extreme happiness", as its Chinese name "極樂寺" literally suggests, actually a monastery of extreme wickedness ("極惡寺")? Why can it be so wicked? Why is the Government so weak and powerless? Why do the residents have to rush about in looking for assistance everywhere?

So, this is an important case worthy of our consideration. Now we hope to curb this undesirable trend by increasing the penalties and carrying out education and publicity, but if we do not increase the vigour of work in implementation, inspection and enforcement, that would be preaching one thing but doing quite another and causing many members of the public to be disappointed, and it would be all the more necessary to condemn those government officials responsible for gate-keeping and monitoring on our behalf whether such precious public land resources have been unlawfully occupied. Therefore, they must once again explain to us how enforcement actions will be enhanced as well as the results and effectiveness of the increased penalties at meetings of the panel.

Deputy President, in the course of scrutiny, we found that we often must rely on complaints lodged by the public to detect most of these alleged acts, such as occupation of Government land, illegal cultivation of land or the taking of soil, vegetation or stone from Government land. For example, in the last two years
(2012 and 2013), the authorities received some 10,000 and 11,000 cases of suspected occupation of Government land respectively. Members may be interested in knowing or should know how many of these cases were detected through investigations initiated by the department concerned. The numbers of such cases were 393 in 2012 and 416 in 2013, and the approach adopted is known as risk-based patrols.

Given the limited resources, it is necessary to ensure value for money and put emphasis on efficiency. Certainly, risk-based patrols should give no cause for criticism but at the same time, it is also necessary to rely on the public to report these cases on their own initiative for the Government to take active follow-up actions, in order to achieve complementary effects. We understand that the Government may step up technical or technological support, such as using aerial imaging or enhancing and reviewing the risk-based system, in an effort to curb this undesirable act of occupying Government land after making amendments to the Ordinance and increasing the penalties. However, since it is still necessary to rely on the public's initiative in lodging complaints, the Administration should, after increasing the penalties, consider how to put across a clear message to the public to call for their continuous assistance to the Administration in curbing this undesirable trend of occupying Government land.

Therefore, we in the Civic Party consider it inadequate to simply swarm to demand actions from the Government. The Government certainly must take actions and we will provide resources for the Government to effectively play the gate-keeping role in accordance with the Ordinance. However, can the public play a more active role? We think this is what they should do. The Government should step up publicity and education and make the utmost effort to help the public identify suspected occupation of Government land, teaching them easier and more convenient ways to detect such acts, so that they will know where the line is drawn and hence be able to distinguish Government land from private land. When they come across suspected cases, they can more accurately and efficiently provide assistance to the Administration in carrying out inspections and subsequent enforcement and prosecution actions. Can the Administration consider improving the signs or signage at the fenced or enclosed areas on Government land? On the one hand, this will enable nearby citizens or residents to receive clear information when passing by these areas and after they have seen the clear notices, they will at least have some impression or sufficient information to make a comparison if they find that the relevant land is occupied or illegally cultivated in the future, rather than not having a clue as to whether the enclosed land is truly Government land whenever they find something wrong.
Moreover, can the relevant information and signage be displayed more clearly and in greater detail? If this can be done, the public do not have to look up information everywhere and Members, when visiting districts, also do not have to look into the nature of the enclosed land to ascertain whether such land is truly Government land. Indeed, sometimes it is quite difficult to find these signs. Therefore, I hope that the Administration can consider how to streamline the channels for complaints or more efficiently respond to the complaints lodged by the public on their own initiative to the relevant authorities, so that the public can be assured that the Government has taken their complaints seriously and will appropriately and efficiently respond to their complaints about occupation of Government land. Meanwhile, the Government should enhance publicity for the channels for complaints and respond to complaints more efficiently. I believe this will be conducive to encouraging the public to further assist the Government in carrying out work in this area.

Certainly, as the Government has said, the sale and purchase of private land has nothing much to do with it. However, it is not our wish to see some enthusiastic buyers and investors buying a piece of land involved in illegal occupation of Government land due to a lapse of attention and subsequently face a series of penalties, notices and prosecution, which will cause great distress to them. Of course, I appreciate the views of the Government. Firstly, both the buyer and the seller certainly must bear the greatest share of responsibility, especially as the buyer must clearly conduct checks on the land and seek assistance from professionals, for this involves personal cost or consideration of the associated risks. But in the final analysis, I still believe that while the Government will, through the Bill, increase the penalties and step up inspections and efforts to encourage the public to proactively lodge complaints, it is necessary to carry out publicity targeting professionals in the relevant industries, such as real estate agents, surveyors, and so on, in order to curb this undesirable trend more effectively. It is hoped that they will provide assistance and support over issues relating to unlawful occupation of Government land. This is also a most straightforward way because through these intermediaries, organizations and professionals, clear explanations can be given to prospective buyers on the possible risks that they may face, so that the buyers will exercise greater care and prudence in making decisions on investments or transactions.

Lastly, Deputy President, in the course of discussion on the Bill, the Government mentioned that consideration would be given to arrangements for regularization. It means that even though the Government land lot is indeed occupied, the Government may sometimes, on certain grounds and for certain
reasons, adopt a regularization approach. This concept, which is quite abstract, may not be easily accepted by the general public. As it is clearly an act of unlawful occupation, why should we regularize, permit or tolerate this situation and allow it to continue? And, while tolerating such acts, why should we even have to enter into a new contract with them or forge collaboration with them to allow them to use land which is unlawfully occupied in the first place? I think the Government should give a clear explanation on the general principle and make it clear that these cases are not normal or common. On the question of regularization, I think it is necessary to clarify the many criteria involved and draw the public's attention to them. People who are unlawfully occupying Government land must not be given the wrong impression that they can first occupy the land, like a dog in the manger, so to speak, and then use the land occupied to hold the Government to ransom and force it to negotiate with them, thus regularizing a wrongful act and turning it from illegal to legal. If that happened, the consequences would be inconceivable, and everything discussed, implemented, emphasized and promoted by us would eventually be in futile. I believe it is not the original intention of the Government to increase penalties on the one hand and invite them to negotiation and discussion on how unlawful occupation of Government land can be regularized on the other. Therefore, we must clarify the point that these situations are not common and that this can be done only under extraordinary circumstances and in exceptional cases in accordance with some very stringent criteria. Otherwise, everyone will simply take his chance, right? Those local despots and the evil gentry in rural areas will become all the more reckless and unrestrained.

Lastly, Deputy President, the Civic Party certainly supports that penalties should be increased but at the same time, we solemnly demand the Government to step up enforcement and this, I believe, is just common sense. Thank you, Deputy President.

MR CHAN HAK-KAN (in Cantonese): Deputy President, I speak in support of the Land (Miscellaneous Provisions) (Amendment) Bill 2014. Deputy President, I would like to also talk about increasing penalties. As many Members mentioned just now, the Amendment Bill is a response to the current penalties being outdated and failing to deter unlawful occupation of Government land. For this reason, the Government submitted the amendment to the Legislative Council to increase the penalties. It not only answers a clear demand from society, but also won cross-party support even during the discussion in the
Bills Committee. However, it has come to my notice that the amendment, especially to section 6(4), significantly raises the fine by 50 times and introduces the new penalty of an additional daily fine. Of course, those who intentionally commit unlawful occupation must be heavily punished and I fully support this. But, as some Honourable colleagues have pointed out, some investors or common citizens might break the law inadvertently. Therefore, I would like to speak on this, which is also a great concern to The Law Society of Hong Kong. The Amendment Bill is relatively short but the Bills Committee had exercised caution and care during its scrutiny.

Just now I mentioned the issue of daily fine and some Members have pointed out that those who occupy unleased or unallocated Government land might not be aware of themselves committing an offence. How would the Government respond to this? The Government said at the Bills Committee meetings that in the light of such unlawful occupation of land, the authorities will first issue a cessation notice; if the occupier fails to cease the unlawful occupation upon the expiry of the notice period without reasonable excuse the additional daily fine will take effect. The additional daily fine is $50,000. It will increase to $100,000 for subsequent convictions, meaning repeated contravention after a previous conviction. These two amounts, either $50,000 or $100,000 per day, are not small numbers to common citizens because the one-off maximum fine is only $500,000. For the first conviction, occupation of a place for 10 days will amount to the maximum fine, which I believe to be fairly deterring. Just like I said, for those who intentionally occupy Government land, of course we do not care. It is even better if they are fined more heavily. But for ordinary citizens, I believe it has to be handled carefully so as not to convict those who do not intend to break the law.

Moreover, I had expressed my concern in the Bills Committee that some people may not be aware of the fact that they have unlawfully occupied Government land. Or as some Members said earlier, in the sale and purchase of land, some people might have purchased some land which covers Government land. To these people, the fine may mean a heavy financial burden. The Government responded that there were two considerations: first, the Government may accept the reasonable excuse given by the offender and give a notice period. Whether the excuse is reasonable, the Government said it should be left to the Court to judge. As for the notice period, I hope the Government will implement it in a reasonable manner to allow offenders adequate time to rectify the problem such that they will not be endlessly fined by the Government every day.
During the scrutiny of the Bill by the Bills Committee, some Members had pointed out, and perhaps Members have also raised this issue in our debate just now, that it is not enough for the authorities to just levy a fine but not enforce the law. I agree with it. In response to our enquiry, the Lands Department (LandsD) indicated that they would strengthen the patrol routes, increase the frequency of risk-based patrols, make use of new technologies such as aerial photography and provide more training to front-line officers. We consider these measures to be appropriate. However, if the authorities only increase certain resources without making use of the results of patrols to step up prosecution, I believe the deterrent effect will be pretty weak. I really hope the LandsD can implement these measure as soon as possible. Once relevant offences are spotted, the Secretary's colleagues should promptly take enforcement actions. In addition, as many Honourable colleagues have also said, we hope the Secretary can regularly report to the Panel on Development of the Legislative Council on the enforcement condition of the above measures.

Deputy President, I so submit.

MS CYD HO (in Cantonese): Deputy President, this legislative amendment is made in response to the Director of Audit's Report in 2010, which revealed that a lot of Government land had been occupied and non-compliance cases which were not yet prosecuted had been accumulating. We welcome and support the amendment.

Deputy President, I wish to give a concrete example. Some village houses are built on slopes so one of such houses requires 150 sq ft of Government land on slope in addition to the original 700 sq ft area — just 150 sq ft — to build eight to 10 stairs for access. The 150 sq ft area I am talking about is unusable apart from building stairs or growing some plants — or just being taken over by weeds. However, the annual rent for that piece of land is $3,000. Compared to the pieces of land involved in the unlawful occupation cases disclosed by the Director of Audit, if the fine is calculated on basis of the old penalties: a maximum fine of $10,000 for the first conviction without any daily fine, the occupiers would rather be fined. First, it takes time to detect unlawful occupation of Government land and the authorities do not have sufficient manpower. Second, even if any case is successfully detected, if the village house is surrounded by private land, the enforcement officers do not know how to enter the premises and post the notice. Third, even if occupation of land is
discovered and prosecution has to be initiated, it takes time for the listing of trials and those who occupy of land unlawfully would just let the Government fine them, because the maximum fine is only $10,000 which they simply take as rent payment, or the amount is even cheaper than paying Government rent. Therefore, we support significantly raising the maximum fine by 50 times — it is rare but we support it. We also support the introduction of an additional fine for each day during the offence continues; otherwise, it cannot produce a deterrent effect.

Deputy President, I remember that among the cases exposed by the Director of Audit in 2010 was a privately-run commercial entertainment facility which had occupied Government land for erection of certain structures. After the case was exposed the authorities demanded demolition but the property owner ferociously rejected the demolition, even stating that if government officials were to enter his property to demolish the structures he would resist until the end. Deputy President, such kind of situations is very undesirable and the illegal structures built on the Government land were indeed surrounded by private land, making that piece of Government land resemble an island. As a result, first, the authorities cannot enter the premises and carry out demolition without passing private land, which would easily give rise to conflicts. Second, it is really difficult to detect unlawful occupation of Government land of such kind. We hope to do greening work in a lot of countryside areas in the New Territories but it is not easy to discover occupation of Government land surrounded by private land. Hence we need to turn the question around and ask: why would such island-like Government land appear? When the Government granted and sold the land, had it tried to avoid such isolation? I hope from now on the Government will not let it happen again no matter for short-term leases or sale of land.

Detection requires manpower. It is impossible for the Lands Department (LandsD) to conduct regular patrols as the entire New Territories is so vast, so we proposed at the meetings that the authorities should make good use of satellite images or remote aerial filming provided that it poses no infringement on privacy. These are methods we can consider supporting. However, after making improvements to detection tools, the LandsD should effectively follow up on the penalties and prosecution. Otherwise, it does not do any good if the LandsD only takes note of the cases after detection and does not follow up for a long time subsequently such that they cannot be submitted to the Court for meting out of penalties.
Deputy President, another issue concerns records because during the scrutiny of the Bill the government officials told us that the Government land boundary records in their hands can actually be very unclear. The Bills Committee received an answer from the LandsD during deliberations that it does not have enough manpower and resources to record the boundaries of Government land accurately and in detail. That is very bad indeed. A buyer may have paid to purchase a piece of land only to find that certain part of it should not be purchased and should not be paid for but he did pay anyhow. Later, if this buyer is unfortunately found to occupy Government land during the period of his ownership, he will suffer unnecessary losses. Therefore, we also pointed out that professionals helping buyers with the legal procedures or surveying should indeed bear legal responsibilities because not every buyer can afford to follow the example of the Chief Executive who asked a lot of professionals to check if his house carried illegal structures in the past and did not have to account for it after being exposed. Such a buyer will definitely face liabilities in law and be handled according to the law because Hong Kong is a society that upholds the rule of law. Common people have to abide by the law but high-ranking officials do not necessarily have to.

If common people face legal prosecution after purchasing land, who should be responsible for their losses? We suggested the professionals who have done land searches for them should be held accountable because they should have enough professional knowledge to locate the accurate information so that buyers would not suffer any loss. However, no matter how professional they are, they cannot outperform the inadequacies of information kept by government departments. It is because their searches relate to government information but if the information carries different versions they may not know they have to consult the other two or three versions after they have already done with one. In this case, who should make the compensation? Therefore, to solve the problem at root, it is most imperative for the Government to deploy sufficient manpower and resources as soon as possible to ensure that both buyers and professionals can access accurate information.

We also agree that if a professional has exercised due diligence in searching the information but it is inaccurate, he may not be held responsible. In such a case, the responsibility rests with the Government. Therefore, after the Bill is passed, the Government needs to follow up on an array of work. Hence, Deputy President, I would like to ask the Secretary to respond to us later in his speech whether the authorities will follow up such unclear and inaccurate
information so that ordinary members of the public will not suffer any loss in buying Government land which should not be purchased in the first place. Would the Secretary please give a response to this part later on.

Thank you, Deputy President.

MR ALBERT CHAN (in Cantonese): Deputy President, I speak in support of the Second Reading of the Bill as well as the fundamental spirit and principle of the Bill.

However, I wish to send a clear message to the Government: The existing management system for Government land is actually riddled with problems, as there are numerous problems with the system, the law and administration. The problems related to the so-called unlawful occupation of Government land are also disparate in nature. Some cases are minor, some do not involve any interest but in some cases, Government land is virtually exploited for inordinate profits. However, since the Government has all along used one ordinance to regulate various kinds of conduct, often, minor offenders rather than serious offenders are caught. Therefore, I believe it is of paramount importance that the Policy Bureau and department concerned specify clearly the relevant provisions, the details of law enforcement and the approach adopted.

For example, for many years, I have provided assistance in or dealt with many of the problems in this regard. For example, some morning walkers like to grow plants on hillsides. For instance, when they reach a certain spot, they like to grow some plants in some empty spaces as a pastime, regarding such spots as a stopover and after watering and caring for their plants, they would turn around and head back down the hill. That means the land is beautified and made to look very good. Of course, when dealing with some slope problems, the government departments concerned are worried that planting on slopes may lead to such problems as landslides, so they would often remove all the plants to which morning walkers have devoted a great deal of care, then enclose the land with mesh wire and fences to show that it is Government land and cannot be unlawfully occupied. Sometimes, I found such instances very ridiculous as growing plants in some locations does not pose any problem to slope safety at all.

Another type of situation is, for example, some complaints related to some villages handled by me a few years ago. Some villagers put their flower pots at the doorway and because of the complaints lodged by some powerful and rich
people in these villages, the Lands Department (LandsD) took a tough stance, saying that the flower pots had to be removed because that amounted to unlawful occupation of Government land. In one case, I made a personal visit to have discussions with the elderly person who had been the subject of complaint on account of the flower pots placed outdoors and the officers concerned of the LandsD. The officers of the LandsD were extremely adamant because legally speaking, the elderly person concerned had indeed occupied Government land unlawfully.

On the accusation of occupying Government land directed at me by the mass media a number of times, we all felt very aggrieved because I have owned the village house in question for many years and the vacant plot outside was overgrown with weeds, so if we relied on the Government to send people to cut them, and if we fared well, weed-cutting would be carried out twice a year — it was twice a year — but sometimes, no cutting would be carried out at all for the whole year. These weeds could grow to six feet tall and they are three to four feet from the entrance of my house, so I tried to beautify my surroundings but I did not enclose this area in any way, nor did I prohibit other people from using it, yet I was misrepresented by the mass media as occupying Government land unlawfully.

Of course, I welcome the Government's eventual leasing of the site on short-term lease to me because in fact, all owners of village houses are very willing to beautify the land in front of or next to their houses. If the Government is willing to lease such land to house owners, so that they can use it as garden plots, this would help improve their living environment and the rent is not very high either. However, both in the past or at present, often, if the members of the public want to rent Government land on a short-term lease and use it as garden plots, they have to clear many hurdles. Another household living in front of my house submitted an application 10 years ago but so far, no approval has been given. This is because some people in the village have voiced objection. For some reasons, some villagers voiced their objection, so the household concerned has been growing their plants illegally for years. However, the Government has so far refused to grant that piece of land with an area of several hundred square feet on short-term lease to the household, so that vegetables and plants can be grown — the department concerned still refuses to do so.
The policy appears to be very simple but its enforcement is partial. Moreover, some rich and powerful people would try to pull their clout, so often, the LandsD would actually bully whoever it can. Sometimes, the way they are biased in favour of the rich and powerful is really over board. I know some people in the rural areas who reported the village head had unlawfully occupied Government land by enclosing it with mesh wire to plant fruit trees. After the village head had been complained against, the Government said that the village head was helping the Government manage Government land. The village head enclosed the land for private use but when the LandsD of the Government finally replied, it said that the village head was only helping the Government manage the land in the village.

In contrast, the said elderly person who did not enclose Government land but only put some flower pots at the doorway was told by officers of the LandsD to remove the flower pots. Therefore, it can be seen how absurd law enforcement was in the past. The power and influence of some people can affect the interpretation of the law and land rights by government departments. Even if one has not gone through or dealt with such matters personally, it is still astonishing and baffling to see the great discrepancy displayed by a government department in law enforcement.

Deputy President, I think that recently, many Members must have received many complaints, particularly in relation to the wetland at Pui O. Last Saturday, green groups in Pui O visited that place again. Many buffalos have inhabited the Pui O wetland for more than 20 years. In the past few years, the situation of illegal dumping or fly-tipping of construction waste has deteriorated significantly. Of course, this area consists mainly of private farmland but part of it is Government land. I have written to the LandsD, the Environmental Protection Department and the Agriculture, Fisheries and Conservation Department concerning the management of the land a number of times and the reply I received eventually was that the departments concerned would step up inspection.

The departments cannot possibly conduct inspections around the clock and the Bill today may not serve to confer sufficient power on the Government to institute prosecution because after someone has dumped waste illegally, how can the Government charge him with the unlawful occupation of land? Even if the waste is dumped on Government land, the Government may not be able to locate the person who did so illegally and the conduct of this person cannot be considered as unlawful occupation of Government land either. He only dumped
construction waste in a very wonderful natural ecology and on a wonderful piece of wetland, leaving a 10-foot pile there and as a result, the living space for the buffalos is shrinking.

If Members care to go to Pui O for a look, they will find that half of the wetland at Pui O has been lost. Compared with the condition a decade or two ago, the wetland has been reduced by half, so such a situation is really over the top. At the same time, on the state of some of the non-government land there, a number of containers were placed on the farmland, such that half of the land at Pui O, that is, the area by the seaside, or the wetland, has been turned completely into a depot for containers. Of course, those containers are not all used to store goods, rather, some of them have been set aside for private use or for other purposes.

In the past, Wharf Cable and now TV produced features on the issue of the buffalos at Pui O to publicize the fact that the wetland at Pui O is the only habitat for some 40 or 50 buffalos in Hong Kong and that such a wonderful environment was being gradually destroyed. Recently, due to the shrinking of the wetland, the buffalos began to look for food everywhere and this has given rise to another problem. Therefore, land management is actually very important.

Of course, we are absolutely willing to authorize the Government to boost its efforts in management. However, often, if there are too many grey areas, people with power and influence will be able to act wilfully and the LandsD just turns a blind eye to them, yet, if socially disadvantaged people commit the slightest trespass, they are threatened with arrests and detention. Just imagine how helpless an ordinary elderly person in his seventies was when officers of the LandsD came and told him to remove his flower pots on the ground that they were occupying Government land. He had placed the flower pots there for decades but those flower pots, which had been placed there for decades, had to be removed on short notice, all because some powerful and influential people had lodged a complaint.

Therefore, such absurdities must be dealt with through the legislative amendments today. Recently, I provided assistance to some senior residents in the Tsuen Wan area. They have some banana trees at Tso Kung Tam, opposite Tsuen Wan Centre, and have been growing them there since the 1950s or 1960s. Each year, they would go there to make harvests. In the past, it was easy for them to take care of the trees as they lived in the squatter huts on the hillside
nearby. However, ever since the Government cleared all the squatter huts, many
of the residents were rehoused in public housing, so each year, they would return
to the banana grove to make harvests and sell the bananas. But since they do not
live nearby, the fruits on the trees were stolen as soon as they ripen. Many years
ago, they enclosed the grove with mesh wire but the LandsD said that doing so
amounted to unlawful occupation of Government land. They have grown the
fruit trees for several decades and they have devoted their lives, blood and sweat
to these trees. If no mesh wire is used to enclose them, the bananas would all be
stolen. However, in the end, the LandsD high-handedly pulled down all the
mesh wire.

From the angle of authority and the law, the LandsD was right. However,
by creating a mesh wire enclosure, who did they harm? They did not harm
anyone, only that other people were prevented from entering that place. The
banana grove is located on the hillside, so no one would go there and it is not any
sort of passageway, nor do people live nearby. That is a very distinct area
planted with fruit trees and they have been growing trees there since the 1950s or
1960s. They said that in the past few decades, they had all along managed it in
this way. However, nowadays, due to some technical problems, they are in a
plight. They surely cannot sit at the banana grove every day to wait for the
bananas to ripen but as soon as they leave, someone would come to steal the
bananas. These elderly people came personally and complained to me in tears
and all I could do was to write to the LandsD. However, its reply was that the
action of these elderly people amounted to unlawful occupation of Government
land and that the Department had to carry out land management.

Therefore, these problems often involve policies and attitude. If, in terms
of policy, a mechanism that accommodates the existence of such situations or
authorizes some people to deal with such instances can be put in place, I believe a
lot of injustices could be righted.

Deputy President, coming back to the issue of unlawful occupation of
Government land, in fact, this is quite interesting because I have lived in a village
for many years. This is very interesting. For example, in the rural area, I like
greening, so before leasing the Government land in front of my house from the
Government, I rooted out the weeds there, turfed it and planted some flowers to
beautify the place but the Government said I had occupied Government land
unlawfully. However, many residents in old villages do not like grass, so after
they had built their houses, they paved the areas in front of their houses with
concrete. Those areas are all Government land but paving them with concrete is not considered unlawful occupation of Government land. This is very interesting. In terms of concept, they paved the Government land with concrete, put a table on it and sometimes, they smoke water pipes there and to outsiders, this all looks very rustic. In putting chairs in front of their houses and lying down in them, they have actually occupied Government land unlawfully. In paving these places with concrete, they are actually occupying land unlawfully. However, I have never seen the LandsD exercise its powers in land administration by telling these residents that paving these areas with concrete is unlawful occupation of Government land, or erect a sign telling them they have occupied Government land unlawfully. I have never seen this. However, if some flowers are planted, this is called unlawful occupation of Government land. I have made this point purely to share my views with Members as a matter of concept. This is the custom of many residents in old villages, particularly people of the older generation. They do not like to see weeds grow everywhere because it takes time to deal with them and mosquitoes and insects would also be bred. They do not like this, so they paved these places with an area of tens of square feet with concrete. However, paving such places completely with concrete will raise the temperature of the surroundings, so this may not have a positive effect on the environment. However, if anyone carries out any type of greening, for example, as I said just now, an elderly person had placed some flower pots placed in front of his house to grow flowers, he was accused by the LandsD of having occupied government land unlawfully.

I think the Policy Bureau and government departments concerned should discuss these management issues together. The law is very rigid and ossified but in terms of the administrative procedure, are there ways to make the rural environment or places with special circumstances … earlier on, the press reported some instances, for example, Mr CHAN Kam-lam had two concrete blocks built on the government land in front of his house and used them as flower pots, but I do not know if he has leased the land from the Government.

Therefore, in respect of the rural environment, I hope the Government can conduct a review to see how the management of rural areas can result in the appropriate use of Government land because if we rely on the management by the LandsD, this cannot be achieved. As I said, the LandsD may not have the resources to cut the weeds or carry out inspections frequently. Therefore, the Government has to study how to make improvements to the rural environment and the management of Government land, so that it will not be occupied
unlawfully. For example, some Buddhist temples occupied Government land and used it for the construction of columbarium, thus causing a furore in the community, yet the Government has tolerated them for a long time.

Therefore, in dealing with this problem, Members can see that some people have extracted inordinate profits but the Government continues to tolerate them, whereas some people wanted to improve their environment and no actual financial benefits were involved, yet the Government dealt with them heavy-handedly. Therefore, I hope that after the Secretary has looked into the situation (The buzzer sounded) … he will take appropriate actions over these issues.

MR ABRAHAM SHEK: Deputy President, on behalf of the BPA (經民聯), I would like to express my support for the resumption of the Second Reading and the Third Reading of this Bill.

In deliberating the findings of Report No. 58 of the Director of Audit concerning the management of Government land in May 2012, the Public Accounts Committee (PAC) expressed its opinion that the fines for offences committed under section 6(4) of the Land (Miscellaneous Provisions) Ordinance were too lenient to have an adequate deterrent effect. The PAC strongly urged the Government to promptly initiate legislative amendments to increase the level of the relevant penalties and to consider introducing a system of daily fines to reinforce the deterrent effect, and now you are doing it.

While I support this Bill which aims to increase the penalties for offences relating to unlawful occupation of unleased land, unlawful erection of structures on unleased land and extraction or removal of earth, turf or stone from unleased land without a removal permit, the Bills Committee has considered the existing enforcement actions undertaken by the Lands Department (LandsD).

Yet, as well as increasing the level of penalties, I am concerned about the enforcement actions taken by the Government. If they are not backed by effective investigations and prosecutions, these penalties will be mere words with no actual impact on stopping the unlawful occupation of unleased land. Therefore, during the Bills Committee meetings, one of the main topics discussed was how to enhance the effectiveness and efficiency of the enforcement actions.
Based on the information provided, the Administration receives or detects cases of suspected unlawful occupation of unleased and unallocated Government land (UUGL) largely through complaints or referrals. Yet, it is apparent that the overall situation of unlawful occupation of UUGL may not be fully reflected by these complaints and referrals. The Government claimed that it would not be practical or cost-effective to patrol all UUGL and only encouraged citizens to report the cases. It conducts risk-based patrols that focus on fenced-off or black-spot sites which are relatively more vulnerable to unlawful occupation as well as those that have a frequent history of complaints. Such an answer is not the best nor the most desirable response, given that the LandsD is the sole department responsible for the management of Government land. I believe that it should take a more pragmatic and proactive approach by stepping up patrols and site inspections. Indeed, the Administration has introduced measures such as updating and expanding patrol routes, increasing the frequency of risk-based patrols, making use of aerial photos and providing training to front-line and investigating officers. Nonetheless, I still urge the Administration to conduct timely reviews and report to this Council to ensure the efficiency and effectiveness of these aforementioned measures.

Another major concern of mine, as highlighted by my Honourable colleague, Dr Kenneth CHAN, is the possible measures to help prospective buyers of land or private properties who are inadvertently committing the offence of unlawfully occupying UUGL. The Bills Committee has focused on these measures in order to provide better protection for prospective buyers, helping them to avoid offending due to ignorance. Indeed, during the Bills Committee meeting, the Administration committed to stepping up its publicity and public education by reminding and sending out messages to the public not to engage in unlawful occupation of UUGL and to seek professional advice before formally entering into transactions. The Government also committed to working with stakeholders and professionals such as The Law Society of Hong Kong, the Estate Agents Authority, the District Offices and the rural community. However, I cannot agree that the Government should only focus on investigation and prosecution while sending the private parties involved in UUGL transactions to court. Instead, it should work together with the aforementioned stakeholders and professionals to design a code of practice and guidelines to provide sufficient assistance and protection to prospective buyers of land or private properties. With these remarks, I support the resumption of the Bill's Second Reading.
DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

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

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, first of all, let me express my heartfelt gratitude to the Chairman of the Bills Committee, Mr Tony TSE, and the other members for their recognition of the Land (Miscellaneous Provisions) (Amendment) Bill 2014 (the Bill) and support for the proposed legislative amendments. I am also very grateful to the Bills Committee for its work and the valuable suggestions it has raised in respect of the Bill and the related issues. May I also thank the eight Members who have just spoken on this amendment exercise.

Deputy President, when I submitted the Bill to the Legislative Council on 9 July last year, I mentioned that land is a valuable resource in Hong Kong. It is imperative for the Government to ensure that the use of land is properly controlled and managed. At present, the Land (Miscellaneous Provisions) Ordinance (Cap. 28) (the Ordinance) provides for the offences and penalties for unlawful use of Government land, which are essential elements in the existing land control and enforcement regime. The purpose of the Bill is to amend the Ordinance to increase the penalties for offences relating to unlawful occupation of unleased Government land so as to enhance the deterrent effect.

Deputy President, let me recap the amendments briefly. Section 6 of the Ordinance regulates unlawful occupation of unleased Government land, under which section 6(4) stipulates the level of the relevant penalty, which is a maximum fine of $10,000 and imprisonment for six months. This penalty has never been revised since the enactment of the Ordinance in 1972. It is evident that the current level of fines is not commensurate with the severity of the offence and fails to produce an adequate deterrent effect on both first-time and repeated offenders.
In their reports in 2012, the Audit Commission and the Legislative Council Public Accounts Committee respectively urged the Government to initiate legislative amendments to increase the relevant level of penalties and consider introducing a system of daily fines to enhance the deterrent effect.

As regards the other relevant provisions under the Ordinance, there is section 6(4A) which regulates unlawful erection of structures on unleased land, and section 7(4) which regulates unlawful removal of earth, turf or stone from unleased land. These provisions are in a situation similar to that of section 6(4) mentioned, in that the level of penalties is unable to reflect the severity of the relevant offences and fails to bring about an adequate deterrent effect.

Having considered these various points, the Government proposes to raise the level of penalties for the relevant offences under the Ordinance and introduce a system of daily fines for the offence of unlawful occupation of unleased land. In drawing up the proposed amendments to the Ordinance, we had made reference to penalty provisions of similar nature in other ordinances, such as the Buildings Ordinance (Cap. 123), the Town Planning Ordinance (Cap. 131) and the Waste Disposal Ordinance (Cap. 354). Given that the planning regime and the land administration regime are closely related in terms of controlling and managing the use of land, we consider that the gravity of the offence of unlawful occupation of unleased land under the land administration regime is similar to that of unauthorized development under the planning regime. We have thus taken the relevant penalty provisions of the Town Planning Ordinance as the benchmark in proposing amendments to the Ordinance.

Under the proposed amendments, with regard to the offence of unlawful occupation of unleased Government land, that means section 6(4) of the Ordinance, the Government proposes to raise the maximum fine for first conviction to $500,000 and introduce a fine of $50,000 for each day during which the offence continues. Besides, the maximum fine to be imposed on the offender for each subsequent conviction is $1,000,000, and he will be fined $100,000 for each day during which the offence continues.

In respect of the two offences of unlawful erection of structures on unleased land and unlawful removal of earth, turf or stone from unleased land, that means sections 6(4A) and 7(4), the Government also proposes to
correspondingly raise the level of penalties. Besides, the Government proposes to state clearly that the Court has the power, either on the Court's own initiative or on application by the Authority, to order the convicted person to pay the Authority any cost incurred in or arising out of the exercise of powers conferred on the Authority by section 6 of the Ordinance.

During the scrutiny stage of the Bills Committee, members in general supported these proposed amendments.

Deputy President, during our discussion on the proposed amendments, members have also made a lot of valuable suggestions and recommendations on the land management and control work of the Lands Department (LandsD). The Administration concurs that a stringent enforcement regime is very important to land management and control. In fact, the LandsD has implemented various measures to step up its efforts in land management and control. These include adopting the revamped Land Control Information System, updating and expanding patrol routes, increasing the frequency of risk-based patrols, and providing enhanced training to front-line and investigation officers.

The LandsD has also introduced or is exploring the introduction of various kinds of technologies to assist in the enforcement work and enhance the enforcement efficiency. Equipment which has been put on trial or in use includes drones and aerial photos. Drones can help to take photos at places which are inaccessible to LandsD officers, such as Government land surrounded by high walls, whereas aerial photos can assist LandsD officers in conducting remote detection or inspection. The LandsD will continue to explore the application of other technologies to assist in its enforcement work, for example, employing handheld mobile devices to enable enforcement officers to instantly obtain and record relevant information on land, adopting a backpack mobile mapping system to assist field officers to take image records on the area of Government land which is unlawfully used, and using the three-dimensional (3-D) laser scanning technology to provide a full 3-D model record on illegal buildings/structures to facilitate future investigations and prosecutions.

A number of members have also requested the Government to step up publicity and education work. In late October last year, the authorities aired a series of radio and television Announcements of Public Interest to disseminate the
message that "Unauthorized Structures, Unlawful Occupation Lead to Serious Consequences", cautioning members of the public not to engage in unlawful occupation of land. Relevant posters have been displayed on the notice boards in the LandsD, District Lands Offices, District Offices and various villages in the New Territories. Besides, the LandsD has written to the Estate Agents Authority, The Law Society of Hong Kong and the New Territories Heung Yee Kuk, calling on them to help to remind their members and villagers that when they handle any land transactions or purchase any land, they should pay attention to whether the land concerned involves unauthorized structures or unlawful occupation of Government land. Prospective buyers also need to be reminded to seek independent professional advice if they have any queries before entering into transactions on any private properties or land.

Deputy President, for the issues relating to the Bill and land management and control mentioned by the eight Members in their speeches just now, it is inappropriate for me to comment on individual cases here. If Members find it necessary, we may follow them up after the meeting. As for the general points raised by Members, here I would like to give a brief consolidated reply.

Concerning enforcement, since unlawful occupation of unleased or unallocated Government land may occur at different times and places throughout the territory involving different persons, the LandsD, with its existing manpower resources, is indeed unable to compile an exhaustive account of unlawful occupation of land at a particular point in time. In fact, given the large number of Government land lots and their widespread distribution, it would not be practical or cost-effective for the LandsD to patrol all the Government land on a regular basis in terms of the availability and deployment of resources. The LandsD thus adopts a more pragmatic approach of arranging for inspections and taking follow-up actions as appropriate upon receipt of complaints and referrals from the public. In case members of the public become aware of suspected cases of unlawful occupation of Government land, we welcome and encourage them to report the cases to the LandsD by email, fax, or through 1823 or the hotlines of the Lands Administration Office, or even in person. At the same time, the LandsD will continue to step up risk-based patrols that focus on fenced-off land, land which is more vulnerable to unlawful occupation and black spots which have a history of frequent complaints, and strengthen its efforts in inspection and enforcement.
Deputy President, just now Members also mentioned the issue of land boundary. We are aware that on 20 October last year, the Law Reform Commission of Hong Kong released its Report on Adverse Possession, making a number of recommendations on reforming the law of adverse possession. The relevant departments are studying carefully the parts about land registration and land administration in the Report, including the recommendations on matters relating to the Land Titles Ordinance and land boundaries, with a view to taking appropriate follow-up.

Concerning the matter of patrols mentioned just now, I would like to add a point. The LandsD will review the manpower arrangement and workflow and re-examine as appropriate the priority in enforcement, with a view to achieving more effective deployment of resources. Moreover, to enhance the work efficiency, the LandsD has strengthened the training for front-line officers to enhance their skills in investigation and evidence collection. At the same time, the LandsD will adopt other measures including, as mentioned by Members earlier, the use of different tools and technologies to facilitate investigation and enforcement, while stepping up publicity and education to remind the public not to engage in unlawful occupation of land.

As for the question raised earlier by a Member about whether there will be cases where the land is first occupied and then such occupation is regularized, let me put it this way. It is the Government's established policy not to encourage anyone to seek regularization of occupation of Government land by occupying the land first and submitting an application for regularization afterwards. Consideration for approval will be given only under exceptional circumstances and based on the actual situations of individual cases. Adopting stringent criteria in granting approval, the LandsD will not approve such short-term leases without sufficient reasons. In fact, the LandsD did promptly reject a number of such applications in the past.

We had also considered a review of the term of imprisonment in making our proposal to amend this Ordinance. In our view, the present measures of increasing the monetary penalties and introducing a daily fine for the offence are sufficient. The existing imprisonment terms are close to those in the penalty provisions for offences of similar nature in other ordinances. Hence, there is no need to revise them at the moment. We will keep in view the enforcement of this Ordinance after amendment and then make further consideration.
Deputy President, we believe that by increasing the penalties through legislative amendments, we will convey a clear message to the public, that is, the Government is determined to combat unlawful occupation of unleased Government land. I implore Members to support the passage of the Bill.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Land (Miscellaneous Provisions) (Amendment) Bill 2014 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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


Council went into Committee.

Committee Stage

DEPUTY CHAIRMAN (in Cantonese): Committee stage. Council is now in Committee.
LAND (MISCELLANEOUS PROVISIONS) (AMENDMENT) BILL 2014

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Land (Miscellaneous Provisions) (Amendment) Bill 2014.

CLERK (in Cantonese): Clauses 1 to 5.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1 to 5 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

DEPUTY CHAIRMAN (in Cantonese): Council will now resumes.

Council then resumed.
Third Reading of Bills

DEPUTY PRESIDENT (in Cantonese): Bill: Third Reading.

LAND (MISCELLANEOUS PROVISIONS) (AMENDMENT) BILL 2014

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, the Land (Miscellaneous Provisions) (Amendment) Bill 2014 has passed through the Committee without amendment. I move that this Bill be read the Third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Land (Miscellaneous Provisions) (Amendment) Bill 2014 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

DEPUTY PRESIDENT (in Cantonese): Debates on motions with no legislative effect. This Council will now continue the remaining proceedings of Mr CHAN Kin-por's motion on "Combating insurance frauds".

COMBATING INSURANCE FRAUDS

Continuation of debate on motion which was moved on 21 January 2015

DEPUTY PRESIDENT (in Cantonese): Prior to its adjournment on 21 January, this Council had completed the joint debate on this motion. Also, I had already put to you the question that Mr LEE Cheuk-yan's amendment be passed.

Mr LEE Cheuk-yan had also claimed a division. This Council now proceeds to a division. The division bell will ring for five minutes.

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

DEPUTY 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, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO, Mr Charles Peter MOK, Miss CHAN Yuen-han, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping and Mr TANG Ka-piu voted for the amendment.
Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr CHAN Kin-por, Mr NG Leung-sing, Mr Frankie YICK, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Ms Starry LEE abstained.

THE DEPUTY PRESIDENT, Mr Andrew LEUNG, did not cast any vote.

Geographical Constituencies:

Mr LEE Cheuk-yen, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr WU Chi-wai, Mr CHAN Chi-chuen, 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, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE and Mr James TIEN voted against the amendment.

THE DEPUTY PRESIDENT announced that among the Members returned by functional constituencies, 29 were present, 14 were in favour of the amendment, 13 against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 31 were present, 27 were in favour of the amendment and four against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

(Some Members talked loudly in their seats)
DEPUTY PRESIDENT (in Cantonese): Will Members please keep quiet.

MR RONNY TONG (in Cantonese): Deputy President, I move that in the event of further division being claimed in respect of the motion on "Combating insurance frauds", this Council do proceed to such division immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further division being claimed in respect of the motion on "Combating insurance frauds", this Council do proceed to such division immediately after the division bell has been rung for one minute.
DEPUTY PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may now speak in reply and you still have four minutes and 56 seconds. The debate will come to a close after Mr CHAN Kin-por has replied.

MR CHAN KIN-POR (in Cantonese): Deputy President, I thank the 12 Members for speaking on the motion. Now I would like to give a response.

A Member has pointed out that not all work-related injury cases involve insurance frauds and private detectives are hired by insurance companies to harass workers. I must emphasize that the insurance sector targets at combating frauds, not workers injured at work. On the contrary, insurance companies will exert their best to help the workers. For instance, under the "Multidisciplinary Orthopedics Rehabilitation Empowerment Program" organized jointly by The Hong Kong Federation of Insurers and The Chinese University of Hong Kong, workers injured at work are encouraged to seek proper treatment at an early date, thus speeding up the progress of their recovery by 100%. In fact, insurance companies will hire private detectives to investigate extreme fraud cases only because it is very costly to hire private detectives to gather evidence. Only when confronted with a small handful of extreme fraud cases will insurance companies be compelled to hire private detectives.

The trade union knows very well the gravity of work-related injury frauds. Although quite a number of Members of this Council represent workers, only Mr TANG Ka-piu from the Hong Kong Federation of Trade Unions was willing to point out the fact. His belief that more than 60% of injured workers were touted by syndicates engaging in champerty proves that the problem is already very acute. I hope other Members representing workers can support combating insurance frauds, or else only the fraudsters will ultimately stand to benefit, and the overall labour interest will definitely be undermined.

A Member has described the setting up of an inter-departmental task force as making a fuss about nothing and said that the prosecution figures are low. Currently, the prosecution figures are really not that high, but it actually reflects the difficulty in instituting prosecutions because the collection of evidence is difficult. Hence, it is imperative for us to pinpoint the root of the problem and plug the loopholes. Syndicates engaging in champerty are now exploiting the loopholes in law, systems, and so on, in committing insurance frauds. Hence, the problem involves sick leave certificates and departments responsible for legal
aid, labour matters, law enforcement, and so on. In view of the large number of departments involved, how can the task be performed properly in the absence of an inter-departmental task force?

A Member has queried why the decisions of medical practitioners to issue sick leave certificates should be called into question. In fact, places all over the world where labour compensation is offered similarly face the problem of abuse of sick leave certificates. Various places have their own ways to tackle this problem. Kicking out people seeking to obtain sick leave certificates by fraud can enable medical practitioners to focus their attention on treating genuine patients. Actually, they should be more than pleased.

Members should understand that the problems of exaggeration of injuries and abuse of sick leave certificates have become most acute. Members speaking in favour of the Hospital Authority (HA) and the Legal Aid Department (LAD) would only pave the way for the fraudsters. Moreover, the HA will continue to act in an arrogant manner and, using privacy as an excuse, abuse the issuance of sick leave certificates and even refuse to attend Legislative Council meetings. Doing so will only condone syndicates engaging in champerty to continue cheating the LAD of public coffers, with the solicitors' fees incurred ranging from hundreds of thousand dollars to millions of dollars.

Members must understand that frauds have already spun out of control. As a result, insurance premiums have continued to rise to such an extent that they become hardly affordable to employers as well as taxi and public light bus companies. In the end, the employers will be reluctant to recruit hands or they will compel their workers to turn into self-employed persons or simply wind up their business. Not only will the workers become victims eventually, but members of the public will also have to bear even more exorbitant transport expenses.

Even if this motion proposed by me is not passed, the Government is still obliged to set up an inter-departmental task force to seriously deal with frauds in order to do justice to the public and the employers. I hope the directly-elected Members can direct at the issue but not the person and refrain from voting against the motion just because I said that some workers had obtained compensation for work-related injuries by fraud and a small number of lawyers and medical practitioners had taken part in insurance frauds. Even if an inter-departmental task force is set up by the Government, it will only combat unlawful acts. May I
draw Members' attention to the fact that there is no need for an upright person to worry as the Government is targeting fraudsters only? I hope Members can understand this.

Deputy President, after listening to the speeches delivered by some directly-elected Members last week, I believe the chance of this motion being passed is slim. Although I am wearing a red tie, I am afraid it makes no difference to the matter. (Laughter) So, I would like to say a few words to Hong Kong people.

Fellow citizens, if this uncontroversial motion that calls on the Government to combat frauds is not passed in this Council, thereby resulting in the continuation of the phenomenon of "fraudsters cheating money, people footing the bill" and victimization of employers and the general public, I believe Hong Kong people should really consider seriously how to vote in the coming District Council and Legislative Council elections. Thank you, fellow citizens.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kin-por be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LEE Cheuk-yan rose to claim a division.

DEPUTY PRESIDENT (in Cantonese): Mr LEE Cheuk-yan has claimed a division. The division bell will ring for one minute.

DEPUTY PRESIDENT (in Cantonese): Will Members please proceed to vote.
DEPUTY 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 Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Prof Joseph LEE, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the motion.

Mr Albert HO, Mr James TO, Mr Charles Peter MOK, Mr Kenneth LEUNG and Mr IP Kin-yuen voted against the motion.

Miss CHAN Yuen-han, Mr KWOK Wai-keung and Mr TANG Ka-piu abstained.

DEPUTY PRESIDENT, Mr Andrew LEUNG, did not cast any vote.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mrs Regina IP, Mr Paul TSE, Mr WONG Yuk-man, Mr James TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the motion.

Mr LEE Cheuk-yan, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Ms Claudia MO, Mr WU Chi-wai, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted against the motion.
Mr LEUNG Yiu-chung, Mr WONG Kwok-hing, Mr WONG Kwok-kin, Mr Gary FAN and Miss Alice MAK abstained.

THE DEPUTY PRESIDENT announced that among the Members returned by functional constituencies, 28 were present, 19 were in favour of the motion, five against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 32 were present, 12 were in favour of the motion, 15 against it and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

DEPUTY PRESIDENT (in Cantonese): Debates on motions with no legislative effect.

The motion debate on "Concerning about the problem of slow progress in vetting and approving funding applications for infrastructure projects".

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

I now call upon Mr Abraham SHEK to speak and move the motion.

CONCERNING ABOUT THE PROBLEM OF SLOW PROGRESS IN VETTING AND APPROVING FUNDING APPLICATIONS FOR INFRASTRUCTURE PROJECTS

MR ABRAHAM SHEK: Deputy President, I move the motion as printed on the Agenda.

Deputy President, the occupation movement has evaporated from our streets into the thin air. Unfortunately, the stand-off between the pan-democrats and the Government continues in this Council, resulting in the lacklustre pace in vetting and approving funding applications for infrastructure projects, which has already created an unwarranted situation that could bring about a medium-to-long-term detrimental effect to the socio-economic development of Hong Kong. This concern is the essence of my motion debate.
Deputy President, I shall start this motion debate with a question: Have we, in the past 18 months, as legislators of this esteemed Council, discharged our duties diligently as required under Article 73(3) of the Basic Law, which require our vetting and approving of government expenditure?

Judging from the records of our performance in approving funding proposals of capital works projects, we have failed desperately. In the 2013-2014 Session, we approved capital works projects to the tune of a meagre $3.6 billion. Compared to over $90 billion in the 2012-2013 Session and over $160 billion in the 2011-2012 Session, this represents a drop of over 90% and is really a shameful act of this Council.

Such a significant drop is significantly due to filibustering and the recent non-cooperation movement launched by some of the pan-democrats. They manipulated established procedures and delayed the progress of meetings by submitting a multitude of amendments, raising repetitive and superfluous questions and moving motions to adjourn the discussion of agenda items, resulting in the sabotaging of quite a number of funding applications for economic and social development projects, many of which were postponed, shelved or even withdrawn.

Over the past few years, filibustering took place during debates on government budgets and motions related to constitutional development and rarely on socio-economic and livelihood issues, but with the recent 31 August Decision of the Standing Committee of the National People's Congress (NPCSC) on the election of Chief Executive for 2017, the non-establishment groups have extended the battle lines to every aspect of the work of this Council, with the intent to confront and immobilize the SAR Government and its policies. Many scheduled funding applications of infrastructure projects are entrapped in unnecessary debates and delays for the sake of political combat and confrontation. This development is really a political tsunami.

Not long ago, it was the pride of this Council that we adopted a rational and pragmatic manner in handling Council issues for service to the community. The majority of our Members were rational when handling socio-economic matters. While heated debates and conflicts over constitutional development have continued over the last 17 years, often harsh and bitter, for social and economic issues, we were able to agree to disagree and resolve conflicts at the discussion table by examining and considering government proposals in a fair, co-operative
and constructive manner. In response to the many previous accusations against the democrats of being "anti-government" and stirring up unnecessary trouble in this Council, the pan-democrats used to argue, and rightly so, that apart from constitutional issues, they did not oppose for the sake of opposition, as proven and evidenced by the support and co-operation given to the SAR Government on socio-economic and livelihood-related projects and on government legislation. Now, the current non-cooperation movement of the pan-democrats is a drastic change of tactic from co-operation to confrontation, even extending to non-political and socio-economic policies. They have adopted an overly aggressive attitude to fight in every issue, particularly the capital works projects, for the sake of obtaining the so-called "genuine universal suffrage". If no changes are made, the SAR Government, Hong Kong's economy as well as the livelihood of people will all suffer from significant adverse consequences.

Deputy President, as we all know, infrastructure projects affect all walks of life, both economically and socially. Both our competitiveness and our long-term development depend on these capital works projects. Thus, no matter how big our conflict over constitutional development or how unhappy some of us may be with the SAR Government and the leadership of the present Chief Executive, I firmly believe that we should not regard the relevant funding applications as bargaining chips and use them to put pressure on the SAR Government. After all, constitutional development is only one part of the overall development of Hong Kong. Fighting for democracy and "genuine universal suffrage" should not be bundled up with issues that affect our economy and local livelihood. Otherwise, the overall interest of Hong Kong will be damaged irrevocably.

Deputy President, we all know our competitiveness is of vital importance to Hong Kong's survival. A scarcity of land and natural resources pushes us to leverage on our advantages in the rule of law, institutional structure, efficiency, infrastructure and geographical location. Over the years, thanks to our outstanding infrastructure network, Hong Kong has continued to gain top positions in global competitiveness rankings. However, with severe global competition, we must continue to sharpen our competitive edge. It is now our choice, as elected representatives of the people, to grow or to rot, and the buck stops here in this Council. We are here to approve or disapprove the Government's funding proposals of capital works projects for the growth of Hong Kong. In fact, Deputy President, years of heavy investment in infrastructure has not only equipped us with an abundance of space for further development, it has
also provided us with an effective and efficient transport network for social, cultural and commercial activities. Most importantly, our connections with neighbouring areas have been enhanced, facilitating further integration, strengthening our position as an international city and laying a solid foundation for our sustainable development and as a leading city of Asia.

Furthermore, investment in infrastructure projects holds a special position in improving local livelihood. Regrettably, the outstanding applications in 2013-2014 cover projects such as the construction of schools, public hospitals, public housing, sewage works, and the list goes on and on. The delay in approving these projects, for which we have only approved $3.6 billion, has actually precipitated many problems for the future development of Hong Kong, affecting the livelihood of the people. Given that our infrastructure projects have been delayed, the development of new areas has also being affected. We have already wasted precious time over the last 18 months, it is now time to catch up or we will lose out.

On the other hand, Deputy President, the construction industry has expressed deep concern over the delay of funding for infrastructure projects. There are currently 360 000 construction workers in Hong Kong, who constitute about 10% of local employees, supporting the livelihood of over 1 million people. Following previous downturns in the construction industry, many construction workers became then unemployed, making them extremely sensitive to decreases in the funding of infrastructure projects. They worry that continued delays in funding will cast a shadow over the development of the construction industry and create a domino effect in which industry enterprises will cut their investments in response to the lack of cash flow caused by the drop in government funding. At the same time, the problem of ageing and the lack of new blood is also hampering the construction industry at the moment, resulting in the present shortage of skilled labour, as we have discussed this morning. Young workers not only worry about demanding better work environment but are also concerned about the prospects of the industry. Not only do they want to see a fair return for their hard work but also good prospects should they decide to join the construction industry. If funding continues to be disrupted, projects will not commence as scheduled in the next seven to 10 years, creating a vacuum of uncertainty that will lead to a further decrease in the number of new workers coming into the industry. Past experience has actually shown that in such cases, the number of new construction workers will drop and this is the present situation in Hong Kong.
Deputy President, the past and the present delays will also mean that construction costs of the outstanding projects will also increase even further, unnecessarily wasting even more public money to complete these projects.

The SAR Government is the applicant for these funds and its liaison, particularly with the pan-democrats, is apparently ineffective. Thus, in today's motion, I propose that the Administration should face up to these problems and proactively work with this Council to seek solutions for the sake of Hong Kong as a whole. We should focus on the overall and long-term interests of Hong Kong, instead of the potential gains or losses of some individuals or political parties.

I started off with a question, and I would like to conclude with a challenge to Members of this Council: That we should diligently discharge our duties under Article 73(3) of the Basic Law to approve government's projects to the tune that we actually approved in 2011-2012, that is, $160 billion, or whatever the Government gives to us.

Thank you, Deputy President.

Mr Abraham SHEK moved the following motion: (Translation)

"That, since the start of the 2013-2014 legislative session, the Legislative Council has been slow in approving funding applications for infrastructure projects; if the situation cannot be reversed in the near future, infrastructure works will definitely be delayed, thereby pushing up works costs and affecting the livelihood of practitioners of the construction industry and relevant industries as well as the industries' sustainability, and eventually hindering Hong Kong's long-term economic development; in this connection, this Council urges the Administration to face up to the problems concerned, and proactively join hands with this Council to seek solutions, so as to expedite the approval of outstanding and new funding applications for infrastructure projects."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Abraham SHEK be passed.
DEPUTY PRESIDENT (in Cantonese): Two Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the two amendments.

I will call upon Members who move the amendments to speak in the following order: Mr NG Leung-sing and Mr Alan LEONG; but they may not move amendments at this stage.

MR NG LEUNG-SING (in Cantonese): Deputy President, before all else, I would like to thank Mr SHEK for proposing this motion which has major implications on the economy and people's livelihood. It is indeed imperative for this motion to be discussed in this Council now, though it seems to be belated. If a gridlock occurs in this Council due to filibustering, not only will the vetting and approval of infrastructure projects be delayed, but the motion debates proposed by Members will also be affected.

The saying that "infrastructure can give impetus to the economy" applies to China and the rest of the world alike. In the 1930s of the last century, United States President Franklin ROOSEVELT introduced a new policy and made vigorous efforts in infrastructure investments. During the period between 1933 and 1935, US$3.3 billion was dedicated to the implementation of 30 000 works projects, thereby pulling the United States out of the abyss of the Great Depression.

Infrastructure can not only facilitate business operation, but also enhance the competitive edge of a city while improving the overall quality of living of its citizens. Its significance cannot be dismissed by the simple description of infrastructure as a "white elephant". According to the Global Competitiveness Report 2014-2015 published by the World Economic Forum, Hong Kong was seventh in the overall rankings but ranked first in infrastructure with a score of 6.69. Singapore came in second with a score of 6.54. It was pointed out in the Report that Hong Kong's top position in infrastructure reflected its outstanding performance in both transportation and facilities. It is also evident that we cannot afford to miss a step in infrastructure development which is a key component of Hong Kong's competitiveness.

In recent years, Hong Kong's rivals have continued to upgrade their hardware, namely infrastructure, transportation, logistics, and so on. We can see that our neighbour, Guangzhou, has planned to invest RMB 828.2 million yuan in
12 major infrastructure projects, including the Inter-City High Speed Railway, major railway hubs, major air traffic hubs, and so on, accounting for nearly 70% of all investment projects. Not only was the Guangzhou Metro extended and connected with Foshan a long time ago, but the third runway in Baiyun Airport was also completed last year. On the contrary, there has been little progress in transport connections between Hong Kong and its neighbouring cities. Moreover, the third runway in Hong Kong remains to be finalized. The delay in infrastructure development in Hong Kong has been a matter of grave concern to us. In this connection, the so-called non-cooperation movement staged by the opposition must take the blame.

(THE PRESIDENT resumed the Chair)

I agree with Mr SHEK’s motion. The focus of my amendment is as follows: Firstly, the non-cooperation movement was activated immediately after the start of the current term of the Legislative Council, not during the 2013-2014 Legislative Session. During the 2012-2013 Legislative Session, such questions as the Old Age Living Allowance were delayed for a considerable period of time. The intention of Members participating in the movement was to paralyze the administration of the Government. Such political struggles are neither objective nor beneficial to the public.

Secondly, during the previous Legislative Session, the Government had originally planned to table before this Council 39 new projects involving $43 billion in total. Thanks to the filibustering by Members, only 13 projects involving $3.6 billion were eventually approved by the Finance Committee. The gap was very large indeed. Not only does the delay of infrastructure projects affect the sector and its employees, but it also affects the daily life of the public. For instance, due to delays in public transport works, members of the public are crammed in public modes of transport like "sardines". Moreover, they have waited so long that their necks are longer than a giraffe, and they can only sigh at the sight of the mode of transport they wish to take.

Thirdly, the impeded long-term development of Hong Kong economy will definitely make Hong Kong's global competitiveness lag behind. As a result, Hong Kong is put in a "passive" position and thus sees its loss of industries. The ultimate price to be paid is that Hong Kong will become a second-rate city.
Fourthly, as the saying goes, let the one who ties the bell on the tiger take it off. The Government alone cannot bring the order of this Council back to normal; the Administration, the general public and this Council alike are duty-bound to play a part. This is why in my proposed amendment to the original motion, I propose to delete "and proactively" and add "as well as groups and people from various sides". It is crucial that the opposition should give up the non-cooperation movement which runs counter to public opinion because in a commercial city, consideration should not be given to political calculations on every occasion. Instead, Members should conduct business with a pragmatic attitude and concern for the economy and people's livelihood.

Members should recall that at a nine-hour Legislative Council meeting held on 5 November last year, an individual Member made 17 requests for a headcount, which expended more than three hours in total. Compared with the parliamentary assemblies in other parts of the world, such a parliamentary culture is definitely unusual. I have also learnt that the non-cooperation movement will continue to be staged one after another — of course I cannot describe it as "saving the best to the last" — and some Members claim that filibusters will be staged at meetings of the Finance Committee and its two Subcommittees in a bid to delay the provision of funds for the establishment of the Innovation and Technology Bureau. Organizations and people from various sides in the territory should take action against such situations by monitoring the performance of Members, expressing more opinions on the unreasonable phenomena and protesting the struggles put up by the irresponsible opposition Members to prevent them from harming people's livelihood and stop such impropriety from happening again.

Furthermore, organizations from various sides have recently expressed discontent one after another with the filibusters staged by Members. We can see that organizations from the commercial and industrial sectors and professions have even come forth to stage demonstrations and protests to demonstrate clearly to the general public that filibustering, like an enemy of the people, will smash their "rice bowls". This explains why things must be restored to order. Hence, I would like to advise individual Members to take the economy and people's livelihood seriously and bring this Council back to the right track for the benefit of the labour sector, the commercial and industrial sectors, the engineering sector and other relevant professions.

President, I so submit.
MR ALAN LEONG (in Cantonese): President, I once had an opportunity to meet with representatives of 15 organizations from the Construction Industry Alliance (CIA) in this Council, and the outcome of the meeting was so surprising that even the President could not have imagined it, and that is, a consensus was reached among the representatives that they should direct at LEUNG Chun-ying, who is currently "playing with politics" and most capable of reshuffling the agenda items, in addition to the Public Works Subcommittee.

Upon the conclusion of the meeting which last one and a half hours, they said in approval, "Mr LEONG, you are right. We will pursue the matter with the Chief Executive." Unfortunately, the Chief Executive remains stubborn. Perhaps the President has already learnt about the withdrawal of four livelihood-related items in particular by the Finance Committee lately, including two funding applications related to school information platforms, one application for the provision of 10-odd additional marine police launches, and one for the procurement of a monitor by the Fire Services Department. President, why do these items have to give way? They must do so to allow LEUNG Chun-ying to build unauthorized building works in pursuance of his wish of offering political rewards.

President, I have once expressed the view that there is simply no precedent for the handling of these four livelihood-related items under the Appropriation Bill. It remains very questionable as to whether these items should be dealt with in this manner and whether this approach is compatible with Hong Kong's constitutional order. For the time being, we can only assume that this is an option. LEUNG Chun-ying is now playing his "hypocritical rhetoric", saying these livelihood-related items will not be affected, so long as they are dealt with under the Appropriation Bill 2015 in 2015-2016. President, I believe you are aware that if these items, including the school information platforms, 18 marine police launches and a foam jet, were tabled before this Council last Friday and their funding applications were approved by the Finance Committee, the Government would have received the funds immediately for the procurement of launches and a monitor and the setting up of the information platforms. Even if we assume that his approach is not unconstitutional, we have to wait for the Appropriation Bill 2015 in 2015-2016 before these items can be dealt with. According to my most conservative estimate, it will take at least five to six months before the Government can obtain funds for the procurement of the marine police launches and a monitor and the setting up of the information
platforms. So, who is actually "playing with politics" and who is engaging in political struggles at the expense of livelihood-related items? I believe the answer is obviously LEUNG Chun-ying.

President, his behaviour is very strange indeed. I have once attempted to reshuffle the agenda items in my capacity as Chairman of the Public Works Subcommittee. At a meeting of the Finance Committee, the pan-democrat Members also attempted to request its Chairman, Mr Tommy CHEUNG, to reshuffle the agenda items. However, both Mr Tommy CHEUNG and I received a letter from Secretary Prof K C CHAN. Let me quote one of the paragraphs in it, "Upon giving notice with respect to a Public Works Subcommittee/Finance Committee item on the agenda, the sequence of agenda items reflects the Government's overall priorities attached to the proposals involved. Unless in exceptional circumstances such as emergency relief or avoiding expiry of tender validity, the sequence of expenditure proposals will not normally be revised." (end of quote) So, is LEUNG Chun-ying telling us that he is following the Mainland in building unauthorized works in creating the post for a Bureau Director who is his staunch supporter as disaster relief according to his wish? Is he considering himself in the face of a political disaster and so an additional "staunch supporter" is needed to help him deal with it? The answer is certainly in the negative. So, what does it mean by "emergency relief"? As regards the expiry of tender validity, this is not the reason cited by the Government. Moreover, there are no tenders for the proposed Innovation and Technology Bureau, how could there be consideration for the expiry of tender validity?

President, all this actually shows that LEUNG Chun-ying will not allow Members to move some livelihood-related items from the bottom to the top of the agenda for concern for people's livelihood. However, if he is to engage in political struggles or build "political unauthorized works in pursuance of his wish", he can do so anytime. In other words, the reason cited in the two letters addressed to the Chairmen of the Finance Committee and the Public Works Subcommittee was actually not a reason. President, it is absolutely clear that the reason cited was nothing but an excuse. Otherwise, why would he have acted in that manner recently?

President, the pan-democratic camp will definitely strongly approve of doing a good job of information technology in Hong Kong, but the Government's current approach really arouses people's scorn. Firstly, this project is a waste of money, for $2.2 million in recurrent expenditure will be incurred, not to mention
that some people are already undertaking the same task. So, why is it still necessary to create a new post? Second, the Policy Bureau to be set up is very small because of its limited functions. The largest sphere of innovation is communications. However, even if a new Policy Bureau is to be established, it would still be administered by the Policy Bureau under Secretary Gregory SO.

Furthermore, President, LEUNG Chun-ying has already completed half of his tenure. When he took office, he was unable to create this post. But now, he insisted on creating it forcibly when he has completed more than half of his tenure. What does he wish to do if he is not disgruntled or engaging in political struggles? However, due to such an act of picking quarrels with others to vent his spleen or engaging in political struggles, the information platforms for two schools, 18 marine police launches and one foam jet will have to be sacrificed for no reason. President, if sea rescue is to be undertaken in the future but 18 additional marine police launches are required, can the blame not be put on LEUNG Chun-ying?

Hence, President, Members should not tell only half of the story. In their speeches just now, two Members said that Hong Kong had been derailed by the non-cooperation movement, though I have succeeded in convincing the CIA which is made up of 15 organizations. The one who holds all the powers is LEUNG Chun-ying, and the one who can reshuffle the agenda items is also LEUNG Chun-ying. However, the spear is directed at the Public Works Subcommittee and the Finance Committee despite his engagement in political struggles at the expense of livelihood-related items. Who can behave in a more absurd manner than him?

President, two Honourable colleagues have time and again mentioned the so-called non-cooperation movement. I think it is better to call it "a movement" to highlight the hypocrisy of LEUNG Chun-ying than a non-cooperation movement. Were it not for such a movement, how would we have received these two letters and seen him disregard the reasons given to the two Chairmen at a meeting of the Finance Committee by withdrawing four livelihood-related items in an unauthorized manner to pave the way for the unauthorized works for his own staunch supporter? Therefore, instead of calling it a non-cooperation movement, this movement of ours should be called "a movement" to highlight LEUNG Chun-ying's hypocrisy. This can serve to underline his inconsistency of words and deeds and how he engages in political struggles at the expense of democracy. President, this name may be more accurate.
Lastly, President, I wish to remind Hong Kong people that the responsibility of the Legislative Council is to act as their gatekeeper. We have recently read from the Report of the Public Accounts Committee how the Civil Aviation Department (CAD) has managed to build a shower facility in the office of the Director-General of Civil Aviation and a dance room with full-height mirrors in the CAD Headquarters. What exactly are the purposes of these facilities? Of course, we have to monitor everything on behalf of Hong Kong people. At a meeting of the Establishment Subcommittee this morning, the Commissioner for Narcotics gave us his undertaking that within the three years after the creation of supernumerary posts, a compulsory drug testing scheme would not be implemented and only research work would be undertaken instead. This is the most typical example of how the Legislative Council should interact with the executive for the well-being of the public. (The buzzer sounded) … I so submit.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I have to thank Mr Abraham SHEK for proposing the motion, and Mr NG Leung-sing and Mr Alan LEONG for proposing the amendments. Before listening to Members' views in this motion debate, I would like to first express my gratitude to the Legislative Council Secretariat for its assistance and Members for their co-operation. In this Legislative Session, the Finance Committee and Public Works Subcommittee (the Subcommittee) have held a number of additional meetings. To date, the Finance Committee has approved funding applications for six capital works projects including the "three landfills and one incinerator" amounting to about $30 billion in total. And the Subcommittee has also finished examining 10 works project, of which seven are supported, involving project fundings amounting to some $4.5 billion.

Capital works have all along been making an enormous contribution to Hong Kong's economic and social development, and upgrading people's quality of life. In recent years, the Government's annual capital works expenditure amounted to some $70 billion. The scope of capital works is rather wide, covering roads, railways, hospitals, schools, environmental protection and waste management facilities, land supply as well as water supply and drainage systems. According to the "Global Competitiveness Report" published by the World Economic Forum, Hong Kong's infrastructure ranked first out of about 140 economies for five years in a row, a fact that we are proud of. In order to
upgrade Hong Kong's competitiveness and continue to improve people's living environment and quality of life, the Government must continue to allocate an appropriate amount of resources to taking forward the Capital Works Programme.

In 2012-2013, the Finance Committee approved 39 new works projects in total with an approved project estimate amounting to $90 billion. The approved projects include the construction of the Hong Kong Children's Hospital, Tin Shui Wai Hospital, infrastructural facilities at the Kai Tak Development Area, cycle tracks in the New Territories, and the widening of Tolo Highway and Fanling Highway. All works departments have been endeavouring to deliver these projects, hoping that they can be completed as scheduled in order to provide services to members of the public. However, in 2013-2014, the Finance Committee approved only 13 new works projects. The total project estimate amounted to $3.6 billion only. In terms of project estimates, the number of new works projects approved by the Finance Committee in the previous year was less than 5% of those in 2012-2013.

The filibuster launched by some Members at meetings of the Finance Committee and the Subcommittee has seriously affected the delivery of the Capital Works Programme. Affected by the filibuster in the Legislative Council, in the previous year, the vetting of a total of 27 works projects has yet to be finished. Those projects experiencing delays are all related to livelihood, including the "three landfills and one incinerator", reclamation studies for increasing long-term land supply, the construction of schools, sports centres, noise barriers and police stations. The filibuster has caused a delay of more than half a year for each individual project and incurred a cost increase of $2.5 billion in total. Of them, the cost of the four projects of "three landfills and one incinerator", the funding of which has just been approved by the Finance Committee, has risen by $1.3 billion in total. In respect of works schedules, individual projects have experienced a more serious delay as they need to be re-tendered, such as the refurbishment project of the Hong Kong Buddhist Hospital. And tenders have been called for the retrofitting of noise barriers on Tuen Mun Road. As the tender validity period will expire by the end of this month, the project may need to be re-tendered. In fact, even if individual projects tendered do not need to be re-tendered as the tenderers agree to extend the tender validity period, it does not mean that they are not affected by the filibuster. As long as funding is not approved, the projects cannot commence. This will adversely affect the works schedules and costs.
There is the view that the Government must be held accountable for the project delays, thinking that if the Government had agreed to defer the more controversial items, the filibuster would not have been launched in the Council. In fact, in order to maintain Hong Kong's competitiveness in the long run and enable 7 million people to have a happy home and work with contentment, our Capital Works Programme must be diversified so as to cater to the development needs in various aspects of Hong Kong. I believe Members will understand that we cannot just proceed with such less controversial projects as the construction of schools and hospitals, while indefinitely postponing those projects related to land supply. It is simply an ostrich policy to look for an easy way out to avoid disputes and turn a blind eye to Hong Kong's long-term development needs.

We agree that in delivering projects, the Government must extensively solicit opinions from members of the public, local communities and the Council. Therefore, we will conduct an extensive consultation exercise on the projects and need to abide by all legal and planning process requirements in order to ensure that opinions from all parties are fully considered. In fact, before introducing a works project to the Subcommittee and the Finance Committee, a government department will first consult the District Councils, associated bodies and relevant panels of the Legislative Council. Funding proposals on works projects will be submitted to the Subcommittee and the Finance Committee for consideration only after thorough argument, amendments and discussion and with general support secured.

There is another view criticizing the Government for not submitting the funding applications for those livelihood-related works projects to the Legislative Council for consideration first. In fact, what does it mean by "livelihood-related"? For example, projects related to the medium- and long-term land supply are often targets of filibuster. But in fact, land shortage has gradually become an obstacle to the sustainable development of Hong Kong. How can one say that providing more commercial and residential sites, promoting economic development and increasing employment opportunities have got nothing to do with livelihood?

Now the construction cost has risen. We expect the construction cost of Government works to rise by 6% this year. We plan to submit funding applications for some 80 new works projects to the Finance Committee in this Legislative Session, involving a total cost of about $70 billion. Failure to obtain funding for the works projects by the end of this Legislative Session will result in delays and increased costs. Even though the Finance Committee and the
Subcommittee have held a number of additional meetings, the number of works projects for which consideration has been completed is very limited. As far as the progress is concerned, there is no room for optimism.

Looking ahead, the relevant Policy Bureaux and works departments will continue to maintain communication with various District Councils and Members of the Legislative Council, and provide information and justifications of works projects in order to gain support. The Government sincerely hopes that all Members will waste no time in considering the funding proposals for works projects, so as to enable the early launch of works for various infrastructure and community facilities much desired by members of the public. I will stop here now and listen to Members' views before giving another response.

President, I so submit. Thank you.

MR WONG KWOK-HING (in Cantonese): President, I was infuriated by Mr Alan LEONG's speech just now. In my opinion, his remarks are tantamount to mixing up right and wrong, confusing black and white, reversing the cause and effect, and sound like a thief crying "catch the thief". The alliance has contacted him with a strong call against his filibustering and non-cooperation movement, and alerted him to the importance of Hong Kong people's livelihood. Yet, he quoted their remarks out of context by saying that the alliance endorses his view. I have got a WhatsApp message from a relevant person-in-charge of the alliance, who has asked me to take this opportunity to strongly condemn Mr Alan LEONG for misleading the public.

President, with much rage today, I have brought along a claypot to give the public an idea of how imminent the crisis of layoff, pay cut and economic hardship the engineering profession is set to face after Chinese New Year. President, this diagram shows that in 2012-2013, the Government was granted approval for $90 billion worth of public works projects, which were all out of private developers' reach, including bridges, tunnels, hospitals, schools and other specific facilities, like hospitals, and so on. However, how much funding was approved in 2013-2014? The answer is $3.6 billion. I call on all Hong Kong people to see if the pan-democratic camp's position is well justified. They may like to oppose LEUNG Chun-ying, but they should not threaten him by holding all Hong Kong people hostage. They may vote against him, but they should not turn the wallet upside down, right?
President, what will be the consequence if the Government is merely granted $3.6 billion a year? Despite the financial crisis in 2003, the then Government was still granted $30 billion to $40 billion for public works, but 70 000 people or so were unemployed in Hong Kong's construction sector in that year. The $3.6 billion currently granted to the Government is just a fraction of the $30 billion to $40 billion granted back then. Justice lies in the people's heart.

I would like to ask all Hong Kong people and all the Members present, why is it so?

(Mr CHAN Chi-chuen stood up)

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, what is your point?

MR CHAN CHI-CHUEN (in Cantonese): As Mr WONG Kwok-hing likes to ask all the Members present a question but only a handful are in the Chamber, I request a headcount.

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 WONG Kwok-hing, please continue.

MR WONG KWOK-HING (in Cantonese): President, $3.6 billion is barely enough for about 13 projects. As the Secretary put it earlier, other 70 to 80 projects are on hold. President, the construction sector has 250 000 workers, 70 000 engineers and 40 000 clerical workers as a whole nowadays. With only $3.6 billion having been granted while the $80 billion to $90 billion slated for 70 to 80 projects not granted, there has been a direct bearing on the preparatory work for such projects, and consultancy firms as well as professionals engaged in research, planning and surveying are among those affected.
President, last Sunday, Chairman of the Construction Industry Council told me that professionals of all trades supposed to be engaged in the preparatory work would face the risk of layoff and pay cut after the Chinese New Year. Since such projects are on hold, 250,000 skilled workers in the construction sector are set to be further affected. The Government offers retraining for workers, but trained workers are on the verge of unemployment. President, such delay constitutes major evidence of the pan-democratic camp's non-cooperation movement and how they sacrifice the interests of all Hong Kong people.

President, apart from money supposed to be spent not being spent, the delay caused by these Members has led to a wastage of taxpayers' hard-earned money. Secretary Prof K C CHAN has told us that starting from the current year, delay of those projects has pushed the project cost up by $2.3 billion — Secretary Prof K C CHAN told us minutes ago that the cost has risen by $2.5 billion. I would base the calculation on $2.3 billion instead of $2.5 billion, so how much have we wasted? Let me take the $65 million residential care home for the elderly which we approved recently as an example. This $2.3 billion is enough for building 35 such homes, each of them offering 100 places. The pan-democratic camp always talks in the angel's way but acts in the evil's. In the Secretary's latest estimation, $2.5 billion of taxpayers' money has gone down the drain. President, this results in our money being wasted on the one hand, and unemployment and semi-unemployment on the other.

The pan-democratic camp does not like LEUNG Chun-ying, saying that he was returned by a coterie election and labelling him "689". However, they oppose the constitutional reform package currently proposed by the Government, which will allow Hong Kong people to select their Chief Executive on a "one-person-one-vote" basis in an election. They oppose just anything they come across. They make a genuine opposition camp running against the interest of the public.

President, I will not ask them to show mercy, because I have made such calls repeatedly and it would be meaningless to do so again. Therefore, I call on all Hong Kong people to register as voters before May and make use of their sacred power in this year's District Council elections and next year's Legislative Council election to select District Council members and legislators afresh. This is the way out, otherwise Hong Kong will be doomed. *(The buzzer sounded)*
PRESIDENT (in Cantonese): Mr WONG, speaking time is up.

DR KWOK KA-KI (in Cantonese): President, if some fools have listened to what Mr WONG Kwok-hing said, they may believe it to be true. We in this Council surely need to do our job well for the society.

Mr NG Leung-sing was not present just now, yet I would like him to come back and listen at this moment. Prior to his move to cut off the filibuster in the Finance Committee under his chairmanship, we also asked the Government to first deal with livelihood-related works projects and made repeated calls for reshuffling the agenda items. Did he listen? No. In the current year, the Finance Committee works in the same way. We wish to first deal with some non-controversial and livelihood-related works projects like schools and hospitals, yet does the Government listen? Not at all …

(Mr WONG Yuk-man entered the Chamber and talked aloud)

PRESIDENT (in Cantonese): Dr KWOK, please hold on. Mr WONG Yuk-man, please stop talking aloud in the Chamber.

(Mr WONG Yuk-man kept talking aloud)

PRESIDENT (in Cantonese): Mr WONG Yuk-man, this is not the time for you to speak. If you keep talking aloud, I will ask you to leave the Chamber.

Dr KWOK, please continue.

DR KWOK KA-KI (in Cantonese): President, we see a genuine need to rectify the mess, which is attributed to the pro-government or pro-establishment camp here. The works projects under discussion involve dozens or hundreds of billion dollars. Let me first talk about the Liantang boundary control point.

President, the Liantang boundary control point involves a total of $58 billion. Why should it be built? The Government's document claims that there is a need to have more people to cross the border through the Liantang
boundary control point. As "Hong Kong 2030: Planning vision and the strategy" released by the Government in 2007 pointed out, it is inappropriate to develop a boundary control point at Liantang given its remote location. This is what the government document pointed out. Moreover, according to traffic flow analysis, only 5.3% of vehicles would pass through Huizhou on the east as well as eastern Guangdong. However, the Government changed its mind a year later. In September 2008, the Preliminary Planning Study on Developing Liantang/Heung Yuen Wai Control Point jointly released by the Shenzhen Municipal Bureau of Urban Planning and the Hong Kong Government revealed that the project was mandated upon us by the Mainland authorities. Why? Because their aspiration for the project was to reduce the congestion and pollution caused by the flow of vehicles passing through the urban area of Lowu, Shenzhen, such that traffic flow in the east would not run across to the west, *vice versa*. The project is basically not for Hong Kong — be it in economic or livelihood terms — but it involves $58 billion and it has to be built as ordered.

In addition, as for the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), Members may note that there are a lot of outstanding issues, and cost overruns amount to $10 billion or so. Members can see that they are "white elephant" projects, so how can they help Hong Kong people? Hong Kong as a whole is now flooded with Mainland visitors under the Individual Visit Scheme (IVS). For those who need to travel, what can they ride at Admiralty? The Secretary was being indifferent when he said that they might wait for a train or two, but in reality they cannot board any after five trains have passed. All residents in North District — also those in Yuen Long, Tuen Mun and Tin Shui Wai as well nowadays — are affected by IVS visitors, but Hong Kong people have to pay for it and even need to spend dozens of billion dollars to lure more IVS visitors. Why? In this Council, be it in the Finance Committee or the Public Works Subcommittee, Members from the pan-democratic camp are not only opposing all livelihood-related issues, we even call for reshuffling the agenda items. Yet, is the Government willing to do so? No. The Government is like a thief crying "catch the thief".

We earlier called for reshuffling the agenda items of the Finance Committee so as to deal with some livelihood-related items before the passage of the controversial motion on "three landfills and one incinerator", but the Government turned it down, saying that the projects were not urgent because it was not a matter of project contracts. That is fine. Now, the Government tries to force its way for the passage of the Innovation and Technology Bureau, and
makes four … two of the funding applications related to schools' technology initiatives as well as those related to a foam jet and fire fighting equipment are kicked out. Why? Because LEUNG Chun-ying has made known his intention to establish the Innovation and Technology Bureau against the aspiration of all Hong Kong people.

Mr WONG Kwok-hing was lying just now. The delay of these projects will by no means lead to more unemployment. However, the Hong Kong Federation of Trade Unions may need to think twice. The Government now forces its way in introducing that many "white elephant" projects, what does it say next? It has already mentioned importation of labour. How can those among the grass-roots share the benefits? Of course not. I have no idea what is in their mind. In fact, most of these projects, be it the XRL or the current Liantang boundary control point, as well as the border crossing link and artificial islands in relation to the Hong Kong-Zhuhai-Macao Bridge, and so on, are not livelihood-related. Many of them are highly controversial and not endorsed by the community. In this Council, Members are duty-bound to stop the Government from spending as a spendthrift does.

We have made lengthy and repeated calls for expediting the redevelopment plans for all hospitals, but the Government takes no action; we call for building hospitals, but it takes no action; we call for building schools, but it builds nothing; we call for building centres for the elderly, but it puts them off for as long as it can. All these are supported with documents and evidence. May Members please open their eyes and stop trash-talking like Mr WONG Kwok-hing.

Certainly, I agree and encourage that more members of the public should register as votes this year, particularly after the Umbrella Movement. We need to have more people to come out and open their eyes to see what the pro-government Members have said and how they allow the Government to propose projects which totally run counter to people's livelihood and force its way for their passage. Kicking out the pro-government or pro-establishment camp is definitely the most important goal of Hong Kong people in the year to come.

As for the motion in question, Mr Alan LEONG has many grievances to recount as Chairman of the Subcommittee because, as a matter of fact, we have asked the Government if many of the projects can be discussed in advance, but there is no room for negotiation. Be it the Secretary or the pro-establishment camp, many of the things they do here are against the public. There is a great need for the Government to give an account to the public. This dozens or
hundreds of billion dollars … President, we are now to approve funding in excess of $380 billion, and how is it paid? It is paid through the Capital Works Reserve Fund, which comprises proceeds from the sale of land. In other words, we have to sell land at a higher price so as to push up the level of saving to $800 billion or so, because we need $800 billion to pay for some subsequent projects, including some "white elephant" projects, the hollow project of artificial islands, a third runway, and so on. The cost is to be borne by all Hong Kong people alike. The high land price policy will be maintained and more expensive land will be sold in order to obtain more money for more "white elephant" projects (The buzzer sounded) …

I so submit. Thank you, President.

MR WONG YUK-MAN (in Cantonese): President, the so-called "slow progress in vetting and approving funding applications for infrastructure projects" is only a false proposition. Nevertheless, now that Mr Abraham SHEK has proposed it, this would enable the parties for and against it — the opposition and the pro-establishment camp — to engage in a round of verbal duel. Therefore, I believe this agenda item today will drag on for quite some time. Although those people have still not come down here for the time being, on hearing comments that they do not like, they would come down to say a few words.

President, Confucius said, "When a ruler's personal conduct is correct, he will be obeyed without the issuing of orders. When his personal conduct is not correct, he may issue orders but they will not be obeyed.". The meaning of these words is very clear. Has the Hong Kong-communist regime ever cared about the feelings of the great majority public? Has it ever heeded the views of the public in policy formulation? It blundered in its administration and popular discontent is seething. Yet, it has never done the slightest self-examination or felt any regret about its own inadequacies, rather, it tried to shift the blame to the representatives of the public in the Legislative Council, so this is "thief crying thief" and today, even Secretary Prof K C CHAN, who was once a so-called professor and academic, also tried to pick a fight, so it can be said that he is itching for a beating.

The Hong Kong-communist regime has repeatedly cited the pretext of development and enhancing competitiveness, disregarded all objections and branded all dissidents as sinners who impeded Hong Kong's development in its attempt to justify its imperious decisions. To cite an example, in 2007 — Mr
Abraham SHEK is here now — the Civil Aviation Department (CAD) applied to the Legislative Council for a provision of more than $3 billion to replace the Air Traffic Control system and build a new headquarters, so as to strengthen Hong Kong's position as an aviation hub in the Asia-Pacific Region and enhance the competitiveness of the airport in Hong Kong. At that time, the Finance Committee approved the funding application speedily, so as to support the consolidation of Hong Kong's position as an aviation hub. However, the CAD went so far as to adopt the approach of "initial low price but subsequent high price" by altering the contract afterwards to deceive the Government Logistics Department and protect the interests of the tender-winning company on a number of occasions, thus undermining the interests of Hong Kong. Moreover, when building the new CAD headquarters, the original schedule of accommodation was also altered, so that luxurious shower facilities with an area of 200 sq ft was built in the office of the Director-General of Civil Aviation, in addition to a karaoke room and a dance studio.

The function of the Legislative Council is to monitor the Government. Secretary, it is necessary to ensure value for money of the funds allocated to infrastructure projects, so as to stamp out irregularities and abuse of power for personal gains. The latest example has illustrated everything. What sort of infrastructure projects are they? It is just money-grabbing. Just now, Mr WONG Kwok-hing spoke with apparent conviction, talking about how many billion dollars were spent and how many hostels could have been built, but have they ever been built? Again, the report of the Audit Commission talks about long-term care, saying that each year, some 5,000 people waited in line but some went to heaven before they could get a place, so does anyone mean the slow progress in vetting and approving infrastructure projects have anything to do with this? There is a pile of trash here indeed. Let me tell him: If he wants to argue, he is surely no match for me. If he wants to talk about figures or arguments, I also have lots of them and I can even recite them backwards.

There are countless such instances. When applying for fundings, all sorts of nice things are said but after the funds are allocated, all sorts of bad deeds are done. In the incident related to the Express Rail Link in 2010, Kowloon West was high-handedly designated as the location for the terminus. With a short length of just 26 km, the construction cost is even higher than that of the High Speed Rail in Taiwan, which is over 400 km long. Moreover, the construction cost is three times higher than that of the Channel Tunnel for the High Speed Rail, which is 50 km long. Now, the project has even been exposed to have
experienced delays, so the cost overrun is like a bottomless pit. Who is the party meeting the costs? Is it Secretary Prof K C CHAN who pays the money out of his own pocket? It is taxpayers' money, the hard-earned money of the public, so why did he not talk about such matters?

The Government has an abysmal track record and each time, it would launch its works projects with great fanfare but end up doing a lousy job. On what grounds can it ask Hong Kong people to believe that it can implement these infrastructure projects in a professional and impartial manner? Now that such a situation has arisen in the Legislative Council and some people even considered the Legislative Council to be an idling engine that cannot serve its functions, whose making is it? What legitimacy does this Government have? What popular support does it have? LEUNG Chun-ying has taken office for two and a half years and drawn the wrath of heaven and the public alike. The Occupy movement lasting 79 days has turned the Police into the "ferocious police" and the "black cops" and whose making is it? This is the handiwork of those with public powers, rather than we humble representatives of the public. He wants to speak to the public, so I will tell the public now that no one would blame us representatives of the public, who have little power. We would only despise those directly elected representatives of the public in the pro-establishment camp who are helping the villain do evil, acting in collusion and wallowing in the mire together with the Government.

The late American author, Mark TWAIN, once said, "What gets us into trouble is not what we don't know. It's what we know for sure that just ain't so.". Nowadays, the Hong Kong-communist regime and the pro-establishment camp have precisely underscored this remark. Another sagacious former American President who did not have to work, Ronald REAGAN, also said, "Government is not the solution to our problems, Government is the problem.". The present SAR Government is where the problem lies in. Hong Kong people are really so pitiable. They have no way of overthrowing such a Government. Now, these people are even listening to the bidding of the Communist Party by oppressing Hong Kong people. When there are talks of self-determination by the people, the people concerned were branded as "Hong Kong separatists" and what was done only fell short of rounding them up and shooting them all.

Democracy means the freedom to oppose. As the opposition, we would certainly "negate in order to affirm" and "oppose for the sake of opposition". You are right in saying so. Do you mean I would oppose for the sake of support? In that event, how could I be the opposition? The more we debate,
the more clearly the truth will be borne out and we have to "negate in order to affirm" and "oppose for the sake of opposition". This is the duty of the opposition in any country. Only in this way can we uncover the shortcomings of the Government, and then protect the rights of the people. This is common knowledge, so have they ever read any books? I also speak very loudly and so does Mr WONG Kwok-hing; even so, one has to be learned, buddy. All that he talks about is platitudes. Ensuring the fairness, impartiality and openness of the administration and the policymaking process of the executive is the responsibility of representatives of the public. Regarding any actions taken by the Government, we have to doubt even when there is apparently little doubt and we have to doubt even though there is absolutely no doubt.

MR KENNETH LEUNG: President, I thank Mr Abraham SHEK for raising this motion debate — "Concerning about the problem of slow progress in vetting and approving funding applications for infrastructure projects". But I am afraid, President, I cannot agree with Mr SHEK's motion because, fundamentally, I think, on a theoretical basis, Mr SHEK's motion is flawed.

First of all, in the fourth line of his motion, it says, "infrastructure works will definitely be delayed, thereby pushing up works costs and affecting the livelihood of practitioners". Now, I just have one question for Mr SHEK: about the pushing up of the costs, is it because of the delay or is it because of the excessive demand resulting from the over-concentration of work carried out during the period which shot up the price of materials and labour? If I am just a first-year economics student, I would say, because of the excessive demand for labour and its limited supply, not because of the delay, naturally the cost of labour will shoot up.

And my second big question, President, on this motion is on "the industries' sustainability, and eventually hindering Hong Kong's long-term economic development" and also because of the speed of approving the funding applications, Mr SHEK also talked about the livelihood of the industry as a whole. This brings the question: what is the purpose of launching these infrastructure projects — not to mention we have not defined the term "infrastructure" yet — what is infrastructure? But before we go to the definition of "infrastructure", I think the building of roads, bridges and other facilities per se is not to make the industry sustainable because all of the infrastructure is capital stocks of society and these stocks per se must produce utility but not provide employment because we are not in the economic downturn. Of course, when
you use the Keynesian theory, building of infrastructure will increase employment, will generate GDP and will have a multiplier effect — I beg your pardon — but modern economists fail to agree on this point. This is fundamental, of course, but this argument comes from the General Theory of KEYNES published in the 1930s. If we want to stimulate economic recovery, both fiscal policy and monetary policy need to be used. But in Hong Kong, in 2015, we are not in an economic depression. Now, let us go to the more basics: what utility do we have if we are building more railways, more tunnels and more roads? Of course, yes, the only word we can find is connectivity. But what is the utility of connectivity without other types of economic activities? You could not convince me because there is — and there must be — a saturation point of infrastructure in a place which is only 1 000 sq km big. But, ironically, President, when I spoke to a very senior civil engineer a couple of days ago, I asked for his expert opinion, "Mr Engineer, do you think there would be a saturation point for infrastructure?" He said, "No, because when infrastructure becomes old — no matter they are still usable or not — we will tear them down and will build more, newer, bigger and more sophisticated infrastructure." President, I do not think this is the right attitude.

The third question: what is infrastructure? Without even defining the word "infrastructure" we are just debating it for the past two hours. I think it is a bit ridiculous and superficial.

Now, I have recently read a paper prepared by the United States Congressional Research Service. The title of that paper reads "The Role of Public Works Infrastructure in Economic Recovery". Now, what is infrastructure? It says that "there is no standard or agreed definition of the term" "and the concept in policy terms has been and remains fluid". It may include the infrastructure which common people understand: roads, bridges, water, sewage system, airports and public buildings. This is a narrower definition of infrastructure. And a wider definition of infrastructure, President, also includes schools, health facilities, recreation facilities, electrical power production, waste disposal and telecommunications facilities. But also recently, President, there is a relatively recent addition to the debate concerning the definition of infrastructure and that concept is called "green infrastructure". And what is "green infrastructure"? Green infrastructure is the concept of growing the economy and creating jobs with investments that will promote clean energy and environmental protection.
President, even without going into the details whether the filibustering will delay or has, indeed, delayed the infrastructure funding process, I would say I would be very skeptical if I were being faced with a daunting task of approving multi-billion dollar road or tunnel projects because of the reasons I have stated. I am, of course, supportive of the wider concept of infrastructure including the green infrastructure projects and that is the reason why we have to diligently fulfil our role in vetting all the projects. These projects must produce utility to the community and to the citizen. And, in fact, nobody can answer me this question — perhaps, the Secretary, Prof CHAN, can answer me — I want to find out the fiscal multiplier index for infrastructure projects in Hong Kong but I could not find it. And I would dare to say that the multiplier effect of cutting tax or dishing out cash to all the citizens of Hong Kong will have the same multiplier effect as the increase in government fiscal spending.

President, I rest my case. Thank you.

IR DR LO WAI-KWOK (in Cantonese): President, first of all, I thank Mr Abraham SHEK for proposing this original motion. It enables us to explore together this important issue which concerns the economic development and social livelihood in Hong Kong. The filibusters and non-cooperation movement initiated by some Members of the Legislative Council have seriously affected the vetting and approving of new works projects. According to the statistics on projects scrutinized by the Legislative Council Finance Committee, for the year 2013-2014, the total estimated funding for new projects was $43.1 billion but the actual total approved funding for new projects was only $3.6 billion, showing a drastic decrease when compared to the total approved funding for new projects in 2011-2012 and 2012-2013, which were $160.7 billion and $90.9 billion respectively, and it is even less than the $22 billion of approved funding for new projects during the SARS outbreak. This has aroused grave concern in the engineering and construction sectors. About a dozen of trade associations, labour unions and professional institutes in the construction industry formed the Construction Industry Alliance (CIA) in end-November, urging Members of the Legislative Council to perform their duties and end the filibuster expeditiously. Both Mr Abraham SHEK and I are members of the CIA. Delays in the provision of funding for works projects will not only drive up the cost of construction projects and lead to wastage of public resources, but will also seriously affect the livelihood of industry practitioners.
At present, a number of major infrastructure and housing development projects are underway in Hong Kong, causing the demand for construction workers to increase. Manpower has thus become tight. In November last year, the Hong Kong Construction Association and the Hong Kong Federation of Electrical and Mechanical Contractors Limited conducted a survey on their members' construction sites and found a shortage of some 3,300 workers and some 1,500 workers respectively in their sectors. If we make an estimate on this basis, there is a shortage of about 12,500 construction workers and about 4,600 electrical and mechanical workers in Hong Kong as a whole. However, members of the industry have pointed out at the same time that given the impact of political bickering on the planning of infrastructure projects, a number of major projects will reach their peaks of construction this year to next year, which will lead to an acute shortage of manpower. But if the next batch of projects cannot be rolled out in time, the situation will go to the other extreme as insufficient construction projects will be envisaged and this will seriously affect the livelihood of the 360,000 workers in the construction industry, resulting in the situation where "one can die of overeating at one time and starve to death at another" in the construction industry. According to the industry's estimate, the livelihood and development of the industry can be sustained only with the Government spending $70 billion or more in annual public works expenditure and a total of around $180 billion together with projects in the private sector. The CIA has estimated that if the unemployment rate in the construction industry rebounds to reach the level of 19% in 2003, there will be close to 70,000 workers out of job.

Delays in the provision of funding for works projects has seriously affected the sustainability of the industry. On the one hand, about half of the workers in the industry are aged above 50, and it takes five to six years for new apprentices to be trained to become skilled workers. A drastic fall in the number of construction projects in the next few years will not only force the existing workers to switch to other trades because they are unable to make ends meet, uncertainties in the prospect of the industry will even deter interested young people from joining the industry, which means that the training efforts made over the years would be thrown down the drain. On the other hand, in the construction industry there are a lot of middle-class professionals, including engineers, surveyors, project supervisors, and so on. A drastic fall in the number of projects in the future will lead to the loss of a large number of experienced professionals and worse still, they will never return once they left the industry. Even if various projects are launched again in the future, the shortage
of workers will give rise to a vacuum in the industry. Besides, the Government has imposed restrictions on the employment terms of resident site staff. If they have not been engaged in government projects for over a year, they will be considered as new entrants when they are re-employed, which means that they will receive salary and benefits at the starting point of the post. This is actually tantamount to a substantial salary cut to them and will force some experienced professionals to switch to other trades albeit reluctantly. The loss of workers will also result in workers being forced to work overtime to race against the clock in order to meet the completion dates, which will cause problems in occupational safety, such as accidents involving work injuries, and so on. This will seriously take toll on the quality of works and undermine the competitiveness of the local construction industry in the long term.

President, as shown in the wording of the amendment proposed by Mr Alan LEONG, the pan-democrats have questioned the Government for repeatedly pushing through the more controversial infrastructure projects regardless of public opinions on the one hand and proposed that this Council should vet and approve the funding applications for livelihood-related projects on a priority basis on the other. The CIA considers these views specious and misleading. In fact, all infrastructure projects are related to the people's livelihood and closely related to the long-term economic development of Hong Kong. These projects, during execution, will increase employment opportunities direct, and their completion will promote the development of various trades and industries. If the completion of various public facilities and infrastructure projects were deferred because of delays in the provision of funding, it would definitely create an adverse impact on the planning on housing supply and transport, making it impossible for the relevant projects to be implemented as scheduled, hence directly affecting the community and the people's livelihood.

As to the question of whether the projects are more controversial or less controversial, I must say that this will inevitably lead to greater controversies. It is because public works projects of different natures and varied scales and for the long, medium or short term will have implications on society in different aspects, but the need to implement these projects may be equally pressing. In fact, some projects seeking funding that the community first expected to involve less controversies have ultimately met strong opposition. For example, it was more than a decade ago when the study on the Northeast New Territories (NENT) development project was launched and it was also included as one of the 10 major infrastructure projects in 2007 with public consultation being conducted in three
stages. Over the years, views in the community had not been seriously divided. No one would have expected it to become the target of attack when the funding application for the preliminary work of the NENT New Development Areas was considered in the Finance Committee last year, resulting in the incident of protesters storming the Legislative Council Complex.

Lastly, I urge the Administration to deploy resources in line with the demand for human resources in various professions, such as the architectural and engineering sectors, when planning infrastructure projects by, among other things, increasing the establishment of relevant professional grades in the Civil Service to ensure proper implementation of infrastructure projects while upgrading the standards of planning and monitoring to practically respond to the aspirations of the industries and the concerns of members of the community.

With these remarks, President, I support Mr Abraham SHEK's motion.

MR MARTIN LIAO (in Cantonese): President, the motion today is about the slow progress in vetting and approving funding applications for infrastructure projects. In fact, society as a whole has witnessed the legislature being gripped by the non-cooperation movement launched by certain Members and is on the brink of being paralysed, resulting in a huge backlog of funding applications. We all feel anxious and helpless.

As pointed out in the original motion and the amendments, if the problem persists, it will not only affect people's livelihood but will also cause delay to important infrastructure works, increase in works costs and impediment of development of society. It will also affect the effective administration by the Government and bring far-reaching adverse impact to the socio-economic development of Hong Kong. Actually, the issue under discussion is extremely serious, for it involves a higher-level issue, that is, the constitutional responsibility of the legislature.

According to Article 73 of the Basic Law, the Legislative Council is to exercise many functions, including "(1) to enact, amend or repeal laws in accordance with the provisions of the Basic Law and legal procedures; (2) to examine and approve budgets introduced by the government; (3) to approve taxation and public expenditure; (4) to receive and debate the policy addresses of the Chief Executive; (5) to raise questions on the work of the government", and
so on. All of these are important constitutional responsibilities concerning public interest, and they should not be used as a political tool to boycott the Government. However, certain Members have now used these as tactics to hold the Government to ransom, in order to fight for their political aspirations.

Those Members have adopted different tactics to impede the smooth conduct of meetings, which include putting forth a large number of frivolous or meaningless amendments or motions, making endless requests for headcounts at meetings and giving lengthy speeches, and so on, seeking to pressurize the Government. Some Members claimed that they filibustered for the items proposed by the Government are controversial, and they had to resort to this "extraordinary means" to monitor the spending of public money by the Government. Some Members claimed that they were just seeking clarifications but not filibustering, and they were indeed exercising the fundamental power of Members to propose bills and raise questions. President, no one will query the freedom of Members to exercise their constitutional powers, yet their actions demonstrate that the various explanations mentioned are merely excuses used by them to deceive themselves and other people. Yet, they cannot deceive the public.

Regarding comments saying that filibuster is not uncommon in overseas legislatures, I have two points to make in response. First, the filibusters in overseas legislatures are not carried out in an interminable manner, and members will eventually yield to public opinion and the interests of society as a whole. Second, though there are filibusters overseas, there are also mechanisms to cut them off. I cannot accept that a filibuster launched by only a few Members will paralyse the legislature and prevent it from fulfilling its constitutional functions.

We can notice from the present situation that motions affected by filibusters are not confined to immensely controversial ones, and the abusive use of filibusters has brought forth the following consequences. When a Member exercises his or her power to propose bills and questions, no matter how valid the justifications and how insightful the arguments are, they will not be understood, for the legislature has already been flooded with an avalanche of filibuster motions and voting procedures so arisen, leaving actually no room for substantial debate. Without substantial and rational debates, the public has no way to understand the justifications put forth by those Members and the specific issues they oppose. In fact, other Members who intend to put forth questions as usual will stop doing so in view of the situation. As a result, the public will only hear
the hubbub in the legislature but no reasonable discussion. Such tactics will backfire and undermine the functions of the legislature in monitoring the Government.

Besides, as filibusters are used abusively over the years, the public will get used to them, and the aspirations voiced by Members will not be taken seriously inside and outside the legislature. I wonder what benefit will this kind of operation of the legislature bring to the public.

On the contrary, such practice has once and again pushed society towards the verge of danger. President, in the past two years, during the scrutiny of the budget by the legislature, the filibuster has pushed Hong Kong to the "fiscal cliff". Members should recall that the Appropriation Bill of last year was only passed on 4 June, three weeks after the mid-May deadline. Since the provisional funding could not cope with the public expenditure after May, it had caused panic in society. The Government even took the lead to suspend the funding for the Hospital Authority (HA), the Legislative Council and tertiary institutions for June, and they had to use their reserve as contingency. It was heard that the HA had considered the option of selling its property to cash in for the emergency. The budget this year will soon be submitted to the Legislative Council, are we going to cause the public to panic again?

President, the reasoning is straightforward. To use filibusters is to fight like Kilkenny cats; no one wins but all suffer. We all know that if the deadlock persists, the Legislative Council will be led into a blind alley and there will be no way out. It is definitely not in the interest of Hong Kong.

President, for the reasons mentioned, I will support the original motion of Mr Abraham SHEK and the amendment of Mr NG Leung-sing. As the amendment proposed by Mr Alan LEONG only criticizes the Government and misleads the public into believing that a reshuffling of the order of the funding applications will solve the problem, I cannot support his amendment.

President, I so submit.

MR JAMES TIEN (in Cantonese): President, I believe the business sector and the Liberal Party are very concerned about the problem in the governance over Hong Kong for the past few years since LEUNG Chun-ying assumed office as the
Chief Executive. From the angle of the business sector, infrastructure development is very important. Certainly, the people's livelihood is important too, but if the construction of many hardware projects cannot go ahead, the industrial and commercial sectors will naturally have less and less potentials for development in Hong Kong. Let us look at the Shanghai Free Trade Zone or the development in Qianhai, Shenzhen, in recent years. In comparison, Hong Kong has indeed remained stagnant in many areas.

When the business sector does not have any opportunity for investment — let us not use the expression of "withdrawing capital", which is not quite pleasant to the ear — when the business sector does not have any opportunity for investment, it can only turn to other places. The ultimate victims will not only be the engineers or construction workers who would become jobless, but the overall business operation and economic development in society would be adversely affected, and then the Government's fiscal revenue would also be affected. A number of years later, the sequelaes of the delays in infrastructure development would certainly surface in the employment opportunities and promotion prospects of the public in various trades and industries.

The motion proposed by Mr SHEK today purely targets infrastructure development. Ir Dr LO Wai-kwok mentioned the public works funding in recent years, which the Liberal Party has also noticed. For instance, it was $160 billion in 2011, and $90 billion in 2012-2013; and in 2013-2014, it was only $3.6 billion and the detail was that funding approval was sought for 39 projects at a total cost of $43 billion but only 13 projects were approved and the amount of funding was only $3.6 billion, which means that many projects cannot commence. Whether or not we are worried about the engineers losing their jobs is one thing. But when all these projects are not taken forward, this would obviously pose obstacles to the economic development of Hong Kong.

Of course, on the other hand, Members from the labour sector will not find this pleasing to the ear because they are concerned about whether there will be sufficient workers even if all the projects are commence. Take the delay in the works of the MTR Corporation Limited as an example. Although the delay involved administrative problems, the shortage of workers is still one of the reasons. So, when there is not sufficient manpower on the one hand and funding applications are not approved on the other, I think the problem does warrant our concern. How should we tackle this problem which seems to involve the vetting and approving of funding for infrastructure? In fact, what we need to resolve is a political problem. As other colleagues have noticed, some pro-establishment
Members may blame the non-cooperation movement and the filibusters of pan-democratic Members for holding up the approval of these funding applications. However, the pan-democratic Members may then refute that it was because the Government had neglected them that they were forced to resort to the non-cooperation movement to give a cold shoulder to the Government's funding applications.

The Liberal Party has all along held that the Government should forge communication with the pan-democrats for the overall interest of Hong Kong. On the part of the pan-democratic Members, whether they are returned by functional constituencies or geographical constituencies through direct elections, they are all returned by elections. They should do something for the public, and they should also forge communication with the Government. Now that the Government and the pan-democratic Members are at loggerheads and ignoring each other. The pro-establishment Members have also found themselves in a dilemma. It is one thing that we are forced to hear them filibuster, but when all the infrastructure projects are shelved and a lot of Members may probably have retired a few years down the line, the overall economic loss to be suffered by Hong Kong can hardly be recovered in a year or two. Could it be that we really hope that Hong Kong will remain unchanged for 50 years in this respect? Could it be that all engineers in Hong Kong have to go to the Mainland to contribute to the Mainland projects because local public works projects cannot commence in Hong Kong? We do not wish to see this happen. Therefore, it is now imperative to resolve the problem in governance. Although we often suggest that the Chief Executive or the Government must first extend an olive branch, the pan-democrats may not be willing to accept it. So, I hope they can meet each other halfway.

Over the past few years, we have noticed that many projects were passed hastily during the "cooling-off process" in the panels and this has aroused dissatisfaction among the pan-democrats, and the views put forward by the pan-democrats were mostly not taken on board during the scrutiny of bills. Of course, the constitutional reform or Occupy Central were developments only at a later stage, but these are attributed to many problems accumulated from the past of both sides refusing to communicate or negotiate with each other, thus resulting in today's scenario. Of course, this Government still has a remaining term of two years or so. If things will go on like this, we Members of the pro-establishment camp can only continue to accompany the pan-democrats in wasting time here day after day.
In the 2016 Legislative Council Election or 2015 District Council Election, what will be the public's position towards the pan-democrats? It is indeed difficult to gauge it now. But I think if members of the public can realize clearly what has happened, they will see that both sides should take the blame. That is, both the Government and the pan-democratic Members should be held responsible. But anyway, the fact is that there has been continuous delay in the infrastructure development in Hong Kong; there is no way to commence the construction works, and the completion of infrastructure projects is beyond reach. Moreover, there are also cases that may not be related to infrastructure. An example is the site in West Kowloon which is of great concern to the business sector. The development of this site has been proposed long since. It has been 17 years since the reunification and the development of this site has yet to commence. Meanwhile, only the Cruise Terminal has been developed on this site of the previous Kai Tak Airport, and the other projects have been shelved. Let us not talk about those projects for which grand and ambitious plans have been made, such as the Northeast New Territories development project, the Hong Kong-Zhuhai-Macao Bridge or the handling of car parks, and so on, because development cannot be taken forward even for the existing sites. I think this will deal a blow not only to the business sector but also to the overall development of Hong Kong in the long term. If both sides can co-operate with each other and if the Government … Certainly this is not the responsibility of Secretary Prof K C CHAN, but if the bosses can co-operate with the pan-democrats, that would be what we wish to see.

Thank you, President.

MR CHRISTOPHER CHEUNG (in Cantonese): President, the non-cooperation movement initiated by the pan-democrat Members last year and the series of filibusters staged in the Legislative Council have seriously affected the progress of the Finance Committee in vetting and approving funding applications, and as a result, the progress of government works projects are experiencing a serious lag. This has not only undermined Hong Kong's competitive edge, but also caused taxpayers additional construction costs totalling billions of dollars and consequently, enormous intangible losses. This is why I fully support the motion proposed by Mr Abraham SHEK today on "Concerning about the problem of slow progress in vetting and approving funding applications for infrastructure projects". I hope Members can face up to this problem, and I would like to request the pan-democrat Members to turn back expeditiously and stop filibustering immediately.
After the delivery of the Budget in February last year, Members of the League of Social Democrats and the People Power began staging filibusters on the pretext of fighting for universal retirement protection by proposing 1,92 amendments in total. As a result, the Appropriation Bill 2014 was not passed until 4 June last year. According to the statistics of the Legislative Council Secretariat, during the period between February and December last year, the number of the bell being rung in Legislative Council meetings was as many as 459, with nearly 70 cumulative hours of precious time being wasted during the ringing of the bell. Furthermore, according to rough estimates, $16 million has been wiped out from public coffers, which are contributed by taxpayers.

President, let us come back to the constant occurrence of filibustering at the Finance Committee and the Public Works Subcommittee. Take the funding for the advance works for the North East New Territories Development as an example. As filibusters were repeatedly staged by the pan-democrat Members when the relevant funding was examined by the Finance Committee in early May last year, it took seven meetings and 30-odd hours of debate before the relevant motion was eventually passed at around 10 pm on 27 June. As a result, the Finance Committee was left with as many as 33 outstanding items for inclusion in the agenda of the meetings this year. Likewise, the Public Works Subcommittee was also jammed with 21 outstanding funding applications.

The undesirable consequences of filibustering are obvious. First of all, it will give rise to infinite delays in infrastructure works and rising construction costs which are estimated to reach several billion dollars. An academic has warned that Hong Kong's present political environment will hinder Hong Kong's competitiveness ranking. If the relationship between the executive and the legislature in Hong Kong remains poor and filibusters continue to be staged in the Council, Hong Kong's competitiveness ranking will only continue to fall.

As pointed out by the Secretary earlier, infrastructure works, including roads, railways, schools and even land and water supply, will have direct impacts on people's well-being and standard of living. Nevertheless, in 2013-2014, the Finance Committee approved only 13 items totalling $3.6 billion, representing less than 5% of the amount of funds approved in the previous year. Should this situation continue, the damage to Hong Kong is imaginable.

President, once infrastructure development is impeded, financial development will also be affected because financial talents around the world
attach great importance to the quality of environment and an environmentally-friendly living environment. If infrastructure works on trunk roads cannot be completed on time, traffic congestion might occur on a daily basis; if the efforts in ameliorating air pollution are impeded, air quality will become even worse; and if land production is impeded, property prices will be pushed up further, too. All of these factors will affect Hong Kong's ability to attract talents and undermine our competitiveness.

Not only will filibustering affect people's livelihood, engineering personnel and construction workers will also be the first ones to bear the brunt. In the past, there were constant marches participated by construction workers to express their dissatisfaction with filibustering which had resulted in fewer works projects approved by the Finance Committee and less funding, thus affecting the number of their work days. A trade association has even stated that filibustering will derail a number of professions, including accounting, logistics and infrastructure, concurrently. Much of the additional construction cost of $7 billion incurred annually is estimated to be borne by taxpayers ultimately.

Unfortunately, on the one hand, Members engaging in filibustering have failed to discharge their duties of monitoring the Government as well as vetting and approving funding applications. Instead, they simply oppose for the sake of opposition with endless filibustering, thereby depleting public coffers and hindering economic and livelihood development. On the other hand, they keep claiming that, as representatives of Hong Kong people, they must fight for the interest of Hong Kong people, and pretend to be concerned about the country and the people. It is most ridiculous that these Members are actually like "thieves crying thief".

I would like to advise Members engaging in filibustering that should they continue to use the well-being of Hong Kong people as the wager by simply staging filibusters in the Council or pulling the hind leg of the Government, they will definitely taste the bitter fruit grown by themselves. In a word, they should stop filibustering expeditiously for the sake of themselves and others before Hong Kong can possibly run into luck and members of the public be benefited.

President, I so submit.
MR LEE CHEUK-YAN (in Cantonese): President, the pro-establishment camp only keeps criticizing the pan-democrats for filibustering, and that in launching the non-cooperation movement, we are "thieves crying thief" and "opposing for the sake of opposition". But in fact we pan-democrats are discharging our duty of monitoring the Government. If the government works are "white elephant" projects or projects that arouse public hostility, we will naturally oppose them. However, this is not the case for the pro-establishment camp. They agree with every proposal presented by the Government, and will never "guard the goalposts" for members of the public. Instead, they will only play convoy for the Government. This is their style. Members must gain a clear idea of what we have all along been advocating. The non-cooperation movement targets those "white elephant" projects not conducive to livelihood, and for those livelihood-related projects, we are more than willing to co-operate, looking forward to their early launch. I need only cite a clear example to get you all to realize how this Government makes things difficult on purpose.

"689" has a passion for struggle and practicing executive hegemony. Earlier on, Mr James TIEN suggested we had better sit down for a discussion with the Government. In fact, we also wish to discuss with the Government to see if the projects can be arranged in sequence, so as to achieve early implementation of those projects to which, in our opinion, priority should be given. Frankly speaking, we certainly have to oppose them as they are "white elephant" projects which require reclamation and will damage the environment, and some projects are basically a waste of money. Some people allege that now the pan-democrats have caused an increase in project costs, wasting a substantial amount of money. But if we had not proceeded with the Express Rail Link project, we would have saved $60 billion. This $60 billion is a large sum of money. Therefore, Members should have a clear idea of these figures.

I will first talk about the Government's executive hegemony. "689" LEUNG Chun-ying insists on fighting. One episode remains fresh in our memory, and that is our success in securing Chairmanship of the Public Works Subcommittee. We have publicly told LEUNG Chun-ying and the community that schools are vital, hoping that those projects in relation to the construction of schools can be implemented as early as possible. Another point that I wish to make is that "white elephant" projects are not in the best interest of workers. Rather, such minor projects as the construction of schools and provision of housing will benefit them most, because they are labour-intensive works. If Members wish to understand the whole issue further from the perspective of
workers, they should first get this point clear. For this reason, we suggested that priority should be given to such works projects as schools and elderly homes, an attempt which had almost succeeded. But the Government rejected our suggestion, saying that such projects must not be examined first. The pan-democratic member, as the Chairman, also intended to consider the school projects first. To our surprise, the Government really wanted to get us into a fight. It withdrew the school projects that we originally hoped to consider first, refused to accord priority to them, and then forced those "white elephant" projects involving reclamation or Liantang onto the agenda. Given the determined obstruction by the Government, we had no option. We could only keep our stance firm for the interest of people. Nevertheless, we are indeed eager to have the school projects considered first. It is as simple as that. The issue as to who is right or wrong is open to public comment.

Now the Government again poses obstruction over another issue. We intended to request that works projects be arranged in sequence later on at meetings of the Finance Committee. But the Government suddenly stated that other items would be withdrawn from the agenda, while forcing members to consider the proposal to establish the Innovation and Technology Bureau first. Members may still recall that at the very beginning, we already opposed the proposal on reorganizing the government structure into five Secretaries of Departments and 14 Directors of Bureaux, dismissing it as impractical. There is basically no need to create an additional "white elephant Secretary", but the Government insists on doing so to get in our way. The pro-establishment camp is a fan of works projects, and we have also got some works projects approved by the Public Works Subcommittee. However, the item on the Innovation and Technology Bureau is now obstructing other works projects. Why do they not ask the Government to withdraw the item on the Innovation and Technology Bureau to give way to other works projects? Even if the Government does not submit those project items first, they can at least enter the queue now, so as to avoid any obstruction caused by the item on the Innovation and Technology Bureau. Those approved works projects are in our opinion necessary to implement. And later on, the Public Works Subcommittee will also approve the school projects. It is hoped that they can be implemented as early as possible. In view of the above, Members should realize that the one who is obstructing those livelihood-related construction projects is the Government. Therefore, they should not pass the buck to others arbitrarily.
Second, I wish to talk about labour issues. Members have described the current situation as dire. The Hong Kong Construction Association intended to form an alliance, while earlier on, someone said Mr Alan LEONG was to be condemned. After they have talked that much, at the end, I just wish to raise a question. If the problem is as serious as they claim, what is the point of discussing further the importation of foreign labour? President, according to them, the current situation is dire. Once the works projects are not approved, layoffs are expected. However, earlier this morning, they indicated that given the critical situation and an urgent need for manpower by the works projects, the importation of foreign labour should be expedited. If the situation is really that worse, manpower will no longer be required by the works projects. Would they please tell us clearly which opinion represents their stance? Every time they speak of importation of foreign labour, they will claim a manpower shortage for the works projects. But when they wish to pass the buck to us and criticize us for being slow in the approval process, they will say that the workers are about to be rendered jobless. Things are just open to their interpretation.

Moreover, Mr WONG Kwok-hing pretends to be speaking for the workers. I wish to ask him about NG Chau-pei of the Hong Kong Federation of Trade Unions being questioned about the issue of importation of foreign labour at the Labour Advisory Board (LAB). Even if some employee representatives were in favour of the proposal, the remaining majority of employee representatives opposed it. At that time, "Ng Chau-duck" (not good at fighting) did not answer my question. The only explanation is that he is basically in favour of the proposal. As an employee representative on the LAB, he, on the one hand, agrees to the importation of foreign labour, but on the other, he finds fault with us, criticizing us for impeding progress and thereby causing an under-provision of work for construction workers. In fact, those construction workers are most reluctant to swing between being overloaded by work and under-provided with work. When they cannot absorb the workload, the Government will resort to importation of foreign labour. But when they suffer from under-provision of work, it will care nothing about their fate. President, our ultimate wish is to achieve an even distribution of construction volume. Frankly speaking, we are actually averaging out the construction volume now. We will stand firm in our stance, refusing to let the Government proceed with ill-thought-out "white elephant" projects and requesting it to expeditiously provide public housing and schools. We have all along been standing firm in our stance to prevent the emergence of any "white elephant" projects. However, given the need to
implement other works projects, we must average out the construction volume. As we are averaging out the construction volume now, they should no longer propose importing foreign labour.

From all this, we can see that this pack of people from the pro-establishment camp are hypocrites, who on the one hand propose importing foreign labour, but on the other, try very hard to claim that the existing works projects are in a critical situation. President, this is nothing but double standards. *(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Mr LEE, your speaking time is up.

**MS STARRY LEE** (in Cantonese): President, just now Mr LEE Cheuk-yan told us to note that the projects objected by the Labour Party or the opposition camp were "white elephant" projects. Indeed, I would like to ask members of the public to take a look and judge: Is the establishment of the Innovation and Technology Bureau really a "white elephant" project? Disregarding the support voiced by the trade and ignoring that Hong Kong's industries have such a need, the opposition camp will only object in order not to let LEUNG Chun-ying set up the Innovation and Technology Bureau. Moreover, they also do not care that the city is going to be surrounded by rubbish. They just keep stalling and opposing the "three landfills and one incinerator" proposal. They claimed that the number of housing units was inadequate, but when the Government proposed to develop the North East New Territories for housing production, they did nothing but voicing objection. After all, are all these projects not what Hong Kong needs?

President, I thank Mr Abraham SHEK for proposing this motion debate. In fact, the problem of the "big congestion" of public works projects is already very serious. We can tell simply by looking at the figures. In the 2012-2013 Legislative Session, the Finance Committee approved a total of 39 new projects and the total funding for these projects was about $90 billion. However, a year later (that means in the 2013-2014 Legislative Session), only 13 projects were approved and the total funding was only $3.6 billion, having drastically dropped by 95% over the previous year.
President, the culprit for the "big congestion" which we face right now is obviously the non-cooperation movement initiated by the opposition camp. A few Members hijacked the Council and kept manipulating the procedure and proposing motions. Consequently — as members of the public watching the live television broadcast could see — motions were proposed in every Finance Committee meeting to adjourn the discussion on an item or further proceedings, leading to delay in the launch of the infrastructure projects. President, the development of infrastructure is slow in Hong Kong compared with the neighbouring cities, and it is unable to catch up with the actual social needs. Most importantly, these projects have been incessantly delayed, resulting in soaring construction costs which have turned every citizen into a victim who has to pay the price for these filibustering Members.

President, let me give an example. Affected by filibustering, the deliberations of the Legislative Council on the construction of the incinerator in the "three landfills and one incinerator" proposal had been delayed for years, during which the construction cost kept rising. In 2008 the Government proposed for the first time the construction of an incinerator on Shek Kwu Chau at the cost of some $4 billion. Afterwards, the project cost soared higher and higher. In 2011, 2012 and 2014, the construction costs had respectively increased to $11.4 billion, $14.96 billion and $19,237 million which was recently endorsed. That means the construction cost has jumped several folds within a few years.

President, what is infuriating is that such examples like the construction of the incinerator are not individual cases. In the previous Legislative Session, 27 funding proposals for works projects had suffered various degrees of delay in the Finance Committee or Public Works Subcommittee (the Subcommittee). The estimated costs of six of these projects, including the organic waste treatment facilities and the planning, engineering and architectural study for topside development at the Hong Kong boundary crossing facilities island of Hong Kong-Zhuhai-Macao Bridge, had risen by $1.3 billion since the Finance Committee was unable to give timely approval. The Subcommittee's failure to give timely approval also resulted in an increase of $1 billion in the construction costs of 21 projects.

President, that is to say, $2.3 billion of our public coffers has evaporated shortly within a year simply because approval was delayed. That means on
average, each taxpayer — calculating on the basis of 1.6 million salaries taxpayers with 2011 as the benchmark — has to pay as much as $1,400.

President, apart from the fact that taxpayers have to pay the price for these filibustering Members, actually what is most annoying about these filibustering Members is their application of double standards. For instance, just now Mr LEE Cheuk-yan indicated that the Government, whether it did or did not do something, was wrong anyway, and that it was wrong no matter what it did. Some Members ferociously attacked the administration of the Special Administrative Region Government, but when the Government proposed to handle a problem and put forward a proposal, they would target certain issues, impede the Government's work and paralyse its administration. For example, when we slammed the Government for not making enough efforts in its housing policy with an insufficient supply of public housing, thus prolonging the waiting time of applicants on the Waiting List for public rental housing, the Government proposed to develop the North East New Territories to increase land supply. Yet they claimed that the Government colluded with the property developers to seize the villagers' land and pompously filibustered in the Finance Committee without end. When we sharply criticized the lack of social mobility in present-day Hong Kong, a number of Members stepped forward to say that the development of our industries was uneven, being dominated by the financial and real estate sectors. However, when the Government proposed to set up the Innovation and Technology Bureau (ITB) in the hope of further promoting diversified development of Hong Kong's industries, they expressed worries about the Government … Just now they said that it was a "white elephant" project and that they were going to filibuster again to make the proposal stillborn.

President, the biggest irony is that the filibustering Members kept saying that their filibuster sought to stop a "white elephant" project and suggested that the Government revise the agenda to advance funding proposals which are not controversial. They would not impede such funding. However, President, people have different views on what is controversial and what is not. There can never be any standard. President, another point is, with their words still ringing in our ears, the Finance Committee deliberated the Fisheries Development Loan Fund last Friday. The purpose of the Fund was very clear, that is, to help fishermen who had been affected by the trawl ban and provide them with loans. That was entirely a livelihood problem and a livelihood issue. But, how did they handle it? They made use of this subject all the same to continue filibustering.
The reason was simple and clear. This item had become a "hostage" to help them stop the launch of the ITB. They did not want to let LEUNG Chun-ying set up the ITB. It was for the sake of struggle. President, for the sake of political struggle, now the filibustering Members and the opposition camp really do not care if the relevant projects concern people's livelihood. Nor do they care about the subject of the items and whether innocent people will be affected.

President, members of the public really find the present situation heart-rending. The Legislative Council has now become a filibustering council. Even if the Finance Committee, the Subcommittee as well as the Establishment Subcommittee continuously hold additional meetings, we will still be unable to deal with the various agenda items.

President, last year, the non-cooperation movement initiated by the opposition camp did not only filibuster. Apart from filibustering, they also cause meetings to be aborted. According to the information of the Secretariat, just (The buzzer sounded) …

PRESIDENT (in Cantonese): Ms LEE, your speaking time is up.

MR ALBERT CHAN (in Cantonese): President, Members nowadays really know too well how to pass the buck. The pro-government camp should no longer be called as such; rather, it should change its name to "the pee and poo passing camp". No matter what the problem or responsibility is, it absolutely has nothing to do with them. For example, Ms Starry LEE's remarks are practically absurdity of the first order. They are the pro-government camp, the ruling party that holds 43 seats in the legislature. So long as 35 of their numbers sit here nicely, the meeting does not have to be aborted.

President, a quorum is not present. I request a headcount.

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 Albert CHAN, please continue with your speech.

MR ALBERT CHAN (in Cantonese): President, when it comes to public works projects, many fallacies must be corrected. Many people make the accusation that the projects were delayed because of the filibustering by Members but we can look at the project of the Express Rail Link. Back then, this project proceeded at top speed and the fund allocation was also approved in no time but now, the cost has overrun by more than $10 billion. Perhaps those Members who supported the motion back then should commit hara-kiri! Due to the problems in the alignment and site investigations as well as many other inadequacies, I demanded that the Government carry out another study and that Eva CHENG further study the information on the site works. What did Members of the DAB say at that time? They said that this project was very important, so it had to be finalized as soon as possible. Now that the cost of the project has overrun by over $10 billion, just ask the DAB and Members of the pro-government camp to make compensations! This project can be regarded as having been approved very quickly, can it not? There was no delay whatsoever in the process and the delay lasted at the most four hours because at that time, I moved 30 amendments and other Members of the pro-democracy camp also moved some amendments for me. At that time, I just did not cause delays thoroughly enough. Had the motion been scuttled at that time, the cost would not have overrun by over $10 billion. Therefore, if some people criticize us for delaying the progress of the project and causing delays to the project, such a claim is really vile. Just now, I have already suggested that the pro-government camp change its name to the "pee and poo passing camp". They are only capable of passing the buck but totally incapable of looking squarely at the facts.

President, coming back to the public works, many of the delays were caused by the erroneous assessments of the Government. Just look at the Kai Tak cruise terminal development. The initial government proposal was for the Government to provide the land, while a consortium would pay out of its own pocket in return for a 50-year franchise of operation. At that time, I already
pointed out that the project involved a huge expenditure, so practically no group would submit any bid. At that time, no Member in the pro-government camp expressed any view in this regard. All that they did was to raise their hands in support of the government motion. After the motion had been passed, those ignorant Members also pointed out at that time that no consortium would submit any bid for such a huge investment plan. Surely this point would occur to anyone who has a little bit of common sense? Where are those people in the pro-government camp? Are they going to continue to pass pee and pass the buck? It was based on this erroneous assessment that the Government …

PRESIDENT (in Cantonese): Mr Albert CHAN, please mind your words.

MR ALBERT CHAN (in Cantonese): Can this be more vulgar than you, "Tree根"? "Tree根", you also use foul language, your four-letter words. Go and study the Chinese idioms properly!

Coming back to the public works projects, the Government made an erroneous assessment of the cruise terminal development. It began the study in 2005 and invited tender for the land sale in 2007. In the end, there was no acceptable and reasonable bid. Subsequently, the Government changed the mode, so that the Government could bid for the land itself and tender was not invited again until January 2009, so that was a delay caused by the Government.

Talking about the "three landfills and one incinerator" again, the incinerator has been approved and now, we are still awaiting the proceedings in the Court of Final Appeal, so despite the fact that the tender exercise has been completed, no contract can be signed. Concerning the issue of the incinerator, had the Government foreseen that legal proceedings were imminent and had it deferred this motion and brought forward the deliberation of other motions, would other motions not have been passed earlier? With the pro-government camp coming to the defence of the Government, the Government was unrepentant and the pro-government camp also totally disregarded the factual basis. I

---

1 Reference to the Chinese name of Mr Christopher CHUNG, 鍾樹根. The Chinese character "樹" in his name means "tree".
wonder how many Members know that the issue of the incinerator had to be referred to the Court of Final Appeal? They do whatever the Government says and do not try to understand and assimilate the problem in any way.

As regards the delays of the Hong Kong-Zhuhai-Macao Bridge (HK-ZMB) project, if Members still remember, the Government's initial plan was to operate the HK-ZMB in the "BOT" mode, in the hope that some consortium would submit a bid and after the completion of the bridge, the operating right would be handed over to the consortium concerned which could collect tolls. The Government adopted a mode akin to the operation of tunnels, in which the control would be resumed only after a number of years. Initially, when voting took place in the Finance Committee, there was not much opposition and only two or three people voice opposition, among whom I was one. At that time, I already pointed out that the traffic flow of the HK-ZMB would not be enough to attract any consortium to submit a bid and what was the reaction of the pro-government camp at that time? They all supported the "BOT" mode proposed by the Government then and no one supported my view. In the end, no consortium submitted any bid.

I beg them to get sober! Do some homework in advance and learn from others in humility. For example, I call on Mr Christopher CHUNG not to talk nonsense all the time, rather, he should learn properly and understand problems thoroughly. It is Members' duty to monitor the Government and the function of the Legislative Council is to monitor the Government's administration and it is also duty-bound to vet and approve public expenditure, rather than acting like "hand-raising machines". It is Members of the Executive Council who should act like "hand-raising machines" because they have the responsibility to come to the Government's defence. However, the responsibility of other Legislative Council Members is to monitor the Government's administration and public expenditure. However, this is not what they do. They only attend meetings as a matter of formality and always vote in favour when the Government proposes a motion. When problems arise, they shift the responsibility to Members of the opposition. Members should look clearly at the factual basis. On the delays of the several major projects in the past, the Government has to assume responsibility. At the same time, the ineffectual monitoring by Members of the pro-government camp also makes the Government act wantonly in administration.
In the past few years, the wanton behaviour of the Government has really been over the top. President, you have served in the legislature for many years and noticed that those supernumerary posts could not possibly be more numerous. The Administrative Officers flatter each other and provide protection to one another. Last year, the number of supernumerary posts in the Administrative Officer Grade doubled or tripled year on year. Public expenditure has become even more enormous, reaching as high as some $170 billion annually. This has indeed exceeded Hong Kong's capacity in supporting public works projects. I believe we all know clearly that the number of bar fixers is insufficient and the numbers of workers in some job types are also inadequate. The Government knows full well that the numbers of workers are insufficient but it launched various projects regardless. What kind of mentality is this? It is tantamount to while knowing that the number of doctors is insufficient but sending patients to the acute wards continually all the same, so do we want to let the patients meet their death? The Government knows full well that the number of workers is insufficient, yet it continues to invite tenders, so this would surely result in delays of the projects, as well as increases in public expenditure and claims for compensation. Powerful and privileged Members in the pro-government camp, this is only common sense. Even though the money is not yours, it does not mean you can squander it.

Therefore, we must serve in our posts diligently and do a good job of monitoring the Government to prevent it from acting wantonly.

MR WU CHI-WAI (in Cantonese): President, a good relationship between the executive and the legislature is crucial to the administration of the Government. However, the relationship between the executive and the legislature has begun to deteriorate since the reunification and even dropped to the lowest point recently. In addition to the introduction of unpopular policies by the Government, the authorities concerned and the pro-establishment camp have continued to blame the pan-democratic camp and the opposition for the damaged and poor relationship between the executive and the legislature. In their opinion, the opposition Members are causing damage to people's livelihood and affecting the progress of works on a daily basis, thereby resulting in delays in the works and rising construction costs, which in turn pushed up the overall costs. Such behaviour is definitely disapproved of the Democratic Party. One of the duties of the Legislative Council is to monitor the Government. The Legislative
Council is neither a "hand-raising machine" nor a rubber stamp for the Government. The "white elephant" projects launched by the Government continually will only make things worse and cause the relationship between the executive and the legislature to deteriorate further.

In recent years, the Administration has continuously launched major infrastructure works which invariably cost huge sums ranging from several billion dollars to tens of billion dollars and have an impact on Hong Kong's long-term development in the future. It stands to reason that Members should raise questions in the Council because they take the scrutiny of the projects seriously. It also shows that they are responsible. However, the Government only expects the Legislative Council to be an automatic teller machine (ATM) without properly explaining to it the urgency of the works. In an attempt to turn the opposition camp or the pan-democrat Members into "sinners of a thousand centuries" and compel the pan-democratic camp to support the "white elephant" projects, the Government has even threatened the Council that there will be serious cost overruns should it fail to support the projects. All these tactics are unacceptable to us.

Actually, many questions related to the projects or enquiries considered by us to be necessary come down to the ability of the Government to explain the urgency of the projects. The works project of the connecting road linking up with the Liantang/Heung Yuen Wai Boundary Control Point is a case in point. The construction cost of the works was $16.2 billion in July 2012. However, according to the paper tabled to the Legislative Council earlier, the relevant cost has suddenly risen by $8.7 billion to $24.9 billion. Such an increase actually shows that the works had a cost overrun representing 53.7% of the original construction cost. Certainly, there are a host of factors contributing to the increase in construction cost, including a rise in the value of construction works, the poor geotechnical conditions of the tunnel, the higher than expected evaluation by the bidder of the risk of restrictions on the execution of works, and so on. In its reply to a question raised by a Member of this Council, the Administration stated that the works must be completed by 2018, or else there will be negative impacts on Hong Kong economy and the reputation of the Government. What is more, the completion date of the works will thus be delayed, thereby further pushing up the construction cost. All this has caused panic among laymen and deviation in the awareness of the general public of the urgency of the works. In our opinion, the Administration is forcing its way
through in a deliberate bid to create white terror, such that the Legislative Council
can be compelled to endorse the funding application.

According to the information submitted, the claim that the completion of
the Boundary Control Point at Liantang by 2018 is merely based on a timetable
set by the Hong Kong-Shenzhen Joint Task Force on Boundary District
Development, rather than a reasonable completion timetable drawn up in the light
of Hong Kong's actual circumstances. Hence, the urgent need to complete the
works by 2018 is not a strong and compelling reason that can convince the
Legislative Council to support increasing the relevant additional funding.

Besides, the utilization of some boundary control points is not as high as
expected. Let me cite the Shenzhen Western Corridor as an example. The
Public Works Subcommittee stated in a project paper in 2003 that the traffic flow
at that particular boundary control point was expected to reach 46 100 vehicle
trips by 2011. According to the information provided by the Customs and
Excise Department and the Immigration Department, however, the actually traffic
flow there was a mere 9 529 vehicle trips, 36 571 fewer than the Government's
estimate. In other words, the actual traffic flow represented a mere 20% of the
original estimate.

Furthermore, the recent relocation of factories in the Pearl River Delta has
also raised doubts about whether boundary control points can perform their
function. We are sceptical about this, too. We can clearly see that with the
changes in national legislation and rising labour costs, industries originally
located in eastern Shenzhen in Guangdong Province have gradually been
relocated to the west. The factories' westward shift or even relocation to
Southeast Asia makes us doubt whether boundary control points can really
achieve their effect.

With the Government constantly urging for the launch of infrastructure
projects, and when there is a labour shortage and the demand of the entire society
for infrastructure is so strong, the construction costs will only rise further.
Under such circumstances, how can the Government treat the Legislative Council
as an ATM if it cannot explain the urgency of the relevant works projects? How
can Members raise hands easily in support of the projects concerned? In view of
this, the Democratic Party considers that the Administration should accord
priorities to infrastructure projects, adjust their progress and examine the works
programmes with a view to maintaining the construction output at a sustainable level the construction industry can bear, so as to avoid vicious competition which will otherwise continue to push up construction costs due to human factors or deliberate acts of the Government.

On the other hand, the Government should actually be held accountable in some measure for the delays in infrastructure works. There are more than 20 items on the agenda of the Public Works Subcommittee of the Legislative Council in this Session, and some of them are highly controversial, including works related to the Liantang Boundary Control Point, artificial islands and the reclamation works at Sunny Bay. In view of this, the pan-democrats proposed to deal with the outstanding items by "resolving the simple issues before the difficult ones" and in the "priority for livelihood" spirit, but the Government refused to do so in the end. In view of the Government's reluctance to reshuffle the agenda items, some works which could originally be expedited were thus denigrated, and so were some facilities which were beneficial to people's livelihood but not at all controversial.

LEUNG Chun-ying has once said and often emphasized that nothing is trivial when it comes to matters of people's livelihood. There are no problems whenever the Government wishes to reshuffle the agenda items. However, when Members request the Government to reshuffle certain controversial agenda items on the ground that a gridlock might thus occur, the Government will not yield an inch. All this reflects that the Government attempts to force its way through, in order to pass the buck to the pan-democrat Members. It also shows that the LEUNG Chun-ying Administration has not made any effort in forging reconciliation between the executive and the legislature.

MR PAUL TSE (in Cantonese): President, as a Chinese saying goes, "Harsh words come out of quarrels". The reason of Mr Abraham SHEK for proposing this motion today is to give Members an opportunity of discussion and at the same time advising the Government to more proactively work with this Council to seek solutions. It is originally meant to be a neutral and mild proposal. Unfortunately, in the contents of some amendments or the speeches made by quite a number of Members earlier on, this motion was nevertheless used as a platform for finger pointing, so this may have even wasted the original intention of Mr Abraham SHEK.
President, I have recently watched a movie called Sniper. At the beginning of the movie an analogy was drawn, comparing human beings to three kinds of animals. Some people are sheep as they are often bullied by others; some are foxes or wolves as they are man-eaters or predators; some are sheepdogs as they protect the weak and maintain order. President, there are far too many hawks and doves in this Council now. Do we need a third kind of animal to handle our business? But what kind of animal do we need? Members may have to make a guess or discuss it.

President, let me start with principle. When it comes to modern politics or democratization of politics, the most important approach and principle is the so-called conciliatory politics. As we can see in such powerful nations as the United States, if there is no political conciliation, a fiscal cliff would emerge and "Obama Care" would exist in name only. At the end of the day, when the people feel tired of the endless bickerings, the two parties have to sit down to discuss how the problem should be dealt with.

After talking about the principle, let me turn to the reality. President, what is the reality in Hong Kong? The reality in Hong Kong is that after experiencing more than a century of Hong Kong-British government, many Hong Kong people or a great majority of Hong Kong people more or less have some feelings and values. In other words, they highly advocate freedoms, and they highly advocate a lot of values with which we are all familiar. These values cannot be changed in a short time; nor can they be completely changed through "brainwashing" into models that the Mainland Authorities would wish Hong Kong to follow in handling issues and in reasoning or as the political direction. This is the biggest reality.

Second, in this Council, given that some of the rules have largely remained not changed over the years, there are actually far too many loopholes that allow a lot of destructive and obstructive acts done in the name of justice and in the name of diligence and exercising monitoring when negotiation is out of the question. I have cited an example called the "theory of rice washing" before. On the surface some people seem to be working very hard in washing the rice. However, if they do not wash a pot of rice as a whole but wash each grain of rice, while this can still be considered as washing the rice and we cannot complain that they are not washing the rice or not monitoring the Government, if they wash each grain of rice, that is impractical or unrealistic. In fact, under the current
circumstances, anyone who purposely goes overboard to air his anger can damage the system and cause delays by continuously "washing rice". Therefore, the reality is that further negotiation between both sides is necessary.

After the Occupy movement, the Hong Kong society has been torn apart to an unprecedented degree. Such being the case, it becomes all the more necessary for this Council to play a leading role, hoping to give society a respite as far as practicable, and it is absolutely inappropriate for the Government to continuously carry out activities that are too hawkish out of personal political ambitions, political positions or political characters, for this would only cause continual division and finger pointing in society. This is absolutely not helpful to the situation while neglecting the political reality of Hong Kong. Or, some people may wish to bring over to Hong Kong the system of the Mainland, and this is also entirely inappropriate and unsuitable.

In the face of these situations, a leader or political figure who truly works for the interest of Hong Kong should be able to rise above the horizon, which means rising to a higher level to get a picture of what is going on and utilizing the existing political room to the largest possible extent. Even if there is cold northerly wind blowing from the North, they should, by all means, provide more sunshine to Hong Kong in the South and make continuous efforts to strive for the biggest room, the highest degree of freedom and the greatest interest for Hong Kong people who are caught in a gap. In the present circumstances, the Government, when compared to each individual Member of this Council, is a giant who is hence duty-bound to make compromise and play a co-ordinating role on its own initiative, and it should even make the utmost effort to gain the understanding of the opposite side. I trust that this is the real essence of this motion proposed by Mr Abraham SHEK today, namely, the hope that the Government will realize this reality and Members no longer have to be entangled here and hurl abuses at each other as if fighting a battle of life and death.

President, the Chinese people put much emphasis on impartiality, neutrality, and the taking of the middle course. Why is it that Hong Kong people are still unable to upgrade their quality in the process of democratization even though Hong Kong has inherited the essence of the Chinese society and Chinese culture and has at the same time been enlightened by the British in respect of the rule of law or democratic politics over the years? For example, if we make reference to the debates in court, we will see that even if they have a "life-and-death" mindset, their attitude and culture show that they still endeavour to hold a rational debate. They display wits and make smart, incisive remarks,
rather than hurling abuses at each other with vulgar language or gestures. This
deporable culture is absolutely unsuitable for Hong Kong where good traditions
have been established over the years. Why can we not bring over to this Council
the good traditions of the Court?

President, earlier on I asked what kind of animal we should become. I do
not have a good conclusion but I have suddenly come up with an idea. Can we
be a seagull? Let us not be hawks or doves. Let us be seagulls, so that we can
have greater freedom; we can fly higher and look farther. The future and the
people of Hong Kong are in our hands. I hope we all can treasure this
mechanism. Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, I have noticed that after the
illegal Occupy Central movement, there have been subtle changes in the political
landscape of Hong Kong. As the fledgling radical political force started to gain
ground, some pan-democratic Members in this Council who often put up
struggles on the streets and stand on the front stage have suddenly all turned into
the stage backdrop. I wonder if it is because they actually wish to steal the
limelight and so, when the media put all the focus on the streets, colleagues from
the pan-democratic camp immediately came forth to say that they would stage the
so-called non-cooperation movement in this Council.

Since the pan-democratic Members have openly and categorically
threatened to thwart the Finance Committee in approving funding as a means to
pressurize the SAR Government, they should directly oppose Mr Abraham
SHEK's motion today. Since they will take forward the non-cooperation
movement, why should they still put forth proposals to the Government for
seeking solutions, so to speak? Therefore, when a Member alleged in his
amendment that the Government has "hijacked the Legislative Council by the
livelihood-related projects", President, I would say that this is somewhat
self-contradictory.

The pan-democratic Members have said that while staging the
non-cooperation movement, they will refuse to endorse all funding applications
from the Government except that a so-called "humane passage" will be open for
funding applications with pressing needs involving the people's livelihood, with
the aim of pressurizing the Government. So, who is the blackmailer? Who is
under duress?
Moreover, let us look at the government works projects. Of all the projects seeking funding approval from the Legislative Council, whether they are of a small scale such as a primary school project or a large scale such as reclamation, site formation or construction of bridges or roads, which projects are not related to the people's livelihood? President, which projects do not have pressing needs? But when these livelihood-related projects are tabled before the Public Works Subcommittee and the Finance Committee, the pan-democratic Members have kept on filibustering all the same.

The pan-democratic Members have actually always sought to beautify their non-cooperation movement. Earlier on, Mr Albert CHAN who sat over there said in a loud voice that it was because they wanted to monitor the Government's public works projects to avoid cost overruns that they must keep on proposing amendments and asking questions, sounding like they were discharging their duties. Then he went further to accuse the pro-establishment Members for turning a blind eye to everything and doing nothing.

President, I would like to cite an example. Earlier on some colleagues talked about the Liantang Boundary Control Point (BCP) project. So, let me also use this as an example to illustrate my point. As we all know, this Liantang BCP project had met countless obstacles posed by the pan-democratic Members in this Council. However, I have in hand the minutes of the Finance Committee meeting on 13 July 2012. President, this minutes of meeting shows that both the pro-establishment Members and pan-democratic Members supported this project at that time and Mr Albert CHAN who has just criticized the pro-establishment Members at the top of his voice even said then that the dual two-lane road in the Liantang BCP project would be stretched beyond its capacity. This is what Mr Albert CHAN had said, and he also proposed that the connecting road at the BCP should be dual three-lane.

President, if Mr Albert CHAN's memory has not failed him — or if he has forgotten this on purpose, I can give him a copy of this minutes of meeting later on for his reference. In paragraph 14 it is stated clearly that (I quote), "Mr Albert CHAN expressed the view that the configuration of the proposed connecting road should be dual three-lane, instead of dual two-lane as currently proposed. (end of quote)

As I have just said, what happened subsequently was that the Chairman put this motion to vote, and the pan-democratic Members and pro-establishment Members present did not express any opposition. From the proposal made by
Mr Albert CHAN at the time, we can see that he was, in fact, sincerely supportive of this Liantang BCP project, or else he would not have expressed concern about the dual two-way road being overloaded and demanded that the road be made dual three-way. Is that right, President?

As we have seen, this project is now being implemented in full steam, with some of the works approaching completion. All the pan-democratic Members are not in the Chamber now. They seemed to have suffered from amnesia as it turned out that they had erected obstacles to this project and the tender validity period for some of the works had expired as a result. If the Government had really pushed through the Liantang project to the neglect of public opinions, why did the pan-democratic Members not raise resolute opposition but instead passed the motion on this project? In fact, after so much has been said, the so-called filibusters initiated by them here in this Council and their proposal of the so-called "humane passage" are actually just a door made only to fulfil their wish. They open it as they like, and they close it as they like. It is purely meant to gilt, to adorn, and to sanitize their non-cooperation movement.

Mr WU Chi-wai said earlier that the Liantang BCP project had incurred serious a cost overrun and he certainly must monitor it closely. But I remember that the Liantang BCP project was tabled together with another project to the Legislative Council for supplementary provisions and, President, that was the Central-Wan Chai Bypass. That project also incurred a cost overrun of $8 billion but the motion on this Bypass was passed after discussion at one meeting, whereas the motion on the Liantang BCP project had been delayed for half a year at the Public Works Subcommittee alone and was eventually negatived on 9 January this year. Both projects incurred a cost overrun of $8 billion, so why is it that the motion on one of the projects was easily passed after discussion at one meeting whereas the other motion was delayed repeatedly and eventually rejected or negatived? Is it that the pan-democratic Members are forced to denigrate their past actions, not daring to refrain from raising opposition as localism or the political force of the localists has started to gain ground?

President, we have seen that the construction costs have risen for many major projects. This is not unique to Hong Kong as this is also the case in places all over the world. Therefore, if Members have resorted to filibusters simply because of rising construction costs and the need to scrutinize these projects more carefully, I would think that these are not reasonable grounds. In this connection, we consider that Mr Alan LEONG's amendment has actually
reversed the cause and the effect and amounts to a pre-emptive step to launch attacks. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) will oppose it. As for Mr Abraham SHEK's motion and Mr NG Leung-sing's amendment, given that their wording is more neutral and fairer, the DAB will support them, but regrettably, given the non-cooperation movement of the pan-democratic Members, I think even if the motion is passed, it would be no more than a good intention.

Thank you, President.

MR LEUNG CHE-CHEUNG (in Cantonese): President, there were only several reasons for the occurrence of serious delay in past major works projects, which included legal challenges, judicial review, or disputes over land resumption. These were also reasons for prolonged construction periods. In recent years, however, another major factor has been frequently involved and that is, delay in the approving of funding applications due to filibusters in this Council.

One of the duties of the Legislative Council is to scrutinize and approve public expenditure proposals put forward by the Government, which certainly include infrastructure projects. Infrastructure projects are long-term investments that can not only generate long-term returns for the economy but more importantly, they are a major element affecting urban development and economic growth. A research done by the World Bank has pointed out that a 10% increase in infrastructure investment would raise economic growth by an average of 1% to 5% per annum. However, what has been happening in Hong Kong is just the opposite as Members have initiated filibusters and a non-cooperation movement in this Council to thwart the progress of public works, causing obstruction to infrastructure projects and repeated delays in the infrastructure works.

Mr Albert CHAN remarked earlier that as the Government has a lot of "white elephant" projects, it is, therefore, necessary for them to oppose these projects, and he went further to accuse us for acting as a "hand-raising machine". But I must ask him this: What do "white elephant" projects mean? For instance, is the Tseung Kwan O Police Station project tabled in December last year, which they have negativied, a "white elephant" project? They negativied the construction of the police station for only one reason and that is, they did it in revenge for the Police getting in their way in the Occupy Central movement during actions taken against Occupy Central. They therefore wanted to take
revenge by not passing the motion. Therefore, I think the pan-democratic Members have filibustered for only one reason and that is, to oppose the Government in order that the Government would not be able to do anything.

Members in the opposition camp have arbitrarily resorted to filibusters to paralyse the operation of the Government and this Council on the ground that the Government has not acceded to their demands, using the interest of all Hong Kong people as their chip. Like Occupy Central, all these are extremely selfish acts to the neglect of the overall interest of the community.

President, there is another view that filibustering is intended as a stalling tactic. We all know that stalling is not a solution to problems. As the Financial Secretary has also said, "any public works funding proposal put forward to the Legislative Council may be controversial and requires Members of the Legislative Council, on behalf of the Hong Kong people, to examine the item and make a proper decision in the best interest of Hong Kong.".

The item of "Civil Service pay adjustment for 2014-2015" was originally scheduled for discussion in the Finance Committee in July last year. Given the filibustering by the opposition camp, the civil service pay adjustment as well as items directly relating to the people's livelihood, such as the Low-income Working Family Allowance, had remained not approved after prolonged periods. Over a period of six months, government officials, the pro-establishment Members and various sectors of the community had called on Members in the opposition camp to have regard for the overall interest by ending their filibusters or non-cooperation movement. However, Members in the opposition camp have turned a deaf ear to these calls.

It was after six months of delay when even teachers in subsidized schools whose pay rise was long overdue as a result of the delay in the civil service pay adjustment became impatient and the Hong Kong Professional Teachers' Union (PTU) organized a signature campaign on 6 January calling for the passage of the pay adjustment expeditiously that Members in the opposition camp acted like having regained their consciousness instantly and heard public opinions. Then they suddenly gave a green light to the items at the meeting of the Finance Committee held three days later. Meetings were held on two days and seven funding items were approved which, of course, included the civil service pay adjustment. Members in the opposition camp then immediately boasted their success in fighting for the passage of pay adjustment, winning an applause from
the PTU. Such an attitude taken by Members in the opposition camp of playing a dual role of goodies and baddies and listening to public opinions selectively is certainly incomprehensible. Having said that, it is a good thing if Members can face all Hong Kong people with this attitude of sensing the urgency of the people.

Last year, public works projects pending approval by the Finance Committee and the Public Works Subcommittee were delayed for an average of about six months because of the filibusters. The amount of funding approved by the Legislative Council Finance Committee has dwindled over the past few years. In 2011-2012, the Finance Committee approved a total of 70 items valued at $160 billion altogether. In 2012-2013, the Finance Committee approved only 39 projects valued at $90 billion in total. But the situation of last year was even worse because in 2013-2014, the Government introduced 41 items, of which only 13 were approved, involving a funding amount of only $3.6 billion.

As the Secretary for Development said some time ago, if the situation of funding applications being delayed due to filibustering continues this year and the number of new projects approved is similar to that of the previous Session, it is estimated that the expenditure on infrastructure will decrease by more than $20 billion annually two years from now. In recent years, the Government's investment on public works projects is about $70 billion annually, and an annual decrease of $20 billion means a reduction of as much as 30%. This will not only directly impact the construction industry which accounts for 7% of the Gross Domestic Product of Hong Kong, but the relevant industries (such as logistics, supply of raw materials, and so on) will also suffer substantial losses. The number of jobs and the economic benefits involved can hardly be estimated indeed.

Therefore, I urge Members to return to the right track as soon as possible and expedite the approval of outstanding and new funding applications for infrastructure projects.

I so submit. Thank you, President.

MR TONY TSE (in Cantonese): President, last week, I held a seminar with the industry on the latest Policy Address to discuss and listen to the views of the four professional sectors, including architectural, surveying, landscape, and urban planning, on the Policy Address.
A young architect said that as many public works projects have been affected by filibustering in this Council, the discussion on their funding applications have been deferred, and with the continual piling up of funding applications pending approval, the number of construction projects has dropped considerably, thus affecting the livelihood of quite a number of professionals and technical personnel related to the projects as well as that of practitioners of other relevant trades and industries. This young architect asked how this problem could be solved. The problems highlighted by this architect aroused discussions among quite a number of people attending the seminar. They generally opposed filibusters in the Council which have disrupted the vetting and approving of public works projects. This has not only jeopardized the overall development of Hong Kong but also seriously undermined the interest of the industries and the public. They called on Members who organized and participated in the filibusters to expeditiously end the filibusters in the interest of the public and Hong Kong.

President, with regard to the question asked by this architect, I must say that I feel helpless about it. I am angry with the filibustering in this Council. Many members of the community have questioned that filibustering is out and out an abuse of the parliamentary procedures. In staging the non-cooperation movement and filibusters in this Council, the opposition camp has created great chaos both inside and outside this Council, while causing distress to the public and creating problems enormously detrimental to the overall interest of Hong Kong. Therefore, I must reiterate that this undesirable trend of filibustering absolutely must not be encouraged. Many people have also questioned the underlying purpose of the opposition camp in resorting to filibustering. Do they want to be given a say or do they even have other ulterior political motives?

President, according to the information provided by the Government, for the current financial year, the Government originally estimated that the total approved public works funding would be $95 billion with 90 projects involved. However, judging from the extremely slow progress in vetting and approving projects as we have now seen, a huge gap is envisaged between the original estimate and the total amount of funding and number of projects to be ultimately approved. In this connection, the Construction Industry Alliance comprising a number of labour unions, contractors and professional institutes in the construction industry have written to the Chairmen of the Finance Committee and the Public Works Subcommittee respectively, calling on Members to end the filibusters and expedite the vetting and approving of public works funding
applications to avoid great fluctuation in the number of construction projects which would otherwise affect the relevant industries and employment of professionals and technical personnel, impact on the efforts made to attract and train new entrants to the industry and also undermine the overall competitiveness of Hong Kong.

While there are views recently calling for the suspension of planning of major infrastructure projects in the light of huge cost overruns in many public works projects to avoid putting pressure on the human resources in the construction industry and giving rise to further cases of huge cost overruns incurred in infrastructure projects, I think this is tantamount to "cutting the toes to avoid the worms", which is not conducive to the long-term interest of Hong Kong. President, I agree with the original motion which stated that the Legislative Council has been slow in approving funding applications for infrastructure projects and if the situation cannot be reversed in the near future, infrastructure works will definitely be delayed, thereby pushing up works costs. Therefore, in order to reduce cases of cost overrun in public works projects, one of the right things to do is to enhance the ability of the Legislative Council in effectively monitoring funding applications for infrastructure projects and the progress of the construction works. Regrettably, the non-cooperation movement and filibusters being carried out by some Members in this Council have seriously affected the normal operation of this Council, rendering this Council unable to duly perform its functions. Members in the opposition camp are indeed inexcusable.

President, regarding Mr Alan LEONG's proposal that the Government should enable this Council to vet and approve the funding applications for livelihood-related projects on a priority basis, so as to expedite the vetting and approval of outstanding funding applications, I think it seeks to divert attention and is misleading. It is no more than an attempt by the opposition camp to shift to the Government all their responsibility for the non-cooperation movement and filibusters, and I will not support it. The opposition camp has all along criticized the Government for refusing to give way and reshuffle the agenda items to enable livelihood-related items to be handled on a priority basis. But which of the various applications made by the Government involve items not related to the people's livelihood actually? These projects, which involve the construction of schools, hospitals and police stations and even large-scale land planning, development and studies are all related to the people's livelihood and closely linked to society. Every project is equally important. Therefore, many people
hold that the proposal of vetting and approving certain projects on a priority basis is indeed far from justified and that the opposition camp is merely using this as an excuse to shirk their responsibility of filibustering as what they actually want is to gain some say.

With these remarks, President, I oppose the filibusters and support expediting the approval of outstanding and new funding applications for infrastructure projects to enable this Council to perform its due functions. Thank you.

MR YIU SI-WING (in Cantonese): President, infrastructure is an impetus for the economic development of Hong Kong. It can promote employment and enhance the long-term competitiveness of Hong Kong, and it is a sustained investment. In recent years, the Government has encountered opposition and obstruction of various degrees in the implementation of a number of major infrastructure projects and the progress of such projects has been affected. Take the last Legislative Session as an example. The Government had submitted 39 new project items to the Finance Committee, but only 13 items amounting to a total of $3.6 billion had been vetted and approved, which was less than 10% of the funds applied. In the current Session, the Financial Committee has to clear the backlog of last year in addition to a number of funding applications, and it is estimated that a total of $71 billion is involved. If the vetting and approving progress of this Session is similar to that of the last, the expenditure on infrastructure of Hong Kong this year will be $60 billion less than planned. It is evident that projects affected by the delayed approval of funds are not small in amount. So Members must know, if the approval of funding applications of the Government is delayed, it will result in the suspension of works, and the projects may even need to be tendered afresh, thus boosting the costs. The suspension of works may affect the job security and livelihood of the workers engaging in the industry, and the delay in projects will bring inestimable economic loss.

President, when the Legislative Council resumed this Session, Members in the opposition camp launched the non-cooperation movement in the legislature in a high profile to support the Occupy action, to express their discontent with the constitutional reform and to vent their spleen on the Government. The non-cooperation movement seeks to paralyse the operation of the SAR Government and impede its administration. First, they joined the Public Works Subcommittee and the Establishment Subcommittee at the last minute to take up
the seats, so that they can form the majority in the subcommittees to impede the progress of meetings. Immediately, the Public Works Subcommittee was turned into a new battlefield for impeding the passage of funding applications for projects. Funding applications are blocked at the Public Works Subcommittee before they can be submitted to the Finance Committee, which is de facto causing delay. The Establishment Subcommittee encounters a similar situation. At the meeting of the Finance Committee, Members from the opposition camp make use of all the rules in the Rules of Procedures to carry out filibusters, such as raising irrelevant questions, proposing motions for adjournment and a large number of amendments, and so on, to delay the passage of various funding applications.

The playing up of filibusters in the legislature used to be the style of certain Members in the opposition camp, but in the non-cooperation movement this time around, Members of the Legislative Council in the opposition camp have declared their stance unequivocally in open. At present, infrastructure projects of the Government are subject to serious delay. These Members should be bold enough to bear the responsibilities and consequences. Regrettably, the convener of the pan-democrats' "lunch-box meeting", Mr Alan LEONG, has shifted all the blame for the slow progress in vetting and approving funding applications to the SAR Government. He said that "the Government has repeatedly pushed through the more controversial infrastructure projects regardless of public opinions and has also hijacked the Legislative Council by the livelihood-related projects", but I cannot agree with this remark. Honestly, when the Government submits the items to the Legislative Council, it is impossible that the proposal will be perfect, and there will inevitably be inadequacies. Members from different sectors are obliged to express their views from different perspective at different committees and to discuss and communicate with the relevant government departments. This is one of the obligations of Members of the Legislative Council and the purpose is to perfect the proposals. Members of the opposition camp on the one hand think of every way to exploit their rights and the Rules of Procedure to delay the vetting and approval of funding applications. On the other hand, they invent all kinds of excuses to shift the blame to the SAR Government. If they are not pretending to be suffering from amnesia, they are afraid of losing the votes of electors.

President, the practice of impeding infrastructure projects by means of the non-cooperation movement will not only affect the operation of the Government and increase costs, but more seriously, it will slow down the economic
development of Hong Kong and affect people's livelihood. Take the item on strategic studies for artificial islands in the central waters as an example. Since the filibuster started in the previous Session, six meetings had been held by the Public Works Subcommittee, yet the item was not passed. Eventually, the Government could only withdraw the item then. Last week, the Public Works Subcommittee rejected the items on Kowloon East Regional Headquarters, Liantang/Heung Yuen Wai Boundary Control Point and the Planning and Engineering Study on Sunny Bay Reclamation. As for the item on the extension of three landfills and the construction of one incinerator, after prolonged filibustering, the item was passed only recently, and the funding application for the planning of topside development at Hong Kong boundary crossing facilities island of Hong Kong-Zhuhai-Macao Bridge is also subject to delay.

The series of actions under the non-cooperation movement launched by Members of the opposition camp are pulling the leg of the Government. Their actions of using funding applications to threaten the Government have not only adversely affected infrastructure projects but also affected items involving people's livelihood on the agenda, seriously undermining the means of living of the labour sector and the well-being of the people. They are abusing their powers.

Lastly, I urge Members of the opposition camp to cease the non-cooperation movement expeditiously, for if the non-cooperation actions persist, both sides will suffer, and no one will benefit. Reasonable infrastructure projects have to be carried out in Hong Kong to form an economic foundation to bring forth improvement in people's livelihood. A wide range of industries are connected to infrastructure. The construction industry is not the only industry affected, for other relevant trades, such as the logistics, procurement and raw material supplies industries, will also incur enormous losses as a result of the delay in works. If Members of the opposition camp insist on imposing their views and continue with the non-cooperation movement in the Legislative Council, they will lose more support from the public. I hope they will rein in before it is too late.

With these remarks, I support Mr Abraham SHEK's motion and Mr NG Leung-sing's amendment. Thank You, President.
MR IP KWOK-HIM (in Cantonese): President, the opposition camp has launched the so-called non-cooperation movement in the legislature as a continuation of the Occupy action, using incessant filibusters to impede the administration of the SAR Government. The filibuster approach played by the opposition camp is not new to us. The difference this time around is that the battlefield of the filibuster launched under the non-cooperation movement has been extended to the subcommittees under the Finance Committee. The Public Works Subcommittee is the hardest hit, resulting in a huge backlog of funding applications on infrastructure projects closely related to the economy and people's livelihood pending further processing. As the opposition camp is bent on the maniac filibuster and carries it to the extreme, many funding applications that have a direct bearing on public interest, including the civil service pay adjustment and the Low-income Working Family Allowance, have nearly been prevented from obtaining approval from the Finance Committee before the end of this financial year. I can only say that the opposition camp is so overwhelmed by their political goals that they have turned a blind eye to the livelihood of the people and lost their conscience. What they are doing now has riled both man and god.

It has been nearly four months into this Legislative Session. During the period, the opposition camp has been filibustering in the Public Works Subcommittee and only four items of funding application have been passed. Yet during the same period, they have rejected or the Government has been forced to withdraw a number of funding applications on infrastructure projects closely related to people's livelihood. These items include the Liantang/Heung Yuen Wai Boundary Control Point and associated works, planning and engineering study on Sunny Bay reclamation and the strategic studies for artificial islands in the central waters, and so on.

Though the funding applications of these items may be submitted to the Finance Committee direct for vetting and approval later, the filibuster by the opposition camp has delayed the commencement of works of these projects by at least six months, incurring additional project costs amounting to hundreds of million dollars. Take the item on the Liantang/Heung Yuen Wai Boundary Control Point and associated works as an example. Since the tender has already expired, an exercise to re-tender the project has to be carried out, and it is estimated that the project costs will increase by at least $500 million. All the additional costs incurred will eventually be met by public coffers, and to put it
straightly, the public will have to foot the bill. The SAR Government projects that 89 items will be submitted to the Legislative Council within this Session, of which 21 items are deferred to this Session due to the filibuster last year. If the opposition camp continues to use filibuster to inflict damage, they will ruin the economy of Hong Kong and jeopardize the livelihood of the people. One day, people can hardly find any means of living and live in peace in Hong Kong because of the opposition camp.

It is most ironical that the opposition camp has been impeding the passage of items related to people's livelihood to paralyse the administration of the Government. Yet, it hypocritically requests the authorities to reshuffle the relevant items on the agenda to allow the Finance Committee to vet and approve funding applications which are less controversial. As for items which are so-called less controversial, it is the sheer determination of the opposition camp. If they consider an item less controversial, it will be less controversial. In other words, only items they considered acceptable will be passed. This is completely out of line with the established practice of the Government or the Finance Committee. How dare they posture as if they are fighting for the public and criticize the Government for hijacking the livelihood-related projects, forcing this Council to either first vet and approve the funding applications for the more controversial infrastructure projects or run into a lose-lose situation.

In fact, the delay in the passage of livelihood-related items like the civil service pay adjustment and the Low-income Working Family Allowance in the Legislative Council is precisely of the opposition camp's own making. They are playing the trick of "thieves crying thief". This kind of hypocrisy played by politicos is another eye-opener to Hong Kong people. On the day the Finance Committee eventually passed the funding applications for civil service pay adjustment and the Low-income Working Family Allowance, I had to attend a gathering. I was late for the gathering because of the meeting of the Finance Committee. When I explained my reasons for being late and announced the passage of the relevant applications, the news was greeted with a thunderous applause. People at the gathering criticized the actions of the opposition camp for affecting the livelihood of the public. I would like to say to the opposition camp here in this Chamber that if they are sincere in caring about the people's livelihood, they should show mercy in the next meetings of the Finance Committee and stop impeding the funding applications for the Fisheries Development Loan Fund, so that fishermen can ride over their difficult times.
President, in fact, since LEUNG Chun-ying assumed office as the Chief Executive, the opposition camp has been launching filibusters to cause considerable damage, seeking to pull down LEUNG Chun-ying and the new-term SAR Government. From the reorganization proposal proposed by LEUNG Chun-ying before his assumption of office to the Old Age Living Allowance proposed after he had assumed office, as well as the Budget proposed each year, these proposals have become the target for launching filibusters. The wicked deeds of the opposition camp in filibustering have been intensified after the Occupy action. They go further to euphemize such actions as non-cooperation movement, attempting to disguise their wicked deeds with the halo of the non-cooperation movement of Mahatma GANDHI of India. Yet, the non-cooperation movement of GANDHI was a movement aimed at striving for the due rights of Indians, whereas the so-called non-cooperation movement launched by the opposition camp is a movement seeking to wreck Hong Kong and bring calamities to Hong Kong people. They are an enemy of the people.

If the opposition camp think that their practice of impeding the administration of the SAR Government by means of filibuster will force the Central Government to compromise on the constitutional reform, they may be too simple and naïve.

With these remarks, President, I support the original motion and Mr NG Leung-sing's amendment but oppose Mr Alan LEONG's amendment.

MISS CHAN YUEN-HAN (in Cantonese): President, I am a member of the Public Works Subcommittee and the Panel on Development and I have been upset by a number of dismaying issues over the past two years or so. In particular, we received some letters, for example, one from the Baptist Lui Ming Choi Secondary School in Sha Tin last year, expressing the hope that we could allocate funds as soon as possible in 2014 as the school conditions were very poor, so it was very much hoped that through fund allocations, additional facilities could be put in place. Unfortunately, so far, the situation has persisted. I think that there are of course many reasons. Perhaps objectively speaking, this can be attributed to the filibuster but at the same time, I believe the Government must also deal with such a problem. This is also very important.

I have also discussed the present situation with professionals and also told the Government a number of times that in the face of the present situation, apart from the delays in project implementation, as in the case of the Baptist Lui Ming
Choi Secondary School mentioned just now, the biggest problem is that we find that public funds are draining like the water in a river. The press has done some computations and found that insofar as the nine major infrastructure projects are concerned, the cost overrun so far is $160 billion and they include such projects as the Express Rail Link, Shatin to Central Link, Liantang/Heung Yuen Wai Boundary Control Point, West Kowloon Development, Hong Kong-Zhuhai-Macao Bridge and the Central-Wan Chai Bypass. Sometimes, what we found was that on each occasion, additional funding for the projects was sought. The additional fundings sought did not amount just to $100 million or $200 million; rather, they amounted to $1 billion, $2 billion, $3 billion, $4 billion or $5 billion. They involved public funds, so why did such a situation occur?

Take the West Kowloon Cultural District (WKCD), which I am most familiar with, as an example, there is a specific subcommittee in charge of monitoring it in the Legislative Council. The development cost of the WKCD has increased drastically from $23.1 billion to $47.1 billion but at that time, the WKCD project was not affected by filibustering, so this is the result of various delays caused by the Government in the implementation of the project. Therefore, I think these projects have become a black hole. When I discussed the WKCD in the two previous Legislative Council terms, the cost stood at $23.1 billion but now, it has risen to more than $40 billion. However, there is still no knowing how this matter would be resolved. I think $16 billion is a huge figure. I hope the Government could look at the 10 major infrastructure projects under the Hong Kong Airport Core Programme launched by the British-Hong Kong Government before the reunification. Although the approved price was some $163 billion, in the end, the construction cost was some $150 billion, so a saving of some $8 billion was made. Why was that possible? At that time, some money could even be saved, so we looked into the reasons for this but nowadays, cost overruns have become the norm.

I have asked many professionals about where the problem is. Why have cost overruns become the norm in the Legislative Council of Hong Kong and for government projects? Each time we allocated funds, some people in the local communities would say that it looked as though their money were taken, to which I replied, "That is right. It is your money." I think that at present, there are really problems. Just now, I said that the Government had to assume responsibility. At present, there are "two systems in one industry". Obviously, there is now a great deal of supervision on building construction but with regard to the supervision on projects, another system is adopted — there is no supervision and that is why we had a very gruelling time looking into the incident
related to the Express Rail Link on the last occasion. I wish to stress that when the Government supervises infrastructure development, the relevant departments must be objective and cannot simply shift the blame to filibustering. They have to look objectively at why the situation of "two systems in one industry" has arisen. I think it is worthwhile for the Government to ponder this.

In addition, I also wish to say to Honourable colleagues that all along, we have wanted to ask one question: Why do project consultants hold all the power? Frankly speaking, infrastructure projects account for 32% of the total expenditure, higher than the 16% for the independent supervision of housing construction works. We derived these figures after an investigation and they are government figures. I think that if such major problems have arisen in relation to the system and infrastructure projects, they are prone to spawn other problems. In this regard, frankly speaking, if there is supervision only on some projects but not on the numerous problems related to subcontracts, corruption will breed easily. I have experienced the problem of insufficient housing in Hong Kong prior to the reunification, which resulted in the mass construction of housing, and many problems arose as a result, such as the scandal of 26 faulty public housing blocks in the 1980s, the problem of substandard piling works related to Home Ownership Scheme flats in 1999, and so on. All these are the hard lessons learnt as a result of the continual rush to complete construction projects at that time.

In the face of these problems, if the Government simply shifts the blame to some construction workers, I think that basically, this is not facing the existing problems squarely. The Government really has to review the situation of "two systems in one industry" and introduce independent supervision. It can no longer throw money into the sea. It cannot simply say that additional fundings have to be sought and shift the responsibility to the labour sector, saying that we are unwilling to import workers, thus resulting in the high property prices now and the additional money paid by the Government, hence the high costs. This is unfair to us. Both the Secretary and CY have said that increases in cost do not benefit workers, rather, the beneficiary is the middlemen who got the contract. It is not me who said this and I did not make this up. Just go and ask the Government.

Another problem that I wish to talk about is: Why are consultancy contracts often monopolized? Let me cite an example. If we examine the contracts awarded over the past six months, we will find that five of the nine consultancy contracts were won by the same company. Even in respect of the planning of new development areas in Tung Chung, North East New Territories, the disused
quarry on Lamma Island, Yuen Long South and the Lok Ma Chau Loop, they were all won by the same consultancy and the designs are uniform, as though they have come out of the same mold. Often, we query why it is always the same company. I am not going to say which one because as soon as I say the first word in its English name, Members will know it. Therefore, I wonder what actually happened in the whole process. Were some other issues ever considered? Earlier on, I went to a construction site on Lamma Island. At that time, I thought, "Oh, those people care so about this matter!" However, someone said to me, "Miss CHAN, they are from such-and-such company.". This notwithstanding, maybe they care a great deal and want to do a good job. However, this always makes one wonder why it is always those companies that are awarded most of the consultancy contracts. It is worthwhile for us to think about this.

Therefore, Hong Kong people have the impression that the Government is spending taxpayers' money indiscriminately, that the expenditures for projects have to be increased time and again and that the costs overrun all the time. Apart from the effects of filibustering on this, I believe the Government also has to consider the supervision within the system before the problem can truly be solved.

President, I so submit.

MS EMILY LAU (in Cantonese): President, Mr Abraham SHEK's motion points out that the slow progress of funding applications for many projects has led to various consequences, and therefore urges the Government to face up to the problems concerned and proactively join hands with this Council to seek solutions. Nevertheless, as Mr James TIEN put it earlier, this is a political question.

President, as I have said in this Chamber time and again, we in the pro-democracy camp got the majority of votes in elections, and yet became the minority upon entering this Council; the numerous proposals we submit to the authorities on behalf of the general public always come to no avail. Therefore, has the Government ever attended to how those electors and people who vote for and support us feel? Council procedures have long been set out for enforcement by chairmen, and Members are allowed room for manoeuvre in this regard. Apart from Hong Kong, such procedures are also in place in the parliaments of
many civilized countries. Why do we cause delays and take actions? Because no one listens while other methods are used. This may not win people's favour sometimes, but they see the need for action. Why? Because the Government always turns a deaf ear to the requests made by us.

President, universal suffrage aside, the issue of universal retirement protection has been mooted since 1997, and a $50 billion funding is now suggested. What is it for? For consultation again. Not only is the general public angry, Prof Nelson CHOW is also filled with rage. He warned against its introduction earlier, but it turns out that the Government really does so. The professor is of course most conversant with the authorities' approach, and Members are aware of many of these things as well.

The authorities call on us not to do this in this Council. Never mind, we may hold discussions and deal with it in an amicable manner, but it is them who are unwilling to do so. Hence, as Mr James TIEN has stated repeatedly, it has to be solved in a political way. What can be done? The President has said that regarding Members' initiative to take actions like filibustering, there may be a need to amend the Rules of Procedure. However, there is no way to make any amendment now. Even Mr James TIEN opposes it, querying the need to do so and calling for negotiations. Perhaps Mr Abraham SHEK's motion is not worded clearly enough, but I believe he is well aware of the highly political nature of the issue, which cannot be resolved by any sweeping means. Therefore, I hope that all public officers and Members can realize the necessity of negotiation and mutual understanding in Council operations.

Although we constituted the majority in the outside world but became the minority upon entering this Council in the past, Members would still discuss who were to become chairmen and deputy chairmen of committees at the beginning of each Session, so as to avoid the situation where 69 Members storm into a single committee and vie with each other. We were actually unable to secure a lot of posts through this approach, but we still took them up. However, what happened two years ago? No room for discussion was allowed after Members had assumed office, and all but one or two of the posts were taken up by us. May Members put themselves in our shoes? This is outrageous. That is why we stormed into the two committees under the Finance Committee. They were negligent and proceeded to blame us for betrayal. How did we betray them? I am really furious. Mr IP Kwok-him earlier described it as infuriating, which is very true, because we are being humiliated right in our faces.
Nevertheless, regarding the problems of this Council, the President has once put it most correctly. On one occasion, "Long Hair" wore a pair of shorts and rejected a Member's reminder that he should change them, then the meeting was suspended, and he eventually took the initiative to change them after some hassle; later on, the President told journalists that while it was possible to deal with a Member in shorts, what about 20 Members entering the Chamber in shorts? Hence, my advice to Members is that they should not push people into a corner. It is our wish to deal with many matters in a civilized manner. This is especially true to me, who have been engaged in Council business since 1991 and have kept my own Council records. However, they have pushed people into a corner over a lot of matters to a level where my supporters and I opine that they will not feel grateful even if we do so. Should the ending be so tragic every time?

We very often do not target at LEUNG Chun-ying. However, since the LEUNG Chun-ying clique took office, many of the Government's practices have become different. I am not suggesting that Donald TSANG did a great job, but my point is that there was still room for discussion in the past. Nevertheless, since LEUNG Chun-ying took office, is there any point to attend to the type of people like us? He could order all accountability officials not to attend the Liberal Party's 20th anniversary. What is going on? How are dogs trained? President, I think this is really terrifying.

Hence, the question is not just about project funding not being approved, as Mr SHEK put it. If the authorities and the pro-government Members keep conspiring with the evil-doers, forcibly blocking the endorsement of measures proposed by us and yearned for by members of the public while only allowing the passage of measures with sufficient supporting votes, they will definitely perpetrate a situation where people would rise up against official oppression. I understand that this is the last thing the general public would like to see, but similarly they do not wish to see these people — especially many of them are not returned through direct elections — stand in every way to impede initiatives wanted by us. Therefore, may Members please put themselves in others' shoes. If one is a directly elected Member and is being subject to oppression to this extent, is there any alternative left?

I so submit.
MR CHAN CHI-CHUEN (in Cantonese): The motion proposed by Mr Abraham SHEK today actually highlights only one phenomenon, that is, the slow progress in vetting and approving funding applications for infrastructure projects, which calls for our concern, and the direction for solving the problem is to urge the Government to face up to the problem and communicate with this Council to seek solutions jointly.

Mr Abraham SHEK is, in my opinion, a smart Member in the Council. What is happening right now? I think we are all very clear about the causality. Of course, certain Members in the pro-establishment camp, such as Mr WONG Kwok-hing and Members who belong to the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), would consider that the cause for the non-cooperation movement in the Council is filibuster, but as we have noted in Miss CHAN Yuen-han's earlier speech, this matter cannot be viewed in such a simple way.

Mr NG Leung-sing's amendment amends the first sentence of Mr Abraham SHEK's original motion, which reads "since the start of the 2013-2014 legislative session". Mr NG Leung-sing amended it as 2012. That means shortly after Members had assumed office, the non-cooperation movements arose in the Council. Of course, the implication of Mr NG's amendment is that we should not put all the blame on him, for such a situation did not emerge in the year when he served as Chairman of the Finance Committee. Rather, that was already the case when the current term of the Legislative Council began. That is certainly correct.

However, if we review at the history of non-cooperation movements in the Finance Committee, what was the first item over which filibustering was employed? It was the Old Age Living Allowance. At that time Mr LEUNG Kwok-hung requested exemption from the means test. Actually the Hong Kong Federation of Trade Unions also put the same request then. As far as I can remember, the Liberal Party requested to raise the asset limit to $800,000, while the DAB seemed to request to raise it to $300,000. Yet what happened in the end? Thickheaded and stubborn, LEUNG Chun-ying refused to yield a single inch. Mr LEUNG Kwok-hung later said that if the DBA could press LEUNG Chun-ying to relax the asset limit, he would cease the filibustering. However, LEUNG Chun-ying simply refused to change and would not make the smallest concession. Hence, we all got nothing. Things turned out this way by the Government's own making. If the Government had really discussed with
Members and all the Members of the Council considered the relevant limit too stringent, why was it impossible to relax a little? The Government, however, would not yield a single inch. As such, how can the Council go forward?

On the solution to the problem, Mr NG Leung-sing often says, "Let him who tied the bell on the tiger take it off." Actually who tied the bell? Of course, it was LEUNG Chun-ying. Nevertheless, Mr NG Leung-sing, the former Finance Committee Chairman, should really thank him because in the past, these non-cooperation movements in the Council were carried out by a few Members who were known as radicals, but what happens today? Today, most Members in the democratic camp, including the so-called moderates, have joined the active struggle.

I remember that during our discussion on the funding application for the North East New Territories Development Plan last year, Mr NG Leung-sing tyrannically did not allow Members to ask questions, forbade Members to submit any more motions without notice and removed Members from the conference room, but then he changed his decision, just acting at will. As I remember, this had even forced Dr Helena WONG of the Democratic Party to leave her seat and threw a hat at Mr NG Leung-sing. This scene is still vivid in my mind. What is the cause and effect? These evil deeds are the root cause, producing such an effect that society as a whole has to bear the bitter consequences.

In our discussion on this problem today, actually we should make a comparison. This year, Mr Tommy CHEUNG has handled the matter better than Mr NG Leung-sing. Of course, I do not wish to spoil Mr Tommy CHEUNG with my compliment. I will remind him time and again in the next few Finance Committee meetings, "Do not become like NG Leung-sing." In all fairness, if we compare the Finance Committee's progress with the situation before the summer recess last year, eight meetings were held to pass the North East New Territories Development Plan, whereas the "three landfills and one incinerator" proposal, which was highly intractable, got passed in relatively less time this year.

However, now a "big traffic jam" has appeared in the Finance Committee again. Actually there are only two agenda items left in the Finance Committee. One is the Fisheries Development Loan Fund, and the other one, the Innovation and Technology Bureau (ITB). The biggest responsibility certainly lies with LEUNG Chun-ying's Government. While claiming repeatedly that they care
about members of the public, they have held public interests as the hostage. This is very clear. Members had requested to reshuffle the order to accord priority to those agenda items relating to people's livelihood, but the Government turned a blind eye all the way, and LEUNG Chun-ying merely said that each item was equally important. Come to think about this. If the agenda items on the civil service pay rise and the Low-income Working Family Allowance had been moved forward, there would have been an "all-win" situation for all the three parties: the Council, the Government and the public. The tense relationship would also have been eased, but he simply refused.

This time, for the sake of the ITB, he could withdraw four items, namely, the Enriched IT Programme in Secondary Schools, replacement of police launches for the Hong Kong Police Force, implementation of the Fourth Strategy on Information Technology in Education and procurement of a new crash fire tender for the Fire Services Department. Now he is telling people that he could reshuffle the order. When Members and citizens implored him earnestly to reshuffle the items, when civil servants asked if the pay rise could come earlier, and when the poor families who could benefit from the Low-income Working Family Allowance voiced their request, he said "no" to all of them. But now the authorities have pressed the Finance Committee to hold additional meetings. This is indeed a solution. From now on, the Finance Committee will hold meetings every Saturday morning, afternoon and evening, and we will try to attend as many meetings as we can. It will do as long as there is consent from enough Members, since the Finance Committee has a rather low quorum requirement, which is only eight Members.

Back to the core issue, that is, whether the Government or LEUNG Chun-ying is committed to resolving the problem. Actually in my view, now LEUNG Chun-ying may not care much about the establishment of the ITB, or perhaps the would-be Secretary of the Policy Bureau has already resigned, waiting to assume office, I am not sure. He always loves to wage struggles and fight until all parties suffer.

Secretary Prof K C CHAN has stated earlier in his speech that we cannot just deal with the less controversial items on the construction of community facilities such as hospitals and schools. Neither can we postpone land development indefinitely, discarding the difficult tasks and picking the easy ones. I am not requesting to discard the difficult tasks and pick the easy ones. Instead, I am requesting to deal with the easy tasks first and the difficult ones afterwards.
I have mentioned earlier the merits of dealing with the easy tasks first and the difficult ones afterwards. If they had agreed to advance the items relating to people's livelihood as mentioned by us, the funding for the civil service pay rise and the Low-income Working Family Allowance could have been passed earlier before the summer recess. If they had agreed to deal with the easy tasks first and the difficult ones afterwards, the Council would have no need to fight a battle for the "three landfills and one incinerator" proposal right after the summer recess. The Council could have handled other items first in a better atmosphere of co-operation and communication. Why were they not prepared to do it? In hindsight, now that the funding for the "three landfills and one incinerator" has already been passed, if they had put these items before the "three landfills and one incinerator" proposal, it was just a matter of the date being earlier or later. Have they ever thought about that?

MR GARY FAN (in Cantonese): I would like to thank Mr Abraham SHEK for proposing this motion, which has given the Legislative Council an opportunity to discuss a solution to the malfunction of the Finance Committee. President, I mean malfunction, not efficiency as the pro-establishment camp put it. The Council emphasizes effectiveness, whereas the pro-establishment camp used the word efficiency which is just about completing the political tasks the Government has handed to them as soon as possible and quickly approving the projects and funding applications submitted by the Government. President, the efficiency the Council really needs is about how to reflect public opinions and meticulously scrutinize every funding application in the best interest of the people of Hong Kong. And what the Legislative Council desperately needs right now is effectiveness. The so-called slow progress is merely a secondary problem of efficiency.

President, what is the most efficient council I have ever seen? Certainly, it is the National People's Congress (NPC) for everyone there is a "hand-raising machine" and the result is known before the meeting. The NPC 31 August Decision was passed unanimously by those "hand-raising machines". The most efficient election of course is the functional constituency election in Hong Kong. Mr Steven HO from the Agriculture and Fisheries Constituency was elected by just 105 votes and Mr NG Leung-sing even won his seat uncontested, saving the efforts of counting the votes. President, the weird electoral system has filled the Legislative Council with "hand-raising machines", which is exactly the reason for the malfunction and inefficiency of the Finance Committee. Mr WONG
Kwok-hing likes to say at meetings how many cans of luncheon meat have been wasted. The Chief Executive secretly announced the pay rise last week. I wonder if Mr WONG Kwok-hing has calculated how many cans of luncheon meat his pay increment would be able to buy to feed the grassroots?

President, what I wish to say is that a number of government infrastructure projects has experienced cost overruns and delays one after another in 2014. The Express Rail Link (XRL) project claimed over $6.5 billion. For the Hong Kong-Zhuhai-Macao Bridge, just the topside development of the Hong Kong Boundary Crossing Facilities Island recorded a overrun of $5.5 billion. The Liantang Boundary Control Point project has been over the budget by $12.3 billion and the Shatin to Central Link by $3.1 billion. According to statistics reported in the press, the total cost overruns of the nine current infrastructure projects amount to $160 billion, enough for each citizen in Hong Kong to get $22,000 as a share, or enough to build 230,000 public rental housing flats for 90% of the applicants on the waiting list for flat allocation.

Entrenched in this groove of cost overruns, the Government has adopted an attitude of predicament and irresponsibility to continuously ask the Finance Committee to pump a limitless amount of money so as to prevent the projects from falling through. If the Legislative Council just turns a blind eye to such habitual cost overruns and not pursue responsibilities but hastily approve the additional funding or even approve the commencement of some new infrastructure projects, it will only let itself continue to lose its effectiveness, pushing up the cost overrun amount of future infrastructure projects to a record high. This is the livelihood issue the people of Hong Kong need to really deal with and worry about.

However, to Mr NG Leung-sing who has proposed the amendment, as well as those venerable Members returned by functional constituencies, their version of livelihood issue is a far cry from what common people are living with. They care about whether consortia and real estate developers can make money and if their interests are protected. Mr NG Leung-sing conducted himself badly as the Chairman during the scrutiny of the funding application for the advance works of the North East New Territories Development Plan. The companies that he is serving — Bank of China and SmarTone Mobile Communications Limited — have maintained close relations with the four developers which own land in North East New Territories, posing an glaring conflict of interest. Nonetheless, Mr NG Leung-sing, on the pretext of "self-judged absence of conflict of interest", 
refused to withdraw from the discussion and even abused his power as Chairman, while showing no regard to the Rules of Procedure, to deny other Members' right to speak, forcing them to waste time arguing with him. Mr NG Leung-sing has played a part in delaying the progress for approving the funding applications and was too shameful to be Chairman of the Finance Committee. But he has the audacity to propose such an amendment — it certainly allows him to give full play to his pro-government allegiance.

President, all those "white elephant" projects like the North East New Territories Development, XRL, Hong Kong-Zhuhai-Macao Bridge and Liantang Boundary Control Point cannot bring true benefits to the people — they merely protect the interests of real estate developers in Hong Kong and even the Mainland authorities. These "white elephant" projects are all pro-Communist and serve to betray Hong Kong, blindly promoting the integration of China and Hong Kong. As Members of the Legislative Council we are duty-bound to scrutinize the devilish details. Otherwise a few years later, another big scam like the XRL co-location arrangements will surface again.

President, last year the Neo Democrats have been repeatedly pleading with and written to the Government for reshuffling of the agenda items from the scrutiny of the funding applications for the North East New Territories Development to the recent one on the "three landfills and one incinerator" so that the Finance Committee can give priority to less controversial or livelihood-related funding applications. But the Government rejected all of our requests, even using livelihood-related items such as the Low-income Working Family Allowance and civil servant pay rise as bargaining chips to threaten the Legislative Council and held the people of Hong Kong hostages to make the Finance Committee pass the funding applications. Mr Alan LEONG described this as a no-win situation in his amendment. I believe such a move by LEUNG Chun-ying is a devious scheme. He employed his devious scheme to smear his opponent Henry TANG of building illegal structures, while covering up his own misdeed of the same kind and secured the Chief Executive office by trickery. Today this trickster LEUNG Chun-ying wants to play the same old trick to smear the Legislative Council of delaying approvals in order to cover up his own incompetence in governance — he is incapable of solving the problem of cost overruns of infrastructure projects, as well as the real livelihood issues.

President, the many "white elephant" projects initiated by this Government is the real culprit which has pushed up labour and material costs and caused cost
overruns. Therefore, what we need to do is to effectively withdraw the funding applications for certain projects to lower labour and material costs. For these reasons, I support Mr Alan LEONG's amendment but oppose Mr Abraham SHEK's original motion and Mr NG Leung-sing's amendment.

President, I so submit.

MR IP KIN-YUEN (in Cantonese): President, everyone knows that I am recently very furious about some agenda items on education funding and works at the Public Works Subcommittee and Finance Committee having been withdrawn many times.

LEUNG Chun-ying's election manifesto mentioned that to "strengthen local talent", "we will increase … investment in education" and "the quality of our society depends to a large extent on the quality of education". All these are high-sounding and empty statements but only actions tell the truth. Looking at the investment in education made in more than two years in his term, both the trend of educational expenses or the proportion of educational expenses in the total government expenditure are dropping. Recently, the Government has even repeatedly held education and people's livelihood "hostages" for political purposes, making teachers and students its victims. I do not understand why every time education is sacrificed.

Using livelihood issues to coerce the Legislative Council into passing controversial items has become a usual practice of the LEUNG Chun-ying Administration. For example, last year in the Finance Committee, in terms of agenda arrangements, the Government placed the controversial funding items, such as the North East New Territories Development Plan and "three landfills and one incinerator", before the less controversial ones, such as civil service pay adjustment, Low-income Working Family Allowance and school redevelopment projects, in an attempt to force the Legislative Council to pass as soon as possible the highly controversial agenda items on which society has not reached any consensus.

Undoubtedly, the pan-democrat Members have employed extreme measures to deal with some agenda items, especially the controversial ones. However, we have also made it clear to the public that we care about the needs of the people and believe easier items should be handled before the difficult ones
and make livelihood issues as our first concern. We have asked the Government many times to reshuffle the agenda items so as to place less controversial items closer to the top on the agenda, but it rejected with all kinds of reasons, turning a blind eye to the pressing education and livelihood issues. In defence of the impossibility to reshuffle the agenda items, the Government said, "When considering the sequence of the Finance Committee agenda items, the Government would have regard to a host of factors, including the importance, urgency, readiness and consultation progress of the relevant proposals." "Upon giving notice to the Finance Committee, the sequence of agenda items reflects the Government's overall priorities attached to the proposals involved. Unless in exceptional circumstances such as emergency relief or avoiding expiry of tender validity, the sequence of funding items will not normally be revised." It added "apart from the item on civil service pay adjustment, the proposals relating to the promotion of economic development, enhancement of social services and upgrading/replacement of information technology systems and rescue equipment, etc. straddling various policy portfolios are all closely intertwined with people's livelihood." These are all persuasive tales, but the aforementioned upgrading/replacement of information technology systems, including the Enriched Information Technology Programme in Secondary Schools and the implementation of the Fourth Strategy on Information Technology in Education, is part of the education policy, which is also what the authorities referred to as livelihood-related items. Given such a case, why did the authorities hegemonically withdraw these two items without any consultation last week? Members actually have no major disagreement over these two items and we expect their passage on the day they are submitted to the Finance Committee, completely not wasting meeting time. Why did the Government not allow their submission?

Moreover, in November last year, the Government withdrew 13 livelihood-related items from the agenda of the Public Works Subcommittee, five of which were works projects related to education having attracted very little controversy. Instead the Government only submitted seven more controversial items for the members' vetting and scrutiny, making students, parents and teachers the scapegoats. Such a practice absolutely lets politics override education and people's livelihood.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)
As a matter of fact, the Government has always held the power to revise the sequence of the agenda items. It not only refused to give priority to the pressing items concerning education and livelihood, but instead removed them from the agenda and advanced the item on the Innovation and Technology Bureau (ITB), putting politics before livelihood. Does this Government put people's livelihood first?

The purpose for the Government in employing foul play is only to rush the approval of the controversial ITB within this financial year. But the worst effect of this is that it represents just another disservice the Government has done to the education sector, sacrificing the interests of students and the sector. I am very much enraged by this.

Another significant problem is the Government has withdrawn two items on education this time, bypassed the vetting and approval procedures of the Finance Committee and included them in the Appropriation Bill of the next financial year. The Secretary, Prof KC CHAN, explained that the funding applications which were withdrawn do not carry important policy implications; it is just to utilize the flexibility given by the Public Finance Ordinance to include them in the next budget, which is fully legal.

However, the problem is the Government has extracted the items which were originally about to be passed and included them in the overall budget of the next financial year. This is a rather strange practice which is also incomprehensible. In this way, schools will definitely receive the relevant funding later than originally planned, possibly more than one school year. Why does the Government delay the commencement of programmes that are beneficial to students? Has this practice of the Government set a precedent? Why does the Government submit the items to the Finance Committee for discussion at one time but allows them to be dealt with together in the budget at another? How is the principle involved formulated? Politics cannot override people's livelihood and the Government should not turn a deaf ear to Members' suggestions. In the actual operation of politics, the Government should also face the reality, that is, there exists a complicated situation in the Council.

Nonetheless, this intentional withdrawal of less controversial funding items on education and livelihood, including works, and bundling people's livelihood up with controversial issues (The buzzer sounded) …
DEPUTY PRESIDENT (in Cantonese): Mr IP, your speaking time is up. Please sit down.

MR IP KIN-YUEN (in Cantonese): … is not the Legislative Council's own making.

MR KWOK WAI-KEUNG (in Cantonese): Deputy President, as a matter of fact, the construction industry feeds over 300,000 workers in Hong Kong. The total production value of the construction industry accounts for about 3.5% of the Gross Domestic Product, which is over $2,000 billion in value. Since in the construction industry infrastructure projects account for a large proportion, an orderly approval of infrastructure projects is conducive to the stability and development of the Hong Kong economy. Of course, it also secures long-lasting jobs for workers. "Infrastructure means jobs which mean making a living" — this is the workers' wish. However, because a group of pan-democrat Members have started the non-cooperation movement in the Legislative Council and engaged in filibustering, the funding applications for a number of government infrastructure projects have been greatly delayed — not only are the projects not able to commence, they have also come under fierce criticism. The pan-democrats even want to apply for judicial reviews, slowing down the progress of works.

Let us take a look at the actual situations. In 2012-2013, the funding for 39 new public works projects was approved by the Finance Committee of the Legislative Council, with a total budget of $90 billion. But in 2013-2014, the Finance Committee only approved the funding for 13 new public works projects, with a total budget of just $3.6 billion. Doing some computations, there is a difference of $86.4 billion between the budgets of these two years; the total amount of this year is just 4% of that of last year. Therefore, in the next one to two years, the number of infrastructure projects may significantly drop, leading to underemployment of workers.

Another problem is that filibustering causes the construction periods of infrastructure projects to overlap. Projects that have to be executed earlier are delayed to be carried out in parallel with subsequent projects. Infrastructure projects require a substantial amount of manpower. If the projects cannot be awarded in an orderly manner but overlap each other, over 300,000 construction
workers will be unable to complete one project after another in sequence and will not have long-lasting work. Therefore, we expect these infrastructure projects to be implemented in an orderly manner so as to maintain the lifeline of workers.

In addition, overlapping works will bring about another problem, that is, workers have to hurriedly finish the works, creating also a shortage of manpower. Concentrating all works projects in the same period of time will lead to every construction site all fighting for manpower at the same time, making it seems like every project is short of hands, thus providing an excuse for the business sector to import labour. However, once the peak is over, has anyone thought about who can guarantee the livelihood of workers? As a result, if Members continue to filibuster, the construction industry will be deeply affected. It is as if workers ate too much at one time but were starved to death at another, resulting in underemployment of construction workers or making projects unable to start one after another, creating in turn an excuse for employers to import labour. This is not desirable neither.

What is the purpose of the Government in regularly launching infrastructure projects? First, it is to promote the economic development of Hong Kong. Second, it is to provide stable income to workers. Yet why did the pan-democrat Members repeatedly hinder the efforts? Referring to their remarks earlier, it is because of political considerations. They consider the current government not living up to their expectations but only saying displeasing words, so they have to pull the leg of the Government in order to undermine its popularity. Their intention is already crystal clear.

I wish to express some opinions about the recently published Policy Address. According to the Policy Address, the Government allows certain imported skilled labour to work across various public sector works projects. We must raise our objection to this. Why? First, it completely breaks the past practice. Contractors were required to make applications for importation of workers for each project. After the completion of one project, the imported workers had to leave Hong Kong. Contractors would make applications again if needs arose later. If the Government allows these workers to stay in Hong Kong and jump among different projects, they may become guests easy to invite but difficult to send home. Moreover, we are concerned that they may regard this measure as a stepping stone such that gradually projects in the private sector can import workers in the same manner, in effect helping imported workers to snatch jobs from local workers. This is a grave concern to us.
Therefore, we believe that this measure is unacceptable because it will *de facto* allow these workers to stay in Hong Kong long term. Many people have pointed out the manpower shortage in the construction industry. We also have to look at some actual numbers. In September 2012, construction sites had about 500 vacancies. Two years later in September 2014, the number stood at around 1,500. But do not forget that the unemployment figure of the construction industry has stayed at around 10,000 annually. Last year, the number of unemployed was over 12,000. Is it really difficult to select some people among these workers to take up jobs? Or is it because the bosses are purposefully picky so that these unemployed construction workers cannot find suitable positions? *(The buzzer sounded)*

**DEPUTY PRESIDENT** (in Cantonese): Mr Kwok, your speaking time is up. Please sit down.

**DR FERNANDO CHEUNG** (in Cantonese): Deputy President, I did not intend to speak initially, for I am not well-versed in infrastructure projects. But since Members from the pro-establishment camp have been trying to frame Members of the pan-democratic camp and using the so-called non-cooperation movement to shift all the blame of the various delays, cost overruns or cost increases of works to us, I must speak up. Had we been so awesome, we would have toppled the Government long since.

Let us see if we should be responsible for the prevailing cost overruns and delay in works. We may first look at the case of the Hong Kong-Zhuhai-Macao Bridge. The project has been delayed for at least one year with a cost overrun of 17% to 20%. Since the Bridge has not yet been completed, we do not know how much the cost overrun will be eventually. Yet, in what way should we be responsible for the delay in the Hong Kong-Zhuhai-Macao Bridge project?

We may look at the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL). The funds for the project had been approved by the previous-term Legislative Council, yet the cost of the project had increased from $60-odd billion to $80-odd billion, and by 2017, the cost incurred may reach $100 billion. Should we be accountable for this?
Regarding the delay of the West Island Line of the MTRCL, how are we involved? The funds for the project had been approved long since and the construction works had been in progress for some time but the works was still delayed. As for the South Island Line which is also subject to delay and cost overrun, why should we be blamed? In the case of the Shatin to Central Link, there is a serious cost overrun, which is one-third higher than the budget cost, and delay in works. In what ways are the overruns and delay of these projects related to the progress in vetting and approving funding applications by the Legislative Council? As for the Central-Wanchai Bypass and Island Eastern Corridor Link, the cost overrun has exceeded 70% and the date of completion remains unknown. I wonder how the progress of the Legislative Council in vetting and approving funding applications is related to these problems.

The projects under discussion involve hundreds of million dollars, and the amounts of cost overruns are often of a double-digit percentage incurring tens of million dollars. Why is the Legislative Council held responsible for these situations? Is it because the Legislative Council has failed to approve the funding applications? No, the funds for those projects were approved a long time ago. But after that, the Government applied to the Legislative Council for supplementary provisions again and again. How ridiculous it is. Take the Liantang Boundary Control Point project as an example. There is a cost overrun of over 50%. I recall that Members of the pro-establishment camp had joined hands with us to oppose the funding application submitted by the Government and the authorities had to make an adjustment. But eventually, only an insignificant adjustment was made, where the tens of billion dollars funding application was reduced by $1 billion. Our effort was just a futile attempt. I do not know how much the project will eventually cost, but it is estimated that the cost of the Liantang Boundary Control Point will exceed $30 billion, for these projects often cost billions of dollars.

Recently, an article posted on the Internet has set out all these "white elephant" projects. The figures are alarming. Some of the projects are at the planning stage while some are in progress. Take the Third Runway Project of the airport as an example; the cost is set at $200 billion or so now. As for the artificial islands in the central waters, the scale of reclamation is the largest in history, and it is estimated to cost around $150 billion at present. We project of the XRL will cost $100 billion, the Hong Kong-Zhuhai-Macao Bridge will cost $57.5 billion, the North East New Territories Development Plan will cost $120 billion, the Hong Kong to Shenzhen Airport Railway will cost $100 billion, the West Kowloon Cultural District project will cost $50 billion, the Liantang
Boundary Control Point will cost $35.2 billion, the Shatin to Central Link will cost $80 billion, the development of a university research hub in Lok Ma Chau Loop Area will cost $10 billion, the incinerator in Shek Kwu Chau will cost $18.2 billion, the Chek Lap Kok Link will cost $50 billion, the Cruise Terminal project will cost $8 billion, the Central-Wanchai Bypass will cost $36 billion, the Kai Tak Sports City will cost $23 billion, and together with the Future Fund of $220 billion, all of these will cost a total of $1,257.9 billion.

These future projects will cost a total of $1,257.9 billion. How much reserve does Hong Kong have? The Government has a foreign exchange reserve of over $3,000 billion, yet not all the funds can be used. Hong Kong also has the monetary base, fiscal reserve and accumulated surplus, yet the funds in the monetary base of the Government cannot be used. According to my understanding, $1,000-odd billion of these sources can be used. The Secretary may clarify later if this is the fact. In other words, even if all these projects do not experience any cost overrun, we will have to spend all our reserve to settle the bill, which means nearly all disposable funds in the reserve will be spent. This is the problem we are now facing.

These "white elephant" projects proposed by the Government cost hundreds of million dollars each, yet the Government is not the least hesitant in launching these projects. As for the funding applications vetted and approved by the Legislative Council, they included simply the funds for the construction of the Schools for Social Development which costs $300-odd million and two special schools which cost $400 million. Last year, we approved the funds for the construction of a residential care home to provide 100 places for the elderly, which cost only $50 million. The $1,250 billion will be sufficient for the construction of 25 000 residential homes for the elderly. I must stress that I am not talking about 25 000 residential places but 25 000 residential homes for the elderly, and each residential home will provide 100 places for the elderly. Why does the Government not construct these residential homes but those "white elephant" works?

Next I use public rental housing as another example. If the cost for each flat is set at $700,000, the sum of $1,250 billion will be sufficient for building 180 000 flats. According to the average of three persons living in one flat, it will enable 540 000 persons to move into public rental housing flats. Why does the Government not construct more public housing flats, residential care homes for the elderly, schools and hospitals? Why do the authorities have to invest in various projects continuously? Worse still, the projects experience cost...
overruns and the Government has to apply to the Legislative Council for supplementary provision. The authorities seem to take it for granted that the Legislative Council must approve those funding applications. Yet if we do not approve the applications for supplementary provision, the cost of works will increase further as the projects drag on. It is utterly outrageous.

What is the Government doing? Does it really want to spend all the reserve of Hong Kong? We have made strenuous efforts to make savings for those reserves, which are important to Hong Kong. Why does the Government not spend the reserves on improving people's livelihood but use it on large-scale reclamation for the construction of artificial islands? As for the boundary control points, the authorities have already built a lot of them, and now the Liantang Boundary Control Point will cost over $30 billion which is not a small sum. We have begged the Government to earmark tens of million dollars — we dare not ask for $100 million — for the setting up of a service fund to help persons with disabilities, the elderly and patients to pay for consultation and medicine, but the Government refuses to do so. Though these people are dying, the Government is unwilling to allocate the funds. What a fallen world?

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

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, Mr NG Leung-sing is really awesome. However, I also hope that he could come back to listen to my speech. Please do a headcount.

DEPUTY 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)

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please continue with your speech.
MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, in the final analysis, the woe was started by Mr NG Leung-sing. Since I had a great deal of time when I was in prison, I wrote this poem for him. Courtesy has to be reciprocated. The poem goes like this, "亮相逞兇剪義布，星夜闖關阻專權，仆前繼後護東北，街頭巷尾撐公投" (Making an appearance and showing his ferocious demeanor did Leung-sing guillotine the righteous filibuster/On a starry night was the onslaught on the barrier by autocracy stopped/Advancing wave upon wave, people defended North East New Territories/In all streets and lanes people support a referendum). If you group together the first character in red in each line, you would see what it all means. It is "Leung-sing" plus a phrase that cannot be spoken here.2

Why am I saying this? I am not someone who harbour grudges. In fact, he is quite worthy of some praises because each time a headcount was done, he would surely come back, unlike the other Members of the pro-establishment camp. They number some 40 in total but they cannot even muster 35 people to attend the meeting. Even if Members of the pan-democratic camp are so shameless as to all refrain from attending the meeting, so long as they sit here and act like the tower of strength, frankly speaking, they could just remain imposing, unmoved by anything. However, the reason is very simple. You all have piles, so you cannot sit still but have to go out. This cannot be helped. Defending their master is difficult because they have got political piles. They lack perseverance and tenacity, yet defending their master requires loyalty.

All right, Members have been attacking us continually, so let me give a response somehow. Anyway, I also wanted to speak. First, Mr Kenneth LEUNG talked about Keynesianism, saying that the construction of infrastructure would boost the GDP and the multiplier effect would come in. After the economy has expanded, more people would be hired and this is the multiplier effect. This should have been done long ago, in the TUNG Chee-hwa era, buddy. At that time, people were unemployed, wages were low, no employers were hiring hands, and the property market was lacklustre, so this should have been done at that time. However, what did the pro-establishment camp do at that time? It was at that time that pay reductions started. Mr WONG Kwok-hing, during the discussion on the reduction of pay for civil servants, what did you say? Did you not voice your support, buddy? At that time, did you demand the construction of public housing? You did not. Even though

---

2 The expression "亮 星 仆 街" is a curse phrase meaning "Leung-sing drop dead".
Keynesianism failed — it should have been done at that time and the Chief Executive in question was also chosen by 400 people — what sort of blame have you put on me? At that time, we came here frequently to stage protests and were arrested frequently, arrested by colleagues and it was also for this reason that I was imprisoned on three occasions.

We said we wanted to build more public housing, hospitals and basic facilities, including schools and community halls, as well as improving transport but buddy, you did not do so, so even KEYNES wanted to leap out from his grave. You are told to do so in times of economic recession but now, when the economy is all aflame, what do you want to do this for? I guess this is because of rewards. This is because the people in the north are building infrastructure, so this is all about money making. Buddy, this is common knowledge. On the one hand, land is acquired; and on the other, there are speculative activities on land. Wherever roads pass, there is surely a windfall to be made. If people build something here, we should just connect with them and herein lies the reason.

Dr Fernando CHEUNG does not understand why "white elephant" projects are implemented even though they are loss-making. This is because other people are taking forward projects, so we have to do the same. We have built so many control points at high costs and with cost overruns, yet still more have to be built no matter how. Liantang is a case in point. I remember that initially, I would not let Mr Albert CHAN oppose this project. I told him not to and that it was necessary but now, he regrets his wrong decision very much. Buddy, if you do digging there, that place consists of just earth and one just digs on like this. Deputy President, let me tell you why there are cost overruns: Because approvals by the Legislative Council are sought as soon as possible, then they would "cheat in gambling", do you know? This is to "swap cards", Mr Abraham SHEK, it is to "swap cards", as in playing a game of Show Hand. This is because everything is now undertaken by the China State Construction or China this and China that. This is what "swapping cards" is about. Is a fund allocation of $100 billion insufficient? Then apply for $50 billion more. If someone says that this would not do, those people would say, "All Legislative Council Members are under our control. If anyone gets in the way, just dispose of him, saying that he is causing hindrance."). Buddy, if it is only normal if there are no cost overruns when the Government implements projects, this Government should have jumped into the sea long ago, Secretary Prof K C CHAN, am I right? When you were told to estimate the fiscal surplus, you would underestimate it on each and every
occasion, so as to scare Hong Kong people but when you were asked to estimate the project costs, the opposite was the case, so what sort of Government is this? Buddy, this is deliberate. Therefore, those people in the FTU are just incapable of understanding this.

I do not oppose doing this sort of things. During the filibuster, I demanded that a dental clinic be set up in each of the 18 districts but even this could not be done. I said, "Build dental clinics. In this way, there will be job opportunities." I demanded that the authorities build public housing but they did not do so either. Now, it is even said … I found that although Ms Starry LEE is a Member of the Executive Council, she does not read her papers. I really despise her. She said, "You demanded that more land be sought, yet you objected to the North East New Territories Development Plan." Buddy, I am sorry but the authorities, in spending so much money on developing the land in North East New Territories, will only use 6% of the land to build public housing, whereas the remaining $30 in the expenditure will be used to acquire land, so that the rich rednecks and plutocrats hoarding land can turn their land into money. It turned out that the huge expenditure on a project is just intended to benefit those people. Then, only 6% of the land will be used to build public housing. When you speak, you have to speak more clearly. Go and study a little, do not just read out the scripts prepared by your assistants. It is also because of this that some people mispronounced some words and even read out the phrase "drink some water first". Buddy, it would not do for one to behave like this, would it? At present, the projects with cost overruns are so innumerable.

My second question is: When the authorities signed contracts with other parties, is it not specified that if the projects experience delays or cost overruns, the other party should make compensations? Buddy, is it us who should make compensations like filling a bottomless pit? Take the project on the Express Rail Link as an example, the MTR Corporation Limited is carrying out the project on its own, then charge administration and management fees, yet when there was a cost overrun, it lodged a funding application with us. Can such a way of doing business be found anywhere else?

Deputy President, I absolutely hope that the Government can launch more projects related to public livelihood. Secretary Prof K C CHAN, if you spend the money on the construction of hospitals, hostels and projects that benefit Hong Kong people, no matter how much money you ask for, I would give it to you because Hong Kong people would be hired to work in those projects but the
implementation of "white elephant" projects only involve the production of precast parts and this would only benefit Chinese plutocrats. Then, cheap Chinese labour would be imported and workers in Hong Kong would suffer. Knock it off. If the FTU knows nothing, just do not say anything! Knock it off, did you hear me? Did you hear? Even your mum has taught you what to do according to the Keynesian Theory (The buzzer sounded) … according to the Keynesian Theory, the economy …

**DEPUTY PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please sit down.

**MR CHARLES PETER MOK** (in Cantonese): Deputy President, the non-cooperation movement of the pan-democrats faces numerous difficulties in the first place. The word "non-cooperation" itself already sounds a bit negative. If the public do not understand our reasons and objectives, coupled with the pro-establishment Members making simple calculations of how many millions of dollars we have wasted or of the cost involved or equating it to how many cans of luncheon meat, and so on, society would only be torn farther and farther apart.

Hong Kong people have all along been very practical and yet, we insist on upholding our core values. This is what makes Hong Kong people so lovely. When we see that economic development has become stagnant in Hong Kong but there is only endless waiting in respect of the development of democracy, we feel an increasingly strong sense of helplessness, and this is the biggest problem faced by Hong Kong now. The pro-establishment camp said that the opposition camp opposes purely for the sake of opposition. If there are reasons to put up opposition, actually this may not be a problem. But from another perspective, what else can the pan-democratic camp do apart from putting up opposition?

Hong Kong has been executive-led in the first place. When those in power have monopoly of the powers — Members can clearly see this from the election of Chairmen and Deputy Chairmen of various committees of the Legislative Council in this Session. While the minorities are called the minorities and seem to be in the minority in this Council, if we add together their directly-elected seats and Super District Council seats, we will find that the number of votes obtained by the minorities in this Council is in the majority, and
we really have to thank the functional constituencies for this. Under such circumstances, what else can the minorities do? I think what we need is really reconciliation. But to achieve reconciliation, both sides must make accommodation for each other. However, I have been here listening to Members' speeches today and it seems that in this Council, Members are only asking the opposite side to give way and refusing to concede any ground themselves.

Therefore, the helplessness felt by the people actually comes from the Government's high-handed tactics in politics. They get a proposal passed so long as they manage to obtain enough votes, acting so high-handedly that they simply refuse to reason things out. From the incident in the Finance Committee, the licensing of television service, the fight for universal suffrage, and so on, we can see this most clearly and I do not need to explain it all over again. We are dissatisfied with the Government but what can the public and even we in the pan-democratic camp do? This is the reason why we have this feeling of helplessness and why the current deadlock has emerged. Many people in Hong Kong are dissatisfied with the Government and LEUNG Chun-ying but we really have our hands and feet tied up here, unable to monitor the Government effectively and sometimes we are actually straitjacketed, unable to do anything. Certainly, there are also many people who are dissatisfied with the pan-democrats. Everyone has the freedom of expression, whether they are for the yellow ribbons or the blue ribbons. But if society only moves towards polarization, it would be impossible for society not to be torn apart.

If the pro-establishment Members are truly concerned about the livelihood of the practitioners and about society and infrastructure development or economic development as mentioned by many Members today, that would still be a good thing. But when they came to the last sentence of their speech today, many Members said, "Make them pay with their votes", telling people to remember to settle the scores with the pan-democratic camp in the 2015 District Council elections. The pro-establishment camp said that the democratic camp should be kicked out, and the democratic camp said that the pro-establishment camp should be kicked out. Could it be that the public cannot see what we are doing here? Where there is an election, there is certainly competition, and there is nothing wrong about it, and this is a good thing too. But it is best not to make use of the progress of approving infrastructure projects under discussion now to reap political gains votes for oneself.
Members have said that let us not hold up the livelihood-related funding applications but I think Members must admit that we can have different views and draw a line at different points. For example, I would say that the Innovation and Technology Bureau (ITB) is a goal that I have been striving for over a decade or so and I truly consider it to be related to the people's livelihood, but let us look farther, for LEUNG Chun-ying is not going to be the Chief Executive forever. Mr IP Kin-yuen also said here earlier that he did not understand why education is sacrificed, and is this not also the case for information technology (IT)? It has been 12 years after the scrapping of the bureau. For the two IT projects that have been extracted now, Mr IP Kin-yuen and I have all along supported them and we have been fighting for them for a very long time. That said, I think the funding applications for implementation of the Fourth Strategy on Information Technology in Education and the Enriched IT Programme in Secondary Schools will definitely be passed a few months later. But as for the ITB that the IT sector and many academics or teachers in the field of IT engineering have been fighting for over the years, no one knows what is going to happen, and I would say that the chance of it being passed is slim. From this we can see that the two industries we represent and even many other industries are overlapping in many areas, and whatever business we face is the business of Hong Kong.

I do not know the aim of Mr Abraham SHEK in proposing this motion, but I think even if the motion is eventually passed, he would not think that the filibusters would then come to an end, and I believe when he proposed this motion, it was not his intention to give Members an opportunity to chide the pan-democrats or the filibustering Members. I think he did not have this in mind. But why can we not sit down and talk about it? This is fine for Mr Abraham SHEK and me. But what about the other Members? It still may not work even if all the 70 Members agree to this. What about the Government? Under the executive-led system, the Government has refused to sit down and discuss it with us, and this has given people the feeling that executive hegemony still prevails. Such being the case, how possibly can a consensus be forged?

So, Mr SHEK's motion actually has not addressed the deep-rooted conflicts we now face. If it is impossible to establish mutual trust and if it is impossible for various political parties and groupings to really establish mutual trust and share the powers, we are actually not going anywhere. The problem is not as simple as involving only the vetting and approved of infrastructure projects. If society cannot rebuild mutual trust and if the Government refuses to share the powers with other parties and groupings, nothing is going to be achieved. If the
deep-rooted conflicts are not addressed at a deep level, these problems concerning funding for infrastructure projects will not be resolved by themselves; nor will the problems in society resolved by themselves. If the solution is to plan for a revenge in the 2015 and 2016 elections — of course, the public will decide on their own how they will vote — there would only be further division in society. If the pro-establishment Members think that the problem can be solved by kicking out all the Members in the democratic camp, that would definitely be a grave error.

Deputy President, if my votes would come from a strategy that would cause greater division in society, I would prefer to lose in the election. Can we do everything we can to make such an undertaking? I would not venture to say that I can definitely do it, but Deputy President, can we try?

Thank you, Deputy President.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Mr Abraham SHEK, you may now speak on the two amendments. The speaking time limit is five minutes.

MR ABRAHAM SHEK: Let me first answer Mr Charles Peter MOK. If you try, I could try better; it takes two to tango.

Deputy President, there have been a total of 29 Members who have spoken on the subject. Their voices of concern have transcended party politics and beyond the borders of this building, flowing into the streets of Hong Kong and into the ears of Hong Kong people. Hong Kong people should now have a better understanding of what their future will be. If they want the future to be bright and to develop socially, economically and even in the physical scape, then public works must go on; and if they prefer to see Hong Kong in a stagnant form, then support what they want. The purpose of today's meeting with 29 Members having spoken on the subject of my original …
DEPUTY PRESIDENT (in Cantonese): Mr SHEK, please speak on the two amendments.

MR ABRAHAM SHEK (in Cantonese): I know. I am going to speak on the amendments now.

MR ABRAHAM SHEK: … 29 Members have spoken on my motion and on the two amendments. And now I speak on the amendments. I support Mr NG Leung-sing's amendment. His amendment complements my motion by highlighting the importance of infrastructure projects to Hong Kong's global competitiveness, which is regrettably on the wane. If this Council continues the vicious internal debates as we have seen today, and also at the Public Works Subcommittee and the Finance Committee with slow progress in vetting and approving funding applications for capital works projects, the future of Hong Kong will be filled with gloom and doom, and this is not in the longer-term interest of the people of Hong Kong.

Deputy President, I now speak on Mr Alan LEONG's amendment. I thank him for moving the amendment, and particularly for his understanding of the wording of my motion, particularly the two words "infrastructure projects", which he and many of his colleagues also understand, except Mr Kenneth LEUNG, who does not understand what infrastructure projects means, and he must go back to kindergarten then. Mr Kenneth LEUNG talked about KEYNES' theory which he considered to be outdated. KEYNES might have died many scores of years ago, but his teaching is still very valid, and is in the textbook of many learned institutions, presumably the institution that he attended is not included in the list.

Regarding Mr Alan LEONG's amendment, his suggestion, if implemented, would damage the spirit of co-operation between the Administration and the legislature. The political structure of the HKSAR is basically an executive-led structure. Under the Basic Law, the relationship between the executive authorities and the legislature is one of mutual regulation and co-ordination and not even to talk of respect. It is the Government's rather than the Legislative Council's responsibility to propose and arrange the order of funding applications for infrastructure projects for the Legislative Council to consider and approve.
The Legislative Council should not exceed its duties and meddle with the Government's affairs, or it would do a disservice to the well-established political structure of the HKSAR, and hence the Basic Law.

Thank you.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, I thank Members for their views on the motion. Here I will first provide some data for Members' reference before giving a consolidated response.

Since the financial tsunami in 2008, the external environment has remained unfavourable. In the five years between 2009 and 2013, the annual growth of Hong Kong economy was just 2.7% on average. The growth rate of last year is expected to be 2.2%. Given the weak external demand, domestic demand has become an important pillar of Hong Kong’s economic growth. Maintaining an appropriate amount of infrastructure investment is one of the proactive measures taken by the Government after the financial tsunami to maintain the stability of the domestic economy. It not only promotes the growth of domestic demand, but also creates employment opportunities.

Currently, the Government's expenditure on capital works is about $70 billion a year, accounting for about 3% of Hong Kong's Gross Domestic Product. A substantial reduction in expenditure on works will impede Hong Kong's economic growth, jeopardize employment opportunities and affect people's livelihood. Apart from the direct impact on the livelihood of practitioners of the construction industry, other associated industries such as supplies, procurement and logistics will also be implicated. Currently, as the external economic conditions are still unstable, a substantial reduction in expenditure on works will deprive the local economy of a vital source of growth.

As a result of the secular trend of globalization, the trade relations among economies have become increasingly close. As a small and open economy, Hong Kong particularly needs to maintain good infrastructure facilities so as to keep its competitiveness in the long run and promote sustainable social and economic development.
In considering the overall Capital Works Programme, we cannot just focus on the problems close at hand and proceed with those non-controversial items, while indefinitely postponing those which are strategically more important yet controversial. The Government will maintain an appropriate amount of infrastructure investment, identify a right balance, formulate a Capital Works Programme in the best long-term interest of Hong Kong, and deliver the Programme step by step, taking Hong Kong’s development needs and justifications of individual projects into account and fully considering the overall financial sustainability and other checks and balances.

As regards the funding applications for works projects submitted by the Government to the Legislative Council, when drawing up a timetable, the Government will have regard to a host of factors, including the importance, urgency, readiness and consultation progress. Before submitting a works project to the Finance Committee and the Public Works Subcommittee for consideration, the relevant legal, planning and consultation procedures must be completed first. Although different works projects have different substance and policy objectives, they share the common goal of promoting Hong Kong’s development and serving local people. The preparatory work and time required before the commencement of various projects vary, and the arrangement for the submission of proposals to the Legislative Council for securing funding is underpinned by practical considerations. Our aim is to seek the earliest approval of all the proposals. Priority will not necessarily be accorded on the basis of a particular policy portfolio the projects fall within, and the projects should not be postponed indefinitely because of their controversial nature.

Earlier on, a Member mentioned the significant cost overrun of infrastructure projects. In fact, of the some 600 capital works projects with funding approved by the Finance Committee in the past 10 Legislative Sessions, about 10% required additional funding. The amount involved only accounted for a rather low percentage of the total approved project estimate. Taking into account the fast changing external environment, works departments have been exercising their best endeavours in estimating project cost accurately and controlling project expenditure. While the departments have been exercising their best endeavours in estimating project costs, individual projects may require an increase in the project cost due to unforeseen circumstances.
In general, it takes a project several years or even more than 10 years to upgrade to Category A since its establishment. During the period, in the light of public needs and the latest information, various changes in relation to scale and requirements are often necessary at different times. After upgrading to Category A, other challenges will come along, including fluctuations of the external economic environment and unforeseen difficulties encountered by the project. Although the departments have done their best in exercising control, it is very difficult to fully avoid the project cost from exceeding the approved project estimate. I hope Members will understand that cost overrun is sporadic. The Government will continue to co-ordinate and deliver works projects in an orderly manner.

A Member mentioned that the Government had launched a number of "white elephant" projects, portraying the situation as if all infrastructure projects were "white elephant" projects. I certainly take exception to such remarks. I wish to point out that the some 80 new works projects that we plan to submit in this Legislative Session involve a total project cost of about $70 billion. Of these projects, the majority are hospitals (such as the expansion of the United Christian Hospital), schools, leisure and cultural facilities (such as the construction of the East Kowloon Cultural Centre in Ngau Tau Kok), roads (such as the road improvement works for West Kowloon Reclamation Development), drainage and water works, involving a total cost estimate of about $60 billion.

Earlier on, a Member expressed concern about the rising project costs in recent years. In view of the rise in project costs in recent years, Policy Bureaux and works departments will ensure that all breakdowns and requirements of the projects are necessary and pragmatic, and public money is well spent. They will also carry out more detailed advanced work having regard to the individual circumstances of works projects, with a view to gaining a clearer picture of the risks involved and coming up with a more accurate cost estimate. Works departments will also bring down tender prices through appropriate contract arrangements and encouraging competition, and share risks with contractors and encourage them to complete the projects on time and within budget. The Government will also make proper co-ordination for the delivery of capital works projects of varied scale step by step.
Meanwhile, another Member did not agree to our withdrawal of some of the Finance Committee agenda items. In fact, the filibuster at the Finance Committee meetings has resulted in a blockage on the Finance Committee agenda. Given a limited number of scheduled Finance Committee meetings left before the close of the 2014-2015 financial year, the Government has no choice but review how best to handle the outstanding items to minimize the frustration to the delivery of affected policies and measures. After examination, the Government holds the view that four of the remaining seven items can be dealt with in the 2015-2016 draft Estimates, an arrangement which is lawful and reasonable. In addition, the item on increasing the approved commitment for the Fisheries Development Loan Fund and the establishment of the Innovation and Technology Bureau need to be dealt with by the Finance Committee.

The proposal to increase the approved commitment for the Fisheries Development Loan Fund is urgent. If the funding injection is not approved expeditiously, the fisheries operators in need will be adversely affected, particularly those vessel owners and fishermen affected by the trawl ban. According to the resolution moved in the Legislative Council for establishing the Loan Fund, this proposal has to be approved by the Finance Committee and cannot be included in the 2015-2016 draft Estimates.

The two items relating to the establishment of the Innovation and Technology Bureau (ITB) are also urgent for the following reasons:

1. The proposals on the establishment of the ITB aim to seek the Finance Committee's approval for the changes to the 2014-2015 Estimates in accordance with section 8 of the Public Finance Ordinance. Such changes must be discussed and approved within the 2014-2015 financial year;

2. The directorate posts required for the establishment of the ITB should be approved by the Finance Committee. If the establishment of the new Policy Bureau is delayed, it will seriously affect the Government's drive to promote innovation and technology in Hong Kong.
Earlier on, I mentioned that the Government planned to apply for funding for some 80 works projects in this Legislative Session, covering hospitals, schools, community facilities, roads, items related to land supply and government office buildings. With the assistance of the Legislative Council Secretariat and the co-operation of the Chairman and members, the Finance Committee and Public Works Subcommittee have held a number of additional meetings. However, as far as the progress of deliberation is concerned, there is no room for complacency for the time being.

Hong Kong is a free and diversified society. It is just normal to hear different calls from the community or even the Council in respect of the Capital Works Programme. When delivering works projects, the Government will ensure that different views are fully considered. It is against our wish to see the implementation of projects impeded by political disputes, resulting in endless internal attrition and a total waste of time. The Government sincerely hopes that the Council will consider capital works projects in a practical and pragmatic manner, so as to achieve early implementation of those projects conducive to people's livelihood and Hong Kong's development in the long term, thereby benefitting members of the public.

Deputy President, I so submit. Thank you.

DEPUTY PRESIDENT (in Cantonese): I now call upon Mr NG Leung-sing to move his amendment to the motion.

MR NG LEUNG-SING (in Cantonese): Deputy President, I move that Mr Abraham SHEK's motion be amended.

Mr NG Leung-sing moved the following amendment: (Translation)

"To delete "2013-2014 legislative session, the Legislative Council" after "the start of the" and substitute with "current term of the Legislative Council, this Council"; to delete "approving" after "slow in" and substitute with "scrutinizig"; to add "various livelihood-related" before "infrastructure projects"; to delete "reversed" after "the situation cannot be" and substitute with "turned around"; to delete "as well as" after "relevant industries" and substitute with ","; to add "and the living of"
many people" after "industries' sustainability"; to add "and undermining Hong Kong's global competitiveness" after "development"; to add "as well as groups and people from various sides" after "the Administration"; to delete "and proactively" after "problems concerned," and substitute with "engage in active communication and"; to delete "with this Council" after "hands"; to delete "as to" after "solutions, so" and substitute with "that this Council can"; and to add "livelihood-related" after "new funding applications for".

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr NG Leung-sing to Mr Abraham SHEK's motion be passed.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

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

(THE PRESIDENT resumed the Chair)

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

Functional Constituencies:

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 NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, 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, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Albert HO, Mr Frederick FUNG, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG and Mr IP Kin-yuen voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Michael TIEN, Mr James TIEN, Mr Gary FAN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the amendment.

Mr LEE Cheuk-yen, 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 CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.
THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 19 were in favour of the amendment and seven against it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 12 were in favour of the amendment and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Concerning about the problem of slow progress in vetting and approving funding applications for infrastructure projects" or any amendments thereto, this Council do proceed to each of such divisions 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 "Concerning about the problem of slow progress in vetting and approving funding applications for infrastructure projects" or any amendments thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Alan LEONG, you may move your amendment.

MR ALAN LEONG (in Cantonese): President, I move that Mr Abraham SHEK's motion be amended.

Mr Alan LEONG moved the following amendment: (Translation)

"To delete "the Legislative Council has been slow in" after "session," and substitute with "as the Government has repeatedly pushed through the more controversial infrastructure projects regardless of public opinions and has also hijacked the Legislative Council by the livelihood-related projects, forcing this Council to either first vet and approve the funding applications for the more controversial infrastructure projects or be at a lose-lose situation, thereby rendering this Council slow in vetting and"; to add "and livelihood-related projects" after "approving funding applications for infrastructure projects"; to delete "reversed" after "the situation cannot be" and substitute with "changed"; to add "social and" after "long-term"; to delete "and proactively join hands with this Council to seek solutions" after "problems concerned," and substitute with "enabling this Council to vet and approve the funding applications for livelihood-related projects on a priority basis", and to delete "approval of outstanding and new funding applications for infrastructure projects" immediately before the full stop and substitute with "vetting and approval of outstanding funding applications"."
PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr Alan LEONG to Mr Abraham SHEK's motion be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr WONG Yuk-man rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Yuk-man 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 Frederick FUNG, 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 WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, 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, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Geographical Constituencies:

Mr LEE Cheuk-yan, 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, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Michael TIEN, Mr James TIEN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, seven were in favour of the amendment and 19 against it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 17 were in favour of the amendment and 11 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Abraham SHEK, you may now reply and you still have two minutes and 16 seconds.
MR ABRAHAM SHEK (in Cantonese): President, 29 Members have spoken on this motion today. I would like to take this opportunity to tell Mr Alan LEONG that I am also a member of the Construction Industry Alliance. We have never agreed to look at the matter from a political perspective. We only have one humble request, that is, we call on Members of this Council to approve public works projects in order for Hong Kong to take a step forward. That is our only request. Therefore, you may have been mistaken in saying that they agreed with your remarks. Many have called me, asking me to make this remark.

As regards Mr LEE Cheuk-yan's remarks, truth would become untruth, and vice versa. Why are we short of labour nowadays? Because we approved a lot of projects years ago. As I said earlier, projects worth $160 billion were approved in 2012-2013, vis-à-vis a mere $3.6 billion in 2013-2014. This $3.6 billion will have a bearing on the labour market, the survival of the sector, and so on, in the next five to six years.

Thank you, President.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

PRESIDENT (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for 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 Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, 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, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the motion.

Mr Albert HO, Mr Frederick FUNG, Prof Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG and Mr IP Kin-yuen voted against the motion.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Michael TIEN, Mr James TIEN, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT and Dr CHIANG Lai-wan voted for the motion.

Mr LEE Cheuk-yan, 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, Mr SIN Chung-kai and Dr Helena WONG voted against the motion.
THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 19 were in favour of the motion and seven against it; while among the Members returned by geographical constituencies through direct elections, 29 were present, 11 were in favour of the motion and 17 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): I think this Council will unlikely manage to finish the business on the Agenda by midnight, so I will suspend the meeting at around 10 pm and resume the meeting at 2.30 pm tomorrow.

PRESIDENT (in Cantonese): The motion debate on "Promoting the sustainable development of the agriculture and fisheries industry".

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

I now call upon Mr Steven HO to speak and move the motion.

PROMOTING THE SUSTAINABLE DEVELOPMENT OF THE AGRICULTURE AND FISHERIES INDUSTRY

MR STEVEN HO (in Cantonese): The agriculture and fisheries industry is a primary industry with a long history and deep-rooted tradition, and this is the origin of social development. To examine the development of the agriculture and fisheries industry, one has to understand how the industry has developed to the present state. The most important point is: Why do I have to propose the motion today? It is really necessary for me to give an account of the history of the agriculture and fisheries industry. Long before Hong Kong was opened as a port of trade, the agriculture and fisheries industry had already taken root in Hong Kong. By the middle of the last century, the British Hong Kong Government formulated a proactive food policy out of political concern, with a view to
ensuring that there would be an adequate food reserve for Hong Kong people to cope with unexpected food shortages and that our domestic productivity would keep Hong Kong self-sufficient in some measure.

By the 1960s, the relationship between the British Hong Kong Government and the Mainland had improved. A large amount of low-price agricultural and fisheries products were transported by three daily express trains from the Mainland to Hong Kong. Was this a political reason? Had the demand in Hong Kong diminished because Hong Kong had become self-sufficient? If the demand had already diminished, why did the British Hong Kong Government not make any adjustment back then? What kind of policy had the Government adopted? It was the "positive non-intervention" policy. This policy of non-intervention was a poor practice, and it was even worse that positive efforts were made to achieve non-intervention. No wonder the problem had become so serious. In the absence of co-ordination in the agriculture and fisheries sector, the industry has come to this pass.

Members can see that agricultural sites in the New Territories are scattered, making it difficult to develop modernized production. Many people say that the SAR Government of the current term has introduced a number of works projects, including finding land for housing development and many other infrastructure projects. In fact, the farmers are the first to come forth to oppose these projects. However, the Government does not have to face a large number of farmers, for only a few farmers who owe a small piece of farmland will carry their hoes and come forward to stage opposition. Why is there this situation? This should be attributed to the British Hong Kong Government at the time and the early SAR Government in some measure. In fact, some of the troubles are the Government's own making.

As for the livestock industry, it was unfortunate that Hong Kong had been struck by the avian influenza and Japanese encephalitis after the reunification, and there was increasing pressure from society calling for the regulation of livestock farming. During the period, the Government had introduced two voluntary schemes in 2005 and 2006 respectively for live poultry farmers to surrender their licences, which resulted in the closure of over 200 pig raising farms and 160 poultry farms. At the same time, the Government formulated some almost ridiculous guidelines for farm relocation. Certainly, some of the safety measures and guidelines are reasonable, and I will point out why I consider them ridiculous. Take the relocation of chicken farms as an example. If I plan
to relocate a chicken farm, according to the guidelines laid down by the Government, I must ensure that the new location for my chicken farm had been used as a chicken farm before 2006 and no compensation had been claimed in 2006. Do Members know how difficult it is to find such a farm? As the Government introduced the licence surrender scheme in 2006, the farm owner concerned naturally would have claimed compensation when he surrendered the licence at that time. Who would have quit the farm without claiming any compensation?

As such, it is impossible to find a location in Hong Kong that satisfies the relocation requirements imposed by the Government. If the requirements in the guidelines are unachievable, the Government is actually deterring farm relocation. In that case, how can the biosecurity measures of livestock farms be enhanced? If my house needs renovation, it is impracticable for me to live in the toilet to vacate the living room for renovation works, and then move into the living room upon the completion of its renovation to vacate the toilet for renovation in turn. We must bring biosecurity measures to holistic perfection, keep abreast of the times and enhance productivity. Compulsory relocation is one way to tackle the problem at root, where farms in question will move back to their original locations when everything is ready. The development of the livestock industry is now affected by the system adopted by the Government.

Next I will talk about the fisheries industry. In recent years, many large-scale marine works projects have been commenced in the western waters of Hong Kong. The large volume of mud disposed, the large-scale reclamation works and dredging works carried out have polluted the water and damaged the marine environment, yet the Government has cited certain reasons to shift the blame to the fisheries industry. Nonetheless, this is not the most important point and Members can discuss it later on. I must cite the example of the construction of the Hong Kong-Zhuhai-Macao Bridge, where marine works had to be carried out. Due to the reclamation, the fishing area available has been reduced. Worse still, the Government has planned to set up a marine park. Though the Government says that fishermen may continue to fish in the area after the establishment of the marine park, their fishing licences cannot be transferred or passed on. Members can thus imagine that fishing will be prohibited in the area 10 or 20 years later. If so, how can the industry attract new comers? How will fishermen encourage their children to join the industry? It will be very difficult. Therefore, I earnestly hope that the Government will review this policy seriously in future.
I will now talk about the inconsistencies in policies, laws and regulations between Hong Kong and the Mainland. On 31 December 2012, the ban on trawling activities was officially implemented. Capture fishery is divided into two main categories. One category of fishing is carried out in distant waters and the other is carried out in in-shore waters. The category of in-shore fishing is restricted by the policies and regulations on marine parks, as for off-shore fishing activities, they must comply with laws and regulations of the Mainland. During the term of office of Secretary Dr York CHOW, he had not had much communication with the Mainland authorities. I wonder if he knew that the Mainland had implemented the "double-control" policies under fishing laws to impose restriction on the engine power and the number of vessels on the Mainland. If a fisherman wants to operate off-shore with a fishing vessel of 20 years of age, he must convert the vessel, otherwise it will not be able to survive the storms and waves. If a vessel is to operate in distant waters, it will need greater engine power. Regrettably, the Mainland authorities have implemented the "double-control" policies to cap the engine power of vessels. Back then, the Hong Kong Government insisted on imposing the ban. Some fishermen supported the ban but some opposed it. It had developed into a 50:50 situation and resulting in an internal conflict. In the end, the ban was passed on the grounds of environmental protection.

It is evident that the communication between the previous-term Government and the Mainland was far from satisfactory. Fortunately, improvement has been made under the current-term Government. As I said in the very beginning, the difficulties encountered by the agriculture and fisheries industry in the past were the result of the "non-intervention" mindset. Sometimes, the current-term Government merits commendation. Comparatively speaking, it has accorded more importance to the agriculture and fisheries industry by setting up the Sustainable Fisheries Development Fund amounting to $500 million and heeding the views of the industry to conduct consultation on a new agricultural policy. Our initial proposal suggests setting up an integrated agricultural village, and now the Government has changed it into an Agricultural Park. No matter how, this is a good starting point and worthy of discussion.

Today, I have proposed this motion hoping that the Government will accord priority to the development of the agriculture and fisheries industry to provide suitable support for the development of agriculture and fisheries in a holistic manner. Members in other industries do not have to worry about this
"priority" issue. To put it frankly, this can be interpreted as kind of a salvage development project. Since the Government has done nothing for the industries over the years, it has to pay an accumulated cost.

As the Member of the Legislative Council representing the agriculture and fisheries industry, I always believe strongly that maintaining the agriculture and fisheries industry on a certain scale is favourable to maintaining the food supply and stabilizing food prices in Hong Kong. We may look at it from another angle. Today, we are enjoying social stability and many of our food products, close to 80%, are supplied by the Mainland. Yet, the Mainland is also developing rapidly. One day, when Mainlanders can afford the food, will there be any incentive for them to continue supplying agriculture and fisheries products to Hong Kong? They may do so if the prices offered are attractive, or they may supply the surplus products to Hong Kong, though the products still have to pass the compliance tests and satisfy the pesticide residue requirements. In the long term, we will lose our competitiveness. Hong Kong is a renowned gourmet's paradise. Yet if we cannot guarantee the quality of our food ingredients, how can we protect this reputation? I think this is worthy of deep thoughts by us.

I will delve deeper into the overall situation of the agriculture and fisheries industry, and now I will discuss the leisure agriculture and fisheries industry. In recent years, traditional agriculture and fisheries industry in places around the world has been restructured to eco-tourism and leisure industry. However, in Hong Kong, production activities are categorized as a primary industry, and we are lagging behind in this aspect. Why am I saying this? Take farmland as an example. If I own a piece of farmland for farming and I sell the harvest from the land, it will not cause any problem, for it is regarded as agricultural production. However, if I charge an entrance fee on visitors coming to my farm to watch my agricultural products, it will be regarded as a commercial activity which is disallowed. To develop my point further, I am also disallowed to make the strawberries I pick from my farm into juice for sale. In the above example, food production is involved and I must apply for a licence from Dr KO, whereas the sale of juice is regarded as a commercial activity. It is evident that the use of farmland is subject to numerous restrictions. Therefore, if the Government is truly determined to deal with the problem, it must remove the hurdles to enable the agriculture and fisheries industry to develop into a service industry embracing production, leisure, tourism and education.
President, some time ago, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) published a report on the sustainable development of the agriculture and fisheries industry. We have put forth a number of proposals in three aspects, namely, high value-added agriculture and fisheries industry, leisure agriculture and fisheries industry and new planning on the agriculture and fisheries industry. We hope that the authorities will change the thinking of "focusing on development and neglecting the agriculture and fisheries industry" in policy formulation. The authorities should remove hurdles in policies, make vigorous efforts to formulate policies that promote the sustainable development of the domestic agriculture and fisheries industry and introduce suitable measures. It should promote the restructuring of the agriculture and fisheries industry and position it in the direction of high value-added and advanced technology. In fact, when it comes to the discussion on the agriculture and fisheries industry, it may continue for three consecutive terms of the Legislative Council, so 15 minutes are definitely insufficient. As such, I have to ask my comrades in the DAB to elaborate some of the contents in the report to the public.

The DAB also hopes that the Bureau will conduct a review and consultation of the new agricultural policy. The Bureau should make proactive efforts to listen to the views of various sectors, reassess the development direction of the agriculture and fisheries industry and formulate truly sustainable policies for the agriculture and fisheries industry. Never ever make empty talk like the British Hong Kong Government or the early SAR Government. On the other hand, I do not want the agriculture and fisheries industry to become a cause of argument in the political arena. The funding application for the fisheries loan fund is a case in point. Last Friday, this was again played up by certain Members. I really hope that Members will work harder for the interests of society and the public.

With these remarks, President, I move the motion as printed on the Agenda. Thank you, President.

Mr Steven HO moved the following motion: (Translation)

"That the agriculture and fisheries industry has all along been providing a stable food supply to Hong Kong and playing a significant role in the process of economic development; in recent years, the agriculture and
fisheries industry has been developing in the high value-added direction and adopting modern modes to produce high quality and safe food; with the emergence of eco-tourism and leisure agriculture and fisheries industry, the agriculture and fisheries industry can be developed into a comprehensive industry embracing production, leisure, tourism and education, thereby boosting the development of service industries on retail, transport, catering and accommodation, etc. and hence further diversifying the Hong Kong economy; yet, constrained by the Government's outdated policies and discouraging attitude, the value, quantity and scale of production as well as the number of practitioners in the agriculture and fisheries industry have all been significantly reduced, and it is also difficult for the industry to pursue development through restructuring; in this connection, this Council urges the Government to remove the barriers for the agriculture and fisheries industry at the policy level, adjust outdated restrictions and proactively formulate comprehensive development strategies in accord with the actual situation in Hong Kong by making reference to international experience, so as to promote the sustainable development of the agriculture and fisheries industry."

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

PRESIDENT (in Cantonese): Two Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the two amendments.

I will call upon Members who will move the amendments to speak in the following order: Dr Helena WONG and Dr KWOK Ka-ki; but they may not move their amendments at this stage.

DR HELENA WONG (in Cantonese): President, when I got the wording of Mr Steven HO's motion, I felt very puzzled, because the first sentence of Mr HO's motion reads, "The agriculture and fisheries industry has all along been providing
a stable food supply to Hong Kong and playing a significant role in the process of economic development.". I find it incomprehensible, because Mr HO has provided no figure, and the sentence may give rise to some wrong interpretation. In fact, as we all know, the general trend since the 1980s is that the production of Hong Kong's agriculture and fisheries industry has kept falling. Nowadays, the industry accounts for less than 0.1% of the Gross Domestic Product and boasts a workforce of about 10,000, which constitutes less than 0.3% of the 3.6 million-strong total working population. As for the supply of agricultural and fishery products, the self-sufficiency rates of food tell a lot. Since 1995, the self-sufficiency rate of vegetables — I mean locally produced vegetables in Hong Kong — has dropped from 17% to 2% two years ago; freshwater fish from 11% to 3%; marine fish from 71% to 36%; live pigs from 8% to 6%, which is not so significant a decline, but the supply of local live pigs has risen to 23.6% over the period, only that the animal husbandry sector was suppressed by the Government, and hence the decline. Live poultry made a class of its own, growing from 22% in 1995 to nearly 60%. Decline was noted for all the categories we mentioned just now except live poultry, which had grown to 60%. Nevertheless, despite the growth in percentage terms, local live poultry production has dropped from 20,000 tonnes in the past to 7,500 tonnes. Therefore, if the avian flu revisits Hong Kong's chicken farms, it remains unknown as to how the live poultry sector fares. The market share of 60% may not sustain, and production will surely drop further.

In fact, Members are all too familiar as to why the agriculture and fisheries industry shrinks. That is, agricultural land has become valuable in tandem with Hong Kong's urbanization, and owners are keen to hoard lands or leave them abandoned instead of ploughing them. In 2013, Hong Kong had nearly 4,523 hectares of arable land, but only 729 hectares was active. Of that more than 4,000 hectares of agricultural land, only 700 hectares or so was dedicated to farming. In other words, it is not the case that Hong Kong has no agricultural land for local produce, only that more than 80% of Hong Kong's agricultural land is left abandoned, has been abandoned, or made into other familiar uses, including container yards, car parks, animal breeding centres, waste recycling yards, and so on. As regards the fisheries industry, with reclamation, indiscriminate fishing triggered by the neglect of marine ecology in early years, as well as the implementation of our trawl ban policy for the sustainable development of the industry right now, the life of fishermen is affected.
Earlier, the Government released a consultation document on a new agricultural policy for the sustainable agricultural development in Hong Kong, the one with a very nice green cover. We have read the consultation document, the objective of which is about the sustainable development for Hong Kong's agricultural sector. After its release, many from the public came forth to criticize the Government for the absence of an agricultural policy. Of course, we still welcome Secretary Dr KO Wing-man for putting it forward. If he did not do so, we would not have had any chance for discussion. However, we have really seen how Hong Kong's agricultural industry has diminished over a very long period of time, and yet we do not see any government policy that addresses it seriously.

To develop the agricultural industry, the Government has to answer two questions: first, will it set out a self-sufficiency rate for local food? Second, will it consider devising an agricultural policy to release some idle agricultural land for local agricultural uses?

Some overseas experience is provided in the consultation document, including that of Singapore and Greater London, the two places on which the Government seems to be keen to model. Nevertheless, as for the self-sufficiency rate for vegetables, we are aware of Singapore's very high target of 55%, whereas the Greater London area has preserved 65 city farms, 1,200 community parks, about 70 school farms and 300,000 or so lots, and so on, providing about 40% of agricultural products to the Greater London area. In this consultation document, despite the mention of overseas experience, the Government is silent on what the self-sufficiency rates of Singapore and Greater London really mean to the two places. If the Government merely acknowledges their strengths but does not delve into the reasons, what is so significant for the Government to point out the need to model on Singapore and Greater London?

I consider that the Government needs to think seriously about devising self-sufficiency rates for agricultural products and food. Without a target, it will be difficult for us to propose ways to promote or help the agricultural industry. Of course, after self-sufficiency rates are set out, there is still a need for complementary related measures in order to help the local agricultural industry. People familiar with agricultural policies have done the calculation that if all agricultural land in Hong Kong is rehabilitated, the self-sufficiency rate for vegetables may well reach 27% or even 40%. Of course, this is a very ideal target, and it may be improbable to restore the agricultural scene to its pre-1980s form. However, if the consultation document remains at the level of technical
support and merely earmarks a small lot for an Agricultural Park, the Government is actually not promoting sustainable development for the agricultural industry, but is prolonging its death in a perfunctory manner.

If the Government is intent on promoting the agricultural industry, there is a need to face up to what I mentioned just now: first, to set out the self-sufficiency rates for food; second, to address the issue of abandoned agricultural land. In the document, the Government merely proposes the Agricultural Park concept concerning the issue of agricultural land. However, as regards the question of how to tackle the large amount of idle and abandoned agricultural land, it is just roughly mentioned that there is some difficulty and it is not easy to solve, so it is better not to do it for now; instead, a plot of land should be earmarked for an Agricultural Park. I think the Secretary is being evasive on this issue, but this is the crux of the issue of agricultural development that we cannot resolve at present. In fact, a solution is not unavailable. For example, we know that Mr Edward YIU, Associate Professor of The Chinese University of Hong Kong's Department of Geography and Resource Management, has pointed out that if a penalty mechanism is introduced for abandoned agricultural land and incentives are offered for developing agricultural land, there is prospect for Hong Kong to redevelop the agricultural industry. Of course, the Government may well look into whether the introduction of a penalty mechanism is unfair to agricultural land owners. However, that the Government makes no mention of or evades the core issue of the existence of a large amount of abandoned agricultural land is actually an indication of its lack of determination to promote agricultural development.

President, the poultry trade is also mentioned in my amendment, and I may not have the time to go into the details here. Nevertheless, my wish is that, regarding live chickens, we should seek to help local chicken farmers by increasing the number of live chickens allowed to be kept by them, so as to reduce Hong Kong's reliance on imported live chickens from the Mainland. In addition, given how uncontrollable the avian flu outbreak in the Mainland is, as we have now learnt that 499 cases of human infection of avian influenza A have been reported in the Mainland, if we have no way to control what occurs in the Mainland, why should we not impose an all-out halt on the import of live chickens from the Mainland, so as to allow us to work out prevention and control measures against the outbreak on the one hand, and indirectly encourage the development of the local poultry sector on the other (The buzzer sounded) … President, with these remarks, I call on Members to support my amendment.
DR KWOK KA-KI (in Cantonese): President, the Civic Party welcomes this motion. In fact, the Civic Party has all along advocated a healthy and environmentally-friendly culinary culture. In conjunction with many concern groups, we have all along been concerned with promoting local foodstuffs and enhancing their quality, as well as non-reliance on imported food. Nevertheless, if we look at the present situation in Hong Kong, we will find that although we possess a total of 729 hectares of readily arable land, the amount of disused farmland stands at 3 794 hectares. In 1995, the amount of readily arable land in Hong Kong was 2 070 hectares but now, it has fallen to less than 730 hectares. Therefore, President, it would practically be a joke if we want to rely on the Government's new policy on agriculture or sustainable development. I wonder if such a policy would ultimately be reduced to a fine excuse for the Government to eradicate farmland and drive farmers away on a large scale because when the Government and real estate developers join hands in acquiring land, they can tell farmers who are actually tilling their land in all gravity to move to the new Agricultural Park, boasting that there are as many as 70 hectares of land there, so that is actually quite fine. However, when farmers gradually find that there is no land for them to till, the Government and developers can then acquire their land successfully.

In fact, the policy on agriculture can by no means be like this. The land size of 70 hectares is practically a joke. We have as many as some 4 000 hectares of farmland, so has the Government ever cared about whether or not such farmland is being fully utilized and it is really serving its purpose as farmland? Or will the existing practice be maintained? In fact, I believe we all find that at present, it is the major real estate developers that have hoarded a lot of farmland without using it for any purpose. The Government is well aware of this situation and it even speaks for them, saying that since the rental return is not high, they would rather leave it in disuse or use it for other purposes. However, it is the Government who started such a policy in the first place. It gives real estate developers a free rein in hoarding land without using it and has even tailor-made some development areas for some real estate developers. A case in point is the present North East New Territories New Development Areas, which we talk about frequently. The Government is concerned that real estate developers may not be in the know, so it announced in advance and publicly that development would be carried out there, so as to give them enough time to hoard farmland at low prices. When the Government actually implements the plan, the two parties will collaborate with each other. The land is either bought at high
prices, or the demand of developers to convert the land into luxury residential use will be complied with. What sort of policy is this? How possibly can it help local farmers?

Is it true that there are no local farmers engaged in agricultural activities? Let me give two examples. The first is Kamei chickens, which are well-received among various local products. As we all know, the Kadoorie Farm and farmers jointly developed Kamei chickens back then and they also went through a long period of difficult operation. On a number of occasions in 2002, 2003 and 2008, the Government coerced and induced farm owners to surrender their licences. Farm owners steadfastly refused and they are the ones who have really worked hard for agricultural development in Hong Kong. For this reason, nowadays, although the competition in the market is very keen, about 2,000 Kamei chickens can still be provided, so they account for a share of the market. Although the price is 50% higher, customers still buy them.

The second one is a not so fortunate example, that is, the Jade Perch. I believe Members all know that in 2002, the Government identified the Jade Perch, which is a fish with good fats suitable for culturing in fish ponds in Hong Kong. From 2002 to the present — this is really terrible — in its heyday, 100 fish farms participated in this scheme. Now, their operation is dismal. The reasons are, firstly, that the Government does not have any plan to assist them in developing the market and it has also stopped providing fish fry. For this reason, many fish ponds for culturing the Jade Perch have now been abandoned and some even suffered losses and closed down. There are a host of reasons. Often, the Government only pays lip service without taking any real action. Why am I saying this? How is the situation of several farming households actively involved in farming in Choi Yuen Tsuen and North East New Territories now? The Government resumed the land, disallowed them to engage in farming, or joined hands with real estate developers in driving them away. If Mr Steven HO really wants to help them, I have never seen him put up a fight together with the farmers concerned on matters related to Choi Yuen Tsuen and North East New Territories, so as to defend their farmland.

I notice that one of the issues raised by Mr Steven HO today is his hope that eco-tourism and leisure agriculture can be operated. We have no objection to this but this is indeed a bit laughable. When some people were making a living by growing vegetables, raising livestock and supplying food to Hong
Kong, the Government stymied them and brought about their demise, so they could not continue to operate. Yet, at the same time, they are asked to operate leisure farms, preferably with accommodation and facilities, where one can chat and laugh and children can play. This is to put the cart before the horse and inverting cause and outcome. Certainly, we would not oppose the development of educational farms but this is only one of the components. The major component is the true ability to provide food to Hong Kong. Are local farms incapable of doing so? Of course not. The chicken farms in the livestock industry are a good example. They are capable of supplying a large number of chickens to Hong Kong, accounting for almost 60% of the supply in the market.

Let us look at other places. Take Singapore as an example, in the past, it had to rely on Malaysia for its supply of pigs. As we all know, in recent years, there has been an increasing number of epidemics caused by pigs. For this reason, the Singaporean Government summoned the resolve to turn one of the deserted islands into a place for raising pigs. Now, most of the pigs in Singapore are supplied by local farms. Compared with Hong Kong, there is less land or farmland in Singapore and it is more urbanized, yet it is still capable of doing so, so what is the Hong Kong Government doing?

On this new agricultural policy, it is most laughable that one of the measures is the establishment of an agricultural fund, which the Government talks about frequently. Members have to look clearly at the details of this agricultural fund. Such a fund is a matching fund that is not designed to help farmers. In fact, in a matching fund, the Government provides funding on a matching basis with private funds and how it would be like in the end ... of course, we cannot blame the Government because this is a sustainable development fund, so scientific research institutes, tertiary education institutions, and so on, will surely play a part in the effort but what about individual farmers? When they are engaged in farming, they are hard pressed by real estate developers and affected by their environment and as a result, it is not possible for them to do farming anymore, then, the Government tells them they can make applications to scientific research funds, so they really do not know whether to laugh or cry.

Therefore, we can see that the Government should formulate a policy properly to set these some 4,000 hectares of farmland on the right track. Of course, we understand that part of the farmland needs to be developed and that it is necessary to go through adequate consultation and the required procedures.
before developing them but in respect of the even larger amount of undeveloped farmland, should we fully utilize it and find ways to revitalize it, so that it can really be used for farming? This is unlike the present situation where a place given the nice name of Agricultural Park is found to rehouse these farmers. When real estate developers come to acquire farmland, this would precisely serve their purpose. The developers can say that the Government has already established an Agricultural Park for farmers, so farmers can be driven to that place and as a result, their land acquisition will be facilitated. Is the Government going to abandon the only places available for agricultural development and does it want to drive the farmers in those places away?

Therefore, do not think that the new agricultural policy can help us. What we demand now is proper government assistance in truly developing agriculture. Of course, the policy on agriculture relies not only on the Food and Health Bureau because a lot of interests are involved — the Secretary for Development is not present today — we can see the Government often making eyes with consortia and the Government would not change.

However, actually, we also find it lamentable that although the Agriculture and Fisheries Subsector holds 60 seats in the small-circle election, the assistance provided by the Government to them is surely disproportionate to the degree of importance they enjoy in the Election Committee and the Nominating Committee. Therefore, I advise the DAB or Mr Steven HO of the Agriculture and Fisheries Subsector to really do something for the local agricultural industry, rather than merely paying lip service.

I so submit. Thank you, President.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I would like to thank Mr Steven HO for proposing this motion, which shows his concern for the policy on the agricultural and fisheries industry and its sustainable development.

The local agriculture and fisheries industry has been supplying the people of Hong Kong with quality fresh agricultural and fishery products. Regarding the fisheries industry, the capture fisheries industry in Hong Kong currently has around 4,000 fishing boats, on which a total of about 8,800 local fishermen
operate. In 2014, the production of the capture fisheries industry in Hong Kong reached approximately 161,000 tonnes, which was worth $2,530 million. Moreover, there are currently 26 fish culture zones in Hong Kong, occupying a total area of 209 hectares with roughly 970 licensed operators. Their production in 2014 is estimated to be 1,255 tonnes. The pond fish culture industry consists of inland fish ponds mainly situated in the Northwest New Territories, with an approximate area of 1,150 hectares and the production in 2014 reaching 2,001 tonnes.

With regard to the agricultural industry, there are currently around 2,400 farms in Hong Kong, taking up farming areas of 7.11 sq km in total and directly hiring about 4,300 farmers and workers. In 2014, the total local agricultural production was valued at $830 million, yielding 15,500 tonnes of vegetables and $140 million worth of flowers. The local produce is mainly leaf vegetables and high-value cut flowers.

The Government recognizes and attaches importance to the sustainable development of the local agriculture and fisheries industry, which would benefit Hong Kong in multiple ways, and has introduced a number of policies in the last few years to help the industry achieve high value-added and sustainable development.

In terms of the fisheries industry, we have pursued the recommendations made by the Committee on Sustainable Fisheries to formulate a policy blueprint and launch a series of measures with the aim of promoting modernized and sustainable operations of the fisheries industry, controlling the fishery effort, as well as preserving and increasing fishery resources.

The Government has imposed a ban on trawling in Hong Kong waters with effect from 31 December 2012 and set up the Trawl Ban Interdepartmental Working Group to offer an ex-gratia allowance to affected trawler vessel owners. At the same time, to encourage fishermen to switch to sustainable practices and develop other fisheries-related operations, and also in response to the burgeoning demand of the fisheries industry for loans, we are seeking the approval of the Finance Committee of the Legislative Council to increase the approved commitment of the Fisheries Development Loan Fund from $290 million to $1,100 million.
The Government established the $500 billion Sustainable Fisheries Development Fund in 2014, with the aim of enhancing the overall competiveness of the industry. The funding scope includes the provision of technical support and training in fishing operations, assistance for fishermen in switching to other fisheries or marine-related industries, as well as assistance for local aquaculturists in modernizing their operations. The Fund has been open for application since July 2014 and has received 15 applications to date. We are now processing these applications and hope to grant the first batch of assistance in the first quarter of 2015.

Moreover, the Government is exploring the development potential of fish culture. In the second half of 2014, we conducted a trial of issuing new marine fish culture licences in the eastern waters of Hong Kong. In addition, we are planning to expand an existing fish culture zone in order to improve the culture environment, as well as studying the possibility of finding new locations as fish culture zones. We are now undertaking relevant consultancy work.

As far as agriculture is concerned, the Government has recently released the consultation paper on the New Agricultural Policy. The sustainable development of agriculture can benefit Hong Kong in many ways, including diversifying our food supply, reducing our reliance on imported food, as well as meeting consumers' aspiration and demand for food with high safety standard. Agricultural development will also bring job opportunities as it can absorb lesser-skilled workers and open up new opportunities for young people who aspire to developing a career in modernized agriculture.

The Government proposed the New Agricultural Policy to introduce appropriate supportive measures in order to facilitate migration towards the desired outcome. Building on the foundation of the prevailing programmes and measures that the Agriculture, Fisheries and Conservation Department has been implementing to support the industry, and taking into account the challenges and difficulties hitherto faced by the industry, the Government proposes introducing a package of new measures in the following directions: (1) exploring the feasibility of establishing an Agricultural Park; (2) considering the establishment of a Sustainable Agricultural Development Fund; (3) strengthening the support that is being provided to help farmers move up the value chain, including the marketing of their products and brand building; and (4) promoting other auxiliary activities
related to agriculture such as leisure farming and educational activities for students and the public. In today's meeting, we also welcome further views from Members on the development of the agriculture and fisheries industry.

President, I wish to continue to listen to Members' views and give a response in my closing speech. Thank you, President.

MR WONG YUK-MAN (in Cantonese): President, nowadays, Hong Kong economy is led by the service industries, with the SAR Government and the business sector bragging about high value-added industries all the time. As a result, nearly everyone has forgotten the economic and social values of the agriculture and fisheries industry. Furthermore, our daily necessities are mostly reliant on imports nowadays. A couple of days ago, the Chairman of the Democratic Party and Dr Helena WONG said in Taiwan that Hong Kong could not seek independence because the Mainland is our source of food and water, implying that we have to rely on Dongjiang water as well as vegetables and poultry imported from the Mainland. In fact, the Mainland is not our major supplier when it comes to food imports. Hence, I am sorry to say that we do not actually depend on the Mainland. In fact, a lot of things are imported from other places, and they are even cheaper than those imports from the Mainland. Will Members please do not get it wrong.

In an article written a decade ago by Korean farmers to Hong Kong people during their demonstrations against the World Trade Organization, a line quoted from *Nong Shu* written by CHEN Fu of the Sung Dynasty reads, "Agriculture forms the basis of national existence". As the saying goes, "the propriety lost in one country can only be found in another". The agriculture and fisheries industry can provide local food and raw materials and should be treated as the basis for other production activities. Even light industries such as food processing and textile have to depend on food and raw materials available locally before products with characteristics can be manufactured. Although Italy and France are internationally renowned for their fashion, both countries still have to rely on their solid agricultural industry. Special foodstuffs are also indispensable to the success of the catering industry. For instance, France's truffle, Japan's seafood and sashimi and the United States' rib eye are produced locally, not imported from Hong Kong.
The tourism industry can also benefit from the agriculture and fisheries industry. For instance, the Tskuikiji Fish Market in Tokyo and the Bordeaux chateaux in France are well-known scenic places. Hong Kong used to be a fishing port with abundant fish harvests as well as a diversity of fish and no need for imports. Moreover, Hong Kong was a good place for developing agriculture as it is located in the subtropical zone, and its climate was suitable for the growth of a wide range of vegetation. Nevertheless, since the beginning of the 1980s in the previous century, Hong Kong has gradually moved towards industries seeking quick success and instant returns, such as the financial and real estate industries. As a result, industrial activities and the agriculture and fisheries industry have gradually been neglected and abandoned, thereby resulting in the ills we see today, including the unitary industrial structure and the disparity between the rich and the poor.

LEE Teng-hui was once a Senior Specialist of the Joint Commission on Rural Reconstruction, now renamed as the Council of Agriculture, Executive Yuan, in Taiwan. As a Doctor in Agricultural Economics of the Cornell University, LEE was appointed as a Senior Specialist to the Joint Commission on Rural Reconstruction and later became the President. Nowadays, Taiwan is renowned in the entire Asian region for its fruit and vegetable species. Not only can it achieve self-sufficiency, but it can also export its agricultural produce to other places, including the Mainland. What sort of products do we have?

The Subcommittee on Poverty of the Legislative Council has once visited Japan and Taiwan to study their poverty alleviation experience and community economy. The Subcommittee on Hawker Policy set up under the Panel on Food Safety and Environmental Hygiene has also attempted to learn from the experience of Thailand, Singapore, Taiwan and Korea in the hope of developing our community economy with reference to their practices. Nevertheless, the effects of the local agriculture and fisheries industry on community economy have been neglected. In fact, Hong Kong can hardly follow Taiwan in setting up night markets for selling delicacies. Where can we get the food materials required? Imported food is very expensive. Hence, the reason is very simple. We cannot merely talk about community economy and hawker policy — the so-called brainstorming session held the other day was just a platform for empty talks, which was all talk with no actions taken, not to mention follow-up actions.

I have often described the current hawker policy with the expression "driven to extinction". Under such a policy, how will the Government consider combining community economy with the agriculture and fisheries industry?
Although no one would like to see this happen, this is the fact. As I mentioned just now, night markets or bazaars are set up in Singapore, Thailand and Taiwan for the sale of handicrafts and special food, and they depend entirely on the local agriculture and fisheries industry for the provision of raw or food materials. Otherwise, they cannot possibly continue to survive given the fluctuating transport costs and foreign currency exchange rate risks.

Without the provision of inexpensive raw and food materials by the local agriculture and fisheries industry, coupled with the monopolization of public space by major consortia, such as The Link REIT, it is simply impossible for hawkers and bazaars to achieve anything. Hong Kong community economy will gradually lose its characteristics and vitality. Its spirit and face will also become increasingly decadent. Even if two bazaars are now proposed to be set up, I do not believe anyone can make them a success. Meanwhile, the light and catering industries in Hong Kong are also very weak. Grass-roots people without capital and expertise can only be employed as cheap labour for the real estate or financial consortia in front-line posts as cleaning, security, marketing, customer services personnel to earn meagre incomes, and this makes it difficult for them to be self-reliant.

In 2012, the five major real estate developers owned some 1,000 hectares of agricultural land in total in the New Territories, which were around five times the size of the sites owned by the SAR Government which can actually be used for housing production. These enormous land resources, if committed to the production activities of light industries or the agriculture and fisheries industry, can definitely benefit the general public. However, the SAR Government has allowed the real estate developers to leave the agricultural land in disuse. Actually, the developers only want to hoard the land for the construction of luxury flats in future. This explains why they just let Hong Kong economy stay put. As such, the redevelopment of the agriculture and fisheries industry is not only a necessary step to industrial restructuring, but it is also a necessary condition for the development of Hong Kong's century-long economic plan.

The attitude of the SAR Government towards the agriculture and fisheries industry is more than "outdated" and "discouraging". When Choi Yuen Tsuen was cleared in 2010 for the construction of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Government regarded fruit trees which could still bear fruit for many years as crops and offered compensation at an exceedingly low price of dozens of dollars. Such an act was indeed ridiculous and despicable. After imposing the ban on trawling in 2012, the Government set up the Fisheries
Development Loan Fund and offered a one-off ex-gratia allowance. Nevertheless, the vetting and approval procedure is so complicated that it has long been a cause of criticisms by the fishermen. During the last Lunar New Year, Hong Kong saw another outbreak of avian flu suspected to be caused by live chickens. Since the Food and Environmental Hygiene Department was only willing to offer compensation at $30 per chicken after culling all the chickens, quite many chicken farmers had suffered losses.

Although it is desirable to provide the agriculture and fisheries industry with land, capital and technology, I think the provision of subsidies and outlets is crucial to the local agriculture and fisheries industry, too. In Europe and the United States, subsidy has all along been provided to the local agricultural industries. According to the Congressional Budget Office of the United States, a total sum of US$5.5 billion in subsidy was provided by the United States Department of Agriculture last year to assist farmers facing a high production cost and risk of poor harvests in staying afloat, thereby maintaining the balanced development of the industrial structure. Furthermore, there are solid light industries (The buzzer sounded …) and the use of local agriculture and fisheries products by the catering industry there.

MR ALBERT CHAN (in Cantonese): President, first, in the past many years, I have been reflecting my views on the agricultural and fisheries policy to several former Secretaries. Normally they just adopted a lax attitude. Secretary Dr York CHOW behaved the worst, who entirely ignored the industry's room for survival, treated fishermen and farmers as if they had contracted leprosy and refused to meet with them. For this reason, I must condemn former Secretary Dr York CHOW for disregarding the existence of the agriculture and fisheries industry and the dignity of its members.

Secretary Dr KO Wing-man is relatively more positive. I have talked with him twice. Even if he may be attending to me in a slovenly manner and manipulating public relations skills, he at least handles this issue with a relatively more positive attitude. I really hope that he can adopt this attitude in delivering his work to achieve results.

The Hong Kong Government's agricultural and fisheries policy can be regarded as a total failure, and it exists in name only. There is simply no genuine agricultural and fisheries policy. The Government just lets the industry remain there and even if it is eliminated, the Government will not care at all.
Let me quote some figures for Members' reference. Marine fish produced locally totalled 89,140 tonnes in 1990; in 2013, it dropped from 89,000 tonnes to 38,000 tonnes. As to the output of marine fish farmers, it totalled 3,860 tonnes in early 1990; in 2012, it dropped to 1,299 tonnes, amounting to a one-third reduction. The number of fishermen was 11,500 in 2001; in 2013, it dropped to 8,800. I do not know whether Mr Steven HO is among these 8,800 fishermen. Hence, Members can see that the entire agriculture and fisheries industry has been marked by alarming shrinkage and reduction, a situation that is worrying.

In the past, given the high quality and low price of products provided by the Mainland, Hong Kong's agricultural and fisheries products did not appeal to the market. However, the current prices of agricultural and fisheries products have provided sufficient justifications for developing the agriculture and fisheries industry afresh in Hong Kong.

Some time ago, the Government recovered pig farm licences. At that time, I suggested that the Government could set up pig raising centres in multi-storey buildings. But Dr York CHOW only recovered pig farm licences with no intention to develop the pig raising industry at all. Given the current price of pigs, pig farmers are willing to return to Hong Kong from northern Guangdong to continue with pig raising. Similarly, the price of chickens is a sufficient reason for chicken farmers to continue to raise chickens in Hong Kong, and the price of fish is even more so. The current price of fish is very appealing, allowing continuous development for fishermen engaged either in in-shore fishing or aquaculture. Nevertheless, in order to encourage people to engage in these industries, the Government must set out a clear direction and approach policy-wise in such aspects as land, transport and infrastructure, so as to assist the agriculture and fisheries industry in achieving steady growth. For some places with farmland but no water supply, or where water is blocked by catchment channels, big trouble will ensue. Another example is a certain area used for the sole purpose of Koi culturing. With the construction of the Express Rail Link, even water is nowhere to be found. Back then in the 1960s, water supply was resumed only at an interval of four days. Water was available from hillside streams there, but now, all sources of water supply have been cut off. Those Koi worth several hundred thousand dollars each will die at any time.

In all this, we can see how the Hong Kong Government handles these issues. The Agriculture, Fisheries and Conservation Department adopts a lax attitude and does nothing at all about the fate of individual farmers. It adopts a
lax attitude, showing neither care nor sympathy for the hardship faced by the industry. They get paid as usual, while the agriculture and fisheries industry heads for extinction. The officials are paid as usual and continue to climb the ladder of promotion without being affected. Hence, the continual reduction and shrinkage which have been shadowing Hong Kong's agriculture and fisheries industry over the past years can be attributed to the Hong Kong Government's policy failure in this regard.

Many regions, cities or countries such as Singapore have their own agricultural and fisheries policies. They have the so-called national policies in place which carry some special implications, meaning that some requirements are set out for the sake of national security. For example, they will require that 10% to 20% of vegetables or meat be locally produced. The importance of determining a percentage lies in pre-empting any threat to the locals resulting from irrational price hikes of imported products or a sudden embargo on products from certain regions. Therefore, in terms of national policies, taking into account national or regional security, many regions, especially independent countries and cities, have established policies to ensure a stable supply of local agricultural and fisheries products in some measure. For this reason, I very much hope that the Hong Kong Government, especially Secretary Dr KO, will formulate agricultural and fisheries policies that serve to stabilize prices after the motion debate today in order to answer to people's aspirations.

In fact, there is a lot that Hong Kong can do. For example, to cater for fishermen, is it possible to develop leisure rock fishing? It is because many cities such as New Zealand and San Diego have created employment opportunities for fishermen through the development of leisure fishing. Hence, the Secretary may consider a number of recommendations in this regard. I hope that through this discussion, the Secretary can learn a lesson from experience and formulate policies for the fishermen, so as to spare them the fate of elimination.

DR ELIZABETH QUAT (in Cantonese): President, the agriculture and fisheries industry, which was one of Hong Kong's pillar industries in the 1950s and the 1960s in the 20th century, has gradually dwindled in tandem with the transformation of society into an economic city. I support the redevelopment of the industry because it will help maintain the supply of food and stabilize prices if it can be maintained at a certain scale. Moreover, local food can be monitored more easily, which can in turn help ensure food quality and safety. Meanwhile, the industry can provide stable job opportunities and is conducive to the
diversification of the economic structure. What is more, the combination of agriculture and fisheries production with leisure and education can upgrade people's quality of life. While several Members of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) will explore this subject from different angles, I will focus on the development of organic farming and leisure agriculture today.

The number of organic farms in Hong Kong is estimated to be around 514, including traditional family farms, self-proclaimed organic farms, institutional farms, and holiday farms emphasizing education and leisure, representing about one fifth of the total number of farms in the territory.

Although organic farming is a high value-added industry with development potentials, Hong Kong faces quite a lot of difficulties in developing it. Firstly, members of the public lack confidence in organic products and find it difficult to distinguish genuine products from and counterfeit ones. Although there are some enthusiastic non-profit-making organizations in the community providing organic certification services, they still face difficulties in promotion and monitoring due to limited resources.

In the long run, the Government should legislate on the regulation of organic products. Meanwhile, a certification system should be set up to require all organic foods to be certified by the Government before they can claim to be or label themselves as organic food. In the short run, community certification should be promoted and surveillance be enhanced. Of course, the Government must step up its efforts in promotion and education to deepen the public's knowledge of organic products, too.

Secondly, the difficulties faced by local organic products include the small scale of production, an unstable supply, inadequate sales channels and relatively high prices, which have deterred some retailers and consumers. The small production scale and unstable supply are caused mainly by a lack of agricultural land. Owing to the absence of a stable agricultural environment, farmers naturally dare not make investments and long-term planning. As a result, the production can hardly be guaranteed and attain a certain scale.

Since chemical pesticides and fertilizers as well as genetically modified seeds and materials cannot be used during the production process of organic farming, farmers have to make more efforts in and devote more resources to solving various technical problems, such as pest control, soil fertilization, seed
breeding, and so on. Coupled with the relatively small scale of local organic agricultural production, inadequate technological development and research, and the need for farmers to separate organic and conventional agricultural products during harvests, transportation, and so on, the production costs of organic agricultural produce are relatively high and their prices are also higher than those of conventional crops.

In order to resolve these problems, the DAB proposes that the Government formulate a comprehensive agricultural policy and provide farmers with a stable supply of agricultural land, with a view to achieving "agricultural land ownership". Furthermore, the Government should set up a fund for technological development of the agriculture and fisheries industry, enhance the integrated scientific research capacity of the industry, provide additional resources for universities, academic institutions and organizations in the sector, and undertake research and manpower training programmes related to the industry. We also propose that the Government introduce a concept of "four-party co-operation" among the Government, the commercial sector, universities and the agricultural sector to develop "integrated farming villages" on restored landfill sites or other sites and lease them to academic institutions, research institutions and local farmers, so that new agricultural production can be undertaken through a scientific and intensive approach and the agricultural industry promoted to move towards high value-added and modernized transformation.

President, in the face of the stressful and noisy urban life, there is an increasing aspiration among members of the public for returning to nature and country life. In recent years, more and more people enjoy farming during holidays. Actually, this is what we mean by leisure farming, that is, a combination of the agricultural industry and leisure.

A couple of years ago, I collaborated with the Shatin Women's Association in promoting the first Greenhome in Ma On Shan to offer 300 small plots of rented agricultural land. These plots of land have proved to be highly popular as more than 1 000 families are on the waiting list. Currently, there is still quite a number of people engaging in farming there. During holidays, we will definitely see families visit the Greenhome to experience what farming is all about. When a 70-odd-year-old woman first visited the Greenhome, she was wheelchair bound and could not participate in farming activities. Later, she insisted on engaging in farming every day and, after a couple of months, she
became physically stronger and stronger. Now, she can even move around freely and continue to participate in farming every day. I had also received newly harvested vegetables from some parents and children. One of the parents told me that her children used to waste food but, after experiencing for themselves the painstaking efforts of farming, they had now come to realize that everything was not easy to come by and understand what it meant by cherishing everything.

Leisure farming can perform the functions of environmental protection, alleviating pressure and education. Nevertheless, it is still not taken seriously by the Government which has done nothing to provide relevant supportive facilities as well as laws and regulations. Furthermore, the definition of leisure farming as commercial activities by the Government in legislation related to land use has posed serious constraints on leisure farms with respect to their use of land.

Currently, farmers must apply to the Lands Department for the erection of any agricultural structures. Besides submitting detailed plans, they are also required to meet the relevant criteria for approval. The entire procedure can be described as very complicated. Furthermore, farmers are not allowed to erect any recreational, catering and accommodation facilities which are related to leisure farming on their farms. All this is not conducive to the long-term development of leisure farming.

The DAB proposes that the Government should suitably streamline the procedure of and restriction on application for erection of structures on agricultural land, make provisions for the development of leisure farms and allow farms to allocate a certain ratio of land for the construction of ancillary facilities, so that members of the public can choose from more diversified services.

President, people's yearning for green living provides local organic and leisure agriculture with new opportunities. I call on the Government to formulate agricultural policies to promote organic and leisure agriculture and provide proper ancillary facilities to enable members of the public to enjoy farming in leisure farms and savour fresh organic agricultural produce, thereby promoting the sustainable development of the agriculture and fisheries industry.

With these remarks, I support Mr Steven HO's motion.
MR WONG KWOK-HING (in Cantonese): President, I speak in support of Mr Steven HO's motion.

To the Government, Mr HO's motion offers an opportunity of reflections. The remark made by Mr HO right at the beginning, that the Government adopted a positive non-intervention policy towards the agriculture and fisheries industry is open to question. In my opinion, its policy towards the industry was positive intervention rather than positive non-intervention. Why did I describe the policy adopted by the Governments of the previous terms as positive intervention? What did I mean by positive intervention? What I meant is that the agriculture and fisheries industry was allowed to run its own course and "dry up" naturally without any positive and long-term support and assistance and, of course, policy.

Why did I use the expression "positive intervention"? An important sign was the proposal put forward by the Government of the last term to scrap the Agriculture, Fisheries and Conservation Department (AFCD) and its Director, which was strongly opposed by me and a number of Members in this Council at that time. Fortunately, the Government finally heeded our advice and rescinded this administrative decision. The proposal of abolishing the post of Director of Agriculture, Fisheries and Conservation and the AFCD was mooted by the Government all of a sudden without any brewing in terms of policy beforehand. What problem did it show? It showed the Government's past neglect of the agriculture and fisheries industry and its extremely passive attitude towards the positioning, policy and strategy of the industry. Hence, looking at the past many years in retrospect, what policy did the Government adopt towards the agriculture and fisheries industry? I think that a crisis response model was adopted in dealing with the industry.

Why did I say so? We could see that when there were problems with chickens, the Government would do something about chickens; and when there were problems with fish, the Government would do something about fish. Broadly speaking, the Government would recover licences for everything, from chickens to pigs and fish, to be followed by the offer of one-off compensation or allowances. These were actually not long-term methods to assist the development of the agriculture and fisheries industry. As for the positioning of the role of the agriculture and fisheries industry, the Government considered it not absolutely necessary to do so. It would be most preferable if nothing went wrong and no problem occurred. Fewer accidents would mean less trouble since it was considered troublesome by the Government. Under such circumstances, how could the Government enable the first sector, as Mr HO mentioned earlier,
make a lot of progress and develop in an effective manner? How could the input of resources increase job opportunities? How could there be an increase in the number of practitioners? All these were the negative consequences of the policy.

I am very pleased to see that the current-term Government has a different view, and its attitude towards the agriculture and fisheries industry is much more positive. It has even proposed a new agricultural policy in the Policy Address. While I commend and welcome the much more progressive policy proposal put forward by the current-term Government and Secretary Dr KO, I consider it not enough. Why? As mentioned in this motion proposed by Mr HO, the agriculture and fisheries industry we are talking about has two legs. As I once asked in the panel, why is the new agricultural policy focused on agriculture without any mention of fisheries, like a person with disability in one limb? Why is the fisheries industry left out? Why can agriculture and fisheries not be developed jointly? The four initiatives mentioned by the Secretary just now, including an Agricultural Park, an agricultural fund, agricultural support and ancillary activities, can apply to fisheries without any problems. Can the Government make more efforts? Hence, I hope that after listening to our speeches today, the Secretary can go back and conduct a holistic review of the agriculture and fisheries industry and formulate a comprehensive, serious and detailed policy and strategy, including a timetable, roadmap and the input of resources. The Government should be "walking on two legs" rather than "hopping around" like a person with disability in one limb.

There are still many issues to be discussed, but I believe we cannot discuss all of them this evening. The example cited by Dr Elizabeth QUAT just now precisely illustrates that the Government has along failed to come up with a positive and correct policy. As a result, a town management model has been used to manage agriculture as well as fisheries. Why must an application related to a plot of agricultural land go through vetting and approval by a number of government departments but, eventually, being denied approval? The problem precisely lies here. I hope Secretary Dr KO can hear to me.

Lastly, although I only have 10 seconds or so of speaking time, I would like to make an appeal to Members of the pan-democratic camp who have spoken this evening. Since they keep saying that they support the fisheries industry, I hope they can support the Fisheries Development Loan Fund which has been impeded due to filibustering in the Finance Committee.
MR CHAN HAN-PAN (in Cantonese): President, I would like to thank Mr Steven HO for proposing the motion on "Promoting the sustainable development of the agriculture and fisheries industry". Some people say that the agriculture and fisheries industry is a sunset industry in decline. They say this because they only focus on the GDP where the agriculture and fisheries industry only accounts for a very small percentage of the GDP of Hong Kong. However, I disagree with this comment. I think that the agriculture and fisheries industry is a rising industry, for society is becoming conscious about food safety and nutritious diets. In recent years, organic farming has become very popular. Farming activities have been resumed in a lot of agriculture land, and it has become a trend to go to Shenzhen or the New Territories to do farming during holidays. In the New Territories, many abandoned agriculture sites are used for farming again. Why? For society has changed, and the agriculture and fisheries industry has been restructured to leisure agricultural industry.

A few years ago, I had an opportunity to visit Taiwan to experience the farming life there. I lived in homestay accommodation there and had an enjoyable time. I went to a homestay accommodation located on the hillside in Yilan province with beautiful scenery and fresh air. I enjoyed the lavish hospitality extended by the owner of the homestay accommodation. On the first day of my trip, he came to the station to pick me up. On the same night, he cooked me local delicacies including the famous Yilan dishes of green onion and garlic, golden dates and Gao Zha (deep-fried chicken broth), and so on. So I enjoyed a feast of Lanyang cuisine. On the second day, I followed the farmers to the hill to harvest "alpine vegetables". Members may be curious about these so-called "alpine vegetables". This is a kind of farming method used for growing winter crops. Since winter crops cannot be grown during summer, farmers open sites high up on mountains where the cold temperature is suitable for growing winter crops. Rarity leads to high price, so the prices of those crops are a few times higher. We living in a city like Hong Kong seldom have opportunities to experience this lifestyle. When I talked to my friend about the "alpine vegetables", they knew little about it. I have really learnt a lot from that experience. During the trip, I also tried pottery, which was the first time in my life. I also had the time to walk around villages to relish the atmosphere there.

In fact, I think there is much room for the development of leisure agriculture. At present, there are about 127 leisure farms in Hong Kong, located mainly in around Kam Tin, Shek Kong and Fan Ling. However, the legislation on agriculture adopted by the Hong Kong Government is rather outdated, which has confined the development of the leisure agricultural industry. For instance,
if a farmer intends to erect some structures on his agriculture land, he has to apply to the Lands Department for an approval with detailed plans, and the procedures involved are extremely complicated. Moreover, no recreational, catering and accommodation facilities related to leisure agriculture are allowed to be erected on agriculture land. There are many restrictions. If the Government is sincere in encouraging the sustainable development of agriculture, it may slightly relax those restrictions and simplify the relevant procedures.

Moreover, in my view, it will bring mutual benefits if the operation of homestay accommodation is co-ordinated well with the agricultural industry. Take Taiwan as an example. I know that legislation on the management of homestay accommodation has been enacted and it stipulates that the general public are allowed to operate homestay accommodation with a maximum of five rooms, subject to the regulation of the homestay accommodation law. This arrangement is conducive to the development there. In Hong Kong, we do not have any legislation on the management of homestay accommodation, yet we hope the Government can work on this. At present, only the Hotel and Guesthouse Accommodation Ordinance has been put in place to regulate all hotels and guesthouses in Hong Kong. Is a village house a guesthouse? Due to the many restrictions and requirements imposed on the opening of guesthouses, any premises intended to be used for the operation of guesthouses will require substantial conversion, which will involve considerable investment. In that case, many people will not choose to do so and many villages are left derelict.

I remember visiting an old village in Kat O with Mr Steven HO last year. We discovered that old villages in many places, such as Sai Kung and Lantau Island, had been abandoned and no one was living there. The authorities should allow villagers to convert those old villages into homestay accommodation. I believe if the Government can allow villagers to set up homestay accommodation when it rezones the country park areas, the reaction will be less strong. What is the main reason? Since they cannot live in those villages and the authorities do not allow them to convert their villages, those village houses are abandoned, and owners will find their possessions useless. I think improvement can be made in Hong Kong in many aspects, which can also serve as a means to provide job opportunities.

Moreover, leisure agriculture can provide opportunities for ecological and environmental protection. Take Japan as an example. The School Education Law amended by the Ministry of Education, Culture, Sports, Science and
Technology in 2007 encourages schools to include nature experience activities as volunteer education and provide courses in schools. Honestly, we should draw reference from their work in this aspect. We should offer opportunities for our children to do farming and understand the nature. These experiences will facilitate their development, so that they know how to love and care about the nature and in this way they will not lack the knowledge to differentiate the five grains.

There are many fisheries operations in Hong Kong. However, when I visited some of the rafts earlier, I found that the room for development of rafts is now hindered. Apart from capturing fish and fish farming, fishermen today have no other life. I hope that the Government will not only allow fishing on rafts but also allow fishermen to cook on rafts, so that they may serve Hong Kong classic style fishermen's feasts to attract customers. By then, fishermen may engage in leisure fisheries industry and need not go capturing fish. As capture activities become less frequent, the ecology of Hong Kong will naturally be improved.

I must say this: The Government has imposed too many restrictions, even to the extent of frightening. At present, one-stop services are popular in the Mainland. They are handling certain applications in a more lenient manner, and it seems that Hong Kong is more conservative in comparison. Many people say that it is very convenient to make applications in Shenzhen nowadays, for they can complete all the procedures in one place. On the contrary, a lot of restrictions are imposed in Hong Kong and there are many hurdles. I hope we will reflect on this issue through this motion.

With these remarks, I support Mr HO's motion.

MR TONY TSE (in Cantonese): President, I support today's motion on "Promoting the sustainable development of the agriculture and fisheries industry" proposed by Mr Steven HO, and I will speak mainly on the development of the agricultural industry today. Last week, I wrote an article in a newspaper to express some of my views on the agricultural policy in Hong Kong. In my view, one of the issues which is relatively significant to the sustainable and healthy development of the agricultural industry in Hong Kong is the problem of abandoned agricultural land, particularly private agricultural land, and I think the Government must tackle this problem. At the same time, the authorities must be
target-oriented in formulating an agricultural policy, so that by means of inter-departmental co-operation and multi-pronged approaches, sustainable and healthy agricultural development can be promoted effectively.

For many years, the Government has been criticized for lacking a comprehensive policy on the industries, allowing the economy of Hong Kong to rely heavily on the development of financial services and real estate. The room of development of many conventional industries, including the agriculture and fisheries industry, is dwindling, thus affecting the livelihood of many practitioners engaged in the relevant industries. In fact, the Government is obliged to promote industrial diversification and ensure employee's job security. According to the statistics of the Agriculture, Fisheries and Conservation Department, there are about 4,523 hectares of agricultural land in the territory, among which, only 729 hectares are active agricultural land. Since a lot of agricultural land has been left abandoned or used for other unauthorized purposes, the crop yields of local agricultural land have dropped significantly in comparison with that of early years. Before the 1980s, the crop yields from local agricultural land could satisfy 30% of the domestic demand. However, in 2013, local crop yields could only satisfy 2% of the demand for vegetables in Hong Kong, with a GDP value of less than $800 million. Even if the factor of population growth is taken out of this, the significant decrease in crop yields today does not occur overnight. This inevitably invites us to doubt whether the Government had faced the relevant problems squarely and made proactive efforts to address the problem in the past.

Recently, the Government has issued a new consultation paper on agricultural policy, proposing the establishment of an Agricultural Park by the Government to rent sites to farmers and the Sustainable Agricultural Development Fund to support the development of local agricultural industry. President, among the sites zoned for "agricultural use", nearly 70% of them are privately owned. Since most agricultural land leases were granted in early years, the land leases do not contain provisions requiring owners to put the land to use and not to leave it idle, and free transaction is not prohibited. As such, farmers often encounter great difficulties in renting land for farming and uncertainties of the tenure of lease. If the Government can standardize land resumption to reorganize the agricultural land and rent out sites to farmers at a reasonable price, I believe this will greatly ease the worries of farmers.
Though the Government has proposed a number of proposals on promoting the development of agricultural industry in the consultation document, it fell short of explaining clearly the specific targets for agricultural development. For instance, will the authorities set an annual production target for domestic crop yields or set a target for increase in the area of agricultural land? In the absence of clear development targets, it will easily beg doubts about whether the policies and measures introduced by the Government will bring practical benefits.

President, for certain agricultural land in remote locations in the New Territories, the current price per square foot is as low as a dozen dollars, whereas the price per square foot of sites in urban area is a thousand times higher in comparison, which makes it extremely attractive to develop agricultural land in the New Territories. If the Government is determined to promote the development of the agricultural industry, has it examined ways to encourage more agricultural land owners to use their sites for agricultural development? President, to reduce abandoned agricultural land, the Government must prescribe the right remedy. Hence, I suggest the Government to review if all sites already zoned for agricultural use are suitable to be used for agricultural purposes continuously. After the review, the Government should make a comprehensive plan for sites suitable to be zoned for agricultural use. It should also formulate measures matching the government initiatives and these should include requirements prohibiting changing the use of these sites newly zoned for agricultural use within a specified period, say 20 years or more, unless public interest is at stake. Certainly, this arrangement will affect the owner's expectation for future development of the agricultural land. On the other hand, this arrangement may prompt owners to proactively identify ways to increase their return by fully utilizing their sites for agricultural use. I believe the problem of abandoned agricultural land will be alleviated by then. I hope the Government will seriously consider this proposal.

With these remarks, President, I support the motion.

MR CHRISTOPHER CHUNG (in Cantonese): President, I wonder if my name sounds like a fisherman's name and so it makes everyone regard me as a fisherman. Today, I will just talk about the fisheries industry.

Earlier on, the Hong Kong Government issued a consultation paper on a new agricultural policy. It merely talks about the agricultural industry with no mention of fisheries, which is rather disappointing to my friends who are
fishermen. In fact, being a well-known fishing village in history, Hong Kong has preserved a lot of unique characteristics of the fisheries industry. I believe if new elements can be introduced to revitalize the fisheries industry and give it greater play, my fisherman friends will have the opportunity to chart new horizons.

In my opinion, to revitalize the fisheries industry, the Government may consider two aspects: first, development of leisure fisheries, and second, industrialization of fisheries. Regarding the development of leisure fisheries, we mainly wish to make use of our existing scenic spots and facilities of the fisheries industry to inject elements of leisure, entertainment and tourism, so as to attract tourists and local visitors. I have the following four suggestions:

First, turning fish markets into tourist attractions. There are two wholesale fish markets on Hong Kong Island, situated respectively at Aberdeen and Shau Kei Wan. As a matter of fact, visits to fish markets offer enormous appeal to tourists from around the world. For example, Japan, knowing very well how to attract tourists with its fishing culture together with tourism elements, has established the famous Tsukiji Fish Market. Tsukiji does not only attract tourists through auctions of fish catches. I still remember that when we visited the market, we had to get up at around 2 am, and we got there at 4 am when dawn had not yet broken. The trip is indeed attractive. The retail markets and dining services in its vicinity, offering delicious seafood, are equally attractive to tourists. In the light of this, the Democratic Alliance for the Betterment and Progress of Hong Kong suggests that the Government draw reference from Tsukiji and set up a large-scale central fish market in Hong Kong for visits by members of the public and tourists. It should also provide tourism facilities such as retail and dining services, boat tours and a fishery museum, developing the place into a novel recreational and tourist attraction.

Second, allowing fishing vessels to operate in the mode of "one licence for two trades". The present government policy is rather stringent. We hope the Government will allow fishing vessels to operate in the mode of "one licence for two trades" so that on normal days, they may go fishing in the sea, and during breaks or the fish moratorium, they may shift the operation to carrying passengers on boat tours, allowing tourists to experience fishermen's life and providing delicious seafood on the boats, thereby reviving the typhoon shelter culture of the past.
On the issue of fishing vessels operating in the mode of "one licence for two trades", many fishermen have made enquiries with the Marine Department and learnt that it will cost some $200,000 to retrofit a fishing vessel for the purpose of leisure fishing. However, what is even more ridiculous is that once it has been retrofitted, it can no longer be used for fishing, thus a lot of fishermen are deterred. Such conversion is also subject to a number of restrictions in law. For example, there are rules which prescribe the number of safety facilities like lifebuoys and life jackets, under which the vessel will no longer be a fishing vessel. For this reason, to launch such an activity, the charge will not be low and the number of enrollees will be affected, thereby causing a hindrance to leisure fisheries.

Third, reviving the typhoon shelter culture. There are typhoon shelters at Causeway Bay, Aberdeen and Shau Kei Wan on Hong Kong Island. If sampans are allowed to take passengers out to the sea for sightseeing while enjoying fishermen's cuisine like fried crab with chili, sautéed clam, Babylon shell, mantis shrimp, crispy squid with spicy salt, and so on — talking about all this, my mouth is watering — such gourmet food in typhoon shelters can indeed attract a large number of tourists and members of the public to go there. Regrettably, whether it be owing to the rigid government system or not, no more food licence has been issued to the boat people since 1969. We hope that the Government can remove the barriers and issue food licences again to boat people engaged in the catering business in typhoon shelters, with a view to promoting the typhoon shelter culture of the past so that leisure fisheries can attract more foreign tourists to visit Hong Kong.

Fourth, we hope that the Government can relax the restrictions on entertainment on fish rafts. At present, the Government only allows fishing on fish rafts. This should be the best opportunity to develop leisure fisheries, but the Government has imposed numerous restrictions on the operation, such as prohibiting barbecue, cooking food in naked flame or provision of other kinds of entertainment on fish rafts on the grounds of fire safety requirements. Come to think about this. If the Government only allows fishing on fish rafts, they will certainly become less attractive to tourists. I hope the Government will not stifle the development of recreational activities on fish rafts across the board on the grounds of fire safety.
Besides, I would like to share my view on the prospects of Hong Kong's fisheries industry, that is, Hong Kong's fisheries industry must be industrialized. President, last year I visited Ningbo with some fishermen to inspect four steel fishing vessels which were built with the investment of Hong Kong fishermen. Each vessel weighed 500 tonnes and cost more than $10 million. The purpose was to develop offshore fishing. These costly vessels were fully equipped with advanced facilities, including the satellite navigation system, desalination equipment and ice-making machines. Hence, we hope that Members will not continue to filibuster in the Finance Committee. Instead, they should help the passage of the fisheries loan fund as soon as possible so that more fishermen can take the next step to reform the fisheries industry. Do not make them suffer because of you.

Furthermore, we think the traditional fisheries industry in Hong Kong still remains in the scale of family-based operation, unable to catch up with the times. The future development of the fisheries industry must go in the direction of industrialization because only such an approach can attract more young people to join the industry. Moreover, through industrialization, high-end technologies can be employed to centralize and deploy the fleet to conduct deep sea fishing. For example, when a fleet of fishing vessels sail offshore, advanced equipment can be used to detect the direction in which shoals of fish appear and then transmit the message to the control centre in Hong Kong through the Internet. In this way, these fishing vessels can be controlled from a distance to capture the fish speedily. I hope the Government can provide financial assistance for this kind of industrialized fisheries to adopt such advanced methods in order to catch fishes of higher commercial value, such as tuna and swordfish, so as to break away from the limitations of family-based operation of the past and facilitate sustainable development of the fisheries industry.

Development of leisure fisheries and industrialization of fisheries are the two major directions (The buzzer sounded) …

PRESIDENT (in Cantonese): Mr CHUNG, your speaking time is up.

MR CHRISTOPHER CHUNG (in Cantonese): … which I hope the Government will consider. Thank you.
MR CHAN HAK-KAN (in Cantonese): President, I rise to speak in support of the motion on "Promoting the sustainable development of the agriculture and fisheries industry" proposed by Mr Steven HO.

President, Mr Christopher CHUNG, an alleged fisherman, has just talked about the fisheries industry. Hence, I will talk about the situation of the agricultural industry. In my opinion, now the word "farmers" should cover four types of people. I will describe the first type as lifestyle farmers whose objective is simply to experience agricultural life, and they engage in the so-called "LOHAS agriculture". The second type of farmers are those who regard farming as a pastime or sideline, referred to as leisure farming by Dr Elizabeth QUAT just now. The third type of farmers are those who produce crops with new and advanced technologies, such as those who cultivate hydroponic vegetables. The fourth type of farmers, of course, are those under the traditional definition whom we are discussing right now, that means farmers who grow crops on soil.

As we can see, these four types of farmers have different needs and demands on government policies and supporting facilities. For this reason, I think that if we simply adopt a single agricultural policy to cater for these four different types of farmers, it may not be able to achieve a satisfactory result. Hence, here I would like to make a suggestion, in the hope that the Government can further break down the agricultural policy so as to meet the actual needs of different types of farmers.

I have noted from the recently released Policy Address and the consultation paper on a new agricultural policy that the Government seems to attach great importance to the development of the agricultural industry. Here I should give the Secretary a "like". However, as mentioned in Mr Steven HO's original motion, actually the Government has been thinking in only two directions. The first one is high value-added agriculture which adopts new and advanced technologies. That means producing crops in plant factories by hydroponics. The advantage of this approach is the occupation of smaller areas of land but delivery of large and stable production volumes, thus being most suitable for Hong Kong. However, the types of crops produced by this farming method are limited, and it is vastly different from the traditional farming method because traditional farmers may not be accustomed to this approach, nor do they have the capital and technology to practice this type of farming.
Another view of the Government is that if the farmers really intend to engage in farming on soil, they had better develop leisure farms, as many people have expressed the wish to have more leisure farms developed. In my opinion, if the Government wishes to address certain aspirations in society for leisure farms and even intends to adopt the same approach to address the aspirations for farming arisen from the development of some areas in the New Territories, such a wish may not be fulfilled.

I think the main target of the present new agricultural policy of the Government seems to focus on the group which employs high technology and another whose activities are leisure in nature, but failing to cater for the first type of farmers who engage in "LOHAS agriculture" as mentioned by me just now. The so-called "LOHAS agriculture" is, in fact, prevalent in Hong Kong society. Nowadays, urban dwellers are keen on doing farm work on Saturdays and Sundays. They love rural life. Some of them would even quit their jobs and move to the countryside to make a living by farming. However, when these people who are interested in agriculture really intend to practice farming, they encounter big difficulties in renting farmland. Some landowners are worried that if the agricultural tenancy is unclear, it will be easy to lease out their farmland but difficult to resume it. Thus they would rather leave their farmland abandoned than rent it out.

Of course, I am aware that the Agriculture, Fisheries and Conservation Department has now put in place a matching scheme known as the Agricultural Land Rehabilitation Scheme to assist farmers in agricultural rehabilitation. Yet I would like to point out that the result of this Scheme is actually not quite satisfactory because on average, each applicant has to wait more than five years for the allocation of agricultural land for farming. For some people in society, that means those who wish to become lifestyle farmers as mentioned by me earlier, they may not be able to cope with such a long waiting time.

Hence, I very much hope that the Secretary will make more enhancements to this scheme. For example, apart from playing as an intermediary, the Government can encourage landowners to rent vacant farmland to farmers by providing a cash allowance. Besides, the Government should formulate relevant regulations to require farmers who succeeded in getting farmland through the matching scheme to open their farms to the public as appropriate or organize guided tours to conduct educational work, allowing members of the public to participate and share the fruits of their agricultural life. Moreover, the
Government should appropriately relax the relevant restrictions on land and structures in response to the needs of the lifestyle farmers to facilitate them in running their farms.

This is "to remove the barriers" as proposed by Mr Steven HO earlier. Giving consideration to the farmers' actual situations in policies and laws and providing them with flexibility will prevent the local agricultural industry from being stifled by outdated requirements. For instance, just now I mentioned hydroponics. In Hong Kong there are many hydroponic plant factories, mostly located in industrial buildings. Owing to the special characteristics of this business, these factories which are located in industrial buildings are unable to take out insurance. As a result, most of them are illegal operations. On the one hand, the Government encourages the development of high-tech agriculture, but on the other, it does not remove the barriers, causing such agricultural business to operate illegally. So it seems a bit contradictory.

President, as I see it, Hong Kong's agricultural industry has its own characteristics. For this reason, it is difficult to directly compare Hong Kong's agricultural policy with that of the other countries. Nevertheless, we have noticed that Hong Kong people have an increasing demand for agricultural products and they are very concerned about the safety of such, while the demand for organic agricultural products is also on the rise. Our local agricultural products can actually provide consumers with more diversified choices and have potential for development. Hence, the Government should facilitate and encourage local agricultural development on all fronts, thereby promoting diversification of the local economy.

President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): President, the Federation of Trade Unions has all along been very concerned about the need for Hong Kong to have a diversified economy. When it comes to agriculture, we have been concerned about it for a long time, the reason being that it is suitable for Hong Kong people in general. In particular, in the past decade or so, many people have realized that agricultural development is possible. Unfortunately, in the past, the Government only paid lip service but took no action. When we asked the Government, it said it had an agricultural policy. This being so, we asked, "Is that so? Is there really a policy on agriculture in Hong Kong?"
According to the agricultural policy formulated by the State, what percentage of the GDP should agriculture ultimately account for? For how many people should it be able to provide food? We need these figures but we do not have any. Therefore, when quite a number of people in society have a passion for farming, for example, have a passion for certain types of natural food, I think it is desirable for the Secretary to raise this matter for discussion again this time around.

Therefore, on that occasion — I remember it was probably a holiday, perhaps the Labour Day on 1 May — when I learnt about this piece of news from the press, I immediately made enquires with the Political Assistant of the relevant authorities to see if there was really such a thing. He was very prudent, saying that we could talk about it after my return to Hong Kong. A few days later, I learnt that the Government would introduce a policy, so some friends who had been promoting the development of agriculture went about telling people that the Hong Kong Government now wanted to formulate an agricultural policy. We had high hopes for it but little did we expect that, after learning about it … I do not oppose the establishment of an Agricultural Park (Agri-Park) but it seems to me this is just another attempt at a perfunctory answer. Secretary, of course, the many stories and details mentioned by you are all very fascinating but if you ask me for my opinion, I think if we really want an agricultural policy under which development can be sustained, it seems this cannot meet the demands that have all along been made by us.

First of all, let us talk about the situation in Hong Kong. Insofar as development is concerned, actual conditions are required, that is, there must be land and this is very important. Are there people who like such activities? There are. In addition, if there are land and people who like such activities, there must also be a demand for this kind of locally-grown vegetables in the market. We have talked about this for a long time, that is, we hope that there can be some "Made in Hong Kong" products. At present, many types of imported food are found to have problems and often, people hope that more food can be grown locally … for example, after my serious illness, I also hope to find food that is good to health. At present, an increasing number of people are suffering from cancer, so we actually wonder if this is because they have eaten some food of dubious quality. However, I cannot deny that recently, under the leadership of the Secretary, a better job of food inspection has been done but many Hong Kong people still have some expectations. In the final analysis, locally-grown food is always better than not knowing what sort of things one has bought.
Therefore, the first point that I wish to make is that there is land in Hong Kong. In the past, if we only look at it superficially, there was apparently not enough farmland in Hong Kong but it turns out it is not the case. There are 4,523 hectares of farmland in Hong Kong. This seems to be quite a lot but the amount of agricultural land being used stands at only 729 hectares, whereas the remaining 3,794 hectares of farmland are in disuse. There are many problems related to it, for example, some landowners want to develop these places but are unable to do so and they do not know to whom they can give the land if they want to, so in the end, real estate developers eyeing the farmland covetously stand to gain the benefits. Members can see this in the development of New Territories North, so I am not going to talk about this in detail here.

In this process, we heard some people say … for example, I have a friend who used to work in the Agriculture, Fisheries and Conservation Department. Subsequently, he ceased to work for this government department and has been engaged in farming for the past two decades. I visited him last month and he was leading a happy life. However, he is also subjected to a great deal of restraints and constraints. I wish to tell the Secretary that there is a group of people who have a passion for farming and hope to continue to engage in farming on the original green land. Since there is a lack of policy support, many people have given up farming and are working in society instead. Frankly speaking, it is difficult to resume farming but it does not mean no one is doing so. Rather, I think quite a lot of farmland is lying in disuse and being used as scrap yards, waste recycling yards and container storage yards. As a result, the original use of some land has been changed. Now that the Government wants to take such a course of action, I hope very much that the authorities can really think about the longer term, for example, how farmland can be resumed? At present, farmland is leased to farmers through long-term leases and cheaper rents are charged, so this is conducive to the development of local agriculture. There is land, yet the question remains how the authorities' policy is.

Second, as I pointed out just now, many people want to become farmers. In fact, although it is said that few people are farmers in Hong Kong, there are still some 4,000 farmers engaged in agricultural activities. Among the friends whom I know, the last time that people returned to farming was during the SARS outbreak. At that time, the Hong Kong economy was in a very bad shape and many young people were facing the unemployment problem, so they chose to go to the rural areas to work in greenhouse farming and they included some members of the mass media. In the face of such a situation, I could see some people doing so. This is not just limited to that period, rather, they are still doing so now.
Therefore, many people want to work in farming and at present, 272 applications under the Agricultural Land Rehabilitation Scheme are awaiting processing. You may say that those people are just trying to be modish but any way, this reflects the fact that many people want to work in farming. On account of my profession, I have to make a lot of visits to the New Territories. I have visited such places as Kwu Tung South, Kwu Tung North and Ma Shi Po. I made enquiries with many people and these people really wanted to work in farming very much. This being so, I think it is really inadequate for the Government to set aside 70 hectares or 80 hectares of land. I also wish to point out that people waiting under the Agricultural Land Rehabilitation Scheme have to wait for five years. Frankly speaking, many people in the market want to work in farming, yet the Government cannot provide the land. It is necessary to find a solution in this regard. At present, it is proposed that an Agri-Park be established and I think this can also be tried because this kind of parks can also be found in many countries. Recently, I looked at the situation in a certain country and was also very moved. Therefore, I think the Government must really formulate a good plan in this regard.

In addition, I also wish to point out that I absolutely welcome the concept of "from farm to fork" proposed by the Secretary for Food and Health. However, after you have proposed such a nice term, will you please also propose some specific follow-up policies. Otherwise, you would again be all talk and no action. In view of this, the first question I wish to ask is: Will this really be done? If it will, this will cover several policy areas, including land planning, agricultural development, the ecology and conservation, so how will the communication between the Policy Bureaux and various departments be like? It is only by doing this that the implementation will be successful, rather than various Policy Bureaux practicing territorialism and paying no heed whatsoever when the authorities want to take things forward, as is the case now. Therefore, I wish to ask if this can really be done. I ask the Secretary to give a brief response and do not make us feel happy for a while, then come back to the Legislative Council to criticize you again. Secretary, since you have made the statement, a group of people have high expectations and even plan to make an appointment with you for a discussion on this matter in detail.

Thank you, President. I so submit.
MS CYD HO (in Cantonese): This four-character expression that I am showing to Members reads, "身土不二" and I learnt about it only in recent years. Although these four characters are all very simple, in the past, I really did not know what they meant.

This phrase "身土不二" (non-duality of body and earth) can be traced back to the Commentaries on Vimalakirti Nirdesa Sutra written by the Buddhist monk Zhiyuan in the Southern Song dynasty. "身" (body) refers to an individual and his actions, whereas "土" refers not only to the land but also our environment. This expression means that the actions of an individual interact with the environment in which he finds himself and that the two are interactive and inseparable.

In Hong Kong, if we speculate on land collectively, thus pushing up property prices and creating some collective karma, we will get our retribution collectively and the collective retribution is that all of us cannot have safe food. Unfortunately, it is the grassroots who are victimized the most. Recently, there is this locally-produced film called "Overheard 3" and Members may have noticed that many characters are modelled on the country folks found in the New Territories. In fact, the most important theme can be found in one of the lines in the script: "Land is for farming, not for selling." Unfortunately, at present, a lot of the farmland in the New Territories is for selling, so this precisely underscores the meaning of the expression "non-duality of body and earth", that is, if we all use the land for selling, this will surely affect our food safety and food supply.

The last-term Government actually adopted the attitude of elimination in relation to the agricultural and fisheries policy. For this reason, when there is a flu pandemic, chickens were culled; and when porcine diseases were detected, all pig farming licences were withdrawn. The apparent reason was to eliminate these polluting industries and protect the environment in Hong Kong but in fact, the last-term Government often followed one principle, that is, can a piece of land measuring 1.5 sq m yield an annual output of US$30,000? Under such a rationale, the agriculture and fisheries industry must surely be eliminated. However, the facts tell us that all along, we have the mentality of Hong Kong being a metropolis, so we are too conceited, regarding the Mainland as a source of low-value goods but it has never occurred to us that the Mainland can refuse to sell us its goods. Just now, Mr Steven HO also said that given the economic development on the Mainland, people there could also afford to buy their own
food, so why was it necessary to sell it to Hong Kong? Moreover, it has also never occurred to us that so many food suppliers on the Mainland could be so unscrupulous as to put a raft of poisonous food on the market, thus posing threats to food safety in Hong Kong.

Land is definitely not a strength of Hong Kong because indeed, we do not have much land. However, quality control and safety certification is. For this reason, be it from the angle of increasing the supply of non-staple food to Hong Kong, so that we do not have to rely excessively on external supply, or that of developing high-end safe and organic food as a relatively speaking new industry, or that of breathing new life into this primary industry, we should reconsider the policy on agriculture and fisheries in Hong Kong, so as to increase the supply of vegetables, livestock and fish in Hong Kong.

However, the supply of farmland is indeed a problem. At present, not many indigenous residents are engaged in farming and people who are only long-term lessees but they are also being wiped out now. Members can see that those people engaged in farming in Choi Yuen Tsuen were also lessees and hardly any of them were indigenous residents. If people in the new generation want to become farmers, they cannot even find any land. There is this place known as Mapopo and in fact, it was rented by many people by pooling their funds together and I am also one of the minor stakeholders. However, after expiry of the rental agreement, we would not be able to carry on because the landlord said he wanted to sell the land. We invested a great deal of money in this place called Mapopo, which was not consistent with the principle of commercial viability at all. However, in order to preserve a mode of life, we all made efforts without regard to the cost, yet we could only practice leisure farming.

However, if we really want to redevelop the agriculture and fisheries industry in Hong Kong, so that it can become a sustainable mode of commercial operation, this surely would not work. It is absolutely necessary for the Government to liberalize its land policy before anything can be achieved. The Government has proposed leasing out some farmland and I also know some friends who tried to lease it. What they found was that the land area was very small, so only interest groups could be organized for people to have some physical activities on Saturdays and Sundays. However, it was not possible to achieve a commercially viable mode of farming and pose true competition in the market. For this reason, the Government has to consider whether, in providing
the land, it just wants the public to have fun or it really wants to relaunch and
re-create the policy on the agriculture and fisheries industry. Of course, I
support the second policy direction, that is, to earnestly establish a supply of
non-staple food within Hong Kong, so that we do not have to rely excessively on
the Mainland.

Lastly, I wish to talk about the fisheries industry. Just now, a Member
said that if we really supported the fisheries industry so much, we should speed
up the processing of the Loan Fund now being examined by the Finance
Committee. Here, I must point out that in 2010, the Committee on Sustainable
Fisheries published a report pointing out that catches were decreasing, that there
was something called fishery depletion, that is, the fish caught were getting
smaller in size and the catches were also getting smaller, so it was necessary to
introduce a moratorium on fishing. This report also points out that globally, less
than 25% remained of the areas where deep sea capture could be developed and
practiced, yet this Loan Fund is precisely intended to fund the construction costs
of new fishing vessels designed for deep sea capture and a loan of $9 million will
be offered for each boat. This warrants careful consideration by Members
because the more the loans and subsidies provided to those people, the faster the
industry would shrink. Nevertheless, if this amount of government loan is used
to develop the aquacultural industry and develop fish farms in local waters, we
would lend our full support. Therefore, I hope Members would not set the
priorities wrong. Thank you, President.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): The meeting will now be suspended to 2.30 pm
tomorrow.

Suspended accordingly at 9.58 pm.