

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 1 June 2016

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

THE HONOURABLE TOMMY CHEUNG YU-YAN, G.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 CYD HO SAU-LAN, J.P.

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

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

THE HONOURABLE CHAN HAK-KAN, J.P.

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

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

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG KWOK-KIN, 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 PUK-SUN, B.B.S., J.P.

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

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

THE HONOURABLE FRANKIE YICK CHI-MING, J.P.

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING, B.B.S.

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 KENNETH LEUNG

THE HONOURABLE ALICE MAK MEI-KUEN, B.B.S., 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

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, S.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.

THE HONOURABLE ALVIN YEUNG NGOK-KIU

MEMBERS ABSENT:

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

THE HONOURABLE STEVEN HO CHUN-YIN, B.B.S.

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

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

PUBLIC OFFICERS ATTENDING:

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

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

MR JAMES HENRY LAU JR., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE GREGORY SO KAM-LEUNG, G.B.S., J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

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

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

MR RONALD CHAN NGOK-PANG, J.P.
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND
AFFAIRS

CLERKS IN ATTENDANCE:

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

MISS ODELIA LEUNG HING-YEE, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MS DORA WAI, ASSISTANT SECRETARY GENERAL

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

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

TABLING OF PAPERS

No. 99 — Report of changes made to the approved Estimates of Expenditure during the fourth quarter of 2015-16
Public Finance Ordinance : Section 8

No. 100 — Employees Retraining Board
Annual Report 2014-15

Report No. 19/15-16 of the House Committee on Consideration of
Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Patents (Amendment) Bill 2015

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Franchised Buses and MTR Fare Adjustment Mechanisms

1. **MR TANG KA-PIU** (in Cantonese): *President, the Government introduced in 2006 and 2007 for franchised buses and MTR respectively the Fare Adjustment Mechanisms (collectively referred to as "FAMs"), which provided for both upward and downward adjustments of fares, and it emphasized the objectivity and transparency of such mechanisms. However, in nearly a decade's time since the implementation of FAMs, fares of both the franchised buses and MTR have only gone up but never gone down, regardless of the economic environment of Hong Kong and the movements in energy prices. Some members of the public have queried that such mechanisms have failed to fully reflect the actual economic conditions, resulting in a continuous increase in their travelling expenses. In this connection, will the Government inform this Council:*

- (1) *of the aspects of FAMs on which reviews or studies have been conducted by the authorities since the implementation of FAMs; whether such aspects included the objectivity and fairness of the mechanisms, the extent to which the data used were time-lagged, and the impacts of the fare adjustments made under FAMs on inflation rates and the burden on the public; if so, of the specific outcome of such reviews and studies;*
- (2) *of the respective numbers of times, since the implementation of FAMs, in which franchised bus companies and the MTR Corporation Limited offered fare concessions under the mechanisms, the projected amount of money to be given back to the passengers each time, and the details of the concessions concerned (including the concessionary periods, the number of trips made by the passengers benefited from the concessions, and whether there were monies left in the projected amounts to be given back to the passengers); and*
- (3) *as some members of the public have pointed out that the fare adjustment formulae under the existing FAMs are incomprehensive (e.g. they fail to reflect accurately the movements in energy prices and the data used are time-lagged, resulting in the fare adjustments pushing up inflation rates and creating a vicious cycle, etc.), whether the authorities will comprehensively revise the fare adjustment formulae and invite academics and stakeholders to join hands to take part in the reviews, with a view to making FAMs fairer and more objective; if so, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, it is the Government's policy that public transport services should be run by the private sector in accordance with commercial principles for greater cost-effectiveness while its fares should be fair to both passengers and operators (Fair Fare). At the same time, we encourage operators to offer fare concessions as far as possible having regard to their operating and financial conditions, the nature of service of individual routes, and the needs of passengers.

At the time of the Rail Merger in 2007, upon deliberations at the Legislative Council and approval at the shareholders' meeting of the MTR Corporation Limited (MTRCL), the MTRCL lost the fare autonomy it hitherto enjoyed, and fares are to be adjusted by adjusting fares by a direct-drive formula. The arrangement has become more objective and transparent.

As for franchised buses, the current Fare Adjustment Arrangement (FAA) has been in place since 2006. Under this arrangement, a fare adjustment application would be determined by the Executive Council after considering an assessment based on a basket of six factors. One of the six factors is a formula with components similar to those included in the formula for fare adjustment of the MTRCL. Both formulae take into account changes in Nominal Wage Index (Transportation Section) and the Composite Consumer Price Index (CCPI), as well as increase in productivity. For details of the two adjustment mechanisms, please see Annex 1.

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

Review of the MTR Fare Adjustment Mechanism (FAM) takes place once every five years. The first review in 2013 introduced multiple measures to expand the scope of consideration of the mechanism to include the Corporation's profitability level and service performance, as well as public affordability; and comprehensively enhanced monthly passes and related concessions to reduce passengers' burden. A new round of review is advanced by one year so that the review outcome can take effect in the coming year 2017. The main direction of this review is to see how the operation of the mechanism could better respond to public concern about the relationship between fare adjustment and the Corporation's profitability as well as passengers' affordability, whilst still respecting the financial prudence required of the MTRCL as a listed company, on the premise that a direct-drive formula will be retained for fare adjustment. The three-month public consultation commenced on 20 May 2016 and the consultation paper has also been uploaded onto the Government's webpages on the same day.

As regards the FAA for buses, as aforementioned, it commenced in 2006 and underwent a review in 2009. The review concluded that the FAA has basically been operating smoothly as it manages to achieve a suitable balance between financial sustainability on the one hand and public acceptability on the other.

Nevertheless, in the interest of passengers, the passengers' share of productivity gain in the formula should be set at zero as opposed to the original negative gain value (-1.05%). In making a decision in respect of an application for bus fare increase, the Executive Council will take any relevant factors into account and perform a gate-keeping role on the issue of fare level.

The Government has started a new round of review on the FAA under the Public Transport Strategy Study to explore whether there is still room for improvement in the operation of the six factors. The review is expected to be completed in mid-2017.

The formulae of the FAMs for the MTR and the franchised buses both cover the CCPI and Nominal Wage Index (Transportation Section) to reflect the overall economic situation and wage levels of the industry, with a deduction of a productivity factor. These indices data are compiled and released by the Census and Statistics Department, and are objective and open information. The CCPI will not only reflect the macro economic situation (including oil prices), but also help assess the public's acceptability level of the fare adjustment. In general, when applying the formulae, fares will rise during economic growth and will fall if otherwise.

In applying the formulae, the latest suitable published data will be used. There is no time-lag of data. This is basically objective and fair. We will further study whether there is any room for improvement. In any case, each fare adjustment for the MTR and franchised buses has no retrospective effect.

Since the implementation of the existing FAA in 2006, the six bus franchises have had cumulative fare increases ranging from 0% to some 18%, the rates of which are lower than the cumulative inflation of 38.6% over the same period. And since the implementation of the MTR FAM in 2007, the cumulative fare increase rate is 25.2%, which is lower than the cumulative inflation rate of 30.9% over the same period.

Mr TANG is concerned whether fare adjustment would lead to higher inflations. Although the transport expenses are a component of the CCPI, the fraction that transport expenses account for is not high. Take the year-on-year increase of CCPI of 2.4% in December 2015 as an example, transport expenses account for less than 0.05 percentage point, that is, the ratio it accounts for is around 1/50. This figure represented the impact of the overall transport expenses on inflation. If only the fare increases of the MTR or franchised buses are considered, the impact will be even smaller.

As in the past, in reviewing the FAA for franchised buses and the FAM for the MTR, the Government will listen to the views of all stakeholders, including the Legislative Council and the Transport Advisory Committee.

Details of the concessionary rebates provided by the MTRCL are set out at Annex 2. The details of passenger reward arrangements for franchised buses are set out at Annex 3. Broadly speaking, the MTRCL and the operators of the franchised buses have been offering various fare concessions for different passenger groups.

Annex 1

Details of the Operation of the Current Fare Adjustment Mechanisms of the MTR and Franchised Buses

Details of the MTR Fare Adjustment Mechanism (FAM)

Before the Rail Merger in 2007, the MTRCL had enjoyed fare autonomy no matter before or after it was listed in 2000.

At the time of Rail Merger in 2007, upon deliberations at the Legislative Council and approval at the shareholders' meeting of the MTRCL, fare autonomy was replaced by fare adjustment by a direct-drive formula. The arrangement has become more objective and transparent. Currently, the annual Overall Fare Adjustment Rate is calculated according to the following direct-drive formula:

Overall Fare Adjustment Rate

$$\begin{aligned} &= (0.5 \times \text{change in the CCPI in December of the previous year}) \\ &+ (0.5 \times \text{change in the Nominal Wage Index (Transportation Section) in December of the previous year}) \\ &- \text{Productivity Factor (value set at 0\% before 2013 and at 0.1\% from 2013 onwards)} \end{aligned}$$

According to the outcome of the review announced in 2013, the Productivity Factor value in the formula was improved from 0.1% to 0.6%. The enhanced Productivity Factor value can in effect moderate any fare increase by 0.5 percentage point each year from 2013 to 2017, benefiting all MTR passengers.

After the review, there is also an "Affordability Cap" in FAM, where no matter the outcome of the direct-drive formula, the fare increase rate of that year will not be higher than the change in the Hong Kong Median Monthly Household Income for the corresponding period to address public affordability.

Moreover, under the "Profit Sharing Mechanism", the MTRCL will, based on its underlying business profits each year, set aside an amount to provide fare concessions and share the Corporation's operational success with passengers as well as relieve their burden from fare increase. The underlying business profits include profits from all businesses of the MTRCL. Those from property developments and overseas businesses are also included. At the same time, according to the "Service Performance Arrangement", an amount will be set aside for serious service disruptions (defined as disruptions of 31 minutes or above) caused by factors within the MTRCL's control. The amount will be given back to passengers through fare concessions.

Another deliverable of the review is that monthly passes and related concessions have been comprehensively enhanced to address the need and affordability of frequent medium- and long-distance passengers. The MTRCL launched a number of new ticket schemes, including:

- (i) a new "MTR City Saver" for frequent medium- and long-distance MTR travellers commuting within the urban area (passengers are entitled to 40 MTR rides within 30 days among designated stations in the urban area);
- (ii) "Monthly Pass Extras" which offer additional 25% fare discount for onward domestic journeys reaching stations not covered by the particular monthly pass benefiting passengers riding on different railway lines; and
- (iii) a new "Tung Chung — Nam Cheong Monthly Pass Extra" in response to passengers' need.

Details of the Fare Adjustment Arrangement (FAA) for Franchised Buses

The FAA for franchised buses is a mechanism for the Government to process applications for fare adjustment from franchised bus operators. Before the 1990s, bus operation was subject to profit control. If the profit in a certain

year was projected to fall short of the pre-determined rate of return (15% or 16% on the average net fixed assets (ANFA)), the franchised bus company could on this basis apply for a fare increase. The Executive Council would mainly consider the changes in costs and expenditure before making a decision on the application. Profit control was abolished in the mid-1990s. Thereafter, the Government introduced in 2000 an arrangement comprising a basket of five factors⁽¹⁾. Meanwhile, if the rate of return exceeds a certain percentage of the rate of return on the ANFA⁽²⁾, part of the profit would have to be shared with passengers on an equal basis. Subsequently in 2006, a formula was added to the basket of factors, thereby increasing the number of factors to six.

At present, the basket of factors comprises:

- (i) outcome of a fare adjustment formula. The formula is $(0.5 \times \text{Change in Nominal Wage Index for the Transportation Section}) + (0.5 \times \text{Change in CCPI}) - (0.5 \times \text{Productivity Gain})$;
- (ii) changes in operating costs and revenue since the last fare adjustment;
- (iii) forecasts of future costs, revenue and return;
- (iv) the need to provide the bus operator with a reasonable rate of return;
- (v) public acceptability and affordability; and
- (vi) quality and quantity of service provided.

It should be noted that the formula does not operate as an automatic determinant of the fare adjustment outcome. In processing an application for fare increase, due consideration will be given to the six factors mentioned above.

(1) The five factors were:

- (i) changes in operating costs and revenue since the last fare adjustment;
- (ii) forecasts of future costs, revenue and return;
- (iii) the need to provide the operator with a reasonable rate of return;
- (iv) public acceptability and affordability; and
- (v) quality and quantity of service provided.

(2) Set at 13% in 2000 and 9.7% from 2006 onwards.

The Government applies the fare adjustment formula on a quarterly basis. If the formula outcome reaches -2% (equivalent to about a \$0.1 difference), the Government will proactively initiate a fare review. The formula outcome and all other relevant factors as mentioned above will be taken into account in doing so.

There is also a passenger reward arrangement under the FAA. At present, the arrangement will be triggered when the rate of return on the ANFA for the bus company reaches or exceeds the threshold of 9.7%. The bus company will then have to share the profit above the threshold as fare concessions with the passengers on an equal basis. Specifically, the bus company will need to use any amount in the passenger reward balance exceeding the equivalent of 1% of the annual revenue for provision of fare concessions within 12 months since the disclosure of the passenger reward balance accumulated.

Annex 2

Details of concessions provided by MTRCL under the Fare Adjustment Mechanism (FAM) between 2013 and 2016⁽¹⁾

<i>Year</i>	<i>Profit Sharing Mechanism (\$ million)</i>	<i>Service Performance Arrangement (\$ million)</i>	<i>Total (\$ million)</i>	<i>10% Same-Day Second-Trip Discount Period</i>	<i>Average Daily Passengers Benefited (million passenger trips)</i>
2013	150	13	163	Four months: 1 July 2013 to 31 October 2013	around 1.7
2014	125	27.5	152.5	Three and a half months: 29 June 2014 to 15 October 2014	
2015	200	20	220	Over five months: 21 June 2015 to 30 November 2015	

<i>Year</i>	<i>Profit Sharing Mechanism (\$ million)</i>	<i>Service Performance Arrangement (\$ million)</i>	<i>Total (\$ million)</i>	<i>10% Same-Day Second-Trip Discount Period</i>	<i>Average Daily Passengers Benefited (million passenger trips)</i>
2016	175	11	186	Over four months: 26 June 2016 to 31 October 2016	

Note:

- (1) Mechanism has been set up for MTRCL's rebates in light of the outcome of the first review of FAM in 2013. During 2013 to 2016, each year the MTRCL has provided a wide range of fare concessions and promotional schemes (including the "10% Same-Day Second-Trip Discount" according to the mechanism), amounting to a total of over \$200 million to over \$500 million.

Annex 3

Details of fare concessions offered by franchised bus companies under the passenger reward arrangement between 2013 and 2015

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
2013	<p>Long Win Bus Company Limited</p> <ol style="list-style-type: none"> 1. free ride for the elderly on the Senior Citizen's Day on 17 November 2013; 2. concession on "Airbus Services" and "Overnight Services" routes to Airport staff; and 	2.9	1.2

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	3. same day return discounts on "Airbus Services" and "North Lantau External Services" routes between 19 October and 14 December 2013		
	<p>Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Routes)</p> <ol style="list-style-type: none"> 1. \$2 flat fare for the passengers aged between 60 and 64 on Sundays and Public Holidays on Hong Kong Island routes and Shenzhen West Express routes (except cross-harbour routes and racecourse routes); 2. free ride for the elderly on the Senior Citizen's Day on 17 November 2013; 3. same day return discounts on solely-operated cross-harbour routes between 3 February and 16 March 2013; and 4. \$2 discount on every same day second trip on local routes between 3 February and 16 March 2013 	11.5	6.2
	<p>Citybus Limited (Franchise for Airport and North Lantau Bus Network)</p> <ol style="list-style-type: none"> 1. free ride for the elderly on the Senior Citizen's Day on 17 November 2013; 	25.0	2.2

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	2. same day return discounts on "Airbus Services" and "Recreation and Special Services" routes; 3. concession on "Airbus Services" and "Overnight Services" routes to Airport staff; and 4. concession on prepaid tickets on "Airbus Services" routes		
	New Lantao Bus Company (1973) Limited	0.1	0.01
	1. \$2 flat fare for elderly passengers on Sundays and Public Holidays [^]		
2014	Long Win Bus Company Limited 1. free ride for the elderly on the Senior Citizen's Day on 16 November 2014; 2. concession on "Airbus Services" and "Overnight Services" routes to Airport staff; and 3. same day return discounts on "Airbus Services" and "North Lantau External Services" routes between 1 September and 28 November 2014	4.0	1.8

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	<p>Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Routes)</p> <ol style="list-style-type: none"> 1. \$2 flat fare for the passengers aged between 60 and 64 on Sundays and Public Holidays on Hong Kong Island routes and Shenzhen West Express routes (except cross-harbour routes and racecourse routes); 2. free ride for the elderly on the Senior Citizen's Day on 16 November 2014; 3. same day return discounts on solely-operated cross-harbour routes between 26 January and 5 April 2014; and 4. \$2 discount on every same day second trip on local routes between 26 January and 5 April 2014 	19.5	10.3
	<p>Citybus Limited (Franchise for Airport and North Lantau Bus Network)</p> <ol style="list-style-type: none"> 1. free ride for the elderly on the Senior Citizen's Day on 16 November 2014; 2. same day return discounts on "Airbus Services" routes; 	26.4	2.3

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	3. concession on "Airbus Services" and "Overnight Services" routes to Airport staff; and 4. concession on prepaid tickets on "Airbus Services" routes		
2015	Long Win Bus Company Limited 1. free ride for the elderly on the Senior Citizen's Day on 15 November 2015; 2. concession on "Airbus Services", "Overnight Services" and "Airbus Overnight Services" routes to Airport staff; and 3. same day return discounts on "Airbus Services" and "North Lantau External Services" routes between 31 January and 1 May 2015	4.1	1.9
	Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Routes) 1. \$2 flat fare for the passengers aged between 60 and 64 on Sundays and Public Holidays on Hong Kong Island routes and Shenzhen West Express routes (except cross-harbour routes and racecourse routes); 2. free ride for the elderly on the Senior Citizen's Day on 15 November 2015;	29.0	15.3

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	<p>3. same day return discounts on solely-operated cross-harbour routes between 18 January and 19 May 2015; and</p> <p>4. \$2 discount on every same day second trip on local routes between 18 January and 19 May 2015</p>		
	<p>Citybus Limited (Franchise for Airport and North Lantau Bus Network)</p> <p>1. free ride for the elderly on the Senior Citizen's Day on 15 November 2015;</p> <p>2. same day return discounts on "Airbus Services" routes;</p> <p>3. concession on "Airbus Services", "Overnight Services" and "Airbus Overnight Services" routes to Airport staff; and</p> <p>4. concession on prepaid tickets on "Airbus Services" routes</p>	21.9	2.6
	<p>New World First Bus Services Limited</p> <p>1. free ride for the elderly on the Senior Citizen's Day on 15 November 2015;</p> <p>2. same day return discounts on solely-operated cross-harbour routes between 18 January and 19 May 2015; and</p>	16.7	9.1

<i>Year</i>	<i>Fare concession schemes</i>	<i>Amount used (\$ million)</i>	<i>Number of beneficiaries (million, in term of passenger trips)</i>
	3. \$2 discount on every same day second trip on local routes between 18 January and 19 May 2015		

Note:

- ^ This concessionary arrangement was replaced by the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities implemented by the Government with effect from 3 March 2013. Under this scheme, the bus operators would still absorb the half price discount offered to the elderly passengers, while the Government would absorb the difference between the half price and \$2 paid by eligible elderly passengers. For example, for regular bus fare at \$10, the bus operator would absorb the revenue forgone of \$5, the elderly passenger would pay \$2 and the Government would pay \$3.

Franchised bus companies are required under their franchises to make known the passenger reward balance accumulated in their booklet of "Fuller Disclosure"⁽³⁾ published on an annual basis. Operators will need to use any amount in the passenger reward balance exceeding the equivalent of 1% of the annual revenue for provision of fare concessions within 12 months since the disclosure of the passenger reward balance accumulated. Any unused amount of the passenger reward balance after the provision of fare concessions will be retained for use in future occasions for provision of fare concessions by the franchised bus companies later. The passenger reward balance accumulated as at the end of the 2015 accounting year of the respective franchises is as follows:

<i>Franchise</i>	<i>Passenger reward balance accumulated as at the closing date of the past accounting year (\$ million)</i>
The Kowloon Motor Bus Company (1933) Limited	59.8
Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Routes)	4.1
Citybus Limited (Franchise for Airport and North Lantau Bus Network)	23.7

(3) This booklet shall be published within five months after the close of each accounting year.

<i>Franchise</i>	<i>Passenger reward balance accumulated as at the closing date of the past accounting year (\$ million)</i>
New World First Bus Services Limited	9.9
Long Win Bus Company Limited	16.4
New Lantao Bus Company (1973) Limited	1.5

The franchised bus companies and the Transport Department are in discussion on how to make use of the passenger reward balance in 2016.

MR TANG KA-PIU (in Cantonese): *President, I completely disagree with the reply of the Secretary. First, the fare increase of the MTR has definitely pushed up the inflation rate. In the past seven years, MTR fares had only been adjusted upward and not downward. The cumulative fare increase amounts to 25%, yet the cumulative inflation rate for the past seven years was only a little more than 20%, and that for the past 10 years was 30%. Second, fare increase of the MTR is the source of public discontent, and the Chief Secretary for Administration agrees with this. The reason is straightforward, for the MTRCL is demanding a fare increase despite the annual profit of \$10-odd billion. At the meeting of the Panel on Transport of the Legislative Council, I made it clear that though the fare for general tickets have to be increased according to the mechanism, it may not be necessary to apply the increase to monthly passes. However, the MTRCL also increases the fare for monthly passes. It is taking full advantage of the mechanism. If the Government does not stop it, it will be the accomplice, for the Government will also receive dividends from the MTRCL. President, I will put my supplementary question now. The Secretary pointed out earlier that the MTRCL used to enjoy fare autonomy when it was first listed, and it lost the autonomy upon the rail merger. However, between the listing of the MTR Corporation (MTRC) in 2000 and year 2007, the MTRC had not increased its fare. Therefore, I would like to ask the Secretary about the negotiation to be carried out between the Government and the MTRCL. It is the aspirations of the public and Members that MTR fare will only be adjusted downward but not upward as the current fare level is already very high. If this target cannot be achieved in the negotiation, will the Government return the fare autonomy to the MTRCL by abolishing this mechanism that leads only to fare increase, and fare adjustments are subject to the approval of the Government?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first of all, I have to correct the remarks made by Mr TANG. As I mentioned in the main reply, since the implementation of the MTR FAM in 2007, the cumulative fare increase rate is 25.2%, which is lower than the cumulative inflation rate of 30.9% over the same period. Therefore, there is no question of fare increase rate exceeding inflation rate. Yet I think the crux of Mr TANG's question is the way in which the Government handles the issue during its current discussion with the MTRCL. During the Rail Merger in 2007, the MTRC then gave up its fare autonomy and switched to the direct-drive formula. As I said in the main reply, the formula includes three factors: plus the Nominal Wage Index (Transportation Section), then plus the CCPI and minus the productivity factor. If the first and second indexes increase, say during economic growth, the outcome will be a fare increase even if the factor of productivity is deducted to reflect enhanced productivity. The performance of the economy has a bearing on this. Certainly, as we look back today, we may not consider the formula the best one, yet this was the explanation of the then Government when it proposed the formula to the Legislative Council in 2007. Therefore, during economic downturn, the factors will also go down, as a matter of course. Regarding the current discussion between the Government and the MTRCL, as stated in the consultation paper issued earlier, the discussion will be conducted within the existing framework. If we seek to repeal the formula, it is tantamount to amending the operating agreement between the then Government and the MTRCL signed in 2007, and this requires the consent of shareholders at MTRCL's general meeting.

MR LEE CHEUK-YAN (in Cantonese): *President, the absurdity of the Government's performance as the largest shareholder of the MTRCL is evident from the fares of MTRCL and those of franchised buses. The Executive Council regulates the fares of franchised bus but not the fares of the MTRCL. Certainly, there are historical reasons for that, and it was the legislation passed back then — I have to make it clear here that we vehemently opposed the privatization and listing of the MTRCL back then. Therefore, the prevailing predicament is in fact created by the pro-establishment camp which claims that the MTRCL should be subject to regulation now, yet this monster was released by them back then.*

My supplementary question is about the use of two different mechanisms to regulate the fares of the MTRCL and buses respectively. One of the mechanisms requires the approval of the Executive Council, yet the other does not, which means the fare adjustment of the MTRCL runs in the automatic mode. Members would have noticed that the cumulative increase of MTR fares far exceeds that of

bus fares, and I would like to know the explanation offered by Secretary Prof Anthony CHEUNG. He may give the simple explanation that the fare adjustment of the MTR runs in the automatic mode. Yet he has to explain why the automatic mode is applied to the MTR fares but not bus fares. We are lucky that bus fare adjustments do not run in the automatic mode, yet it is inadequate for bus fare adjustments to be regulated by the Executive Council only, because the Government has given no regard to the affordability of the public, neither has it taken care of the livelihood plights of the people ...

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

MR LEE CHEUK-YAN (in Cantonese): *I would like to ask Secretary Prof Anthony CHEUNG: Since the MTRCL has a surplus of \$10-odd billion, how would the Secretary has the nerve to tell us that the authorities will conduct the discussion within the framework? Why do the authorities not consider buying back the MTRCL? Why do the authorities not consider conducting the discussion beyond the framework? The MTRCL should reduce rather than increase its fares when it is reaping profits. Will the Secretary adopt this approach?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, on certain occasions in the past, I had made it very clear that the Government would not buy back the MTRCL and this is our stance. Certainly, the community may continue with this discussion.

At present, our discussion with the MTRCL is a review of the FAM, which is conducted according to the requirement of reviewing FAM every five years, as stated in the operating agreement between the Government and the MTRCL signed in 2007. Naturally, reviewing FAM does not imply that the mechanism can be abolished completely, as it will breach the operating agreement signed at that time. If both parties to the agreement agree, amendment can surely be made, yet the consent of the Board of Directors and the General Meeting of the Shareholders of the MTRCL is required. Besides, on issues involving the interests of minority shareholders, the Government, as the largest shareholder of the MTRCL, should not allow its interests to override those of minority shareholders according to the Companies Ordinance and listing rules.

Earlier on, Mr TANG mentioned the situation when the MTRC enjoyed fare autonomy. How did it operate back then? In fact, they had to consider a basket of factors internally, including inflation, passenger feedback, competition environment, and so on, yet the final decision was left to the MTRC at the time. When the MTRC was listed in 2000, it had not yet given up its fare autonomy, which was only given up in 2007. As for the justifications for the arrangement, I think Members can find them out by checking relevant Legislative Council records at the time.

MR LEE CHEUK-YAN (in Cantonese): *The Secretary has not answered whether the MTRCL should reduce its fare when it is running a profit.*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the direct-drive formula is not profit-linked, but the first review in 2013 introduced measures to expand the scope of consideration of the mechanism to include the profitability level mainly by setting aside an amount, based on MTRCL's underlying business profits each year, for injection into a fare concession mechanism to share its profits with passengers, that is the 10% Same-Day Second-Trip Discount. The Service Performance Arrangement was also introduced at that time, under which the MTRCL will be imposed a penalty for each serious service disruption and the penalty will be given back to the fare concession mechanism.

MR CHAN HAN-PAN (in Cantonese): *President, the public are most discontent that the MTRCL increases its fare every year despite the handsome profit it has been making. It is evident that the parameters under the existing mechanism are too simple, failing to uphold the principle of Fair Fare as claimed by the Government.*

We propose including profit-related parameters in the existing formula as an enhancement to the formula. In the upcoming negotiation, if the MTRCL uses the preference of minority shareholders as a shield against enhancing the components of the formula, will the Government boldly bring legal proceedings

against the MTRCL to show its determination to reform the mechanism? Or, will the Government set up a fare fund for subsidizing fare increase with the dividends it earns? Will the Government consider adopting either one or both of the above proposals?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in the public consultation paper on the review of the MTR FAM, we have explained clearly that the review is advanced by one year so that the review outcome can address the two concerns of the community. First, it is about the relationship between fare adjustment and the profitability of the MTRCL. Second, it is about the affordability of the public. We hope that the review will focus on these two aspects.

No matter how, the review is to be conducted within the framework of review done once every five years under the operating agreement. We will follow this major framework, which is the operating agreement between the Government and the MTRCL signed in 2007. As this is a mutually agreed practice under the contract, there is no question of initiating legal proceedings. Of course, all contracts can be amended with the consent of the parties involved.

MR CHAN HAN-PAN (in Cantonese): *President, my question is very clear, that is, if the MTRCL eventually uses the interest of minority shareholders as the shield, will the Government bring legal proceedings against the MTRCL in order to amend the formula? Secretary, this is my question.*

PRESIDENT (in Cantonese): Secretary, will the Government bring legal proceedings against the MTRCL?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I do not see any reasons for bringing legal proceedings. Given the contractual relationship, the amendment concerned must secure the consent of shareholders by means of the General Meeting of shareholders. Since the Government is the major shareholder, it cannot vote on the issue and should follow the decision made at the General Meeting of shareholders. This arrangement is made in accordance with the contract and existing laws, I thus see

no reasons for bringing legal proceedings. Moreover, we do not want to initiate legal proceeding hastily. In the present review of the MTR FAM, we hope that we can be pragmatic in discussing with the MTRCL to address the two focused aspects mentioned earlier.

MR MICHAEL TIEN (in Cantonese): *President, before the rail merger, railway transport accounted for about 41% of the public transport market in Hong Kong. In 2010, it accounted for 44%; and in 2015, it was close to 50%. The market share of railway in cross-harbour transport is even more important, which is 60%. At the same time, the MTRCL has full autonomy in providing various kinds of concessions out of its own accord anytime, such as the 10% Same-Day Second-Trip Discount and the "Ride 10 Get One Free" promotion. President, on the other hand, franchised buses have to apply to the Commissioner for Transport and the Secretary for any concession to be introduced, such as monthly pass saver stations and interchange discounts, which have to be vetted and approved by the Executive Council. There are lots of restrictions in providing concessions. President, I heard about an inter-company interchange discount application which has been submitted for six months, but no news is available till now ...*

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

MR MICHAEL TIEN (in Cantonese): *I am about to ask my supplementary question. Secretary, I heard the latest news about the concession application of paying the fare difference for interchange from routes provided by Kowloon Motor Bus to all bus routes to the airport. This concession is long-awaited by the public. The application has been submitted for more than 10 days and I hope we will not have to wait for two months this time. My supplementary question is straightforward — I hope the Competition Commission is aware of my supplementary question and investigates whether the arrangement violates the Basic Law — since buses and railways are both means of transportation, why do all applications made by bus companies require the consent of the Transport Department and the approval of the Executive Council? I am not referring to fare increases here, but the provision of interchange discounts and other arrangements that benefit the public ...*

PRESIDENT (in Cantonese): Mr TIEN, please be precise in putting your supplementary question.

MR MICHAEL TIEN (in Cantonese): *Will the Secretary consider amending the relevant legislation to allow bus companies to enjoy the same autonomy, so that they can offer monthly pass concessions at will, instead of waiting for three to six months to get approval for their applications? If not, what are the reasons?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first of all, as I said in the main reply, we encourage public transport operators, including bus companies and the MTRCL, to provide various fare-related and other concessions for passengers, so the Government will not deliberately prevent operators from providing concessions. According to existing legislation as well as the terms and conditions of the relevant franchise, fare adjustments of franchised bus companies, which include the adjustment of fare level, have to be approved by the Commissioner for Transport. This is the requirement of the law. As for the MTRCL, there is no requirement under the relevant laws that its fare adjustment required the approval of the Government, and there are historical reasons for that. However, Mr TIEN can rest assured that the Government will encourage various operators to offer concessions within their capacity, while balancing its financing sustainability, operational considerations and the interests of passengers.

MR MICHAEL TIEN (in Cantonese): *The Secretary has not answered my supplementary question. I asked him whether he would consider amending the legislation to give bus companies the autonomy, so that bus companies would not need to apply for the approval of the Government, but the Secretary has not answered this.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I am not sure about the exact meaning of the proposal made by the Member about amending the relevant legislation. If the legislation is amended, bus companies do not need to seek the approval of the Commissioner for Transport for future fare adjustments or changes, and this goes against the primary principle that franchise operators must be subject to the regulation of the Government.

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

Appointment of Chairperson of Equal Opportunities Commission

2. **MS CYD HO** (in Cantonese): *President, when the Government announced the appointment of Professor Alfred CHAN Cheung-ming (Prof CHAN) to be the new Chairperson of the Equal Opportunities Commission (EOC) on 18 March this year, the selection board concerned praised Prof CHAN of his "clear vision, passion and commitment in respect of the promotion of equal opportunities". However, before taking the office, Prof CHAN said in a media interview that the equal rights movement for people of different sexual orientations "was not a rational form of policy discussion", and that enactment of legislation to regulate discrimination against sexual orientation was "the least preferable". He also pointed out that EOC should, where possible, take the same stance as the Government on promoting equal opportunities. Besides, he expressly stated that he "felt kind of bored when approaching retirement and thought he might as well try out the hot kitchen". He also admitted that he was not familiar with the existing anti-discrimination ordinances (e.g. he mistakenly thought that sexual minorities were already protected from discrimination under the existing anti-discrimination ordinances, and confused "gender identity" with "sexual orientation"). Some comments have pointed out that Prof CHAN's views reflect that he does not understand the controversial nature of the work on promoting anti-discrimination and is not committed to protecting the basic rights of the disadvantaged before making the decision to enter the hot kitchen. In this connection, will the Government inform this Council:*

- (1) *as the requirements on the applicants for the post of EOC Chairperson as set out in the recruitment advertisement included "a strong commitment to promoting equal opportunities", whether the authorities know if the selection board and the human resources consultant responsible for the recruitment had agreed on the ways to assess if an applicant satisfied this requirement, such as by conducting a test of the applicant's extent of knowledge of and experience in the work on human rights, and if the applicant could reflect the views of the disadvantaged who were subjected to discrimination;*

- (2) *as there are views that the two former EOC Chairpersons, Dr York CHOW and Ms Anna WU Hung-yuk, dared to openly criticize the Government for its inadequacies in the work on promoting equal opportunities and even applied for judicial review to challenge the Secondary School Places Allocation System adopted by the Government, whether the authorities know if the selection board had any information showing that Prof CHAN's commitment to promoting equal opportunities was no less than that of his predecessors; and*
- (3) *whether it has approached members of the selection board to find out why they recommended, for appointment as the EOC Chairperson, someone who subsequently admitted that he was not familiar with the anti-discrimination ordinances and claimed that he felt kind of bored when approaching retirement and thought he might as well try out the hot kitchen, and whether it will put forward remedial measures in this regard to prevent any damage to the credibility of EOC?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, our reply to the question raised by Ms HO is as follows:

The Equal Opportunities Commission (EOC) is an independent statutory body established under section 63 of the Sex Discrimination Ordinance (SDO) (Cap. 480 of the Laws of Hong Kong). According to the SDO, the Chairperson of the EOC is appointed on a full-time basis by the Chief Executive. The EOC was set up in 1996.

According to the SDO, the Chairperson and 16 members of the EOC jointly form the governing body of the EOC which performs the functions and exercise the powers of the EOC. The functions of the EOC include implementing the four existing anti-discrimination ordinances, namely, the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance, working towards the elimination of discrimination, promoting equality of opportunity and harmony, working towards elimination of harassment and vilification, handling complaints and assisting persons aggrieved by discrimination by way of conciliation and other assistance.

Since 2009, the Chairperson of the EOC has always been appointed through open recruitment and the same procedure was adopted for the appointment of the new Chairperson. Last year, the Government set up a Selection Board and engaged a human resources consultant to assist in the recruitment. An open recruitment exercise was launched on 10 September last year for a three-week period. The consultant reported to the Selection Board after conducting professional analysis on the applications received as well as other candidates deemed suitable. The Selection Board assessed every candidate by taking into consideration the professional analysis of the consultant and the requirements set out in the recruitment advertisement, and accordingly invited the potentially suitable candidates for interview. A total of 144 candidates were considered and the Selection Board unanimously agreed that Professor Alfred CHAN Cheung-ming (Prof CHAN) was the most suitable person for the post of the Chairperson of the EOC among the candidates under consideration. After considering the recommendation of the Selection Board, the Chief Executive appointed Prof CHAN as the Chairperson of the EOC.

As stated by the Selection Board in its meeting with the media on the day when the appointment was announced, Prof CHAN has an extensive public service record, having served in various government advisory bodies and having considerable involvement in fields such as elderly matters, health, welfare and employment relationship, and so on. Before his appointment as the Chairperson of the EOC, Prof CHAN was Chairman of the Elderly Commission, member of the Minimum Wage Commission and the Independent Police Complaints Council, Convener of the Healthcare Services Industry Consultative Network of the Employees Retraining Board, and member of the Health and Medical Development Advisory Committee. Furthermore, Prof CHAN was a consultant on ageing and social development issues at the United Nations Economic and Social Commission for Asia and the Pacific. He also dealt with ethnic minority issues through racial relations and community work in the United Kingdom.

On 18 March, the Government announced the appointment of Prof CHAN as the Chairperson of the EOC. Prof CHAN assumed office on 11 April. The EOC is an independent statutory body operating independently in accordance with its functions and powers provided under the four anti-discrimination ordinances. The Government does not interfere with the daily operations of the EOC. As the EOC is responsible for monitoring the implementation of the four anti-discrimination ordinances, and the Government of the Hong Kong Special

Administrative Region (SAR) is also governed by the provisions of these ordinances, we considered it inappropriate for the Government to comment on the work of the EOC, including comments made by its Chairperson on its work.

We notice that Prof CHAN has taken the initiative to meet with various stakeholders since his assumption of office, and received media interviews at various occasions. We believe that Prof CHAN will continue to be dedicated to the work of EOC and together with EOC members, lead the EOC in discharging its statutory duties in an impartial manner, while actively promoting the message of equal opportunities in the community.

Every year, at the invitation of the Panel on Constitutional Affairs of the Legislative Council, a briefing is given by the EOC Chairperson to members of the Panel on the work of the EOC. We understand that Prof CHAN will attend the meeting of the Panel on 20 June. Members may wish to learn more about and discuss the salient areas of the EOC's work directly with Prof CHAN at the occasion.

MS CYD HO (in Cantonese): *President, obviously, from the remarks made by this new Chairperson before his assumption of office, we can draw only one conclusion and that is, the wrong person was recruited for the post. While the reputation of the human resources consultant has certainly vanished with no trace, the Selection Board is also derelict of its duties. This is proven by the remarks of the new Chairperson.*

President, I would like to ask the Secretary: Will he admit that the wrong person was recruited for the post or will he say that the Government is happy to have chosen the right person? What else is better than appointing a mediocre person as the EOC Chairperson in order to render the EOC powerless in monitoring the Government? Now that all the staff of the EOC are keeping an eye on him as if they are taking care of their children in order to prevent him from making mistakes. Will the Government again tell the community to give him more time, just as it did to shield LEUNG Chun-ying, and let him be paid \$3 million a year to receive training by the entire EOC? Does the Secretary admit that the wrong person was recruited for the post?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, as I said in the main reply earlier, we consider that Prof CHAN is the most suitable person for the post of the Chairperson of the EOC based on the report submitted by the Selection Board to the Chief Executive and after consideration of the 144 candidates by the Selection Board. Moreover, as I mentioned in the main reply, since his assumption of office, Prof CHAN has, as Members should have noticed, met with various stakeholders and organizations concerned and received media interviews on various occasions, and Members may have learned of his remarks from newspapers or radio reports. We hope that Prof CHAN and the other 10-odd members of the EOC will continue to promote the message of equal opportunities in the community. We are confident that all in the EOC, including the Chairperson, the 10-odd EOC members and the staff, will be dedicated to discharging the duties of the EOC as they have always been.

MS CYD HO (in Cantonese): *President, the Secretary did not answer my simple supplementary question. Does he admit that the wrong person was recruited for the post or is the Government happy to have recruited the right person because this can render the EOC powerless? It is a simple question as he needs only to say yes or no.*

PRESIDENT (in Cantonese): Ms HO, although the Secretary did not say "Yes" or "No" in answering your supplementary question, he has already responded to your question in his reply just now.

MR CHEUNG KWOK-CHE (in Cantonese): *President, in his main reply the Secretary said that there were 144 applicants in total, and we understand that the former Chairperson, Dr York CHOW, also submitted an application but ultimately it was unanimously agreed that Prof CHAN was most suitable for the post of the Chairperson of the EOC. However, the public are of the view that the achievements made by Dr York CHOW in his capacity as the EOC Chairperson in recent years are evident, and in the final period of his term of office, he reviewed the four anti-discrimination ordinances and submitted a report to the Government. To members of the public, it would be best for Dr York CHOW to remain in office, so that he could review and follow up on the four ordinances, but he was not selected. Is this new Chairperson better than*

the former one? This, the public know only too well. Can the Secretary tell us why Dr York CHOW cannot be reappointed? Is it that the Government opposes whoever the public support?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, like Members, I also noticed that when the appointment was announced, apart from Prof CHAN, Dr York CHOW also met with the media and gave some personal views and comments on the new EOC Chairperson. I noticed that Dr York CHOW said that he considered Prof CHAN suitable for appointment as the new EOC Chairperson. As for whether Dr CHOW himself would continue to take part in the work of the EOC in future, I noticed that he had given a response to this question and here, I should not give a reply for anyone, but I wish to briefly respond to a more important question asked by Mr CHEUNG Kwok-che just now.

President, he mentioned that during the term of Dr CHOW, the EOC had reviewed in detail the existing four anti-discrimination ordinances and a report was submitted to the SAR Government accordingly some time ago. In the report the EOC made some 70 recommendations in total, 27 of which would require practical actions for implementation in the foreseeable future. We are currently studying these 20-odd recommendations with other relevant Policy Bureaux and the Department of Justice. I have personally read these recommendations and I consider that some of the recommendations, particularly those on measures for addressing discrimination against people with disabilities, are worthy of implementation. After discussing them with the relevant departments, I expect that these recommendations can be discussed and followed up continuously with the Legislative Council shortly after the next Legislative Council is formed.

MR CHEUNG KWOK-CHE (in Cantonese): *Excuse me, President. Just now I asked why Dr CHOW could not remain in office but the Secretary did not answer this point.*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I have nothing to add, because it has been our practice that apart from making an announcement on the person being appointed, we do not comment on any person who had been considered in the selection process or on speculations or news in the community. We believe this is fairer to any recruitment exercise or applicant.

MR JEFFREY LAM (in Cantonese): *President, all along the Government has not mentioned the performance of Dr CHOW during his term of office. Was it related to his performance that he was not offered reappointment in this recruitment exercise? Is the Government going to exert more pressure on the work of the EOC to the detriment of the independence of the EOC? Coming back to Prof CHAN, as far as I can see, he does not have a lot of experience in promoting equal opportunities and lacks understanding of relevant social issues. Why was he appointed to take up the post?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, as I mentioned in the main reply, Prof CHAN possesses the necessary attributes or meets the requirements mentioned in the recruitment advertisement in several aspects, including the ability to manage some organizations as a member of the management, social service experience, and so on. We all know that under the existing four anti-discrimination ordinances, the EOC is responsible for implementing and promoting work against discrimination in several areas. An area which has aroused more concern is discrimination in employment or at workplace. Of the public offices previously held by Prof CHAN that I have cited earlier on, some are related to conditions of service in employment or areas such as the minimum wage. I trust that Prof CHAN has good understanding in these respects, and for the purpose of taking forward initiatives and even making improvement under the relevant ordinances, the arrangements in employment are an important area of work insofar as anti-discrimination efforts are concerned. I believe his background and experience in these respects will be helpful. Added to this is the relevant social service experience that he obtained overseas. We consider that these are valuable experiences which can further benefit the work of the EOC.

Anyway, President, as I particularly pointed out in the second paragraph of my main reply, the EOC is tasked to implement the four existing anti-discrimination ordinances, but this is not purely the responsibility of the EOC Chairperson alone, but the responsibility of EOC's governing body comprising of the Chairperson and the other 16 members. I noticed that since his assumption of office the EOC Chairperson has discussed with the other members on how the anti-discrimination initiatives can be taken forward effectively. The 16 EOC members come from a wide range of backgrounds, and I believe with their concerted efforts in promoting the work of the EOC, as I said in reply to the follow-up question asked by Ms Cyd HO earlier, I am confident that the EOC will continue to discharge its duties effectively.

MR JEFFREY LAM (in Cantonese): *President, the Secretary did not answer my question. I asked him how the Government will comment on the performance of Dr York CHOW during his term of office.*

PRESIDENT (in Cantonese): Mr LAM, I heard very clearly just now that you asked the Secretary the reasons for deciding to select Prof CHAN. The Secretary has answered this question from you.

MR ALBERT HO (in Cantonese): *President, I would say that this question today allows the Government to say whatever it likes to boast about how Alfred CHAN's work experience is relevant to equal opportunities and the work against discrimination. After so much has been said, the answers are hollow and lack substance. Despite that many policies are mentioned, what relevance is there to speak of if his experience is not considered from the perspective of discrimination or combating discrimination, or equal opportunities? The Government said that his experience is related to welfare, elderly matters, and so on, but does it have to do with race discrimination or family status? The Secretary did not say anything about this, which goes to show that his experience has nothing to do with these fields, except for racial relations, the only thing mentioned by the Secretary which may be more pertinent and yet, no mention was made on the post held by him. What if he might work only as a volunteer, in which case how can he be considered to have work experience in this respect?*

President, this issue shows that we scarcely have confidence in the entire system of appointment, and we do not even know who had sat on the Selection Board ...

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

MR ALBERT HO (in Cantonese): *President, I have seen that even Ms Anna WU, former Chairperson of the EOC and incumbent Member of the Executive Council, has found something very wrong. Even though she did not particularly express her views on this issue, she mentioned a system recently, suggesting that we should follow the examples of some democracies by appointing a commissioner responsible for making appointments for public offices. This commissioner will, after his appointment, independently consider who are suitable for holding what public offices ...*

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

MR ALBERT HO (in Cantonese): *My question is: This issue has aroused such huge controversies and since Ms Anna WU has put forward this view which was also mentioned by many Members before, will he, being the Secretary for Constitutional and Mainland Affairs, give consideration to this view? If not, what are the reasons?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, on the appointment of the EOC Chairperson, it is clearly provided in law that the appointment shall be made by the Chief Executive. This has been the practice adopted since the enactment of the legislation.

As for that general suggestion made by Mr Albert HO or Ms Anna WU's proposal cited by him, I am afraid that it does not come under the policy area of the Constitutional and Mainland Affairs Bureau. Appointments to similar statutory or advisory bodies are under the ambit of the Home Affairs Bureau. I can convey this view expressed by Mr Albert HO today to Secretary LAU Kong-wah.

MR LEUNG YIU-CHUNG (in Cantonese): *President, I agree with your earlier remark that the Secretary had answered Ms Cyd HO's question. His answer was that there was not a case of having recruited the wrong person for the post. He had given an answer to Ms Cyd HO. However, his view that there was not a case of having recruited the wrong person is entirely opposite to the public view. Many members of the public are now concerned about whether the new Chairperson can discharge his statutory duties in an impartial manner and whether he can actively promote and publicize the message of equal opportunities in the community.*

In this connection, I wish to ask the Secretary whether there is a mechanism for assessing the work performance of this new Chairperson. What are the criteria of assessment? Under what circumstances will the Chairperson be considered not suitable for continuously holding this office and hence be terminated before his term expired?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): *President, in fact, under the existing mechanism, Members of the Legislative Council may examine or enquire about the work of the EOC at least in two ways, which include, as I have just said, the opportunity for the EOC Chairperson to come before the Panel on Constitutional Affairs at least once a year to listen to Members' views on the work of the EOC in future or during a period of time in the past while holding discussion with Members and answering their questions.*

Second, although the EOC is an independent statutory body, the funding for the EOC which amounts to around some \$100 million annually is examined and approved by the Legislative Council in its overall consideration of the Budget. Members receive reports on the work of the EOC every year in the form of, among others, the Controlling Officer's Report as referred to by us in which a series of performance indicators are set out, including the efficiency in handling complaints, the number of complaints received and implementation of work in various aspects. Besides, at the special meetings of the Finance Committee every year, the Constitutional and Mainland Affairs Bureau will answer Members' questions on EOC's performance indicators and budgetary estimate on behalf of EOC's management.

Therefore, in response to Mr LEUNG Yiu-chung question on the work performance of the EOC Chairperson and the EOC, with respect to the purview of the Legislative Council, a mechanism is in place to serve the purpose, but from the angle of the enforcement work of the EOC or its role as a monitoring body, as the EOC is an independent statutory body and the Government is one of the organizations governed by the EOC under the relevant ordinances, excessive comments by the Government may not be appropriate in the light of the role and functions expected of this independent statutory body upon its establishment as a monitoring body initially. Therefore, I expect that Members of the Legislative Council will certainly exchange views on and discuss the work of Prof CHAN on the 20th of this month, and Members can put clear questions to him on that occasion.

MR LEUNG YIU-CHUNG (in Cantonese): *President, just now I asked the Secretary clearly what criteria the Government has adopted to assess whether this Chairperson has discharged his duties and promoted the message of equal opportunities, and under what circumstances the Chairperson's term of office will be terminated. He did not answer my question.*

PRESIDENT (in Cantonese): The Secretary has already given an account of the relationship between the Government and the EOC. Secretary, do you wish to add anything?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, concerning our relationship with the EOC, the key point is that we are duty-bound to consider the annual estimated expenditure of the EOC and from this angle, we have to ensure that public money is well-spent by the EOC. For instance, if legislative amendments are made to the effect that the EOC will take up new areas of work, we will have to allocate funding to the EOC accordingly and conduct reviews on a regular basis to ascertain, say, whether the funds are utilized for creating the posts required, or whether, after the legislation is amended, the job duties of the staff are in line with the policy directions or new enforcement arrangements determined by the Government jointly with the Legislative Council. From this angle, we have in place a system for conducting reviews, and so has the Legislative Council. However, with regard to the overall

performance of the EOC and the remarks made by the Chairperson on certain areas of work, as I said earlier on, it is inappropriate for us to unduly make comments.

PRESIDENT (in Cantonese): We have spent over 23 minutes on this question. Third question.

Compliance with Conditions in Relevant Land Leases by Owners of Car Parks in Public Housing Estates

3. **MR WU CHI-WAI** (in Cantonese): *President, the Hong Kong Housing Authority (HA) divested in 2005 certain retail and car parking facilities of its public housing estates to a trust, which has been renamed as Link Real Estate Investment Trust (the Link). Under the land leases for the relevant car parks, the parking spaces may only be let to the residents, occupiers and their bona fide visitors. However, the Link may apply to the Lands Department (LandsD) for waivers of the relevant land lease conditions to change the number of parking spaces or let some of the parking spaces to non-residents, and in doing so, it has to pay waiver fees and comply with the conditions set out by LandsD in the short term waivers. On the other hand, it has been reported that an owner who purchased a car park from the Link two years ago is recently planning to sell the parking spaces in the car park owned by him one by one. In this connection, will the Government inform this Council:*

- (1) *as it was uncovered in September 2009 that the Link had breached the land lease conditions by letting the parking spaces in its car parks to non-residents, whether the authorities have imposed penalties on the Link in addition to requiring it to pay the outstanding waiver fees retrospectively; if they have, of the details; whether there are channels for the residents who have suffered losses due to the breach of the land lease conditions by the Link to seek compensation from the Link; whether the regulators concerned have investigated if the breach of the land lease conditions and sale of assets by the Link have contravened the relevant securities legislation and codes;*

- (2) *of the annual number of short term waiver applications received by LandsD from the Link for changing the number of parking spaces since the listing of the Link, the number of parking spaces involved, as well as the waiver fees involved in the approved applications; how LandsD calculates the amount of waiver fees; the mechanism in place to ensure that the Link and new owners comply with the land lease conditions, and the respective numbers of short term waiver applications made by them which are awaiting vetting and approval; and*
- (3) *given that the Link changed the monthly fixed parking spaces of some 50 car parks to floating ones a few months ago, which may render the relevant tenants unable to park their vehicles right away and need to await parking spaces when the car parks are fully occupied, whether the authorities have studied if this practice of the Link has breached the relevant land lease conditions and contravened the provision under section 4(1) of the Housing Ordinance, which stipulates that HA shall exercise its powers and discharge its duties under the Ordinance so as to secure the provision of housing and such amenities ancillary thereto as HA thinks fit for such kinds or classes of persons as HA may, subject to the approval of the Chief Executive, determine?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, Members, good morning.

Mr WU's question concerns the management of the car parks that were divested by the Hong Kong Housing Authority (HA) to The Link Real Estate Investment Trust (now known as Link) then. The question involves matters related to enforcement of land leases, the requirements of the Housing Ordinance and the relevant securities legislation and regulatory codes.

Having consolidated the inputs from the Transport and Housing Bureau and the Financial Services and the Treasury Bureau, my reply is as follows:

- (1) In respect of lease enforcement, the Lands Department (LandsD), in the capacity of the landlord, handles the leased land under the conditions of the land leases. As with other private properties, the

LandsD mainly acts on complaints and referrals about breaches of the leases by conducting inspections and taking follow-up actions in accordance with the existing procedures. Depending on the circumstances, the LandsD will also consult the relevant Policy Bureaux/government departments and seek legal advice. If breaches of the lease conditions are confirmed, the LandsD will take appropriate lease enforcement and resolute action.

Generally speaking, land leases do not contain provisions requiring the owners in breach of lease conditions to pay punitive damages. If breaches of the lease conditions are established, the LandsD will handle the cases based on individual circumstances. Normally, the LandsD will demand the owners to rectify the breaches or process the applications made by owners for regularization based on actual circumstances. Where the breaches have not been rectified or regularized, the LandsD will consider taking further actions, including registering the warning letters at the Land Registry (commonly known as "imposing an encumbrance"), and re-entry of land or vesting the relevant interests in The Financial Secretary Incorporated pursuant to the provisions of the Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126).

From the perspective of the management of trusts, under the Code on Real Estate Investment Trusts (REIT) (REIT Code), it is the duty of the management company of a REIT to ensure that the REIT is professionally managed in the sole interest of its unitholders. This includes ensuring compliance with any applicable laws or rules regarding the activities of the REIT or its administration. Subject to compliance with such overarching obligation and any specific requirements in the REIT Code, the Securities and Futures Commission does not generally interfere with the commercial decisions and actions of the REIT management company in managing the REIT. Further, under the REIT Code, disposal of assets of a REIT is permissible subject to compliance with relevant regulatory requirements including, for example, disclosure and unitholders' approval where applicable.

- (2) As regards the lease requirements, the land leases for the grant of the relevant lots by the Government to the HA, and the latter's subsequent divestment of the commercial facilities and car parks to Link, contain restrictions on the number of parking spaces to be provided and the types of vehicles to be parked in the relevant lots. Individual land leases also contain provisions stipulating that some of the parking spaces shall be provided for parking vehicles of the residents or visitors of the nearby housing estates or courts. The relevant lease conditions including requirements on parking spaces are available at the Land Registry for public inspection. As with other private lots, the relevant requirements on parking facilities are included into the leases according to the advice of the relevant Policy Bureaux/government departments (for example, the Transport Department, the Planning Department and the Housing Department).

As regards the owner's obligations, as with other private properties, Link must comply with the lease conditions as the owner of the properties. In case of subsequent sale of the properties by Link, the owners of the relevant properties also have the same obligations. It is the responsibility of buyers or investors of the properties to understand and comply with the lease conditions.

In respect of waiver applications, as with all land leases, the owners concerned may apply to the LandsD for temporary waivers so as to waive some specified provisions of the original leases. The LandsD processes temporary waiver applications in relation to car parks from Link or relevant owners in accordance with the established procedures on handling waivers, which include consulting the relevant Policy Bureaux/government departments such as the District Offices concerned, the Planning Department, the Transport Department and the Housing Department. The Policy Bureaux/government departments will assess the latest demand and supply situation of parking spaces and consider these temporary waiver applications, so as to make good use of the surplus parking spaces in a flexible and timely manner, and address the prevailing needs of other persons and the demand for parking spaces for other types of vehicles. In general, the LandsD will make an offer of terms for a waiver to Link including the waiver fee payable and the waiver term if there are no objections from the relevant Policy

Bureaux/government departments and the local community. The waiver fee is assessed on the basis of the increase in rental value of the relevant properties brought by the waiver of the restrictions.

The HA divested its car parks to Link in 2005. The LandsD does not have separate figures on temporary waiver applications from Link which involve changing the number of parking spaces specifically. According to existing information of the LandsD, Link has made a total of 125 temporary waiver applications to the LandsD since 2010 in relation to car parks, which mainly involved changing the number of some of the parking spaces to be provided, the types of vehicles to be parked, and allowing some of the parking spaces to be provided for parking vehicles of non-residents of the respective estates or those not specified in the land leases as from 2011. Link subsequently withdrew or terminated 28 of the applications. As at May 2016, 96 of the applications have been approved by the LandsD while the remaining one application is being processed. Some 900 parking spaces are involved in these 97 temporary waiver or applications.

The total sum of waiver fees paid by Link for temporary waivers in relation to car parks since 2011 is shown as follows:

<i>Year</i>	<i>Total sum of waiver fees (approximate figures)^{Note}</i>
2011	\$10,450,000
2012	\$10,100,000
2013	\$10,110,000
2014	\$11,680,000
2015	\$11,120,000

Note:

The waiver fees include the fees payable to the Government for relaxing all the restrictions under the waivers, that is, changing the number of parking spaces to be provided, the types of vehicles to be parked, and allowing some of the parking spaces to be provided for parking vehicles of non-residents of the respective estates or those not specified in the land leases.

Regarding the car parks sold by Link since 2014, the original waivers have been terminated. The parking spaces should be used in accordance with the land lease conditions. The present owners may submit waiver applications. As at May 2016, the LandsD has received four temporary waiver applications from the present owners, which involved changing the spaces for goods vehicles to the parking of other types of vehicles and allowing those not specified in the land leases to use motorcycle parking spaces.

- (3) In terms of the daily operation of car parks, land leases generally do not restrict the mode of operation of the car parks, such as letting of the parking spaces on an hourly or monthly basis. It is thus not necessary for Link to apply to the LandsD for temporary waivers in order to change the mode of operation from monthly fixed parking spaces to floating ones.

The HA exercises its powers and discharge its duties under the Housing Ordinance so as to secure the provision of housing and ancillary facilities which the HA thinks fit for the tenants. In planning for public housing projects, the HA will make reference to the guidelines under the Hong Kong Planning Standards and Guidelines, take into account views of government departments and the local communities in planning for suitable facilities in public housing estates, including car parks.

As with all other private property owners, owners of former HA car parks need to comply with relevant legislations (including the Town Planning Ordinance and the Buildings Ordinance), land leases and contracts which they signed with other organizations. The Government cannot interfere with the owners' lawful right to use their properties so long as the relevant legislations and land leases are complied with. Also, so long as the owners do not breach the terms of covenants made with the HA, the HA cannot and will not interfere with their day-to-day operation and commercial decisions, including the operation and disposal of car parks.

MR WU CHI-WAI (in Cantonese): *President, the Secretary has pointed out clearly in part (1) of the main reply that the LandsD, in the capacity of the landlord, will enforce land lease conditions and protect the Government's revenue. However, the LandsD will only conduct inspections and take follow-up actions upon receipt of complaints and referrals about breaches of the leases. In other words, the LandsD has actually not done a good job in protecting the Government's revenue. Will the Secretary take the initiative to conduct proactive inspections regarding the disposal or divestment of car parks by Link to ensure that the Government's revenue will not be embezzled by Link or companies selling the car parks, which will in turn affect public revenue?*

SECRETARY FOR DEVELOPMENT (in Cantonese): *President, I would like to thank Mr WU for his supplementary question. In respect of lease enforcement, since the LandsD enforces land leases in the capacity of the landlord, it is impossible for the LandsD to inspect all the private lots in Hong Kong to identify cases involving breaches of land leases, given the large number of such leases. As regards the point raised by Mr WU as to whether targeted inspections of the land leases of car parks under Link can be conducted, we are pleased to consider adopting this approach, in particular consideration that in September 2009, the LandsD learnt from the media about Link's letting of some parking spaces to non-residents and subsequent follow-up actions were taken, leading to Link's retrospective payment of waiver fees (around \$30 million) and interests for the 700-odd parking spaces involved.*

MR WU CHI-WAI (in Cantonese): *President, as regards the reply provided by the Secretary, may I ask if a timetable ...*

PRESIDENT (in Cantonese): *Mr WU, please wait for another turn if you wish to raise another supplementary question.*

MR FRANKIE YICK (in Cantonese): *President, when public housing estates or Home Ownership Scheme (HOS) flats are to be developed by the Government, parking facilities will be provided by the HA according to the Hong Kong Planning Standards and Guidelines. Generally speaking, the relevant vehicles are divided into three categories, namely private vehicles, goods vehicles and*

motorcycles, with the only exception of mini school buses, or "nanny buses". In the past, when the relevant housing estates were managed by the HA, parking spaces for goods vehicles might be let to "nanny buses". After taking over the housing estates, however, Link is reluctant to let the parking spaces to "nanny buses", alleging that it will not breach any rules. I have once raised this question before, but the present situation is getting worse as "nanny buses" find it increasingly difficult to operate. Moreover, the fees payable for making temporary waiver applications have exceeded the affordability of the operators. As mentioned by the Secretary in the main reply just now, many applications have recently been cancelled ...

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

MR FRANKIE YICK (in Cantonese): *I believe all members of the community agree that the existence of "nanny buses" is necessary. However, parking spaces are not available to these micro-enterprise operators even though they also live in the housing estates. How can this problem be resolved? Will the Secretary introduce some measures to help the school children?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I would like to thank Mr Frankie YICK for his question. President, although the land leases at that time did not contain any conditions pinpointing "nanny buses", Link can actually pay waiver fees and make temporary waiver applications. Why are waiver fees required to be paid? It is because a uniform method must be adopted for processing all temporary waiver applications to, on the one hand, protect the Government's revenue, as mentioned by Mr WU Chi-wai just now and, on the other, discourage the applicants from applying for modifications casually since they have to pay waiver fees for making the applications. I can tell Mr Frankie YICK that, if temporary waiver applications are made by Link to change the spaces for goods vehicles to the parking of medium-size nanny buses, we will consult the relevant districts and other departments according to normal procedures. If the districts concerned are confirmed to have actual needs, I cannot see why such applications should not be approved, though waiver fees must be paid by the applicants.

In fact, I have in the main reply mentioned that a considerable number of waiver applications lodged by Link have been approved, and considerable fees have already been paid. Therefore, whether or not an application can be made by Link hinges on its desire to do so rather than its affordability.

MR FRANKIE YICK (in Cantonese): *President, as I pointed out just now, although there were successful cases in the past, the operators are unable to bear the relevant costs because it is getting harder to operate their business — I know that fees will be charged by the Government — some cases have therefore been cancelled recently. May I ask the Government what will be done ...*

PRESIDENT (in Cantonese): Mr YICK, debate is not allowed in the question session. The Secretary has already answered your question. If you are not satisfied with his reply, please follow up through other means.

MR CHAN KAM-LAM (in Cantonese): *President, the Secretary pointed out just now that Link may make temporary waiver applications should there be a need to change the types and use of parking spaces.*

Given the resale and divestment of these parking spaces, will these so-called temporary waiver applications be changed into permanent ones? For instance, when parking spaces which were originally required to be used by residents of the respective districts are resold to non-residents, breaches will occur as the new owners might continue to park their own vehicles on these parking spaces. Since such temporary waivers might become permanent, does it imply that an application must be made for each divestment?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I would like to thank Mr CHAN Kam-lam for his supplementary question. President, according to the provisions of the lease conditions, Link as the owner must abide by the requirements of the lease conditions. If a car park is resold by Link to a third party, the new owner, likewise, is required to abide by the requirements. In other words, the new buyer will not receive preferential treatment due to the resale and thus be exempted from abiding by the requirements of the lease conditions. This is the first point.

Second, the new buyer may make an application if he considers it necessary to obtain a temporary waiver after purchasing a parking space. As I pointed out in the main reply, of the several applications already received, one has been approved and another one is being processed. Therefore, new buyers are allowed to make such applications under the relevant mechanism. Nevertheless, these temporary waivers are subject to a time limit which, generally speaking, depends on the approved conditions. For instance, if the approved validity period is one year, it is generally renewable upon the expiry of the validity period. Nevertheless, the LandsD will take up the role of a gatekeeper. Therefore, these temporary waivers should not be treated as permanent. This is the third point.

Lastly, I would like to add one point. Although the car parks were sold to Link by the HA back then, whether or not the car parks can be resold cannot be generalized. According to my knowledge, if a car park is considered as the facility of a housing estate and the residential flats are 100% owned by the HA (such as a public rental housing estate), the car park can only be resold in whole. Moreover, the new buyer is not allowed to divest the parking spaces therein.

President, if the car park in question is situated inside an HOS or a Tenants Purchase Scheme estate, the restrictions mentioned by me just now are inapplicable. Furthermore, there is a relatively complicated scenario. Since the dates of completion of many housing estates are different, the lease conditions of the car parks in these housing estates are not entirely the same.

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

Regulation of Illegal Sale of Pharmaceutical Products and Medicines

4. **MR CHAN KAM-LAM** (in Cantonese): *President, under the law, all pharmaceutical products must be registered with the Pharmacy and Poisons Board before they are put up for sale in the market. Medicines under Categories 1 and 2 may be dispensed and sold only by Authorized Sellers of Poisons, commonly known as "pharmacies", under the supervision of registered pharmacists, and medicines under Category 1 (i.e. prescription medicines) are*

required to be sold on a doctor's prescription. Listed Sellers of Poisons, commonly known as "medicine companies", are only allowed to sell medicines under Category 3 (e.g. medicines for common cold and antipyretics). People engaged in retail business of Chinese herbal medicines are required to obtain the relevant licence issued by the Chinese Medicine Council of Hong Kong. It has been reported that recently some shops which are not medicine retailers (e.g. shops selling household and baby products) have been found selling unregistered medicines, some of which contain prescription medicine ingredients such as antibiotics, steroids. In addition, some people sell medicinal herbal packs, weight-loss drugs and psychedelic drugs through Internet social networking platforms. Some people even sell a medicine for rheumatism which is subject to a recall order issued by the authorities and deliver the products to buyers at MTR stations. In this connection, will the Government inform this Council:

- (1) how the authorities monitor the compliance of pharmacies and medicine companies with the relevant legislation at present; whether the authorities instituted any prosecution in the past 12 months against persons after they had been found to have sold or possessed unregistered medicines; if they did, of the number of such cases;*
- (2) whether the authorities have taken enforcement actions against the illegal sale of medicines in shops which are not medicine retailers and at random locations; if they have, of the number and details of such cases cracked by the authorities in the past 12 months; and*
- (3) how the authorities combat the illegal sale of pharmaceutical products and medicines on the Internet at present, and whether they will review the relevant legislation to curb such activities?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, "pharmaceutical products" and "medicine" are regulated by the Pharmacy and Poisons Ordinance (PPO) and its subsidiary legislation. Products which fall within the definition of "pharmaceutical products" under the PPO must meet the requirements specified therein as regards their safety, quality and efficacy, and be registered with the Pharmacy and Poisons Board (PPB) before they can be sold in Hong Kong.

Medicines classified as Part 1 poisons under the PPO can only be sold at sellers authorized by the PPB to carry on a business of retail sale of poisons (that is, Authorized Sellers of Poisons (ASPs) (commonly known as pharmacies or dispensaries)) by registered pharmacists or in the presence and under the supervision of registered pharmacists. Among these medicines:

Part 1 First Schedule poisons can only be sold at pharmacies by registered pharmacists or in the presence and under the supervision of registered pharmacists, and the relevant sales information (such as name of medicine, name and identity card number of purchaser) must be recorded;

Part 1 Third Schedule poisons (such as oral steroids) are prescription medicines. They can only be sold at pharmacies by registered pharmacists or in the presence and under the supervision of registered pharmacists in accordance with the prescriptions given by medical practitioners, dentists or veterinary surgeons.

Medicines classified as Part 2 poisons under the PPO can be sold at pharmacies and Listed Sellers of Poisons (LSPs) (commonly known as medicine companies).

Any person who illegally sells (through any channel, including the Internet) Part 1 poisons or unregistered pharmaceutical products, or possesses them for the purpose of sale commits an offence and shall be liable, upon conviction, to a maximum penalty of a fine of \$100,000 and two years' imprisonment.

The public may check the details of the registered pharmaceutical products, such as whether a product is registered in Hong Kong and its sales requirements (for example, prescription medicines), from the "Search Drug Database" function of the website of the Drug Office of the Department of Health (DH) by entering the English name of the product or its Hong Kong registration number. All registered pharmaceutical products shall bear the Hong Kong registration number on their package. Moreover, the public should seek advice from healthcare professionals before taking any medicine.

As regards the regulation of proprietary Chinese medicines (pCms), according to the Chinese Medicine Ordinance, any persons who wish to engage in the business of retail or wholesale of Chinese herbal medicines, as well as wholesale or manufacturing of pCms, must apply for the relevant licence from the

Chinese Medicines Board (CMB) under the Chinese Medicine Council of Hong Kong (CMCHK). They can only commence the business after they have obtained the licence. Moreover, products that fall within the definition of pCms must be registered by the CMB before they can be imported, or manufactured or sold in Hong Kong. Any person who contravenes the above provisions shall be liable, upon conviction, to a maximum penalty of a fine of \$100,000 and two years' imprisonment. A list of pCms which meet the CMB's requirements has been uploaded to the website of the CMCHK for public reference.

All along, the DH has been carrying out promotional activities through various channels such as websites, Announcements in the Public Interest (API) and leaflets to enhance the understanding of the statutory provisions among the public, industry players and other stakeholders. Relevant work includes issuing newsletters to the industry, distributing leaflets to the public, broadcasting TV API, holding annual consultation sessions/briefings and organizing district-based roving exhibitions.

Our reply to Mr CHAN Kam-lam's question is as follows:

- (1) Regarding the monitoring of pharmacies and medicine companies, the DH has put in place an established mechanism to conduct unannounced inspections as well as test purchases of medicines at licensed pharmacies and medicine companies, in order to check whether they are in compliance with the relevant legislation and licensing conditions.

Besides, if the DH receives information regarding any suspected violation of the legislation on drugs (including suspected illegal sale of prescription drugs by licensed drug dealers), it will carry out investigation immediately and take joint enforcement action together with the Police where necessary. Should there be any contravention of the relevant legislation, the DH will take appropriate action deemed necessary.

From 2015 to March 2016, the Drug Office of the DH conducted 9 726 and 1 510 inspections against medicine companies and pharmacies respectively, and handled 17 convicted cases registered against medicine companies and 35 convicted cases registered

against pharmacies. Among them, there were nine convicted cases registered against pharmacies and medicine companies for illegal sale or possession of unregistered pharmaceutical products for the purpose of sale.

As for the regulation of Chinese medicines, the DH has put in place a comprehensive market surveillance system to check if there is any sale of unregistered pCms on the market or operation of Chinese medicine business without a licence. The DH also conducts routine inspections and checking of premises of local Chinese medicine retailers to ensure their compliance with the requirements of the relevant legislation and practising guidelines. The DH has also established a mechanism for reporting adverse incidents relating to medicines, so that information can be collated through different channels to facilitate risk assessment, management and reporting. Moreover, the DH has been working closely with other government departments, such as the Hong Kong Police Force, the Customs and Excise Department, the Government Laboratory and the Consumer Council, for the exchange of intelligence and the conduct of joint operation when necessary.

From 2015 to March 2016, the Chinese Medicine Division (CMD) of the DH conducted a total of 6 226 inspections against retailers of Chinese herbal medicines. During the same period, the CMD handled one convicted case involving the possession of unregistered pCms by retailer of Chinese herbal medicines.

(2) and (3)

The DH has put in place an established mechanism to monitor the health products and drugs sold in the market (including shops which are not medicine retailers, at random locations and the Internet). Should there be any contravention of the relevant legislation (including illegal sale or possession of unregistered pharmaceutical products or prescription medicines), the DH will commence investigation immediately and where necessary, conduct joint enforcement operation with the Police and take appropriate action deemed necessary. If auction websites are involved, the DH will ask the webmasters concerned to delete the relevant product information from their websites.

From 2015 to March 2016, the Drug Office of the DH handled a total of 68 cases convicted of sale or possession of unregistered pharmaceutical products (involving neither medicine companies nor pharmacies), 10 of which involved Internet sellers. The highest fine imposed among these 68 cases was \$82,000 (the total fine for all counts of offence). Apart from fines, a convicted person was sentenced to two months' imprisonment (suspended for 24 months).

In addition, from 2015 to March 2016, the CMD of the DH handled six convicted cases involving the sale of Chinese herbal medicines without licence and 10 convicted cases involving the sale or possession of unregistered pCms. In these 16 cases, the highest fine imposed was \$20,000. Apart from fines, a convicted person was sentenced to two months' imprisonment (suspended for 24 months). There were no Internet sellers involved.

President, to combat the above situation, the DH will continue to conduct unannounced inspections and test purchases, and review the relevant measures from time to time.

MR CHAN KAM-LAM (in Cantonese): *President, I believe our greatest concern is the unregulated sale of some unregistered medicines which may contain fake drugs and poisonous medicines. Though the authorities conduct over 10 000 inspections every year and have instituted numerous prosecutions, will the Government review and establish a more effective regulatory system in order to, on the one hand, reduce the number of inspections to achieve considerable savings in public coffers, and, on the other hand, prevent such kinds of fake or poisonous medicines from being illegally sold on the market?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the Government certainly assumes responsibility for this. On the one hand, we will take necessary enforcement and regulatory actions under the existing legislation. On the other hand, I also agree that we need to constantly review the regulatory mechanism and enforcement operations under the current legislation to keep abreast of times. We are open to various views and will continue to carry out reviews.

MISS ALICE MAK (in Cantonese): *President, it has been popular belief in recent years to many citizens that medicines purchased in foreign countries, in particularly Taiwan and Japan if I am to explicitly name them, carry notably high efficacy and their painkillers are specially effective. Some travel magazines even publish lists of must-buy medicines. Has the DH noticed such a situation? Moreover, some proxy purchase websites in Japan or Taiwan offer proxy purchase service to Hong Kong customers. Has the DH also noticed such kind of online proxy purchase service or promotion? How will the DH regulate such activities? Will it inform the public of the ingredients contained in such medicines so that they can stay alert?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, this supplementary question contains two parts: first, if citizens, during their personal travels or out of other reasons, need to get drugs on prescription or purchase medicines for personal use when they are back in Hong Kong, such a situation is acceptable. However, as I have just mentioned in my main reply, under the current regulatory framework, medicines purchased at official retail outlets, namely pharmacies and medicine companies that I have just mentioned, or at places other than these retail outlets or even on the Internet, are under the control of existing legislation. Nonetheless, if the medicines are sold on the Internet, enforcement difficulty will increase as the authorities may not be able to identify the retail locations. Yet in principle, medicines sold through the above means are subject to regulation. In addition, I have also pointed out in my main reply that we will monitor certain website-related advertisements. If we receive relevant intelligence or suspect that some advertisements may involve illegal acts, we will also take immediate actions, including test purchases, and conduct joint enforcement exercises with other departments.*

MR TAM YIU-CHUNG (in Cantonese): *President, regarding the main question raised by Mr CHAN Kam-lam, the Secretary has stated in his main reply that from 2015 to March 2016, the CMD of the DH conducted over 6 000 inspections against retailers of Chinese herbal medicines. I would like to ask the Secretary: Have the authorities obtained some samples of these Chinese herbal medicines during the inspections for testing? Recently it has come to our attention that some political parties released the results of tests on certain Chinese herbal medicines conducted on their own. Excessive amounts of pesticide were found*

in many of them. Is it possible for the authorities to look into the situation through inspection? And is it that serious? Why did the Secretary mention in his main reply that only one case was handled?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, this supplementary question also comes in two parts: first, Mr TAM has mentioned the recent self-initiated tests. Some of the so-called medicines reported in newspaper and media indeed do not come under the controlled Chinese herbal medicines listed in Schedules 1 and 2 to the existing Chinese Medicine Ordinance. At present, we regulate this kind of so-called medicines in the form of food. We will, on the basis of risk evaluation, conduct sampling tests to see if there are excessive residual pesticides in these so-called medicines. When the CMD of the DH conducts inspections on retailers of Chinese herbal medicines, it will collect samples when necessary. Of course I cannot say that the purpose of every inspection is to collect samples for testing but we do collect samples of Chinese herbal medicines at the retail level. During inspections, we certainly need to check if the retailers are compliant in other aspects, such as the conditions of the premises and whether the premises are properly licensed. Therefore, my reply is that we do collect samples for testing but it is not the purpose of every inspection.

MR PAUL TSE (in Cantonese): *President, I would like to follow up on Mr TAM Yiu-chung's supplementary question as existing regulation on pCms seems to be inadequate. Statistics show that while the authorities have conducted quite a number of inspections, the number of prosecutions or convictions is on the low side. It seems that this aspect is not much of a problem. However, it is Chinese herbal medicines, instead of pCms, that are most difficult to regulate. Mr TAM Yiu-chung has also mentioned this issue — Chinese herbal medicines are difficult to regulate but they can contain strong toxins. In this regard, will the authorities take actions and when will they do so?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, if Mr TSE was referring to toxic Chinese herbal medicines, we have relatively strict control. In the Schedules to the Chinese Medicine Ordinance, some toxic or potent Chinese herbal medicines require prescription by registered Chinese Medicine Practitioners at the time of purchase. Therefore, I believe that the

homology of medicine and food advocated in the study of Chinese medicine is true. Some food ingredients with medicinal values may not be categorized as Chinese herbal medicines under the law and are instead sold as food items. But we have in place corresponding monitoring systems for these two categories and will collect samples at retail points for testing to ensure that these medicines or food are free of illegal ingredients, pesticides or excessive amounts of other substances. However, if the Member is particularly concerned about toxic or potent Chinese herbal medicines, our control over such medicines is even stricter.

MISS ALICE MAK (in Cantonese): *President, I still want to ask another supplementary question. I have just mentioned that the public generally believe that the medicines purchased from Taiwan or Japan, including those for cold, headache and stomachache, are particularly efficacious. Yet they may not know the ingredients of these medicines, especially medicines from Japan as we do not understand Japanese. Will the Government consider launching publicity campaigns to inform people of the ingredients contained in these kinds of medicines so that they can protect themselves and refrain from making random purchases?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I very much agree with this point. As I have just said, if members of the public travelling abroad buy drugs on prescription or purchase some medicines for self-use out of certain reasons in other countries or places, our laws do not directly control such a situation. At the same time, they should be allowed to consult a doctor while being abroad and be prescribed medicines should such need arises.

However, if some special problems arise, such as certain medicines are very popular or sought-after in some places and such medicines will create health problems or risks, we are obliged to specifically strengthen publicity and health education work.

PRESIDENT (in Cantonese): Fifth Question.

Efforts in Taking Forward Belt and Road Initiative

5. **MR CHRISTOPHER CHEUNG** (in Cantonese): *President, the Silk Road Economic Belt and 21st Century Maritime Silk Road (the Belt and Road Initiative) is a concept of multinational economic cooperation proposed by our country in the recent two years. The Chief Executive has indicated in his Policy Address this year that a steering committee for the Belt and Road (Steering Committee) and a Belt and Road Office (the Office) will be set up, with the former responsible for formulating strategies and policies for Hong Kong's participation in the Belt and Road Initiative, and the latter responsible for taking forward related studies and coordinating work between government departments and local organizations, as well as liaising with the central ministries and provincial and municipal authorities. Besides, the Asian Infrastructure Investment Bank (AIIB) is an integral part of the Belt and Road Initiative. The Government has indicated that it will send officials as part of the delegation of China to attend AIIB meetings and participate in the preparatory work for establishing AIIB, and it has also seconded experts to AIIB to support AIIB's operation. In this connection, will the Government inform this Council:*

- (1) *of the progress of the preparatory work for the Steering Committee and the Office; the government department responsible for the preparatory work for the Office, and how that department handles the coordination work; the progress of the Government's participation in the preparatory work for establishing AIIB;*
- (2) *whether the Steering Committee and the Office will examine Hong Kong's edge in taking forward the Belt and Road Initiative, especially how the development deliverables in innovation and technology in Hong Kong can be leveraged to consolidate Hong Kong's status as a treasury centre in the Asian region and as an international financial centre, foster the long-term development of Hong Kong, and increase employment opportunities for the young people in Hong Kong; and*
- (3) *whether the Government, apart from bidding successfully the organization of the "Belt and Road Summit" in Hong Kong last month, will seek to conduct ministerial conferences relating to the Belt and Road concept in Hong Kong in future, so as to give further play to Hong Kong's role as an international metropolis?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Belt and Road Initiative has an extensive coverage. It promotes common development of countries along the Belt and Road and strengthens exchanges and co-operation in the areas of social, cultural, economic, finance and infrastructure through policy co-ordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bond.

After consulting relevant Policy Bureaux and departments, my reply to Mr Christopher CHEUNG's question is as follows:

- (1) The Government is setting up an inter-departmental steering committee for the Belt and Road (Steering Committee) led by the Chief Executive, which will be responsible for formulating strategies and policies for Hong Kong's participation in the Belt and Road Initiative. A Belt and Road Office will also be established to take forward related studies, and co-ordinate work among government departments and other organizations, such as the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Tourism Board (HKTB). It will also liaise with the central ministries, provincial and municipal authorities, as well as various sectors, professional bodies and community organizations in Hong Kong. In addition to the Chief Executive and the three Secretaries, the Steering Committee will also comprise certain Directors of Bureaux. The actual composition and size of the Steering Committee will be decided having regard to the development of strategies and policies. The HKSAR Government is currently formulating the work plan for the first stage, and will then map out the organization and functions of the Steering Committee and the related Office. Details will be announced in due course.

Regarding progress of work of the HKSAR Government's participation in the preparatory work of the Asian Infrastructure Investment Bank (AIIB), we have been participating in the preparatory work and attending the meetings as a member of the Chinese delegation. In response to the request of the AIIB, we have also seconded two officers to the AIIB as professional specialists to assist the AIIB in the setting up of systems and drawing up of standards and procedural manuals. The Financial Services

and the Treasury Bureau will continue to discuss with the Central Government and the AIIB the specific arrangements for Hong Kong to join the AIIB as a non-sovereign territory.

Hong Kong's capital markets and asset management professionals and various financial products can support the operation of the AIIB in areas such as project financing, bond issuance, investment, financial management and foreign exchange management. Moreover, Hong Kong has expertise in project negotiation, works contracts preparation and management, international law as well as professional arbitration services, enabling us to take part in the planning, implementation and operation of such projects.

- (2) The emerging markets along the Belt and Road have good growth potential and their demand for financial services will correspondingly increase. Hong Kong can make best use of its strengths in financial integration by promoting Renminbi internationalization and the development of a Belt and Road investment and financing platform. Hong Kong can provide countries along the Belt and Road with financial services for the investment, fund raising and asset management of infrastructure projects and help expand their financing channels.

At the same time, taking advantage of technical advancement in mobile communications technology and artificial intelligence, financial technologies (Fintech) can offer consumers novel experiences in managing their finances and improve operational efficiency of financial institutions. As an international financial centre with a highly developed information and communication technology sector, Hong Kong is an ideal place for developing Fintech products.

In February, the Financial Secretary announced an array of measures in his Budget to support Fintech development in Hong Kong. Good progress is being made in implementing the measures. In particular, the Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC), and Office of the Commissioner of Insurance (OCI) have already established their respective dedicated Fintech platforms to enhance communication between regulators and the Fintech community; Invest Hong Kong (InvestHK) will soon

establish its dedicated Fintech team to organize international events and assist start-ups, investors and research and development institutions to establish their presence in Hong Kong.

The Government will monitor the progress in implementing Fintech-related initiatives, and continue to keep track of the latest market developments as well as examine policies that are conducive to Fintech development.

In addition, to attract more multi-national and Mainland corporations to set up treasury centres in Hong Kong, the Legislative Council has just passed the amendments to the Inland Revenue Ordinance to allow, under specified conditions, the deduction of interest expenses in calculating profits tax for the intra-group financing business of corporations, and reduce the profits tax rate for relevant profits of specified treasury activities of qualifying corporate treasury centres by 50%. This will provide a favourable environment for attracting multi-national and Mainland corporations to centralize their treasury functions in Hong Kong, thereby enhancing the competitiveness of our financial markets.

A major area of the Belt and Road Initiative is to promote the development of infrastructure projects along the Belt and Road. The Asian Development Bank estimates that Asia requires around US\$8 trillion investment in infrastructure over the 2010 to 2020 period. Hence, we expect the demand for financing and fund management in the Belt and Road will bring about enormous business opportunities to the financial services sector in the region.

In fact, with Hong Kong's unique advantage, Hong Kong can develop into a major financing platform for infrastructure and related projects in the countries along the Belt and Road. In this connection, the Financial Secretary has in the Budget requested the HKMA to set up the Infrastructure Financing Facilitation Office (IFFO), to provide a platform for pooling the efforts of investors, banks and the financial sector to offer comprehensive financial services for various infrastructure projects. The HKMA is working on the establishment of the IFFO, which is expected to be formally inaugurated this summer.

- (3) The inaugural Belt and Road Summit held last month brought together government officials, representatives of international organizations and leaders from multi-national corporations and related trades from the Mainland and countries and regions along the Belt and Road to explore opportunities under the Belt and Road Initiative.

To continue exploring and promoting business opportunities brought about by the Belt and Road Initiative, the HKTDC plans to organize the Summit again next year. Key officials and business leaders will continue to be invited to attend the Summit.

In addition to the Belt and Road Summit, the HKSAR Government will also continue to organize in Hong Kong other major international forums and expositions with themes on areas related to the Belt and Road Initiative.

For example, we will continue to invite countries and regions along the Belt and Road to participate in the Eco Expo Asia to be held in October this year. The Expo will serve as a co-operation platform in areas such as environmental protection, energy saving and carbon emission reduction, as well as combat of climate change to facilitate exchanges and co-operation among government officials, environmental professionals and green enterprises. The Belt and Road Initiative is also planned to be featured in the Asian Logistics and Maritime Conference to be held in November this year. Moreover, we will continue to organize the Asian Financial Forum in January 2017, under the theme "Asia: Driving Change, Innovation, Connectivity". The Forum will provide a high-level platform to bring together public and private sector leaders from around the world to examine opportunities arising from the growth in Asia as well as other economies along the Belt and Road.

MR CHRISTOPHER CHEUNG (in Cantonese): *President, I think the Secretary's reply in part (2) has failed to address my question. The reply regarding youth development is not practical enough. As mentioned by Mr ZHANG Dejiang, the Chairman of the Standing Committee of the National People's Congress, Hong Kong plays a significant role which is irreplaceable in*

this major national Belt and Road strategy. The Chief Executive has also said that the Belt and Road Initiative will be another driving force in Hong Kong's development process in the next 35 years. It can promote the development of various sectors of society, and young people in particular should grasp this opportunity. However, I think the length of 35 years is indeed too long. Does the Government have any project the result of which can be seen in shorter time, such as three or five years, so that young people may realize that the Belt and Road Initiative can really provide favourable opportunities for them to actively engage in the work they aspire to do and enable them to spread their wings?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As a matter of fact, the Belt and Road Initiative will bring opportunities to Hong Kong in short, medium and long terms. Since the pace of development in each economy in the 60-odd Belt and Road countries is different, the services in demand will vary in light of the development of the places concerned. Hong Kong can provide diversified and professional services. Hence, in the short term, our technology or design talents are needed in the development of infrastructure, the financing of infrastructural projects or the provision of professional services, and high value-added development in particular. The Belt and Road Initiative will offer tremendous opportunities of development for these talents, especially the young people.

Regarding our present major work, first of all, we will let members of various sectors (particularly young people) know about the business opportunities or demands for professional services through the information platform provided by the HKTDC. Such information is available on this platform. Activities of the HKTDC, departments of various policy portfolios and countries along the Belt and Road can also bring such opportunities which facilitate exchanges among governments, between the Government and the business sector, and in the next step, among members of the business sector and between different sectors. These activities can offer favourable opportunities for various sectors, especially the young people.

MR WONG TING-KWONG (in Cantonese): *President, will the Belt and Road Office set up by the SAR Government be responsible for publicity and promotion work at the same time? Our impression is that this Office seems to particularly*

focus on the finance industry and give less mention of industry, commerce and trade. For this reason, members of various sectors have requested more information. If it will, what are the details? If not, what is the reason?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As mentioned by me in the main reply just now, the Belt and Road Office will be responsible for conducting studies and co-ordinating work. Such work includes co-ordination among the relevant government departments and quasi-government bodies such as the HKTDC and the HKTB, as well as liaising with various sectors, professional bodies and community organizations. Hence, the Office will definitely liaise with various sectors to understand their needs and co-ordinate the relevant departments to tap the business opportunities in this regard.

MR ANDREW LEUNG (in Cantonese): *In part (2) of the main reply, the Government has mentioned that there is good progress in Fintech development. It has also mentioned that several regulators have provided platforms and communicated with each other. However, the Fintech which we are now talking about is disruptive technology, on which the regulators and young people hold completely different views, and the Hong Kong Financial Services Development Council has pointed out that there is a problem with this because the regulators conduct monitoring work with a rather conservative attitude. May I ask how the Government can ensure that such disruptive technology will not be stifled by the regulators?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Financial Services and the Treasury, please reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, we published a report on the preliminary view of the SAR Government on Fintech in February. We certainly welcome and encourage Fintech development, but at the same time, we also need to protect the investors, as well as to ensure the proper operation and the overall safety of the market.

Besides, we have noted the views in the market, one of which is making use of the so-called "sandbox" to conduct monitoring work on a trial basis. We are open to these views, but in the present environment, we have especially noticed that some problems have arisen in the P2P and equity crowdfunding activities in the field of Fintech in various places (including Western countries and the Mainland). For this reason, I consider that we need to strike an appropriate balance between regulatory efforts and protection for investors.

The three regulators I mentioned just now, namely, the HKMA, the SFC and the OCI, have set up dedicated platforms to enhance communications with various sectors so as to look into their requests and also let them understand what they should do from the regulatory perspective. Moreover, InvestHK will soon establish a dedicated team to organize international events and assist start-ups. Regarding these start-ups, apart from the regulators in Hong Kong, there are also Cyberport and many different financial organizations, professional bodies, accounting firms and research institutions which provide 40-odd what we call "accelerators" and "incubators". They aim to provide incentives for young people and start-ups by allowing them to establish offices in co-work space under appropriate conditions. In this regard, the SAR Government has injected a lot of resources, and matching funds are also available to encourage investment in innovative technology. Hence, we consider that the authorities have comprehensively implemented the work in this respect, with a view to providing young people and start-ups with better opportunities in Hong Kong.

MR MARTIN LIAO (in Cantonese): *President, the Secretary has mentioned in the main reply that Hong Kong has the strengths to continue to serve as a financial and asset management centre, but the fact is that many Asian regions, including Singapore, also have their eye on this opportunity, wishing to have a share of the pie in financial and asset management under the Belt and Road Initiative. All along, Hong Kong has regarded itself as an international financial centre, but regrettably, in the recently released Global Financial Centres Index, it has been edged out of the top three positions, lagging behind London, New York and Singapore. Although I am not too worried about this situation, it is an objective fact that the financial centres in other regions have been watching with covetous eyes. May I ask the Secretary how Hong Kong can further enhance its competitiveness in financial and asset management?*

Moreover, what targeted measures can the Government provide to make Hong Kong the first choice among the financial centres in providing financial services for the Belt and Road Initiative?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Financial Services and the Treasury, please reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, knowing the opportunities that will be brought by the Belt and Road Initiative, the SAR Government is aware that the financial centres in many regions have also paid special attention to the development in this regard. Hence, the authorities have attached great importance to the new opportunities brought by this Initiative. Being a "super-connector", Hong Kong will continue to serve as a bridge which helps to link the Mainland with the international community so as to tie in with the Belt and Road policy. Since the Belt and Road Initiative will expedite the establishment of infrastructural investment facilities in the region, economic integration and trading activities in the region will also correspondingly increase, and financial services will be enhanced as well. Being a financial centre, how can Hong Kong strive for more participation in this respect? This can be considered in four aspects. Firstly, as mentioned by Members just now, on serving as an investment and financing centre, Hong Kong has closely liaised with the AIIB, and two specialists have been seconded to the AIIB to support its work, thus allowing us to have more participation in the formulation of the AIIB's policy and various matters. During Hong Kong's participation as a member of the Chinese delegation, we came to understand that we should seek to have the investment and financing activities of the Belt and Road financing projects conducted in Hong Kong. As pointed out by me just now, the investment involved in these projects is US\$8 trillion, and various types of financing are required as the AIIB is prepared to approve such items within this year. Hong Kong will liaise with relevant enterprises or loan companies and encourage these corporations to come to Hong Kong to offer shares for public subscription or raise funds after listing, or conduct financing through diversified channels such as bond issuance and even bank loans.

Just now I also mentioned that the new IFFO will probably commence operation in July. This office under the HKMA will also liaise with the Silk Road Fund and various parties in light of the business opportunities brought by the Belt and Road Initiative.

Secondly, by fully exercising its function as a global offshore Renminbi business hub, Hong Kong can provide various kinds of Renminbi services for Belt and Road infrastructure. We estimate that when the Mainland further strengthens its economic and trade ties with the 60-odd countries along the Belt and Road, Renminbi will receive wider recognition in the international market, especially that from the Belt and Road region. As we all know, starting from 1 October, Renminbi will be included in the currency basket of the International Monetary Fund. We anticipate that financing activities and funds settled in Renminbi will gradually increase. It can be said that Hong Kong enjoys a special edge in this respect because with regard to its function as an offshore Renminbi business hub, the percentage of offshore financing and liquidity in Renminbi in Hong Kong has reached 50% to 60%. Hence, we will continue to enhance Hong Kong's competitiveness in this regard.

Thirdly, just now I said ...

PRESIDENT (in Cantonese): Secretary, please make your reply as concise as possible.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Yes. Thirdly, just now I mentioned asset management and risk management. When funds are available in the AIIB and loan companies, there will be a greater need for risk management services. Given Hong Kong's edge in this profession, we will continue to provide more such services.

PRESIDENT (in Cantonese): This Council has spent 23 minutes and 30 seconds on this question.

(Mrs Regina IP stood up)

MRS REGINA IP (in Cantonese): *President, a point of order.*

President, I hope you will remind the public officers not to make such lengthy replies, using up all the time and making us unable to raise any question. He has spent all the time talking about finance. Besides, Secretary James LAU spoke too fast. Does he know that the simultaneous interpreter would be unable to catch up?

PRESIDENT (in Cantonese): I believe the government officials have heard the Member's view. I have also reminded public officers a number of times before that they should, as far as possible, focus on Members' questions in their replies which should be relevant to the subject and precise so that more Members can raise questions.

Last oral question.

Provision of Runway Slots and Stands for General Aviation and Business Aviation Flights

6. **MR JEFFREY LAM** (in Cantonese): *President, currently, where there are runway slots of Hong Kong International Airport (HKIA) remaining after allocation to passenger and cargo flights, general aviation and business aviation (GA/BA) operators may apply for them. Since mid-March this year, the Civil Aviation Department (CAD) only accepts applications for runway slots made via the online e-filing system for flight application. Some members of the trade have indicated that the arrangement under which the system only processes applications within seven days ahead lacks flexibility, and the successful rate of applications in recent months was lower than that in the past. Quite a number of GA/BA flights had no choice but to head to the neighbouring regions as they had not been allocated runway slots or stands. Besides, the Hong Kong Aviation Club has indicated that there are insufficient spaces available for the movements of helicopters and light aircrafts and their parking, which is unfavourable to the development of the local aviation industry. In this connection, will the Government inform this Council:*

- (1) *of the number of applications for runway slots made for GA/BA flights which were turned down by CAD and whether it knows the respective numbers of movements of GA/BA flights in the airports of Hong Kong, Macao and Shenzhen, in each of the past three years; of the respective current numbers of stands available for helicopters, light aircrafts and GA/BA flights in these three airports;*
- (2) *of the role of GA/BA services in the authorities' planning for air transport services; whether the authorities have set a growth target for the numbers of runway slots and stands available for GA/BA flights; if they have, of the details; if not, the authorities' plan, before the commissioning of HKIA's three-runway system, to assist those GA/BA flights intending to come to Hong Kong in getting suitable runway slots and stands more easily; and*
- (3) *as I have learnt that quite a number of GA/BA flights currently use more environment-friendly aircraft to reduce fuel consumption and emission of pollutants, whether the authorities will allocate more runway slots (including those in the early hours) for application by GA/BA flights meeting the relevant environmental protection requirements; if they will, when such arrangement will be implemented; if not, of the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Hong Kong International Airport (HKIA) handled 406 000 flight movements in 2015. It is expected that the two runways will reach maximum capacity by the end of this year at the soonest. In order to meet the long-term air traffic demand of Hong Kong, the Airport Authority Hong Kong (AAHK) has endeavoured to expand the airport facilities in recent years. Notwithstanding this, the expansion works could not address the capacity bottleneck of the existing two-runway system which is capped at 68 flight movements per hour. As such, the development of the three-runway system (3RS) is the only solution to significantly increase the runway capacity of the HKIA, which would also help address the problem of insufficient runway slots for general aviation/business aviation (GA/BA) aircraft.

Given the current runway capacity constraint, the Civil Aviation Department (CAD) is committed to improving the efficiency and effectiveness of slot allocation. The CAD allocates slots in accordance with the Worldwide Slot Guidelines (Guidelines) of the International Air Transport Association, having regard to the local circumstances and with a view to meeting the demand of all kinds of aircraft, including GA/BA aircraft, as far as possible. Generally speaking, according to the Guidelines, slot applications for scheduled passenger and cargo flights are given priority over those for GA/BA aircraft. While slots are much sought after, the CAD still manages to allocate a daily average of over 20 slots to GA/BA aircraft, more than that provided by busy airports overseas such as the Heathrow Airport and City Airport of London, or our neighbouring Suvarnabhumi Airport of Bangkok.

In the past, slot applications by GA/BA aircraft were submitted through two channels, that is, via email and the Online Coordination System (OCS). However, since slot applications via email were processed manually, the process was lacking in transparency. To further enhance the efficiency, fairness and transparency of slot allocation, the CAD has standardized the application procedures since 15 March this year. All slot applications have since then been processed by the OCS and applications via email are no longer accepted.

We noticed there were media reports on the alleged existence of loopholes in the OCS, which had caused speculation in slots. The CAD has reviewed the situation and found out that when the new arrangement was first implemented, the view count of the OCS was indeed larger than expected. To ensure smooth browsing of the website and reduce the possibility of potential abuse, the CAD has improved OCS' operating procedures and required users to log in before gaining access to the OCS. Since then, the system operation has been generally smooth. At present, there is no evidence of speculation in slots. If any abuse of the OCS is detected, the CAD will take appropriate actions, including possible cancellation of the relevant user account.

Statistics of the past few weeks (at Annex) show that the numbers of slots available to GA/BA aircraft prior to and after the implementation of the new arrangement on 15 March were more or less the same.

The Government recognizes the positive impact brought by the business aviation sector on the overall economic development of Hong Kong. As a first class airport in the world, the HKIA welcomes all kinds of service providers and users. The CAD will continue to maintain communication and exchanges with

the AAHK and relevant stakeholders, so as to further enhance the mechanism of slot allocation to facilitate the trade. Measures under consideration include extension of the current time limit for GA/BA operators to make slot applications, which is now a maximum of seven days in advance, with a view to providing them with greater flexibility in handling GA/BA operations; and heavier penalties for non-compliant operators to minimize possible wastage of allocated slots.

My replies to Mr Jeffrey LAM's three questions are as follows:

- (1) In the past three years, the GA/BA movements at the HKIA were respectively: 8 126 movements in 2013; 9 045 movements in 2014; and 9 400 movements in 2015, showing a steady growth in number.

At present, the services for GA/BA aircraft at the HKIA are provided by the Hong Kong Business Aviation Centre (HKBAC) which has 40 designated parking stands. If these stands are taken up, the AAHK will arrange GA/BA aircraft to park at another 30 or so remote stands as appropriate. Regarding commercial helicopters, there are no designated parking stands for them at the HKIA. Where necessary, arrangement can be made for them to park at the stands of the HKBAC.

The CAD does not have statistics on unsuccessful slot applications of GA/BA aircraft, nor do we have the relevant information on the airports of Macao and Shenzhen.

- (2) and (3)

As the HKIA is approaching its maximum capacity, we will consider ways of maintaining the number of movements of GA/BA aircraft as far as practicable. At the same time, we also need to take care of the increasing demand for runway slots arising from the growth of passenger and cargo flight services. In this connection, the AAHK and the CAD are exploring possible measures to enhance the capacity of the existing two-runway system. Reference will be made to the relevant practices of busy airports overseas where appropriate. Furthermore, the commissioning of 16 new parking stands for GA/BA aircraft at the HKIA at the end of this year is expected to enhance take-off and landing arrangements for GA/BA aircraft.

Annex

Slots Allocated to GA/BA Aircraft before and after the New Arrangement

	<i>Slots allocated to GA/BA aircraft (Daily average)</i>
January 2016	28
February 2016	28
March 2016	1 March to 14 March (before the implementation): 23 15 March to 31 March (after the implementation): 22
April 2016	22
May 2016 (as at 30 May)	24

MR JEFFREY LAM (in Cantonese): *President, it was mentioned in part (1) of the Secretary's main reply that the number of movements was maintained at around 8 000 to 9 000 over the past three years, but the number of hits has grown from 20 000 a day to 40 000 in the first week since the implementation of the new measure, showing how chaotic the situation was. Why was it that chaotic? It may be caused by unclear communication. As applications can only be made seven days ahead, users cannot make any arrangement in advance. In the past, email accounted for more than 75% of the applications; even some refinement has now been made, it just takes up around 50% only. Improvement is needed in this regard.*

Under the existing procedures, GA/BA users are required to go to the CAD, the AAHK and the HKBAC respectively to apply for runway slots and parking stands and to make reservation for ground services. It is really inconvenient for users to go through a three-step process for making one single request. Given the importance of efficiency nowadays, I would like to ask the Secretary: Will the CAD fully review the procedures, including the issues raised in my question, and make necessary co-ordination for the provision of one-stop service for users?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, Mr Jeffrey LAM is concerned about how to make good use of the runway slots we provide for GA/BA flights and whether one-stop service can be provided.*

As for the first point, as I mentioned in the main reply earlier, we allocated a daily average of over 20 slots over a period of time in the past. In fact, the actual number of slots available might be more, and there might be more than 30 slots not being allocated. Perhaps some of the slots were not favoured by GA/BA users. Yet, we hope to offer better support by all means with regard to the provision or allocation of runway slots with a view to making good use of our very precious slots.

As regards one-stop service, the three aspects of work are actually under the charge of the three different units currently. The CAD is responsible for handling applications for runway slots; the AAHK for handling parking stands; and ground services are under the charge of the HKBAC. Aircraft users are therefore required to submit applications to all three of them. Therefore, we share the sector's view about how the three aspects of work can be co-ordinated (namely the provision of one-stop service). The CAD is now consulting the sector and will definitely take this view into account, hoping to refine the provision of the services.

MR ANDREW LEUNG (in Cantonese): *President, commercial aircraft is actually essential to Hong Kong's competitiveness. In many large cities, a small airport is built alongside the airports for use by small aircraft. In fact, we see that the Shek Kong airfield is still in use, though the usage is minimal. Has the Government considered opening the Shek Kong airfield for civil aviation purpose amid the tight availability of slots?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Shek Kong airfield involves other issues and it will have an impact on neighbouring areas. At present, the Government will not consider opening the Shek Kong airfield for use by GA/BA aircraft. However, as I mentioned in the reply to Mr Jeffrey LAM's question, if we can make good use of the runway slots in the HKIA currently available to GA/BA flights to enhance the efficiency of the allocation mechanism and minimize the likelihood of runway slots "not being used", the usage rate can actually be enhanced significantly. In addition, as for parking stands, I said earlier that we have recently boosted the supply with the addition of 16 parking stands. Coupled with this, the room of service provision has been greatly enhanced.

MR ABRAHAM SHEK (in Cantonese): *President, as regards Mr Jeffrey LAM's question, the Secretary said that 20 slots are available for BA flights in Hong Kong a day, a figure even higher than the Heathrow Airport of London. I would like to tell the Secretary that there are three airports in London, so the number available in Hong Kong is smaller than that in the three-airport London, but this is not what my question is about. Facilitating BA flights is essential to the development of Hong Kong's economy, especially that of finance.*

President, my question is a simple one, which has been raised by Mr Jeffrey LAM but has not been answered by the Secretary. Since the implementation of the new practice on 15 March, many BA flights have not been allowed to take off or land at night, especially between 10 pm and 7 am. Does the Secretary have any way or is it possible for him to further increase the runway slots for that period of time?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): *President, we have also attempted to look into ways to offer more room for GA/BA flights under the existing runway slot arrangements, and our assumption is that they are more flexible than scheduled passenger and cargo flights.*

As Mr Abraham SHEK mentioned earlier, is it possible to increase the runway slots for BA flights at night or before the start of a day (that is before 8 am)? We have attempted to explore in this direction. Of course, a more fundamental concern is that we have to ensure that for whatever arrangements, the level of aircraft noise must comply with the statutory requirements. However, I believe that generally, not much noise is generated by GA/BA flights. Hence, we hope that by making reference to the practices in other places, we may make a breakthrough in this regard.

MR NG LEUNG-SING (in Cantonese): *President, we are pleased to see that the Government has done a lot of work in every respect, so it wins the reputation of the "most competitive region", which is announced every few years. Such international recognition is very important.*

At present, the number of runway slots available to GA/BA in the HKIA is certainly inadequate. To maintain Hong Kong's top position in global ranking on competitiveness, I would like to ask the Government: Regarding the need for

expedited construction of a three-runway airport, should the Government devote more efforts to inform the public of the demand for increased air transport capacity at an international airport, so as to win the support of all parties for the 3RS?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Mr NG is right in saying that runway capacity is the most important bottleneck in solving the problem of local airport capacity at root. Even though we increase the number of parking stands and ground service facilities, it is still no solution to this fundamental issue, so the 3RS is the only way out. At present, relevant statutory procedures have been completed. The AAHK will commence the project as soon as possible, and it has earlier announced the levy of the Airport Construction Fee starting 1 August.

As the 3RS is a colossal project involving reclamation of 650 hectares, an area half as large as the current Airport Island, and the reclamation project may take years to complete as we need to ensure the use of the most environmentally friendly approach, the AAHK knows that they cannot afford losing any time, but it still takes years to complete. Our past assessment put it at eight years, but we hope to demonstrate to the public that we are determined to take an environmentally friendly approach to proceed with the 3RS project expeditiously.

MR CHRISTOPHER CHEUNG (in Cantonese): *President, Mr Jeffrey LAM raised a point earlier about GA flights and inadequate parking stands. I would like to ask the Secretary: Will the Government factor that inadequacy into the ongoing project for constructing the third runway, so as to ensure that we will have enough parking stands for GA aircraft?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, under the 3RS, thanks to the additional runway, the runway capacity will be greatly enhanced, so will the space for movements. Furthermore, with the completion of the third runway, the number of freight and ground facilities as well as parking stands will increase significantly, so it will definitely be more convenient for GA/BA aircraft to take off or land in Hong Kong in the future, and more slots will then be available. However, as I pointed out in the reply to

another Member, despite the tight capacity nowadays, we manage to allocate a daily average of over 20 slots while 30 or so slots remain unallocated, possibly because such slots are not most favoured or some flights are cancelled in short notice but applications by GA/BA aircraft are not made in time. Therefore, we would examine how to make better use of the existing runway slots, and would seek to refine the system of slot allocation before the completion of the 3RS.

MR FRANKIE YICK (in Cantonese): *President, the Secretary mentioned in the main reply some of the measures under consideration, including "extension of the current time limit for GA/BA operators to make slot applications, which is now a maximum of seven days in advance". We all understand that if there are only seven days before one is assured that approval is granted for a commercial activity, it will cause great difficulties to business organizations. As the Bureau says the measure is under consideration, may I ask by how long it will be extended? When will it be implemented?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the CAD is now negotiating with different stakeholders to see how these precious runway slots can be allocated most conveniently. As for the period of application, we of course want to make the allocations in a planned manner rather than in a hasty way; on the other hand, we also understand related users' call for greater flexibility. Therefore, I hope to strike a balance between the two by all means. In addition, we have to follow the existing mechanism to minimize or prevent the snatching of slots by individual users or the situation where the applied slots are not used eventually. Hence, we need to take the review seriously.

Over a period of time in the past, the CAD and relevant stakeholders have been engaged in some rather careful examination and gathered a lot of views. Our approach is: first, we would seek to refine the allocation mechanism in a flexible manner; second, we would explore ways to make full use of the slots currently available and encourage the sector to use them as flexible as possible. For example, as Mr Abraham SHEK suggested earlier, we would examine whether some late-night or early-morning slots can be used more flexibly. We will take all these into consideration.

MR JEFFREY LAM (in Cantonese): *President, Mr Abraham SHEK mentioned the time of the runway slots. In fact, we should seek to achieve globalization nowadays. I also hope that we can learn more about the situation of other airports, not just in terms of their operation. Time zone difference is very important as well. If an aircraft is not allowed to take off between 10 pm and 7 am, which is the most important time slot for travelling to Europe, because it is impossible for us to take off at 9 am ...*

PRESIDENT (in Cantonese): Mr LAM, please make your supplementary question concise.

MR JEFFREY LAM (in Cantonese): *Okay. Otherwise, it will arrive in London at 3 am, but the airport there is not open until 6 am. Hence, the aircraft will have to circle around the airport for a period of time, which is not environmentally friendly at all.*

I would like to ask the Secretary: Will he expeditiously allow GA/BA aircraft to apply for the use of the aforesaid slots? This is essential to a financial centre. We cannot wait for its implementation in the future because the slot is sought after by a lot of aircraft nowadays. Can the Secretary keep the restriction to the minimum within half a year or three months?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as regards those slots which are subject to restrictions, the CAD and the AAHK are now proactively examining the issue by making reference to the practices of other international airports, such as the Heathrow Airport, which is attempting to do the same. However, we also need to ensure several points: first, the slots to be opened are convenient; and the use of all such slots will not result in non-compliance with environmental requirements and standards. Yet, we will fight for maximum room for manoeuvre. In view of the sector's great concerns about this matter, the AAHK and the CAD are dealing with it proactively. We hope that it will not take a long time for a proposal to emerge.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Regulation of Use of Tritium Self-luminous Exit Signs**

7. **MR ALBERT HO:** *President, under the Radiation Ordinance (Cap. 303), possession or use of tritium self-luminous exit signs (TES) requires a licence issued by the Radiation Board of Hong Kong (RBHK) unless an exemption has been granted. In reply to my question at the Council meeting of 27 March 2013, the Government advised that the United States Environmental Protection Agency (USEPA) had stated that TES were potentially hazardous and RBHK's licensing policy on "the justified use of tritium exit signs where the use of electrical power is not possible or feasible is well echoed by the USEPA". Nevertheless, I have learnt that there are other views that the Government should pay attention to. For instance, the International Atomic Energy Agency (IAEA) has classified TES containing up to 740 GBq. of gaseous tritium as category 5 (i.e. "most unlikely to be dangerous to the person"). Also, IAEA's guidelines on "Exemption from Regulatory Control of Goods Containing Small Amounts of Radioactive Material" have stated that (i) regarding TES, "the regulatory body should only concern itself with the risk from the tritium in normal use, in accidental conditions and following disposal" and it is "not within its competence to assess the more conventional risks such as those arising from broken glass following an accident or to take decisions on the basis of these risks", (ii) the justification relating to the use being a net benefit from the device concerned is "normally applied to a type of practice and therefore need not be applied to each and every application for authorization or candidate for exemption ... [and] the existence of a technical standard for a particular type of practice may often be taken to indicate that the type of practice is justified", (iii) "[t]he benefits from a practice could therefore be of many different types, not just possible saving of life or prevention of injury or illness, but also technical benefits, prevention of property damage, improvements in security or simply improvement in the quality of life", and (iv) the requirement for justification relates to there "being a net benefit from the particular type of device [while] to search for the best of all the available alternatives is a task that is beyond the responsibility of the regulatory body". Besides, the United States Nuclear Regulatory Commission (USNRC) has stated that (i) TES "serve an important safety function by marking exits to be used during power outages and emergencies", (ii) TES "pose little or no threat to public health and safety or security", and (iii) TES "are designed to be inherently*

safe so they can be used without the need for radiation training" and facilities do not need a specific licence to use TES. In this connection, will the Government inform this Council:

- (1) whether RBHK has considered the aforesaid views and practices of IAEA and USNRC; if so, of the details; if not, the reasons for that;*
- (2) as I have been told that since there is hardly any building requiring exit signs for emergency evacuation of its occupants is not supplied with electrical power, RBHK's current licensing policy on the justified use of TES where the use of electrical power is not possible or feasible is tantamount to a total ban on TES, of the types of buildings or premises that would be allowed to install TES under such policy; and*
- (3) of the buildings in Hong Kong in respect of which RBHK has issued licences for the installation of TES therein and the relevant details; if there is no such building, of the reasons for that?*

SECRETARY FOR FOOD AND HEALTH: President,

- (1) Tritium gas is a radioactive substance. Tritium exit sign is a self-luminous product illuminated by gaseous tritium light sources for the indication of the location of fire emergency exit. Currently, the Radiation Board (the Board) requires the use of tritium exit signs to be justified by the potential benefit of saving life and where the use of electrical power is not possible or feasible.

In formulating the policy on use of tritium exit signs, the Board considered that while the potential benefit of tritium signs is saving of life by providing illuminated indication of emergency egress routes in indoor premises, there exist the potential harm of increased risk of internal radiation exposure of the uninformed public by the leakage of tritium during their normal use, and potential internal radiation exposure of the public on breaking of signs because of accidents, acts of vandalism and losses or improper disposals. Another consideration is the availability of other types of luminaries

that do not contain radioactive substances such as Light-emitting diode and Compact Fluorescent Lamp type luminaries. As the licensing authority with the duty to protect public health from the potential deleterious effects of ionizing radiations, the Board has properly considered the availability of these alternatives in the overall balance between the risks and benefits of using tritium luminaries. Among other considerations, the Board's policy has also made reference to the regulatory practices in different countries and views from international organizations.

Apart from the United States Environmental Protection Agency (USEPA), the Board is also aware and has duly considered the discussion and views on the safety of tritium signs by the International Atomic Energy Agency (IAEA) and the United States Nuclear Regulatory Commission (USNRC) mentioned in the question. A consolidated summary is as follows:

- (i) The classification of tritium signs as "most unlikely to be dangerous to the person" (that is, Category 5) is based on the Safety Guide on "Categorization of Radioactive Sources" (Safety Guide) issued by the IAEA in 2005. However, the Safety Guide also pointed out that even if the radioactive sources (including tritium) are at the lower end of the categorization system, these sources could give rise to doses in excess of the dose limits if not properly controlled, and therefore it is still recommended to be kept under appropriate regulatory control. Besides, the categorization is only based on the immediate injuries that could be caused by a radioactive source when effective control on the source cannot be exercised. Possible delayed health effects on human body, for example, radiation induced cancers which is a secondary consideration, are not taken into account.⁽¹⁾ In this respect, the Board has considered that it is not adequate to solely base its consideration on the above categorization system of the IAEA for regulating the use of tritium signs.

(1) Please refer to Appendix II, in page 30 and 33 of the IAEA Safety Guide No. RS-G-1.9 on "Categorization of Radioactive Sources".

- (ii) Besides, although there are opinions from the USNRC that the tritium signs pose little or no threat to public health and safety of security and they are designed to be inherently safe, past incidents in the United States have shown that the safety of the signs could be compromised without much difficulty by tampering leading to the breakage of the tritium tubes inside the signs. These incidents of damaged signs had resulted in contamination of areas and risk of radiation exposures to the public.
- (iii) As for the publication "Exemption from Regulatory Control of Goods Containing Small Amounts of Radioactive Material", it is a technical document of the IAEA issued in 2012, which aimed to initiate discussion on the issues needed to be considered in relation to exemption from regulatory control and thus should not be taken as a guiding principle. In fact, the IAEA had issued in 2014 the General Safety Guide no. GSG-5 "Justification of Practices, Including Non-Medical Human Imaging" which stated that "alternative methods, not involving the use of radiation, of achieving the same or similar objectives may exist and should be taken into account when reaching a decision on justification."

In view of the aforesaid, the Board's policy has indeed taken into account the international guidelines promulgated by IAEA and the practice on the use of tritium signs in the United States including the relevant views of the USNRC and the USEPA, which are both legitimate regulatory bodies in the United States. The present policy of the Board on controlling the use of tritium signs is consistent with the relevant international guidelines of the IAEA and is commensurate to the potential harms of tritium signs.

- (2) The Board has provided specific guidelines about its policy on the use of tritium signs including the requirement that "supply of electricity is not possible or feasible". The guidelines are available in the website of the Board. It provides that the Board will carefully consider all factors based on the Principle of Justification, among which the possibility or feasibility of electrical power supply is one of the considerations. In doing so, the Board will consider relevant factors such as building structural constraints on installing

electrical wiring around the emergency exit; difficulty in using electricity due to special circumstances in places like tunnels, mines and quarries or locations where inflammable or explosive gas is present.

- (3) Persons applying for use of tritium signs should provide reasons and necessary information, with supporting documentation to the Board, of the use of tritium signs for the proposed location of installation. The Board will consider each application based on the information provided against the Board's policy on use of tritium exit signs. Some approved applications in the past include the installation of tritium signs at premises with the possible presence of inflammable vapour and the installation of tritium signs at moveable partitions. These cases had provided sufficient evidence on substantiating the difficulty in the supply of electricity because of the risk of ignition of the inflammable vapour or of the structural constraint on installing electrical wiring respectively.

Lighting Systems in Vehicular Tunnels

8. **MR WU CHI-WAI** (in Chinese): *President, at present, high pressure sodium (HPS) lamps are widely used in the lighting systems in the vehicular tunnels in Hong Kong. On all of the occasions when the Panel on Transport of this Council discussed the replacement of the lighting system in the Kai Tak Tunnel at its meeting held on 12 May last year, and other committees discussed lighting systems in vehicular tunnels, officials from the Electrical and Mechanical Services Department (EMSD) said that a research on the supply and performance of light emitting diode (LED) lights available on the market (the research) had been conducted, and the findings of the research indicated that there were only a few suitable models of high-wattage LED lights available and their prices were significantly higher than those of HPS lamps, and hence EMSD would not recommend a switch to high-wattage LED lights. Moreover, officials from the Highways Department (HyD) stressed that although LED road lights had better colour rendering and higher reliability than HPS lamps, their cost-effectiveness was low as the prices of LED road lights meeting the necessary certifications (such as certifications for lighting tests as well as product safety and protection) were very high. Nonetheless, HyD commenced a trial scheme in 2009, under which a total of 171 LED road lights were installed in seven districts for*

performance testing (the trial scheme). The findings of the trial scheme reached the same conclusion. Regarding the lighting systems in the vehicular tunnels in Hong Kong, will the Government inform this Council:

- (1) of the following information of the various government vehicular tunnels: (i) the length of the tunnels, (ii) the number of HPS lamps therein, (iii) the commissioning dates of the lighting systems, (iv) the annual electricity expenditure on tunnel lighting and annual expenditure on the repair and maintenance of tunnel lighting devices in the past three years, and (v) the names of the companies responsible for the repair and maintenance of the lighting systems and the relevant contract values (set out the information by tunnel name);*
- (2) given that it is learnt that there have been success cases in overseas where LED lights are used for lighting in tunnels over 10 kilometres in length, but the authorities have not conducted any on-site test of the effectiveness of LED lights in vehicular tunnels so far, how the authorities have reached the conclusion that there are insufficient justifications at the present stage for supporting the use of LED lights for tunnel lighting;*
- (3) whether EMSD and HyD have compared the life expectancies, energy efficiencies and costs of LED lights and HPS lamps when conducting respectively the aforesaid research and trial scheme; if they have, of the outcome;*
- (4) whether EMSD and HyD had commissioned consultants through open tender processes when they conducted the aforesaid research and trial scheme respectively; if they had, of the relevant information, including the names of the successful bidders, the specific dates on which the consultants worked and the relevant contract values;*
- (5) of the latest progress of the replacement of the lighting system in the Kai Tak Tunnel, including whether the tender process has completed, the name of the successful bidder, the energy-saving requirements (e.g. the type of lights required to be used) in the contract concerned and the contract value; and*

- (6) *given that HyD has said that it installed 54 LED lights in certain tunnels in 2015-2016, of the names of these tunnels and the installation points of these LED lights?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the various parts of Mr WU Chi-wai's question is as follows:

- (1) The length of various government vehicular tunnels, the number of high pressure sodium (HPS) lamps therein, the commissioning dates of the lighting systems and the details of the tunnel operators are tabulated at the Annex.

At present, the electricity charges of government vehicular tunnels are borne by tunnel operators; and the responsibility of repairing and maintaining the lighting facilities of the tunnels also lies with the operators concerned. Since there are no separate electricity meters in the tunnels to record the electricity expenses for individual systems and that the repair and maintenance cost of the lighting facilities are included in the overall daily expenses of the operators without any detailed breakdown, the Government is not able to provide the annual electricity expenses on lighting of government vehicular tunnels nor any figures on the repair and maintenance expenses of individual lighting systems.

- (2) The Electrical and Mechanical Services Department (EMSD) notes that there are tunnels in which lighting emitting diode (LED) lights are used in overseas countries such as Norway in the northern Europe. The operating environment of tunnels in overseas countries may not be similar to that in Hong Kong. The EMSD points out that the performance of LED lights varies under different operating environments, which may affect the stability and reliability of LED lights. For instance, the performance of LED lights is stable and effective under normal setting. However, given that certain spots in the vehicular tunnels of Hong Kong will likely be at a higher ambient temperature, using LED lights inside these tunnels may jeopardize safe tunnel operations. As such, the EMSD does not consider that there are sufficient grounds for determining whether it is suitable to widely use LED lights at vehicular tunnels at the present stage. To ascertain the performance of LED lights inside vehicular tunnels in Hong Kong, the EMSD will, when

replacing the tunnel lighting system of the Kai Tak Tunnel (KTT), install different types of LED lights at designated locations inside KTT for evaluation purpose.

- (3) The Highways Department (HyD) has been monitoring the development of new energy-saving lighting facilities and exploring their applications in Hong Kong. Since 2009, the HyD commenced a trial scheme to install low- and medium-wattage LED road lights on normal roads, and has been closely monitoring the performance of an accumulative total of 171 LED road lights installed under the trial scheme in seven districts (that is, the Eastern, Wan Chai, Kowloon City, Kwun Tong, North, Sai Kung and Sha Tin districts). The findings of the trial so far have confirmed that low- and medium-wattage LED road lights had better colour rendering and higher reliability than low- and medium-wattage HPS lamps (which are now widely adopted in Hong Kong), but their cost-effectiveness is relatively lower as the prices of low- and medium-wattage LED road lights meeting the necessary certification (such as lighting test, safety and protection certification) are very high. Although the prices of low- and medium-wattage LED road lights have dropped significantly under the latest market situation, they are still higher than those of low- and medium-wattage HPS lamps. Furthermore, despite the merits of energy saving due to better colour rendering, the savings of electricity cost from using low- and medium-wattage LED road lights within their expected life cannot offset the increase in cost due to their application. Therefore, at present, the cost-effectiveness of low- and medium-wattage LED road lights is not significant enough to justify their common application. In light of the design and technology developments of low- and medium-wattage LED road lights, the HyD will continue with the trial scheme, and closely monitor latest developments.

Regarding high-wattage LED road lights, only a few models of high-wattage LED road lights are now available in the market, and they are far more expensive than high-wattage HPS lamps. Trial of high-wattage LED road lights is therefore not considered justifiable at the moment.

Regarding the use of LED lights inside vehicular tunnels, the EMSD indicated at the meeting of the Legislative Council Panel on Transport on 12 May 2015 that it had gathered market information

from contractors and suppliers to have a good grasp of the supply and the performance of LED lights in the market. As mentioned in part (2) of the reply above, in order to explore the feasibility of using LED lights in vehicular tunnels (including their stability and reliability), the EMSD will install LED lights of different types at designated locations inside KTT during the replacement of its tunnel lighting system for evaluation purpose.

- (4) The HyD has been utilizing internal resources and has not employed external consultants to conduct the study on LED road lights.

When the EMSD replaces the tunnel lighting system of KTT, the responsible contractor will also install various types of LED lights at designated locations inside KTT for evaluation purpose. The EMSD will be responsible for the evaluation work.

- (5) The Government consulted the Legislative Council Panel on Transport on the replacement of tunnel lighting system of KTT in May 2015 and plans to apply for funding from the Finance Committee of the Legislative Council on 3 June 2016. The EMSD has completed the preliminary site investigation works. Subject to the funding approval from the Finance Committee in the second quarter of this year, the EMSD will prepare the tender documents and conduct a tender exercise for the project in early 2017, and the replacement project is expected to be completed in the third quarter of 2019. The relevant contract will set out the requirements on the types of lights to be used (including the different types of LED lights to be installed at designated locations for evaluation purpose). Information on the contract value is not yet available at present.
- (6) The 54 LED lights installed by the HyD in 2015-2016 as mentioned in the question are installed at an underpass, not a tunnel. The two differ in length, design and the environment where they are situated, and therefore have different lighting requirements. Compared with tunnels, the lighting requirements of underpasses are relatively simple. In mid-2015, the HyD installed, as a trial, 54 LED lights at the top central part of an underpass on Wong Chu Road in Tuen Mun to replace the original aged HPS lamps.

Annex

<i>Name of Tunnel</i>	<i>Length (km)</i>	<i>Number of HPS Lamps in the Tunnel (Bracketed figures are the wattage and number of lamps)</i>	<i>Commissioning Date of the Lighting System</i>	<i>Name of Tunnel Contractor</i>
1. Cross Harbour Tunnel	1.9	232 sets (250w x 2) 51 sets (150w x 2) 64 sets (150w x 1)	2007	Serco Group (HK) Limited
2. Aberdeen Tunnel	1.9	370 sets (400w x 1) 66 sets (250w x 1) 152 sets (100w x 1)	2015	Transport Infrastructure Management Limited
3. Kai Tak Tunnel	1.3	688 sets (400w x 2) 107 sets (400w x 1) 90 sets (250w x 2) 210 sets (250w x 1)	1982	Greater Lucky (HK) Company Limited
4. Lion Rock Tunnel	1.4	352 sets (400w x 2) 80 sets (250w x 2)	2003	
5. Shing Mun Tunnels	2.6	784 sets (400w x 2) 1 228 sets (250w x 2) 564 sets (100w x 2)	1990	
6. Tseung Kwan O Tunnel	0.9	342 sets (400w x 2) 324 sets (150w + 400w) 524 sets (150w x 2)	1990	

Temporary Storage in Shenzhen of Frozen Meat from Overseas Before Delivery to Hong Kong

9. **DR HELENA WONG** (in Chinese): *President, the Food and Environmental Hygiene Department (FEHD) and the Shenzhen Entry-Exit Inspection and Quarantine Bureau signed a cooperation agreement in Shenzhen on 27 April this year, under which frozen meat/poultry (collectively known as "frozen meat") intended to be imported into Hong Kong from overseas would be allowed to be stored temporarily in Qianhaiwan Bonded Port Area (QBPA) of Shenzhen before its importation into Hong Kong in batches. In this connection, will the Government inform this Council:*

- (1) *why it allows frozen meat intended to be imported into Hong Kong from overseas to be stored temporarily in QBPA;*
- (2) *whether the authorities have consulted the relevant sectors before signing the aforesaid agreement; if they have, of the views so obtained; if not, the reasons for that;*
- (3) *according to the assessment of the authorities, whether the wholesale and retail prices of frozen meat in the local market will come down as a result of the implementation of the aforesaid arrangement; if the assessment outcome is in the affirmative, of the details;*
- (4) *whether the authorities have projected, for the period between 2016 and 2018, the average daily quantity of frozen meat (in tonnes) to be imported into Hong Kong which has been temporary stored in QBPA, and the percentage of such quantity in the average total daily quantity of frozen meat to be imported into Hong Kong; and*
- (5) *whether the authorities will deploy staff to regularly inspect the storage of frozen meat intended to be imported into Hong Kong in the cold stores located in QBPA, including the conduct of sampling tests to examine if the frozen meat meets the relevant hygiene standards as prescribed in Hong Kong legislation; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the various parts of the question is given below:

- (1) and (2)

Since 2012, some importers of frozen meat and cold store operators had been liaising with the Government about the inadequate availability of cold stores in Hong Kong to meet the demand of the trade. In view of the growth in frozen meat imports, there were suggestions that frozen meat destined for Hong Kong from overseas be stored temporarily in the Qianhaiwan Bonded Port Area of Shenzhen (QBPA) for subsequent delivery to Hong Kong by

batches. Following consultation with the trade and the relevant Mainland authorities, the Food and Environmental Hygiene Department (FEHD) and the Shenzhen Entry-Exit Inspection and Quarantine Bureau, on the premises that food safety is upheld, entered into a co-operation agreement in April 2016. Under the agreement, frozen meat destined for Hong Kong from overseas may be stored temporarily in QBPA for subsequent delivery to Hong Kong by batches. This would enable the trade to leverage on the cold storage facilities available in Qianhai to cater for their business and development needs.

This arrangement is intended to provide the trade with an added option for storage of frozen meat. It helps to facilitate trade and intensify the co-operation between the Mainland and Hong Kong in inspection, quarantine and business development, without compromising any of the existing statutory requirements for or food safety standards on imported food. Same as the arrangement for frozen meat directly imported into Hong Kong, when the frozen meat that has been temporarily stored in Qianhai arrives in Hong Kong, the consignment must be accompanied by a health certificate issued by an issuing entity from the place of origin recognized by the Director of Food and Environmental Hygiene. The FEHD will brief the trade in late June 2016 before rolling out the new arrangement.

(3) and (4)

The new arrangement is introduced in response to market demand and intended to provide the trade with an added option. The extent to which the trade would utilize the arrangement is a commercial decision of individual operators. The Government is not minded to intervene. Nor are we in a position to project the utilization rate.

(5) According to the co-operation agreement, the Mainland authorities will be responsible for inspection and quarantine of frozen meat transhipped through Qianhai, including monitoring the facilities and temperatures of registered cold stores in which the frozen meat is kept, thereby ensuring hygiene and safety. Besides, in line with the requirements on transhipped meat/poultry as provided under the

Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK), every consignment of frozen meat that had been stored in Qianhai, upon entry into Hong Kong, must be accompanied by the health certificate mentioned above and a transshipment certificate issued by the Qianhai authorities. The importer is also required to obtain an import licence from the FEHD.

The staff of the FEHD will regularly inspect the condition of the imported frozen meat that is kept in the cold stores within QBPA and bound for Hong Kong. In addition, lorries transporting the transhipped frozen meat cargoes from QBPA must enter Hong Kong via Man Kam To for inspection by the FEHD staff at the Man Kam To Food Control Office. The FEHD will take samples for testing on the risk-based principle. The FEHD's routine food surveillance programme adopts a risk-based approach, under which food samples (including frozen meat) are taken at the import, wholesale and retail levels for testing to ensure that they are in compliance with Hong Kong's statutory requirements and fit for human consumption.

Urban Renewal Authority's Special Measures for Owners and Tenants Affected by Proposed Chun Tin Street/Sung Chi Street Redevelopment

10. **MS CLAUDIA MO** (in Chinese): *President, last month, the Urban Renewal Authority (URA) announced the replanning of the Chun Tin Street/Sung Chi Street development project (the redevelopment project) and the implementation of one-off special measures (special measures) for domestic owner-occupiers (the owners concerned) affected by the project. Under those measures, URA will, within around three months, make offer to purchase the properties of the owners concerned at market prices and further provide a special Home Purchase Allowance (HPA) for those owners upon approval given by the Town Planning Board (TPB) for the redevelopment project later. The entire acquisition process may need to be delayed for a period of two years or more. It is learnt that some owners have queried that URA has replanned the redevelopment project, ostensibly for improving the traffic and pedestrian access of the redevelopment project in the future, but in actual fact to increase revenue by doubling the number of flats that may be built under the project from 150 to 310. In this connection, will the Government inform this Council:*

- (1) *given that as the owners concerned will not be entitled to the special HPA in the event that TPB ultimately does not approve the redevelopment project, those owners consider the special measures tantamount to requiring them to share the risk of the project with URA, whether the authorities knew and agreed to beforehand the implementation of the special measures by URA; if so, of the justifications for that;*
- (2) *whether it knows if URA adopted similar special measures for its redevelopment projects in the past; if URA did, of the details;*
- (3) *whether it will require URA to consider giving up implementing the special measures for the redevelopment project and reverting to the usual practice of employing surveyors to estimate the value of a notional replacement flat which is defined as a seven-year old flat of comparable size, situated in a similar locality and located at the middle floor with average orientation, and using the relevant estimated average price per square foot to calculate the amount of HPA payable for disbursing that allowance in one go to the owners concerned when making offer to purchase the relevant properties; and*
- (4) *given that URA will rehouse the tenants affected by the redevelopment project only after the project has been approved by TPB, whether there is any discrepancy between such an arrangement and the existing policy; whether the authorities have assessed if such an arrangement is reasonable; if they have assessed and the outcome is in the affirmative, of the justifications for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, with a view to improving the roads and pedestrian environment within the district and having considered the relevant planning merits and benefits to the community, the Urban Renewal Authority (URA) announced on 6 May 2016 (the commencement date) in a gazette notice in accordance with the Urban Renewal Authority Ordinance (the Ordinance) (Cap. 563) the commencement of the Chun Tin Street/Sung Chi Street redevelopment project KC-008(A) (the development scheme), which would include Chun Tin Street in the scope of redevelopment. Concurrently, the URA withdrew and terminated the project KC-008 commenced earlier on 16 January 2015 covering the same buildings (the original project). Based on

the URA's preliminary proposal, the development scheme will provide about 310 small to medium-sized residential units, approximately two times the number of residential units proposed in the original project, with commercial and retail facilities on the lower floors.

On the basis of the information provided by the URA, my reply to the four-part question is as follows:

- (1) Under normal circumstances, when the URA commences a development scheme in accordance with section 25 of the Ordinance, acquisition offers will only be made to owners after approval is given to the project concerned upon completion of the town planning procedures. Also, according to the URA's established acquisition and compensation policies, the acquisition offer will comprise the market value of the property concerned and a special allowance.

In view of the special circumstances of the development scheme, the URA Board has approved that one-off special measures be offered to the residents affected by the development scheme. Under the relevant arrangements, in consideration of their own circumstances and needs, the property owners may opt to sell their properties to the URA either in about three months' time after the commencement date of the project concerned (that is, 6 May 2016) without having to wait for the relevant project approval, or after the development scheme concerned is approved in accordance with the Town Planning Ordinance (the approval date).

In addition, the URA will pay after the approval date a special allowance to each owner who has sold his/her property to the URA. The amount of the special allowance is the total sum of the market value of the property and the applicable allowance(s) evaluated on the commencement date or the approval date of the development scheme, whichever is the higher, less the market value of the property already paid to the owner.

Under the arrangements of the above one-off special measures, whether the property owner chooses to sell his property in advance or after relevant approval of the development scheme is obtained, the

total acquisition price will be the same regardless of the owner's choice. The special measures will guard against any changes in the total acquisition price arising from fluctuations in the property market between the commencement date and the approval date of the development scheme.

- (2) It is the first time that the URA, after considering the relevant planning merits and benefits to the community, withdrew and terminated a redevelopment project launched earlier and commenced at the same time a new development scheme covering the same buildings. In view of the special circumstances of the said development scheme/project, the URA has formulated these appropriate one-off special measures, which will give the affected residents an alternative option to sell their properties before approval of the development scheme is obtained. The said special measures will apply only to this development scheme and should not be treated as a precedent that can be applied to any other existing or future URA redevelopment projects/development schemes.
- (3) In view of the special circumstances of the project, the above one-off special measures are offered to the affected owners as an alternative allowing them to receive the market value of their properties earlier, but not as a replacement of the established acquisition and compensation policy or the calculation method of Home Purchase Allowance.
- (4) The URA can only handle the compensation and rehousing matters for tenants after all the acquisition procedures are completed and the relevant property titles are obtained. Under the development scheme, compensation and rehousing arrangements for tenants will still be made in accordance with the existing policy.

After promulgation of the development scheme, the URA has conducted briefing sessions to explain to the affected residents the development scheme and the related compensation arrangements, including the above one-off special measures. The URA will maintain close liaison with them to ease their concerns.

Financial Situation of Self-financing Post-secondary Institutions

11. **MR CHRISTOPHER CHUNG** (in Chinese): *President, the Centennial College, a self-financing post-secondary institution established by the University of Hong Kong in 2012, offers self-financing undergraduate programmes. It has been reported that due to a continuous decline in local student population in recent years, coupled with the requirement of the Mainland authorities that Hong Kong's self-financing post-secondary institutions authorized to award degrees should not commence their enrolment of Mainland students and the related publicity work before formal approval has been granted by the State Ministry of Education, the Centennial College has been experiencing poor student enrolment over the years and facing financial difficulties (e.g. its fiscal deficit in 2014-2015 was more than \$13 million) as a result. In this connection, will the Government inform this Council:*

- (1) *whether it knows the total number of places and the total enrolment of the self-financing post-secondary programmes offered by various self-financing post-secondary institutions in Hong Kong in the current school year; the projected number of school-age students enrolling in universities or post-secondary institutions in each of the coming five school years (set out in a table);*
- (2) *whether it knows the number of self-financing post-secondary institutions which are now having a deficit; whether the authorities have measures in place to help such institutions address their financial difficulties, so as to prevent them from closing down one after another and thus affecting the studies of the students concerned;*
- (3) *given that at present, eight local self-financing post-secondary institutions, including the Centennial College, have not been granted formal approval by the State Ministry of Education, whether the authorities will help these institutions obtain formal approval expeditiously, so that the work for enrolment of Mainland students may commence; and*
- (4) *as it is learnt that at present, the academic qualifications attained by Mainland students upon completion of the programmes offered by the eight local self-financing post-secondary institutions may not*

necessarily be recognized by the relevant parties on the Mainland, thus wasting the students' time and money studying the programmes, whether the authorities have grasped the situation; if they have, whether they have taken any follow-up action?

SECRETARY FOR EDUCATION (in Chinese): President, all along, the Government has been striving to provide secondary school leavers with flexible and diversified articulation pathways with multiple entry and exit points through promoting the quality and sustainable development of the publicly-funded and self-financing post-secondary education sectors. Looking ahead, we anticipate a shrinking population in the relevant age cohort for post-secondary education. The Education Bureau exchanges views with self-financing post-secondary institutions from time to time on their future development and has cast repeated reminders to them on the need to consolidate their post-secondary programmes in terms of both quality and quantity in view of the decline in the number of secondary school leavers.

My reply to the questions raised by Mr Christopher CHUNG is as follows:

(1) and (2)

We envisage that the number of local secondary school leavers will decrease from about 52 100 in the 2016-2017 academic year to about 43 500 in the 2020-2021 academic year (see Annex A).

Based on the information provided by the self-financing post-secondary institutions, the estimated and actual student intakes of self-financing post-secondary programmes for the 2015-2016 academic year are set out in Annex B.

Operating on a self-financing basis, self-financing post-secondary institutions are not required to report to the Education Bureau their financial positions under normal circumstances. For existing borrowing institutions which have been granted loans under the Start-up Loan Scheme for building campuses, if they have proven financial difficulties, they may apply for an extension of loan repayment period from no more than 10 years to no more than 20

years. In addition, the Government has launched a total of six rounds of Matching Grant Scheme so far to help local post-secondary institutions (including eligible local degree-awarding self-financing post-secondary institutions) to diversify their funding sources. Eligible self-financing post-secondary institutions altogether raised \$529 million in private donations and a total of \$444 million matching grants were allocated upon the completion of the sixth round in July 2014.

(3) and (4)

At present, there are eight higher education institutions with degree-awarding powers in Hong Kong (namely Hang Seng Management College, Caritas Institute of Higher Education, Centennial College, Tung Wah College, Technological and Higher Education Institute of Hong Kong, Hong Kong Nang Yan College of Higher Education, HKCT Institute of Higher Education and Gratia Christian College) which have not been permitted by the Ministry of Education to recruit Mainland students. The Education Bureau has been following up with the Ministry on issues relating to student recruitment and recognition of qualifications.

Annex A

Estimated number of local secondary school leavers
from the 2016-2017 to 2020-2021 academic years^{Note}

<i>Academic year</i>	<i>2016-2017</i>	<i>2017-2018</i>	<i>2018-2019</i>	<i>2019-2020</i>	<i>2020-2021</i>
Estimated number of local secondary school leavers	52 100	51 700	48 100	45 600	43 500

Note:

Figures cover government, aided, caput and Direct Subsidy Scheme schools only.

Annex B

Estimated Intakes and Actual Intakes of Full-time Locally-accredited
Self-financing Post-secondary Programmes for the 2015-2016 Academic Year

<i>Institution</i>	<i>Estimated Intakes[#]</i>			<i>Actual Intakes</i>		
	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>
Caritas Bianchi College of Careers	270	-	-	162	-	-
Caritas Institute of Community Education	296	-	-	88	-	-
Caritas Institute of Higher Education	300	360	345	174	283	121
Centennial College	-	440	320	-	75	62
Chu Hai College of Higher Education	-	1 030	-	-	169	-
City University of Hong Kong — Community College of City University	2 500	-	-	3 299	-	-
City University of Hong Kong — School of Continuing and Professional Education	-	-	1 930	-	-	1 110
Gratia Christian College	-	180	-	-	51	-
Hang Seng Management College	-	1 282	215	-	1 071	136
HKCT Institute of Higher Education	-	25	25	-	0	8
HKU SPACE Po Leung Kuk Stanley Ho Community College	1 900	-	-	1 177	-	-
Hong Kong Art School (a division of Hong Kong Arts Centre)	80	65	-	42	36	-
Hong Kong Baptist University	180	-	90	155	-	83

<i>Institution</i>	<i>Estimated Intakes[#]</i>			<i>Actual Intakes</i>		
	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>
Hong Kong Baptist University — College of International Education	1 700	-	810	1 677	-	671
Hong Kong Baptist University — School of Continuing Education	113	120	550	56	126	196
Hong Kong College of Technology	375	-	-	207	-	-
Hong Kong Institute of Technology	300	100	191	215	13	138
Hong Kong Nang Yan College of Higher Education	90	120	80	12	25	13
Hong Kong Shue Yan University	-	1 283	-	-	1 337	-
Lingnan University — Community College at Lingnan University	210	-	-	154	-	-
Lingnan University — Lingnan Institute of Further Education	470	-	-	345	-	-
SCAD Foundation (Hong Kong) Limited	-	300	-	-	115	-
School of Continuing and Professional Studies, The Chinese University of Hong Kong	1 400	-	455	1 074	-	220
The Education University of Hong Kong (formerly the Hong Kong Institute of Education)	126	379	139	115	288	131
The Hong Kong Polytechnic University	-	-	550	-	-	500
The Hong Kong Polytechnic University — Hong Kong Community College	3 640	-	-	3 713	-	-

<i>Institution</i>	<i>Estimated Intakes[#]</i>			<i>Actual Intakes</i>		
	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>	<i>Sub-degree</i>	<i>First-year-first degree[^]</i>	<i>Top-up Degree</i>
The Hong Kong Polytechnic University — School of Professional Education and Executive Development	-	-	1 515	-	-	1 306
The Hong Kong University of Science and Technology	-	45	-	-	48	-
The Open University of Hong Kong	240	1 810	1 256	238	1 860	1 381
The Open University of Hong Kong — Li Ka Shing Institute of Professional and Continuing Education	1 200	45	150	780	20	13
The University of Hong Kong — HKU SPACE Community College	3 500	-	-	2 719	-	-
The University of Hong Kong — HKU School of Professional and Continuing Education	-	120	731	-	60	486
Tung Wah College	150	710	305	107	363	118
Vocational Training Council	3 530	930	2 705	3 002	761	2 172
Yew Chung Community College	60	-	-	107	-	-
YMCA College of Careers	90	-	-	37	-	-

Notes:

[^] Including the subsidized places under the Study Subsidy Scheme for Designated Professions/Sectors.

[#] Estimated intakes provided by the institutions may not be their planned intakes or maximum intakes.

- No such programmes offered by the institutions.

Subjecting Certain Staff Members to Increment Freeze Policy by Hospital Authority

12. **PROF JOSEPH LEE** (in Chinese): *President, quite a number of staff members of the nursing and allied health grades have complained to me that nurses and allied health professionals employed by the Hospital Authority (HA) on or after 15 June 2002 will not be granted an annual increment within the first two years following their promotion (increment freeze policy). However, prior to the implementation of such policy, staff members of such grades were entitled to an annual increment provided that their salaries had not reached the maximum pay points and their performance was satisfactory. These staff members are of the view that such policy is extremely unreasonable and has even led to the situation of different pay for the same work, hence seriously affecting their morale. In this connection, will the Government inform this Council if it knows:*

- (1) *the number of staff members of the nursing and allied health grades employed by HA on or after 15 June 2002 and, among them, of the number of staff members who have been affected by the increment freeze policy, broken down by their grade, year of entry and year of promotion;*
- (2) *the justifications for HA to implement the increment freeze policy; whether such policy is applicable to staff members in the nursing and allied health grades employed before 15 June 2002; if it is not, whether HA has assessed if such policy has created the problem of different pay for the same work;*
- (3) *whether HA will consider abolishing the increment freeze policy so as to boost staff morale; if HA will, of the total expenditure involved and the implementation timetable; if not, the reasons for that; and*
- (4) *regarding those staff members of the nursing and allied health grades who have been affected by the increment freeze policy, whether HA will consider making back payments to them to compensate for their loss of salary income as a result of the implementation of such policy; if HA will, of the total expenditure involved and the implementation timetable; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the various parts of the question raised by Prof Joseph LEE on matters relating to the increments received by the Hospital Authority (HA) staff is as follows:

- (1) As at 31 March 2016, the number of nurses and allied health professionals employed by the HA on or after 15 June 2002 was 11 172 and 3 655 respectively. Among them, 367 nurses and 617 allied health professionals were granted the increment after the first two years following their promotion. The table below sets out the respective number of such staff, with a breakdown by grade, year of entry and year of promotion:

Grade	Year of entry	Year of promotion								Overall
		2009	2010	2011	2012	2013	2014	2015	2016*	
Nurse	2002	0	1	2	1	5	4	9	0	22
	2003	0	2	9	12	28	20	29	3	103
	2004	0	0	0	3	10	12	23	5	53
	2005	0	0	0	2	3	11	20	4	40
	2006	0	0	0	1	1	2	12	2	18
	2007	0	2	2	0	2	5	15	3	29
	2008	0	1	3	4	3	4	4	3	22
	2009	0	1	5	3	9	5	1	1	25
	2010	0	0	3	3	4	3	4	0	17
	2011	0	0	0	3	6	1	3	0	13
	2012	0	0	0	1	1	3	4	0	9
	2013	0	0	0	0	0	3	5	1	9
	2014	0	0	0	0	0	0	5	1	6
	2015	0	0	0	0	0	0	0	1	1
Total		0	7	24	33	72	73	134	24	367
Allied Health Professional	2002	0	0	8	4	3	3	1	1	20
	2003	0	1	8	3	4	3	2	1	22
	2004	0	0	4	5	5	4	5	0	23
	2005	3	2	9	12	14	10	6	1	57
	2006	0	2	5	10	14	16	8	1	56
	2007	0	4	3	6	11	11	22	5	62

Grade	Year of entry	Year of promotion								Overall
		2009	2010	2011	2012	2013	2014	2015	2016*	
	2008	1	2	15	9	9	29	20	3	88
	2009	0	0	4	14	9	9	32	8	76
	2010	0	0	4	2	17	10	10	5	48
	2011	0	0	0	5	11	29	11	3	59
	2012	0	0	0	2	6	14	22	3	47
	2013	0	0	0	0	3	9	17	20	49
	2014	0	0	0	0	0	1	7	0	8
	2015	0	0	0	0	0	0	2	0	2
Total		4	11	60	72	106	148	165	51	617

Note:

* From 1 January 2016 to 31 March 2016

- (2) As a public organization, the HA adjusts the terms of employment of its staff from time to time having regard to the subvention mechanism and market situation. The existing policies on increment upon employment and promotion were decided by the HA after considering factors such as resource utilization and management of staff performance at that time. As the HA will not unilaterally vary the terms and conditions of employment of its existing staff, nurses and allied health professionals employed before 15 June 2002 will maintain their original terms of employment.

- (3) and (4)

The HA will review the remuneration of its staff from time to time and aims to improve their remuneration under limited resources in accordance with the principle of the HA's service priority. The HA is considering a review of the above-mentioned policy on increment upon promotion. As the review is still at a preliminary stage, we cannot provide information regarding the scope of the review, its detailed timetable and expected expenditure involved for the time being.

Government's Support for Large-scale Skills Competitions

13. **MR KWOK WAI-KEUNG** (in Chinese): *President, the Chief Executive stated in his 2016 Policy Address that the Government supports "major vocational and professional education and training providers to organize large-scale skills competitions to select representatives of Hong Kong to take part in world skills competitions". In this connection, will the Government inform this Council:*

- (1) *of the large-scale skills competitions to be organized by vocational and professional education and training providers in the coming five years which the authorities plan to support, with a breakdown by occupation; the respective modes of support and estimated amounts of subsidies involved; and*
- (2) *given that at present, quite a number of large-scale skills competitions organized or co-organized by trade unions are highly regarded by the relevant sectors (e.g. the Chinese Cross-straits Fashionable Hairstyling and Make-up Competition, the Hong Kong and Macau Professional Cooking Competition and the Hong Kong Welding Vocational Skills Competition), whether the Government will consider giving full support to these skills competitions, e.g. by providing subsidies, assisting in their publicity, providing free venues for holding such competitions and sending officials of policy bureaux to attend the activities concerned; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President, in June 2014, the Government set up the Task Force on Promotion of Vocational Education (Task Force) with a view to mapping out a strategy to promote vocational education and training in the community. The Task Force submitted its report to the Government in July 2015 recommending a three-pronged strategy with a total of 27 recommendations. One of the recommendations was that the Government should continue to support major providers of vocational and professional education and training (VPET) in organizing large-scale skills competitions to showcase VPET students' achievement and provide interactive activities for secondary school students' experience, or even consider bidding for the hosting of such competitions in Hong Kong in due course with a view to raising public awareness of the professionalism of VPET and related industries as well as

enhancing the skill level of local talent. In the 2016 Policy Address, the Chief Executive announced that the Government accepted all the recommendations of the Task Force and would actively consider how to implement them.

My reply to various parts of the question raised by Mr KWOK is as follows:

- (1) The Government has supported VPET providers in organizing skills competitions by providing subsidies, assisting in promotion, and/or sending officials to attend such activities, and so on. In response to the recommendations of the Task Force, in the coming five years, the Government is expected to continue supporting major VPET providers in organizing large-scale skills competitions, including the WorldSkills Hong Kong Competition, covering a wide range of industries such as Manufacturing and Engineering, Information Technology, Arts and Fashion, Catering Services, Automotive Technology and Beauty Care, and so on. The means of support are expected to be the same as set out above and the amounts of subsidies involved are to be determined.
- (2) The Government understands that quite a number of skills competitions are organized or co-organized by trade unions and has offered support through various means as appropriate. For instance, senior government officials have attended the Award Presentation Ceremony of the Hong Kong and Macau Professional Cooking Competition and the Hong Kong Welding Vocational Skills Competition. Besides, the Qualifications Framework (QF) Secretariat under the Education Bureau was the supporting organization for the Hong Kong Welding Vocational Skills Competition 2016 and provided funding support for promotion. In addition, the Hong Kong and Macau Professional Cooking Competition and the Chinese Cross-straits Fashionable Hairstyling and Make-up Competition have been included as one of the designated learning activities for the Award Scheme for Learning Experiences under Hong Kong QF for the Catering and Beauty industries respectively since 2013. A total of seven awardees of the Beauty industry have participated in the Chinese Cross-straits Fashionable Hairstyling and Make-up Competition since 2013 and received prizes totalling HK\$210,000.

Looking ahead, the Government will consider whether and how to support the skills competitions in the light of their nature and scales, and so on.

Promotion of Animal Welfare and Prevention of Acts of Cruelty to Animals

14. **MR CHAN HAK-KAN** (in Chinese): *President, regarding the promotion of animal welfare and prevention of acts of cruelty to animals, will the Government inform this Council:*

- (1) *given that the Agriculture, Fisheries and Conservation Department, in conjunction with the Police, the Food and Environmental Hygiene Department as well as the Society for the Prevention of Cruelty to Animals (Hong Kong), set up a special working group in 2011 to enhance cooperation in handling cases of cruelty to animals, of the number of meetings held by the working group so far;*
- (2) *as I have learnt that at present only five police districts have set up designated Crime Investigation Teams to investigate suspected cases of cruelty to animals, whether the Government will consider setting up such kind of teams in all police districts; if it will not, of the difficulties encountered by the Police;*
- (3) *given that this Council passed the amendments to the Prevention of Cruelty to Animals Ordinance (Cap. 169) in 2006 to increase the penalty level of offences concerning cruelty to animals, but cases of animal abuse were still often heard of in recent years, whether the Government will reconsider introducing further amendments to Cap. 169 to increase the penalty level of such offences; if it will, of the legislative timetable;*
- (4) *whether it will consider establishing a system under which law enforcement departments may issue, to persons who are negligent in taking care of animals but the circumstances of their cases are not serious, "Care Enhancement Notices" ordering them to treat animals kindly;*

- (5) *whether it will reconsider enacting legislation to make it compulsory for persons convicted of animal cruelty offences to receive psychological counselling and attend courses on caring for animals;*
- (6) *whether it will consider amending existing legislation or enacting new legislation to permit specific eateries to allow customers to patronize the eateries together with their pet cats or dogs, and to subject such eateries to appropriate regulation, so as to improve animal welfare;*
- (7) *given that section 56 of the Road Traffic Ordinance (Cap. 374) stipulates that when an accident occurs whereby damage is caused to an animal, the driver of that vehicle shall stop and report the accident to the Police as soon as possible, but the animal referred to in that provision does not include dogs and cats, whether the Government will amend Cap. 374 or Cap. 169, in the hope that drivers will drive with more caution to avoid hitting and injuring cats or dogs, and cats and dogs injured after being hit by vehicles will be able to receive treatment as soon as possible; and*
- (8) *whether it will allocate more resources to animal welfare organizations with a view to stepping up the promotion of animal rights and interests in the territory?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, over the years, the Government has been adopting a multi-pronged approach to enhancing animal welfare and animal management. In order to enhance collaboration among government departments and organizations concerned in combating acts of cruelty to animals, the Agriculture, Fisheries and Conservation Department (AFCD), in conjunction with the Hong Kong Police Force (the Police), the Food and Environmental Hygiene Department and the Society for the Prevention of Cruelty to Animals (Hong Kong) (SPCA), set up in 2011 an inter-departmental special working group (the working group) for forging closer co-operation and mutual support in handling animal cruelty cases. In the same year, the Police, together with the AFCD, SPCA and veterinary associations, introduced the Animal Watch Scheme to strengthen efforts in tackling animal cruelty cases.

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

- (1) Since the establishment of the working group, relevant departments and organizations have maintained close liaison to discuss the handling of individual cases, formulate guidelines for improving efficiency in the detection and prevention of animal cruelty cases, and review the guidelines from time to time. In addition, the working group also organizes various training courses for relevant government officers to facilitate continuous enhancement of their understanding of animal welfare issues and skills in handling animal cruelty cases. It also keeps in view the level of penalty handed down by the Court for the purpose of considering whether a review of the relevant regulations is necessary. The AFCD has not kept figures on the number of meetings and discussions held by members of the working group.
- (2) On the enforcement front, reports of animal cruelty cases received by the Police will be taken up by the crime investigation teams in various districts which have sufficient experience and professional investigation skills to follow up cases of cruelty to animals. Depending on the manpower of police districts, the nature and the prevailing trend of cases, the Police may consider assigning cases to dedicated teams in the interest of ensuring comprehensive and focused investigation. This arrangement will allow the Police to flexibly deploy its limited resources, thereby enhancing the effectiveness of its efforts in combating acts of cruelty to animals.
- (3) Under the Prevention of Cruelty to Animals Ordinance (Cap. 169), any person who cruelly beats, kicks, ill-treats, over-rides, over-drives, overloads, tortures, infuriates or terrifies any animal, or by wantonly or unreasonably doing or omitting to do any act, causes any unnecessary suffering to any animal commits an offence and shall be liable on conviction to a fine of \$200,000 and imprisonment for three years. The Government updated and substantially increased the penalty levels in 2006 to strengthen deterrence. Since then, the heaviest sentence handed down by the Court for cases convicted under the Ordinance is imprisonment for 16 months. The Government believes that the current penalty level provides sufficient deterrence against acts of animal cruelty and has no plan to propose any amendments to further increase the penalty level.

- (4) The AFCD has been working closely with the Police and SPCA in handling animal cruelty cases. Depending on the investigation findings of individual cases, suggestions will be given to the carers concerned to rectify some of their minor acts of negligence in taking care of animals. Follow-up actions and inspections will also be carried out as appropriate.

The Government considers that public education on responsible pet ownership is most important for safeguarding and promoting animal welfare. To this end, the AFCD has established a dedicated team to devise, implement and fortify public education and publicity programmes for disseminating messages of caring for animals and responsible pet ownership.

In the past year, the AFCD launched a series of educational and publicity activities, including producing and broadcasting Announcements in the Public Interest on TV and radio; placing advertisements at cinemas, public transport, bus stops, magazines and websites; organizing promotional events in shopping arcades; regularly conducting village and community campaigns; holding talks in schools and housing estates; as well as conducting surveys on pet care. Our efforts on this front will continue.

- (5) The Government has no plan to amend the legislation to make it compulsory for persons convicted of animal cruelty offences to receive psychological counselling or attend courses on caring for animals. As the motives and underlying reasons for committing the offences vary in different cases, it may not be appropriate to require every person convicted of animal cruelty offences to receive mandatory psychological counselling.
- (6) To ensure food safety and public hygiene of food premises, the Food Business Regulation (Cap. 132X) stipulates that no person shall bring any dog onto any food premises (including kitchens, food rooms and indoor or outside seating accommodation of a restaurant) and no person engaged in any food business shall knowingly permit the presence of dogs in his/her food premises unless the dogs are guide dogs for visually impaired persons (except for food rooms) or performing statutory duties (for example, police dogs).

Animals can be a source of contamination of food and equipment as their hair, body and excreta may carry pathogens and parasites. Coexistence of humans and animals at the same premises will increase the risk of transmission of communicable diseases. Allowing dogs to enter food premises will pose higher health risk to customers therein, especially those who are physically weaker or more susceptible to infection. As such, the prohibition of dogs from entering food premises is needed from the perspective of food safety and public hygiene.

Hong Kong is a metropolitan city. There are diverse views among members of the public on whether pets should be allowed in public places (including food premises). The Government has to strike an appropriate balance between overall public interest and protection of animal welfare. We have no plan to amend the above requirements for the time being.

- (7) At present, section 56 of the Road Traffic Ordinance (Cap. 374) provides that the driver of a vehicle shall stop the vehicle when an accident involving that vehicle occurs whereby damage is caused to, among others, an animal. The driver is required to report the accident to the Police as soon as practicable. For the purpose of this provision, "animal" is defined as any horse, cattle, ass, mule, sheep, pig or goat.

The Subcommittee on Issues Relating to Animal Welfare and Cruelty to Animals under the Legislative Council Panel on Food Safety and Environmental Hygiene discussed the above issue at its previous meetings. In response to Members' comments, the Government has studied the practices adopted in various overseas places, including the United Kingdom, Singapore and New York. The relevant legislative provisions in Singapore and the United Kingdom are similar to section 56 of Cap. 374 in Hong Kong, except that their scope covers dogs as well. On the other hand, animals covered by the relevant legislation in New York include both dogs and cats.

In recent years, we have from time to time seen reports from the press and on the social media regarding incidents where dogs and cats are knocked down by vehicles, causing injuries to the animals or even deaths. In those cases where the vehicle drivers left without causing the animals to receive immediate treatment, this has given rise to public concern from the animal welfare angle. Taking into account the occurrence of such incidents, the public sentiment, and the practices adopted in other places, the Government is prepared to review the relevant legislation, with a view to bringing dogs and cats within the scope of section 56 of Cap. 374.

- (8) The AFCD has been working in close collaboration with a number of animal welfare organizations to promote animal welfare and better animal management, including providing funding for these organizations as long as resources permit. Currently, the AFCD provides funding support to nine animal welfare organizations. In this regard, the AFCD has set aside \$1.5 million in 2016-2017. Interested animal welfare organizations may submit their applications together with details of their animal welfare initiatives, and associated performance indicators as well as the estimated budget to the AFCD for consideration. Successful applicants are required to submit to the AFCD regular progress reports on their approved projects and audited accounts upon project completion for scrutiny so as to ensure the proper use of public money.

Publicity Videos on Directors of Bureaux

15. **MR FREDERICK FUNG** (in Chinese): *President, recently, quite a number of members of the public have relayed to me that they have seen, on franchised buses, a series of publicity videos on various Directors of Bureaux (D/Bs). For example, individual D/B and Deputy D/B displayed their cooking skills in the videos while another D/B rode a bicycle for a short journey to demonstrate the hard work he had put in. These members of the public consider that the contents of some of the publicity videos are frivolous and meaningless, which have nothing to do with the official duties of the D/Bs concerned, and that such videos are merely used as a means of soft promotion for D/Bs to blow their own trumpets in order to boost the reputation of D/Bs. Such members of the public also opine that instead of wasting public money in an attempt to use public*

relations tactics to cover up its incompetence in policy implementation, the Government should identify its deficiencies in policy implementation. In this connection, will the Government inform this Council:

- (1) of the respective policy bureaux or government departments (B/Ds) responsible for the production of various parts of the aforesaid publicity videos; the reasons for producing such publicity videos, and whether such reasons include the persistently low popularity ratings of the governing team of the Government of the current term; the purposes of producing such publicity videos, and whether such purposes include rebuilding the personal image of the D/Bs concerned;*
- (2) how various D/Bs had participated in conceptualizing the contents of the relevant publicity videos; whether it has reviewed if the contents of such publicity videos contain fictitious stories or exaggerated and misrepresented scenes;*
- (3) whether public relations firms or production companies have been hired for the purpose of producing the aforesaid publicity videos; if so, of the selection procedures and the names of the companies hired;*
- (4) of the various items of expenditures involved in the aforesaid publicity videos; the B/Ds the estimates of expenditure of which the said expenditures were paid from; how the authorities assess the effectiveness of such publicity videos;*
- (5) whether there is currently any plan to produce similar publicity videos for the Chief Executive (CE); if there is such a plan, of the reasons for and timetable of it, and whether it will shelve such a plan to avoid wasting public money and provoking criticism against CE for electioneering for his re-election; and*
- (6) whether the authorities will, in the light of the aforesaid public views, identify the deficiencies in policy implementation and listen carefully to public views to enhance its policy implementation, instead of producing publicity videos of the aforesaid nature; if they will not, of the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my reply to Mr Frederick FUNG's question is as follows:

The Government has all along attached great importance to communication with various sectors of the community. We maintain close liaison with the public through different channels with a view to keeping the community informed of the work and updates of various bureaux/departments (B/Ds), and at the same time, gauging public views for policy formulation and continual improvement in administration and service delivery. Apart from attending publicity activities conducted by the Information Services Department (ISD) and various B/Ds, Secretaries of Departments (SoDs), Directors of Bureaux (DoBs) and government officials will also, from time to time, meet with the media and accept media interviews to elaborate on policy initiatives and respond to matters of public concern, as well as to share their experience and insights so as to facilitate exchanges with the public.

Regarding the programme which the question refers to, it was produced by RoadShow, which wrote to various SoDs and DoBs early this year to invite their participation in interviews and filming for the production of an interview programme aiming to enhance public knowledge of SoDs and DoBs. SoDs and DoBs considered and decided on their own whether the invitation should be accepted.

The programme is not a publicity initiative arranged by the ISD. The relevant B/Ds were not involved in the planning of the programme and have not made any payment for it.

We will continue to maintain communication and connection with various sectors in the community to promote public policies and disseminate information to the public through various means.

Special Traffic and Security Arrangements During Visit of Dignitaries to Hong Kong

16. **DR KENNETH CHAN** (in Chinese): *President, the Chairman of the Standing Committee of the National People's Congress (the Chairman) visited Hong Kong from the 17th to the 19th of last month to attend the Belt and Road Summit and related activities. To ensure the personal safety of the Chairman*

and dignitaries of other countries participating in the Summit, the Police deployed substantial police manpower, and the Transport Department also made special traffic arrangements. Some members of the public have complained to me that the relevant arrangements involved the temporary closure of a number of roads and pedestrian facilities, which had greatly affected their daily living. In this connection, will the Government inform this Council:

- (1) of the details of the road sections or lanes closed off temporarily during the Chairman's visit to Hong Kong, including (i) the names of the roads involved, (ii) the numbers of road sections or lanes concerned, (iii) the dates, time and total numbers of hours of the closures, and (iv) the estimated number of vehicles affected (set out in a table by name of the road and road section);*
- (2) of the details of the pedestrian facilities (e.g. pedestrian crossings, footbridges and pedestrian subways) fully or partially closed off during the Chairman's visit to Hong Kong, including (i) the locations of the pedestrian facilities, (ii) the dates, time and total numbers of hours of the closures, and (iii) the estimated number of pedestrians affected; whether the authorities had announced the relevant arrangements and informed the management staff of the buildings nearby before closing off such pedestrian facilities; if they had, of the details; if not, the reasons for that;*
- (3) as it has been reported that the vehicle fleet of the Chairman had travelled in contravention of road markings and traffic signs, including driving in an opposite direction of the traffic and failing to stop in compliance with traffic light signals, whether such driving situations were part of the special traffic arrangements; if so, of the details, including (i) the number of times of driving in contravention of regulations and (ii) the relevant reasons, as well as (iii) the names of the roads and road sections involved; and*
- (4) of the number of police officers performing duties relating to the Chairman's visit to Hong Kong on each day of the visit, with a tabulated breakdown by the (i) region and (ii) operation unit to which they belong as well as by their (iii) rank and (iv) specific duty?*

SECRETARY FOR SECURITY (in Chinese): President, the Government's consolidated reply to Dr Kenneth CHAN's question is as follows:

Whenever national leaders or foreign dignitaries come to Hong Kong, the Police have the responsibility of taking appropriate security measures for their personal safety, and have to ensure that the meetings and other events to be attended by them will be conducted in a safe and orderly manner. The arrangement when Mr ZHANG Dejiang, Chairman of the Standing Committee of the National People's Congress (NPCSC), inspected Hong Kong between 17 and 19 May was no exception. In this connection, the Police had conducted comprehensive and professional risk assessments on factors including the situations of the international community, the Mainland and neighbouring areas, local circumstances, intelligence, the dignitary under protection and the events in which he would participate, and so on, and then adopted appropriate counter-terrorism security measures and deployment.

Chairman ZHANG stayed at a hotel in Wan Chai North while in Hong Kong. He attended the "Belt and Road Summit" at the Hong Kong Convention and Exhibition Centre (HKCEC), and went to Hong Kong Science Park, Tseung Kwan O and Sau Mau Ping to attend events. The Police have provided appropriate and necessary protection, including personal and traffic escort, in that period. On account of the relevant risk assessment and the actual situation at the time, the Police implemented temporary traffic diversions and intermittent traffic control measures along the route of the motorcade, as well as short-term crowd control measures on the adjacent walkways and crossing facilities. In putting such security measures in place, the Police not only strived to ensure the safety of the protected person, but also made every effort to minimize the impact on the public.

During the operation, police officers were deployed for on-scene guidance and assistance to pedestrians and road users. While adhering to the principle of not compromising the confidentiality of such security operation, the Police have assigned Police Community Relations Officers to liaise with the district organizations, business operators or units concerned to explain the special arrangements to be adopted during the security operation, with a view to minimizing any possible impact.

Only when there is security consideration shall the Police intermittently introduce necessary short-term traffic and crowd control measures. Prior to the implementation of the security measures and deployment in question, the Police held a press conference on 15 May to promulgate the arrangements of setting up security zones in Wan Chai North, which included closure of the HKCEC peninsula to the north of Convention Road from 0:00 hours of 18 May to 12 mid-night that followed. In addition, to tie in with the horse racing events at Happy Valley Racecourse on 18 May, the Police also introduced traffic diversions in the nearby areas of Causeway Bay and Happy Valley.

The security measures and deployment concerned were mainly conducted by the Operations Department, Crime and Security Department and other support units of the Police. As the actual security deployment is a matter of operation details, any disclosure of such details is undesirable, because it may let criminals get hold of the Police's operational strategies and details thereof, which may compromise the Police's law-enforcement capabilities.

Strategies on Information Technology in Education

17. **MR IP KWOK-HIM** (in Chinese): *President, the Education Bureau (EDB) launched the strategies on Information Technology (IT) in Education (ITEd strategies) in 1998 to provide schools with necessary IT facilities and digital resources for learning and teaching, and connect them to the Internet. In addition, EDB implemented Phase Two of the E-textbook Market Development Scheme (EMDS) in 2013 to encourage potential and aspiring developers to develop e-textbooks in line with the local curricula, and to try out a quality vetting and assurance mechanism for e-textbooks with a view to drawing up a Recommended Textbook List for e-textbook (e-RTL). However, currently only about 10% of primary schools and less than 20% of secondary schools in Hong Kong use e-textbooks. In this connection, will the Government inform this Council:*

- (1) *whether it has reviewed the effectiveness of ITEd strategies; if it has reviewed, of the outcome and the follow-up actions taken; if not, the reasons for that;*

- (2) *as some members of the education sector have pointed out that although WiFi infrastructure has been installed in various public schools, there are inadequate hardware (e.g. tablet computers and their chargers) and IT technicians to support e-learning, whether EDB will subsidize schools to purchase equipment necessary for e-learning and list the relevant expenses as a recurrent expenditure item, with a view to creating an environment conducive to e-learning for students; if EDB will, of the implementation timetable; if not, the reasons for that;*
- (3) *as some members of the education sector have pointed out that for many subjects, either none or very few textbooks have been placed under e-RTL, whether EDB has studied the reasons for publishers not actively developing e-textbooks; if EDB has studied, of the outcome; if not, the reasons for that; whether the authorities will consider providing incentives to encourage publishers to compile more e-textbooks;*
- (4) *as it has been reported that EDB has no intention to implement a new phase of EMDS, whether EDB has responded to such reports; if EDB has, of the details; if EDB plans to implement a new phase of EMDS, of the timetable; and*
- (5) *give that with smartphones becoming a major communication device in daily life, there is a keen demand for the skills of smartphone application programming, and some primary schools are therefore providing lessons to students on the basic knowledge in smartphone application programming, whether EDB will take the initiative to train teachers so that all secondary and primary school students in Hong Kong can acquire the relevant knowledge; if EDB will, of the implementation timetable; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President, in line with the global trend of harnessing Information Technology (IT) to facilitate learning and teaching, the Government has been implementing various strategies on IT in education and other e-learning initiatives since 1998-1999 school year. The achievements made and the experiences gained have contributed towards the formulation and implementation of the Fourth Strategy on IT in Education (ITE4) to different extents. The Education Bureau formally launched the ITE4 in

2015-2016 school year with the goal of unleashing the learning power of all our students to learn to learn and to excel through realizing the potential of IT in enhancing interactive learning and teaching experiences.

- (1) Under the ITE4, we have adopted a holistic approach in the formulation of six actions. One of the actions is sustaining the coherent development of IT in education. With a view to sustaining the impact of IT in education and fine-tuning the supporting measures of ITE4, we will conduct ongoing researches and evaluation studies, including school surveys, case study research and other methodologies, to gauge the progress and effectiveness of various e-learning initiatives.
- (2) Under the ITE4, we have disbursed to all public sector schools by phases from 2015-2016 school year an average of \$100,000 as one-off grant for acquisition of mobile computing devices, and also an extra recurrent grant of \$70,000 on average per school for subscription of Wi-Fi services and maintenance of mobile computing devices. Besides, we have been providing a recurrent Composite Information Technology Grant (CITG) to all public sector schools every year to meet the diversified needs of schools on e-learning. Under the principle of school-based management, schools can flexibly deploy their resources as appropriate to meet their operational needs for IT in education. Acquisition of computer facilities is also within the ambit of CITG. CITG levels are subject to annual adjustment in accordance with the movement of Composite Consumer Price Index. Since schools are still enhancing their Wi-Fi infrastructure by phases, we have no plan at this stage to further enhance the funding support for schools, but we will monitor the progress of implementation on an ongoing basis.

(3) and (4)

We launched two phases of the e-Textbook Market Development Scheme (EMDS) in 2012 and in 2013 respectively, with a non-recurrent funding of \$50 million to facilitate and encourage the participation of potential and aspiring e-textbook developers to develop a diverse range of e-textbooks in line with our local curricula; as well as to try out a quality vetting and quality assurance mechanism for e-textbooks through the field-testing of e-textbooks

in partner schools with a view to drawing up progressively a full-fledged Recommended Textbook List for e-textbooks. Since the launch of the "Recommended e-Textbook List" (eRTL) in 2014, 38 sets of e-textbooks that align with the local curricula have been included for school use, covering primary education subjects of Chinese Language, English Language, Mathematics, Putonghua, General Studies (GS) and Physical Education; and major junior secondary education subjects including Chinese Language, English Language, Mathematics, Geography, History, Computer Education and Life and Society. At the same time, the EMDS has pioneered in setting up a new e-textbook market and a quality assurance mechanism. Among the 38 sets of e-textbooks, four sets were developed by publishers in the market in addition to the 34 sets developed under the EMDS. This indicated that even at the early stage of e-textbook development, publishers have already shown interest and taken the initiative in joining the market. It is expected that more e-textbooks would be available in the market.

To encourage the development of more e-textbooks, the Education Bureau has been accepting e-textbooks for different subjects for review by phases since late 2014. e-Textbooks that have undergone the quality assurance mechanism and met its requirements will be included on the eRTL, alongside the e-textbooks developed under the EMDS. In addition, we have invited e-textbook developers, publishers, professionals and educators in IT in education, school principals and front-line teachers to discuss and share their views on the standard requirements to be adopted for e-textbooks submitted for review. To provide a wider choice of e-textbooks for schools and to address publishers' needs in relation to the future submission of e-textbooks for review, we have increased the number of submission periods for review per year, while the scope of subjects and key stages of e-textbooks for review have also been extended and are now comparable with those of printed textbooks. Since the 2014-2015 school year, schools have been using e-textbooks via different approaches. It is expected that with the increase in teachers' knowledge in e-learning and the use of e-resources, enhancement of IT infrastructure in schools as well as more e-textbooks being made available, more schools will adopt e-textbooks.

Regarding the future plan of EMDS, we have responded on various occasions that an evaluation is underway to assess the effectiveness of EMDS, including other related areas such as the use of e-textbooks in schools and the impact on classroom learning and teaching in the context of the promotion of e-learning. As the e-textbook review mechanism has already been fully opened up, we do not have any plan for launching another round of EMDS for the time being.

- (5) Computer lessons are offered in most primary and secondary schools. Schools are encouraged to adopt whole-school approach in the curriculum planning of integrating programming in relevant subjects. In 2000, the Education Bureau developed the Computer Awareness Programme with eight modules. Among them are modules on basic programming to equip students with programming skills and computer knowledge. In 2015, the modules were revised and updated with new contents such as "Scratch" and "App Inventor" for teachers' reference and use according to the needs of their students. Apart from developing resources for coding, the Education Bureau will continue to provide teacher training programmes to support coding education in schools. In 2014-2015 and 2015-2016 school years, three seminars/workshops were organized for primary school teachers to introduce strategies for developing computational thinking skills through Primary GS, as well as using Scratch to make relevant learning and teaching resources. The Education Bureau will continue to support various organizations in developing resources and curriculum to promote coding education in Hong Kong.

Schools teach programming related content at the junior secondary level through implementing the "Technology Education Key Learning Area (TEKLA) Curriculum Guide" (the Guide). The Guide provides an open and flexible framework for schools to develop their school-based TEKLA curriculum which builds on the strengths of their schools and the needs of their students. The learning elements at the junior secondary level in the Guide were enriched in August 2013 to give students a broad and balanced foundation on technology education. For students with talents or are interested in pursuing the study of programming further, Information and Communication Technology is offered as an

elective subject at the senior secondary level. We will continue to arrange professional development programmes for teachers in the forthcoming years so as to enhance their professional capacity and to build learning communities within and across schools to benefit student learning. The relevant contents in Primary GS and the TEKLA would further be updated by end of 2016.

Regulation of Employment Agencies Engaged in Placement of Foreign Domestic Helpers

18. **MS EMILY LAU** (in Chinese): *President, the Labour Department (LD) promulgated on 15 April this year a draft Code of Practice for Employment Agencies (CoP) and launched a public consultation on it. CoP enunciates the minimum standards which the Commissioner for Labour (the Commissioner) expects of licensees of employment agencies (EAs), including those engaged in the placement of foreign domestic helpers (FDHs) (FDH-EAs), in operating their business. On the 3rd of last month, I and several representatives of non-governmental FDH organizations held a discussion with the Commissioner on the draft CoP. During the discussion, some representatives pointed out that some FDH-EAs often committed illegal acts/engaged in malpractices, including overcharging commission from FDHs, arranging FDHs to borrow money from finance companies and withholding their personal identification documents such as passports and bank debit cards, but the authorities seldom prosecuted those EAs due to difficulties in adducing evidence. These representatives considered CoP unable to curb the illegal acts/malpractices of FDH-EAs. In this connection, will the Executive Authorities inform this Council:*

- (1) *of the respective numbers of complaints received by the authorities in the past three years about various types of illegal acts committed/malpractices engaged by FDH-EAs, as well as the investigation procedures; whether the authorities will conduct proactive investigations on various types of cases, including conducting decoy operations jointly with other government departments, and conducting more frequent inspections of EAs; and*
- (2) *whether the authorities have assessed if the existing penalties can curb the illegal acts/malpractices of FDH-EAs; whether the authorities will consider afresh amending the legislation to render such malpractices unlawful and raise the relevant penalties?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my consolidated reply to the questions raised by Ms Emily LAU is set out below:

The Labour Department (LD) regulates employment agencies to ensure that they would operate in compliance with the laws through conducting regular and surprise inspections, complaint investigations, as well as instituting prosecutions against law-defying employment agencies. The LD has all along been taking stringent enforcement actions against employment agencies which have violated the Employment Ordinance (EO) (Cap. 57) and Employment Agency Regulations (EAR) (Cap. 57A). Upon receipt of complaints, the LD will conduct prompt investigations and institute prosecution if there is sufficient evidence and the aggrieved are willing to act as prosecution witnesses.

During complaint investigations, if an EA was found to have withheld personal belongings (including passports, ATM cards, and so on) of the foreign domestic helpers (FDHs), the case will be referred to the Hong Kong Police Force for follow-up investigations. The LD has also established an inter-departmental regular liaison mechanism for sharing information with Consulates-General of FDHs' home countries in Hong Kong and other law-enforcement agencies on unscrupulous practices of employment agencies in order to combat illicit activities by employment agencies. The numbers of complaints received by the LD against employment agencies placing FDHs in the past three years are provided at Annex.

Having regard to public expectations and concerns, especially those from employers and job seekers (with particular regard to the situation of FDHs) on services of employment agencies, the LD strengthened the manpower to step up the monitoring of employment agencies in the past two financial years. The inspection target to employment agencies has now been increased by 38% from 1 300 to 1 800 inspections each year. Furthermore, a Code of Practice for Employment Agencies (CoP) has been drafted and is under public consultation. The draft CoP sets out the salient requirements that EAs must follow in operating their business, which includes amongst others reminders to employment agencies that withholding of any personal property without explicit consent from the job seekers may constitute an offence under, for example, the Theft Ordinance (Cap. 210).

The draft CoP also sets out the minimum standards which the Commissioner for Labour (the Commissioner) expects from employment agency licensees in operating their business. Amongst other requirements, the

Commissioner expects that employment agencies should avoid getting involved in the financial affairs of job seekers and should not force FDHs to take out loans from any institutions within or outside Hong Kong. The LD may issue warning to employment agencies which fail to meet the standards set out in the CoP and demand rectification. The Commissioner may also consider all relevant factors, including employment agencies' compliance with the CoP, in deciding to refuse to renew or to revoke the employment agency licences.

After the close of consultation period on 17 June 2016, the LD will carefully examine the views received in refining the CoP and introduce it for the industry to follow. The LD will closely monitor the effectiveness of the CoP. If the effectiveness is not satisfactory, the LD may consider adopting other means including seeking legislative amendments to the EO and/or EAR to suitably regulate the industry.

Annex

Numbers of Complaints against Employment Agencies Placing FDHs from 2013 to 2015

	2013	2014	2015
Overcharging FDHs commission	120	114	102
Unlicensed operation	43	8	32
*Others	31	48	42
Total	194	170	176

Note:

- * Other complaints were related to the service quality of employment agencies, service fees, replacement of FDHs, and so on.

Support for Modernization and Sustainable Development of Agriculture

19. **DR ELIZABETH QUAT** (in Chinese): *President, early this year, the Government introduced a new agriculture policy after conducting a review. However, some farmers have pointed out that the Government's support for the modernization and sustainable development of agriculture remains insufficient. In this connection, will the Government inform this Council:*

- (1) *as it is learnt that thousands of members of the public are waiting for leasing leisure-farming lands of a non-profit-making farm in Ma On Shan, reflecting the increasing popularity of community farms, whether the Government will set aside idle government lands for lease application by non-profit-making organizations to develop community farms, as well as provide basic utilities of water and electricity for such lands; whether the Government will, when carrying out land use planning in future, reserve lands for the development of community farms to meet public demand for leisure farming;*
- (2) *as quite a number of people have criticized that the application procedures for Sustainable Fisheries Development Fund are cumbersome and that applicants are required to furnish a large number of supporting documents, whether the Government will formulate simple and convenient application procedures when it introduces the Sustainable Agricultural Development Fund (SADF); if it will, of the details; if not, the reasons for that;*
- (3) *given that while the authorities proposed in March this year to set up a Farm Improvement Scheme under SADF to provide each recipient with a one-off subsidy of up to \$30,000, there are comments that a subsidy of such an amount is insufficient for enhancing the facilities and productivity of the farms, and the restriction of one subsidy per recipient is running against the Government's objective of promoting sustainable development of agriculture, whether the Government will consider increasing the maximum amount of subsidy and allowing a recipient to receive such subsidy repeatedly; if it will, of the details; if not, the reasons for that;*
- (4) *as some persons engaged in hydroponic farming have relayed that they currently have to pay high rents for practising hydroponic farming in units of industrial buildings, whether the Government will review the policy on promoting hydroponic farming to provide support and subsidy for the persons concerned; if it will, of the details; if not, the reasons for that; and*

- (5) *whether it will consider discussing with representatives of the relevant trades the formulation of an official certification system for organic food products, so as to safeguard food safety and consumers' interests for the public and to boost public confidence in organic food products, thereby facilitating the development of organic farming; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, in the 2016 Policy Address, the Chief Executive announced that the Government would implement the New Agriculture Policy (NAP). This is to be underpinned by a series of support measures. They include establishing an Agricultural Park, exploring the feasibility of designating agricultural priority areas, setting up a Sustainable Agricultural Development Fund (SADF), providing better support and assistance to help farmers move up the value chain in areas such as product marketing and brand building, and developing leisure and educational activities related to agriculture, so as to promote the modernization of local agriculture and its sustainable development. The overall directions of the NAP and the proposed measures have gained general support of the public as well as the industry.

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

- (1) Under the NAP, leisure farms refer to farms that are primarily engaged in commercial crop production while at the same time provide limited and ancillary leisure activities related to their operation. The purpose of promoting such ancillary leisure activities is to expand the platform on which farmers can market their produce and showcase their agricultural activities as a means to increase their income. For instance, we may consider accepting under the planning regime the inclusion of certain services for visitors (for example, sale of fresh produce grown in that farm and simple processed food such as fruit jam and juices made from its fresh produce, and the provision of catering services of a limited scale) as ancillary to agricultural use that are always permitted in "Agriculture" or "Green Belt" zones.

At present, some organizations rent Government land for operating community gardens. For instance, the leisure farm in Ma On Shan referred to in the question is established by a non-profit-making organization on Government land leased under short-term tenancy (STT) as a community garden for provision of horticultural activities to the public. Upon receipt of an application for leasing vacant Government land under STT, the Lands Department will process the application in accordance with established procedures, including consulting relevant bureaux and departments for comments and policy support for determining whether to approve the application and if so, the terms of the tenancy.

Besides, to encourage public participation in greening activities and enhance awareness on greening and environmental protection through planting activities, the Leisure and Cultural Services Department (LCSD) has since 2004 launched the Community Garden Programme, under which participants can learn how to grow ornamental plants, fruits and vegetables under the guidance of instructors. The LCSD currently runs 23 community gardens across the territory, open to participants for practising gardening. The LCSD will continue to identify suitable locations for establishing community gardens.

(2) and (3)

On 6 May 2016, the Finance Committee of the Legislative Council approved a commitment of \$500 million for setting up the SADF. The scope, eligibility and assessment criteria of the SADF were approved by the Finance Committee after thorough deliberations. To ensure proper use of public funds, the Director of Agriculture, Fisheries and Conservation will exercise prudence and take into account views of the SADF Advisory Committee when approving grants under the SADF. When the SADF is open for applications, the Agriculture, Fisheries and Conservation Department (AFCD) will draw up detailed application guidelines for interested parties. The AFCD will also offer assistance to applicants, including providing technical advice, explaining application procedures, and assisting in preparing proposals as needed.

In addition, the Farm Improvement Scheme (FIS) under the SADF will provide direct grants to local farmers for acquisition of small farming equipment and materials to improve their productivity and operating efficiency. The maximum grant that an applicant may receive will initially be capped at \$30,000, irrespective of the number of items acquired. The grant limit is set taking into consideration the actual needs of most local farmers for small farming equipment and materials. Application procedures of the FIS will be made as simple as possible, without requiring the submission of proposal.

- (4) Under the NAP, the Government is seeking to promote diversification in local vegetable production and foster the wider adoption of advanced technologies in production, including but not limited to hydroponic farming. More specifically, the SADF will fund research projects undertaken by local universities for optimizing the agro-technologies to help farmer apply technology in farming production.

Having regard to the scarcity of land resources in Hong Kong, the Government will review the operational requirements and technical feasibility of conducting hydroponic farming or other similar operations in industrial buildings, with a view to providing more specific planning guidelines to facilitate the setting up of operations adopting hydroponics and other similar agro-technologies in industrial buildings/zones.

- (5) With funding from the Agricultural Development Fund under the Vegetable Marketing Organization (VMO), the Hong Kong Organic Resource Centre (HKORC) provides certification service for farmers. Subscription to such service is voluntary. The HKORC has established a set of stringent guidelines with reference to international standards, that is, guidelines of the International Federation of Organic Agriculture Movements, to ensure that the process adopted by organic farms complies with the certification standards of organic farming and production. Certified farms may attach the label of the certification body to their products for easy identification. Currently, more than 140 units have been certified, covering products such as vegetables, cultured fish and other processed food. The HKORC also conducts regular surveys to monitor the market situation.

To step up public education, the Centre for Food Safety (CFS) provides the public with information on organic food through its publicity leaflets, publications and website. The HKORC also organizes various kinds of activities every year to introduce recognized certification labels to the public and encourages them to read the organic certificates displayed by traders carefully and make purchase at reputable shops. The VMO and HKORC also provide, on their websites, information on local organic food, such as details of the outlets for local organic vegetables. The Government will continue to strengthen its work in these areas.

Guidelines on Election Advertisements for Legislative Council Election

20. **MR CHARLES PETER MOK** (in Chinese): *President, before each Legislative Council (LegCo) general election, the Electoral Affairs Commission (EAC) updates and publishes the Guidelines on Election-related Activities in respect of the Legislative Council Election (the Guidelines). After revising the Guidelines, EAC put forward in March this year the Proposed Guidelines on Election-related Activities in respect of the Legislative Council Election (the Proposed Guidelines), and launched a 30-day public consultation. The major changes set out in the Proposed Guidelines in respect of election advertisements (EAs) include: (i) reminding any person/organization publishing materials to appeal directly or indirectly to electors to vote or not to vote for certain candidates or candidates of certain organizations that such materials may be regarded as EAs, and (ii) reminding candidates and web surfers that messages published through Internet platforms with the intention to promote or prejudice the election of any candidates would be regarded as EAs, but if web surfers merely share or forward different candidates' election campaigns through Internet platforms for expression of views and do not intend to promote or prejudice the elections of any candidates, such sharing or forwarding will not normally be regarded as publishing EAs. There are comments that as members of the public expressing personal views on Internet social networking platforms (such as "Facebook") is very common nowadays, but the aforesaid guidelines on EAs are too vague, members of the public may easily contravene section 23 (Illegal conduct for persons other than candidates and election expense agents to incur election expenses) of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554). In this connection, will the Government inform this Council:*

- (1) *of the respective numbers of (i) complaints received by EAC in each of the past two LegCo general elections relating to publication of EAs through disseminating messages by certain individuals on Internet social networking platforms, (ii) candidates involved in such complaints, and (iii) those complaints which were found substantiated after investigation by the relevant authorities, as well as the details of such substantiated cases;*
- (2) *whether it has assessed if, according to the Proposed Guidelines, a member of the public (i) changing the profile picture of his/her personal account with an Internet social networking platform into a picture of supporting a certain candidate, and (ii) adding a topic symbol (i.e. hashtag) relating to a certain candidate when posting messages on an Internet social networking platform, will be respectively regarded as EAs;*
- (3) *whether it will consider providing a more detailed guideline on "intention to promote or prejudice the elections of any candidates", so as to prevent members of the public from contravening the law inadvertently; if it will, of the details; if not, the reasons for that;*
- (4) *whether it knows if individuals' publishing personal political opinions on the Internet not under the instruction of a candidate or his agent may be exempted from being regarded as EAs in other jurisdictions, and therefore will not be subject to the regulation by the relevant ordinances relating to election expenses; if it may be exempted, of the details; if it may not, the reasons for that;*
- (5) *given that the Proposed Guidelines provide that if a candidate "instructed" the relevant person to publish the aforesaid materials or online messages, the candidate has to include the costs so incurred in his/her election expenses, of the specific meaning of "instructed"; whether it has assessed if EAs of a candidate forwarded by web surfers on their own accord have to be regarded as EAs; if the assessment outcome is in the affirmative, of the relevant considerations and the method for calculating such expenses on EAs; whether the authorities will consider drawing up a clear method for calculating election expenses to ensure fairness of an election; if they will, of the details, if not, the reasons for that;*

- (6) *whether it has assessed if the costs of the following items have to be included in the expenses on EAs: (i) fees for preparation, design and release of advertisements, (ii) fees for website-hosting, (iii) costs incurred for setting up and maintaining the hardware and software of a website, and (iv) costs for placing fee-charging advertisements on Internet social networking platforms; if the assessment outcome is in the affirmative, of the justifications for that; and*
- (7) *as the advancement of the Internet technology has enabled any person to publish his/her opinions and disseminate messages to the public easily and at a very low cost, whether it has any plan to conduct a review to see if the provisions relating to EAs under Cap. 554 still suit the present circumstances; if it does, of the details; if not, the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, the Legislative Council general election will be held in September this year. The Electoral Affairs Commission (EAC) has drawn up a new set of the Proposed Guidelines on Election-related Activities in respect of the Legislative Council Election (the proposed guidelines) for the upcoming Legislative Council general election and any by-elections to be held afterwards. The proposed guidelines were published in March for public consultation, with the consultation period ending on 1 April. The EAC will issue the finalized guidelines in June.

According to section 2 of the Elections (Corrupt and Illegal Conduct) Ordinance (ECICO), "election advertisements" means any form of publication published for the purpose of promoting or prejudicing the election of any candidates at an election, and "election expenses" means expenses incurred before, after or during the election period, by or on behalf of a candidate for the purpose of promoting the election of the candidate or prejudicing the election of other candidates.

After consultation with the relevant departments, a consolidated reply is given as follows:

As mentioned above, according to section 2 of the ECICO, "employment agencies" means any form of publication published for the purpose of promoting or prejudicing the election of any candidates at an election. As such, messages published by web surfers through social media for the purpose of promoting the election of a candidate/list of candidates or prejudicing the election of other candidates/lists of candidates will be regarded as employment agencies. However, if web surfers merely share or forward different candidates' election campaigns through Internet platforms for expression of views and do not intend to promote or prejudice the election of any candidates, such sharing or forwarding will not normally be construed as publishing employment agencies. However, if web surfers are instructed by the candidate or candidates on the list or his/her/their election helpers to share or forward the election campaigns through Internet platforms with the intention to promote or prejudice the election of a candidate or candidates at the election, such act will be regarded as publication of the candidate's or candidates' employment agencies and any costs incurred will have to be included in the election expenses of the candidate/list of candidates.

According to the provisions on election expenses stipulated in the ECICO, for the employment agencies published by a candidate through online platforms, the production and operating costs including Internet service fees, online advertisement design fees, and so on, should be counted towards the candidate's election expenses and be clearly declared in his/her election return. As provided in the EAC's election guidelines, whether a particular item of expenditure should be regarded as an election expense is a question of fact to be answered in the circumstances of each case. Each case should be determined by reference to the purpose behind the expenses, taking account of the nature, circumstances and context of the expenditure. Candidates should consult their legal advisers if they have doubt as to whether an expenditure item should count as an election expense. To facilitate candidates to fill out the election return, since the 2015 District Council ordinary election, the Registration and Electoral Office (REO) has produced a guide and video on how to complete the return for reference by the candidates so as to provide them with more specific and detailed guidance on frequently asked questions such as how to calculate election expenses. Besides distribution to candidates, the guide and video for the 2015 District Council ordinary election were also uploaded to the relevant election website. The same arrangement will be made by the REO for the 2016 Legislative Council general election.

The ECICO is enforced by the Independent Commission Against Corruption (ICAC). For complaint cases relating to the publication of EAs through disseminating messages on Internet social networking platforms and involving violation of the ECICO, one complaint was received by the ICAC in the 2008 Legislative Council general election and the 2012 Legislative Council general election respectively. After investigation, neither complaint was substantiated.

The views of the Legislative Council Members and the general public, as expressed in the public consultation on the proposed guidelines, in relation to EAs disseminated through the Internet and the expenses so incurred are noted. We will carry out study on the relevant regulatory regimes in overseas jurisdictions.

Provision of Suitable Venues for Staging Soccer Matches

21. **MR KENNETH LEUNG** (in Chinese): *President, during a visit to Hong Kong in August 2013, a delegation from the Asian Football Confederation (the delegation) inspected four soccer pitches in the territory, namely the Hong Kong Stadium (HKS), Mong Kok Stadium, Siu Sai Wan Sports Ground and Tseung Kwan O Sports Ground, to examine if these venues met the conditions for staging matches of the Asian Football Confederation Champions League. It was reported that after inspection, the delegation pointed out that, among the four pitches, only HKS met the conditions for staging such matches, but the turf quality of HKS was in need of improvement. As for the remaining three venues, they did not meet the conditions due to their insufficient facilities, lighting and seating capacity, etc. In this connection, will the Government inform this Council:*

- (1) *whether it has, in the light of the aforesaid comments by the delegation, carried out improvement works for the soccer pitches in the territory, in the hope that there will be more venues in Hong Kong that meet the conditions for staging international soccer matches; if it has, of the details; if not, the reasons for that;*

- (2) *whether the authorities have, upon the completion of turf pitch reconstruction works for HKS in July last year, conducted regular inspections and tests on the turf quality; if they have, of the details of the mechanism and the manpower involved; if not, the reasons for that;*
- (3) *of the mechanism that the authorities have put in place to manage and maintain the turf quality of those soccer pitches, other than HKS, designated for holding matches of the Hong Kong Premier League (HKPL), so as to minimize the likelihood of soccer players sustaining injuries, as well as the details of such mechanism and the manpower involved; and*
- (4) *whether the authorities have established any mechanism for holding regular discussions with representatives of the Hong Kong Football Association and the HKPL participating teams on issues relating to the facilities, turf maintenance and renting of various venues, to ensure that these venues meet the needs and standards of HKPL; if they have, of the details of such mechanism; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my reply to the question raised by Mr Kenneth LEUNG is as follows:

- (1) The delegation from the Asian Football Confederation (AFC) visited the Hong Kong Stadium (HKS), Mong Kok Stadium (MKS), Siu Sai Wan Sports Ground (SSWSG) and Tseung Kwan O Sports Ground (TKOSG) in 2013. The Leisure and Cultural and Services Department (LCSD) made appropriate improvements in the light of AFC's recommendations, including installing Wi-Fi facilities and enhancing the media and broadcasting facilities at MKS, and raising the illuminance level of the floodlights at SSWSG from 750 lux to not less than 1 200 lux. Following the completion of the HKS Turf Pitch Reconstruction Project in 2015, the HKS is now compliant with the requirements of the AFC for hosting matches at various levels of the AFC Champions League and the AFC Cup. MKS and SSWSG, on the other hand, are ready to host the group stage matches and semi-finals of the two AFC events mentioned above.

The current seating capacity of TKOSG is just over 3 000, which falls short of the AFC's requirement of a seating capacity of not less than 5 000. The LCSD will continue to liaise closely with the Hong Kong Football Association (HKFA) and take into account the requirements of the AFC when planning new venues or redevelop existing venues with a view to providing more venues suitable for staging international football matches.

- (2) The LCSD set up an Expert Group on the Hong Kong Stadium Turf Pitch in 2013 to offer advice on the improvement measures to enhance the quality of the turf pitch. The LCSD also established the Sports Turf Management Section in May 2014 to offer professional advice and technical support for the natural turf pitches managed by the LCSD, in particular the HKS and other pitches designated for the Hong Kong Premier League (HKPL). The section is also tasked with facilitating the sharing and transfer of knowledge and experience, as well as strengthening staff training. It was closely involved in and supported the HKS turf reconstruction project in 2015 with a view to offering comprehensive and proper professional advice and technical support for the HKS in the future.

The LCSD has taken the following measures to further improve the management of the HKS turf pitch:

- (i) a six-man team, members of which have either received horticulture training or attended professional training courses on turf maintenance, is directly responsible for the turf maintenance. Routine maintenance of the turf is supervised by two officers who possess professional qualifications in turf maintenance and management;
- (ii) in the course of the reconstruction project, the LCSD arranged training by expert consultants for staff responsible for turf maintenance to enhance their knowledge in specific areas. Since the completion of the project, HKS staff continued to follow the professional procedures and guidelines advised by the expert consultants in carrying out routine turf maintenance work to upkeep the turf quality;

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- (iii) the LCSD has made available advanced technology and ancillary facilities to HKS, such as growth lights and ventilating fans for turf, and employed more ground workers for the maintenance work; and
 - (iv) in scheduling activities and events, the LCSD will discuss with hirers the scheduling and frequency of activities and the conditions of use of the venue with a view to striking a better balance between maintaining the turf quality and meeting user demand, as well as to avoid causing excessive damage to the turf or compromising the turf maintenance work.
- (3) To enhance the quality of its natural turf pitches designated for holding HKPL matches and provide players with safe venues, the LCSD has strengthened its turf management and maintenance. The key measures that were implemented in recent years include the following:
- (i) set up a specialized Sports Turf Management Section in 2014 to offer professional advice and technical support for the management and maintenance of all natural turf pitches;
 - (ii) restrict the numbers of sessions available for hire on the natural turf pitches designated for holding HKPL matches since September 2015, under which no more than 28 sessions per month and two sessions per day are made available in order to achieve a stricter control over the use of the pitches;
 - (iii) close the football pitches three days prior to HKPL matches for enhanced turf maintenance;
 - (iv) provide more in-depth training on turf management and maintenance to the LCSD staff on an ongoing basis to enhance their expertise and knowledge in the field; and
 - (v) procure more advanced equipment and tools and engage more skilled workers to enhance the effectiveness and efficiency of the maintenance of the turf pitches.

- (4) The LCSD and HKFA conduct meetings before the start of every football season to review the conditions of the venues for holding HKPL matches, including venue facilities, turf maintenance and operational arrangements during the matches so as to improve the provision of venues for staging soccer matches at the professional league and international levels. Moreover, the LCSD also discusses with the HKFA the facilities and the operational arrangements before and after each match.

Boosting Job Opportunities Amid Economic Downturn

22. **MR JEFFREY LAM** (in Chinese): *President, the graduates of this academic year will soon join the labour market, but the statistics of recent months have shown that Hong Kong's economic situation is worsening, causing an upward trend of the unemployment rate and a persistently high unemployment rate among the young people. Moreover, according to the findings of a survey, the business index in the second quarter of this year has declined for three consecutive quarters, indicating a negative business outlook among the small and medium enterprises (SMEs). As such, SMEs are less eager to recruit new staff. In this connection, will the Government inform this Council:*

- (1) *of the latest manpower projection findings for this and next year, including a breakdown of the number of local graduates by education level (i.e. (i) upper secondary, (ii) bachelor's degree, (iii) associate degree and (iv) other academic qualifications), a breakdown of the number of jobs available by industry and education level, and a breakdown of the projected unemployment rate by industry (set out in a table);*
- (2) *of the special measures that the authorities have put in place to assist graduates in finding jobs in view of the worsening economic situation; whether they will consider (i) creating non-civil service contract posts for graduates who have no working experience to apply, (ii) encouraging non-governmental organizations to offer short-term employment opportunities for graduates, (iii) streamlining the procedure for application for deferment of*

student loan repayment, (iv) raising the ceiling for subsidies of tuition fees under the Continuing Education Fund, and (v) stepping up employment support and counselling services on emotional problems; if they will, of the details; if not, the reasons for that; and

- (3) *as SMEs employ a total of more than one million employees, whether the Government will introduce new measures to help SMEs tide over the economic difficulties, including new measures to provide subsidies to SMEs for enhancing their operational efficiency and competitiveness in the market, and to assist SMEs in developing new markets, with a view to securing employment for members of the public; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the labour market held largely stable on entering 2016. However, the Hong Kong economy only expanded by 0.8% year-on-year in real terms in the first quarter of 2016, the slowest growth pace in four years. The seasonally adjusted unemployment rate remained unchanged at 3.4% in February to April 2016, after edging up by 0.1 percentage point in January to March 2016. In the near term, the employment outlook remains overshadowed by the strong external headwinds and a slow-growing local economy. The weakening labour demand in sectors relating to trade and tourism also warrants particular concern. Nevertheless, industries such as aviation, construction, engineering and particularly care services are still looking for additional manpower.

Higher youth unemployment rate compared to the overall unemployment rate is a global phenomenon. In Hong Kong, the unemployment rate for persons aged 15 to 24 was 8.9%, which was broadly on par with that of the preceding period, but up by 0.4 percentage point over the year-ago level. Although the youth unemployment rate in Hong Kong is lower than those of such advanced economies as Europe and the United States, in view of the slow-growing local economy, we will closely monitor the youth employment situation and continue to provide timely support.

Having consulted the relevant bureaux, our consolidated response to Mr Jeffrey LAM's question is set out below:

- (1) The estimated number of graduates of local secondary schools (including government, aided, Caput and schools under direct subsidy scheme) in 2016 and 2017 are 56 800 and 52 100 respectively. It is noteworthy that most secondary school graduates will choose to continue with their studies. The Education Bureau conducts Secondary Six (S6) Students' Pathway Survey on an annual basis with a view to collecting basic information on the educational status of S6 graduates. Among Hong Kong Diploma of Secondary Education Examination (HKDSE) graduates who responded to the survey, it was very common (consistently accounting for over 80% in the last four rounds of the survey) for them to pursue full-time study. On the other hand, the proportion among the S6 graduates who were engaging in full-time employment, part-time employment/study as a whole has remained steadily in a range between 10% and 13%.

As regards the post-secondary sector, based on information provided by institutions, some graduate statistics of full-time sub-degree and undergraduate programmes for 2015 and 2016 are set out at Annex 1. Graduate statistics for 2017 are not yet available. In the same vein, it is noteworthy that not all graduates of full-time sub-degree and undergraduate programmes will choose to join the labour market after graduation. For example, in 2015, the proportion of graduates of different types of full-time sub-degree and undergraduate programmes joining the labour market ranged between 31.4% and 94.2%. Details are also provided at Annex 1.

The Census and Statistics Department (C&SD) has not made any projections on the number of jobs available or unemployment rates in 2016 and 2017. Based on the data obtained from the Quarterly Survey of Employment and Vacancies and Quarterly Employment Survey of Construction Sites conducted by the C&SD, the number of persons engaged and vacancies (other than those in the Civil Service) analysed by industry in 2015 are provided at Annex 2.

Furthermore, based on the data obtained from the General Household Survey conducted by the C&SD, statistics on unemployment rates by previous industry in 2015 are provided at Annex 3.

- (2) The Government has been providing comprehensive employment support to young people to promote their employment opportunities. To cater for the pre-employment training and employment needs of fresh secondary school graduates, the Labour Department (LD) has launched, from May to August 2016, a special programme entitled "Career Let's go" to assist graduates in grasping the latest employment information, devising a career plan and enhancing their employability through a wide array of pre-employment training and employment services.

In addition, graduates who would like to enter the employment market may enrol on the LD's Youth Employment and Training Programme, which provides comprehensive one-stop pre-employment and on-the-job training for young school leavers aged 15 to 24 with educational attainment at sub-degree level or below without any pre-set quota. To encourage employers to provide more job openings for young people, employers who engage young people according to the programme requirements and provide them with on-the-job training will be offered on-the-job training allowance for a maximum period of 12 months.

Separately, the University Grants Committee-funded universities provide a range of employment support and counselling services to their students. On career counselling, the institutions provide a range of services to help enhance students' understanding about themselves, assist students in planning for their future career, help them keep abreast of the job market, and equip students with knowledge of their future career prospects. Related measures and activities include recruitment talks, workshops, mock interviews, internship and mentorship programmes. On emotional support, institutions make an all-out endeavour to assist students to tackle their emotional problems through various initiatives, activities and support services. These include mentoring and peer support schemes.

Moreover, to strengthen employment support for persons with higher education, in particular Hong Kong students who are educated in overseas tertiary institutes as well as persons from overseas with

higher academic/professional qualifications, the LD will set up a dedicated employment information e-platform in the fourth quarter of 2016. The e-platform aims to enhance their understanding of the Hong Kong labour market as well as facilitating their search and application for suitable job openings through the new dedicated webpage.

Regarding other proposals mentioned in the question, our response is so follows:

- (i) Bureaux and departments may create non-civil service contract positions having regard to their actual operational needs, and engage talents to work in the Government through an open and fair recruitment process. The Government welcomes eligible graduates to apply for these positions.
- (ii) During the special programme "Career Let's go", the LD will proactively canvass job vacancies suitable for graduates and organize a number of large scale and district-based job fairs at which job seekers can have job interviews with the employers on the spot. In recruiting employers to join these job fairs, special efforts are made to encourage employers (including non-governmental organizations) to provide vacancies suitable for young people and to relax the requirements on work experience as far as possible so as to enable more fresh graduates to apply for the vacancies.
- (iii) The Government has all along been closely monitoring the repayment situation of student loan borrowers after graduation and introduced, in the 2012-2013 and 2013-2014 Budgets, a measure to give loan borrowers who completed their studies in 2012 and 2013 the option to start repaying their student loans one year after completion of studies. Since the measure can effectively alleviate the financial burden of fresh graduates and allow them more time to secure stable jobs, it was announced in the 2014 Policy Address that the Government would make this measure a standing arrangement.

Moreover, the Student Finance Office (SFO) of the Working Family and Student Financial Assistance Agency appreciates that individual loan borrowers may have difficulty in repaying their loans and therefore has put in place an effective mechanism for handling such situations. The relaxed deferment arrangement has been made a standing arrangement since the 2012-2013 academic year. Loan borrowers who have difficulty in repaying their loans on the ground of further full-time studies, financial hardship or serious illnesses may submit, together with supporting documents, an application for deferment of loan repayment to SFO in order to relieve their loan repayment pressure. Student loan borrowers who have been granted approval for deferment of loan repayment will be allowed an extension of the loan repayment period without interest during the approved deferment period, subject to a maximum of two years. Together with the standard repayment period of 15 years, the entire repayment period can be up to 17 years.

- (iv) The Government will conduct a review on the Continuing Education Fund (including the amount of subsidies) within this year.

The Government will continue to monitor closely the employment needs of young people and examine different suggestions carefully so as to provide young people with appropriate employment support.

- (3) Small and medium enterprises (SMEs) are the mainstay of Hong Kong's economy. The Government attaches great importance to the development of SMEs and provides them with appropriate support.

Through its departments and public organizations (for example, the Hong Kong Trade Development Council and the Hong Kong Productivity Council), the Government provides local enterprises with various support measures, including the launch of the SME Funding Schemes, provision of the latest market information and rendering of technical support and consultation services, with a view to enhancing the competitiveness of enterprises.

To help SMEs secure loans in the commercial lending market and lower their loan cost, the Financial Secretary announced in the 2016-2017 Budget that the Government would extend the application period of the special concessionary measures under the SME Financing Guarantee Scheme to 28 February 2017, reduce the annual guarantee fee rate for loan guarantee applications approved under the measures by 10%, and remove the requirement of a minimum guarantee fee rate of 0.5% for loan guarantee applications.

The Government will also continue to implement various SME Funding Schemes to assist SMEs in obtaining financing, opening up markets and enhancing competitiveness. Among them, the SME Export Marketing Fund (EMF) provides financial support to SMEs in participating in export promotion activities; while the SME Development Fund (SDF) provides financial support to non-profit-distributing organizations to carry out projects which enhance the competitiveness of SMEs in general or in specific sectors in Hong Kong. The Government injected \$1.5 billion into the above-mentioned Funds in 2015-2016 and implemented enhancement measures, including increasing the maximum amount of funding support for each project under the SDF from \$2 million to \$5 million and expanding the funding scope of the EMF so as to enhance the support of the two funds to SMEs.

Besides, through the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the Government provides support for enterprises in branding, upgrading and domestic sales to facilitate their business development on the Mainland. The Government launched the "ESP Easy — Simplified Application Track" (ESP Easy) under the Enterprise Support Programme of the BUD Fund in late August 2015. ESP Easy adopts a set of simplified application procedures to assist enterprises in implementing specified measures, providing more adequate support for enterprises, especially SMEs.

The Government will continue to review its measures in the light of economic changes to provide enterprises with appropriate support.

Annex 1

Graduates Statistics of Full-time Sub-degree and Undergraduate Programmes,
2014-2015 to 2015-2016*

<i>Group</i>	<i>2014-2015 Academic Year</i>		<i>2015-2016 Academic Year</i>
	<i>Number of graduates (provisional figures)</i>	<i>Percentage of joining the labour market after graduation[#] (provisional figures)</i>	<i>Estimated number of graduates</i>
Self-financing sub-degree programmes	17 368	31.4%	16 300
Self-financing undergraduate programmes	11 002	94.2%	12 000
UGC-funded sub-degree programmes	1 720	38.9%	1 792
VTC sub-vented sub-degree programmes	7 606	58.4%	9 300
UGC-funded undergraduate programmes	19 067	86.9%	23 031
HKAPA publicly funded undergraduate programmes	164	Not available	160

Notes:

* Based on information provided by institutions.

Percentage of graduates in full-time/part-time employment and those who were under-employed and unemployed after graduation is based on the information collected from the graduate employment surveys conducted by the institutions.

Number of persons engaged and vacancies
(other than those in the Civil Service) by industry in 2015

<i>Industry section</i>	<i>Number of persons engaged⁽¹⁾</i>	<i>Number of vacancies⁽²⁾</i>
Mining and quarrying	75	***
Manufacturing	99 595	2 721
Electricity and gas supply, and waste management	10 899	***
Construction sites (manual workers only)	95 103	795
Import/export, wholesale and retail trades	816 046	16 136
Import/export trade and wholesale	546 456	7 813
Retail	269 590	8 323
Transportation, storage, postal and courier services	177 443	3 641
Accommodation and food services	283 000	14 605
Information and communications	105 254	2 800
Financing and insurance	219 661	5 255
Real estate	129 392	4 318
Professional and business services	363 089	9 221
Social and personal services	497 153	15 802
Total ⁽³⁾	2 796 709	75 589

Notes:

Figures refer to averages of the four quarters in 2015. They are rounded to the nearest integer and may not add up to total due to rounding.

(1) Persons engaged include:

- (i) individual proprietors, partners, and persons having family ties with any of the proprietors or partners and working in the establishment without regular pay, who are actively engaged in the work of the establishment for at least one hour on the survey reference date;
- (ii) full-time salaried personnel/employees directly paid by the establishment and working directors of limited companies, both permanent and temporary, who are either at work (whether or not in Hong Kong) or temporarily absent from work (*viz.* those on sick leave, maternity leave, annual vacation or casual leave, and on strike) on the survey reference date; and
- (iii) part-time employees and employees on night/irregular shifts working for at least one hour on the survey reference date.

- (2) Vacancies refer to unfilled job openings which are immediately available, and for which active recruitment steps are being taken on the survey reference date.
- (3) Figures relate only to those industries covered in the surveys. Industries not covered mainly include agriculture, forestry and fishing; construction (other than manual workers at construction sites); hawkers and retail pitches (other than market stalls); taxis, public light buses, and part of goods vehicles and inland freight water transport; monetary authorities and self-employed insurance agents with no business registration; renting and leasing of recreational and sports goods; public administration; work activities within domestic households; activities of extraterritorial organizations and bodies; religious organizations, authors and other independent artists, and some social and personal services.

*** Data are not released in order to safeguard confidentiality of information provided by individual establishments.

Annex 3

Unemployment rates by previous industry in 2015

<i>Previous industry</i>	<i>Unemployment rate (%)</i>
Manufacturing	3.4
Construction	3.9
Import/export trade and wholesale	2.7
Retail, accommodation and food services	4.7
Transportation, storage, postal and courier services and information and communications	2.7
Financing, insurance, real estate, professional and business services	2.4
Public administration, social and personal services	1.7
Others	2.5
Overall (Including first-time job-seekers and re-entrants into the labour force who were unemployed)	3.3

GOVERNMENT BILLS**Second Reading of Government Bills****Resumption of Second Reading Debate on Government Bill**

PRESIDENT (in Cantonese): Council now continues with the resumed Second Reading debate on the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015.

**ELECTORAL LEGISLATION (MISCELLANEOUS AMENDMENTS)
(NO. 2) BILL 2015****Resumption of debate on Second Reading which was moved on 16 December 2015**

MS CLAUDIA MO (in Cantonese): President, the functional constituencies (FCs) of the electoral system in Hong Kong are really a freak.

We heard the last oral question earlier and Members all spoke on private jets. Certainly, like many Hongkongers, I do not have a private jet. I have never travelled in one, nor have I seen one. And I did not know what supplementary question I should ask even if I wished to get involved. But we can see that basically, those who asked questions eagerly were all Members returned by FCs, such as Mr Jeffrey LAM, Mr Christopher CHEUNG and Mr Frankie YICK.

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

Details about the FCs have become a standing dish which obviates further elaboration. Among the FCs, there is this one called the Sports, Performing Arts, Culture and Publication FC — as we now hear — which has grouped the sports, performing arts, culture and publication sectors into the same FC. The Hong Kong Journalists Association has one corporate vote with Mr MA Fung-kwok as its representative now. But at the same time, Mr MA Fung-kwok is not very happy with the reporters. Obviously, he does not quite understand

the workings of the journalistic profession. Today is Wednesday, and now it is about time for us to have lunch. To my surprise, he criticized the reporters of having meals outside the Chamber, saying what impropriety it was as those food would emit an odour. What is wrong with him? He is downright ridiculous, and has no knowledge of the reporters' work at all. Worse still, he has even criticized that it is inappropriate to place the microphone stand for reporters outside the Chamber, for it has turned that place into a performance venue for Members. So, is this Chamber not also a performance venue for Members?

Every time we speak of the nonsense uttered by the FCs and the electoral system which has completely exploited the people of Hong Kong of their fundamental interests, there is always something more to say. It is not only inappropriate, but also fallacious and shameful. Some people may say that even if I am not happy with the FCs, the democratic camp has also sent its members to run in those elections and got elected. It is exactly my intention to enter the establishment and overthrow it, fighting from the inside. If we do not struggle with them due to the unfairness of the electoral system, they will just find it easier to dominate the Council as a result of our inaction.

Do we have any example to show that fighting from the inside can lead to success or certain achievements? The case in Singapore is a clear example to us. We should never think that we can do nothing as the pro-establishment camp has set down so many rules. We should struggle with them instead. We cannot retreat and compromise, just like what has been going on in Hong Kong now.

Corporate votes are adopted in other FCs. And the words from Mr Dennis KWOK, my party comrade, impress me most. He has called on young professionals to ask their employers why it is the employers who cast the corporate vote for them, while they are not given one vote individually. Since they are members of the FCs, why are they represented by the employers? This is absolutely inappropriate. But this Government will certainly continue to play dumb as usual and act as if nothing has happened.

Earlier on, I mentioned the Sports, Performing Arts, Culture and Publication FC. In fact, the case concerning my friend Jimmy PANG is even more unusual. Engaged in publications, he has nothing to hide. He is obviously a publisher, yet he cannot become an eligible voter in the relevant FC. Is it not ridiculous? In the early years, I was a part-time lecturer at two universities teaching two subjects respectively, that is, four subjects in total. A

senior professor told me that all these jobs would actually make me eligible for voting in the Education FC as my two part-time jobs together could almost be regarded as a full-time job. I therefore made an application, but how many documents did I have to submit? They included salary proof and teaching timetables. I submitted whatever information they required, but they eventually rejected my application, saying that I was still not an eligible voter of the Education FC. What was wrong with them? But it does not matter much now because we have the so-called super seats in place, allowing everyone to have one vote, and we are all happy with that. But it is still an extremely distorted system.

I do not know whether Members have noticed that when Dr Priscilla LEUNG talked about the electoral system last time, she suddenly mentioned that she knew some patriotic old women who, regrettably, were often suppressed by their grandchildren — I should say "pressurized", or words to that effect, instead of "suppressed", but I forgot her wording — and told how to vote. More surprisingly, she then asked the Government to do something about this. But what did she want the Government to do? Does the Education Bureau need to issue "firm guidance" about family education again? It is really strange. What she said is totally illogical.

In a truly free society, everyone should be able to vote according to their own expectation, liking and preference. She is downright ridiculous, and it has precisely reflected that when facing the Government and authorities, the pro-establishment camp will only subscribe to paternalism. Thank you.

MR CHUNG KWOK-PAN (in Cantonese): Deputy President, Members who spoke last week are mostly pan-democrats, and they all criticized the Functional Constituency (FC) system, questioning why the FC system can still exist. Yet, I have to thank them, for it was because they had opposed the constitutional reform package that FCs can continue to exist. Despite their chiding of me, I have to thank them all the same.

Deputy President, the FC system certainly has room for improvement. For instance, Deputy President, you were elected uncontested and I was returned by some 1 000 votes, whereas some FC Members were returned by a few thousand votes, and the "Super District Council" seats were returned by 200 000

or 300 000 votes. All these are FCs. Indeed, we hold that changes should be made to the FC system, and this is precisely why we voted for the constitutional reform package last year in the hope that FC Members could be returned by universal suffrage in the Legislative Council Election in 2020. Having said that, I wish to thank the pan-democrat Members once again for vetoing the constitutional reform package and hence allowing the FC system to exist, for at least changes can be made to the FC system only in 2027 the earliest.

Deputy President, why is it that the FCs have all along been attacked or criticized by the pan-democrat Members? There is no denying that the image of some former FC Members leaves a lot to be desired. For instance, one of them had been ridiculed for not showing up after 3 pm, and some others had been criticized for their low attendance rates or for not proposing any motion, and so on. Regarding the situation in the current term as we are now in its final year though, I think in no way does the performance of many new FC Members compare less favourably than that of the directly-elected Members and better still, they are even more hardworking with great involvement in social service work not necessarily in the interest of their own industries. Of course, the pan-democrat Members have always accused FC Members of working only for the interest of their own sectors, but I can cite an example or two for Members' consideration.

I represent the textiles industry in which restructuring is a necessity now. I have, therefore, promoted some initiatives in the hope that the textiles industry can upgrade and develop in the direction of the fashion industry. How can the fashion industry benefit society? Some people may say that the development of the fashion industry may probably help upgrading the textiles industry but in what way is it useful to society as a whole? In fact, I have already advocated this proposal for some time and it is kind of taking shape now. It is about developing Sham Shui Po into a landmark of fashion design in Hong Kong. We all know that among the 18 districts in Hong Kong, Sham Shui Po may probably be the poorest district where there are relatively not many economic activities. If we can enable an industry to drive the development of a district into a centre of the fashion industry or a fashion hub in future, this can, firstly, facilitate the economic development of the district and secondly, stimulate employment.

I said that this proposal is kind of taking shape now because Miss CHAN Yuen-han, Mr YIU Si-wing and I are making a concerted effort to negotiate with the Government and the Sham Shui Po District Council, and this proposal may

possibly be rolled out for implementation shortly. Members who have been promoting this proposal are all FC Members. The three of us as I mentioned just now are all FC Members. As for the directly-elected Members representing Sham Shui Po or Kowloon West, we have discussed this proposal with them but they have not followed it up after giving some brief response. This example is proof that FC Members can go beyond the parameters of their own industries to reach the districts in their work and hence promote the economy and employment in the districts. Is this not very good?

Let me cite another example. Deputy President, I have to praise your party comrade, Ir Dr LO Wai-kwok, who represents the engineering industry. Many people have said that he only cares about the interest of the engineering industry and engineers. As the Chairman of the Public Works Subcommittee, he has actively convened meetings in order for the Government's public works projects to be passed and then tabled to the Finance Committee. As we all know, the overall economy of Hong Kong is in a bad shape this year as various sectors, including exports, retail, wholesale and catering, are all in the doldrums. What is there to continuously promote the economy of Hong Kong? It hinges on government investment in infrastructure works. It has been a practice adopted globally to boost the economy by government investment in infrastructure. In other words, when the economy is at stake, government investment in infrastructure works is the only way to provide momentum to the economy.

Ir Dr LO Wai-kwok has actively facilitated the early passage of works projects in order for them to be tabled to the Finance Committee. After the projects are passed by the Finance Committee, funding will be approved and the infrastructure projects under government investment can hence commence. Of course, the commencement of the projects after the approval of funding can certainly benefit the engineering sector but it can at the same time benefit the construction workers engaged in these projects. These projects can involve tens of thousands of construction workers as we can see at the entrance or from the banners put up there. Without government investment in infrastructure projects, these workers would be out of job. When the employment of tens of thousands of workers is at stake, it means that tens of thousands of families will be affected. They are all members of the community, so how can they not be affected? Therefore, the efforts made by Ir Dr LO Wai-kwok to actively help the industries are also helpful to society and the economy.

As I have said on several occasions before, a few years ago at meetings of the Bills Committee on the company law, Mr Kenneth LEUNG, representative of the accountancy sector, found some problems with the details of the Bill tabled by the Government during the clause-by-clause examination of the Bill, and these problems could be detected only by members of the profession concerned. As a member of the business sector myself, I have read these financial reports or provisions for a long time but I must say that I cannot read them as meticulously as people from the relevant professions.

Some Members said that members of professional sectors or the business community can run in direct elections for they also stand a chance to be elected. However, the existing 30 FC Members in this Council represent almost 90% of the professions and businesses in Hong Kong. If they run in the geographical constituency direct elections, can these 30 representatives of various sectors all be elected? Certainly not. In that case, the Bills tabled by the Government may have problems or mistakes. For example, during the deliberations on the Bill relating to the reform of the Medical Council of Hong Kong (MCHK) recently, the two doctors in this Council, namely, Dr LEUNG Ka-lau who represents the medical profession and Dr KWOK Ka-ki, had worked in concert to fight for the interest of doctors. While members of the public might not agree with them, they were fighting for the interest of doctors. If the medical profession were not represented in the future, even if there was strong opposition from the MCHK, they would not have any representative to speak up for them. Although I did not support their proposals, this shows that it is precisely because they have their own representatives in this Council that they could make their voice heard.

Now the Government has proposed only minor patch-ups to the electoral legislation without putting forward bold and resolute amendments. In retrospect, and as the public have probably noticed, the vetoing of the constitutional reform package back then may be a wrong decision, especially as the pan-democrats have recently stressed "ABC" for the Chief Executive Election in 2017, which means anybody ... or anyone will do ... Had the constitutional reform package been passed, the decision would have rested with the 3 million-odd voters, and for that matter which Ms Emily LAU asked ZHANG Dejiang to do during our meeting with him last week, she would not have to raise it with him at all, for the public might have already done it for her. Therefore, in retrospect, the vetoing of the constitutional reform package may be a wrong decision.

As for the amendments to the electoral legislation, we actually found many problems with them, and we have conveyed to the Secretary at meetings of the Bills Committee or the Panel on Constitutional Affairs our views that amendments are warranted in many areas and that these minor patch-ups proposed to the Bill are absolutely undesirable. That said, although the amendments are absolutely undesirable, does it mean that we have to remain stagnant and refrain from moving forward? No, I do not think so. For this reason, although the amendments proposed to the Bill today are minor and fragmentary, we still consider them worthy of our support. Therefore, the Liberal Party will support the amendments to the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015. Thank you, Deputy President.

MS EMILY LAU (in Cantonese): Deputy President, the Liberal Party supports the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill), but I oppose it.

Deputy President, it makes my blood heat up whenever we talk about the functional constituencies (FCs). Mr CHUNG Kwok-pan even said that there is no need to relay our opinions to ZHANG Dejiang as long as we have a so-called popular election which is restricted to two to three candidates only. Deputy President, I believe and fully understand that there are people in Hong Kong who do prefer such a proposal, but many people in Hong Kong neither consider it as universal suffrage nor approve of the democrats voting for such a constitutional reform package. Members of the pro-establishment camp are even more ridiculous as all of them actually made the blunder of not casting votes on the constitutional reform package. Therefore, we also told ZHANG Dejiang, Chairman of the Standing Committee of the National People's Congress (NPCSC), that regarding the constitutional reform package, only eight Members had voted for it while 28 Members voted against it, which ended up as a complete failure. The problem is that after Mr WU Chi-wai had put forward the "one-person-two-votes" proposal back then, the Central Government did an about-turn and accepted the proposal such that it was eventually passed with our support. At that time, the Central Government stated that since we had acted according to the principle of gradual and orderly progress set out in the Basic Law, universal suffrage for the Chief Executive election can be implemented in 2017. However, universal suffrage is nothing like the case stated just now by Mr CHUNG Kwok-pan who claimed that it will be acceptable as long as the nomination threshold is more than half of the members of the Nominating Committee which will select two to three candidates and eventually over

3 million people can cast their votes to elect the Chief Executive. Deputy President, such an election method actually fails to comply with the standard. Although there are people who think that this election method complies with the Basic Law and I, too, agree that it is necessary to comply with the Basic Law, the election method should also comply with the requirement of "without unreasonable restrictions" under international covenants on human rights so as to give the people of Hong Kong with an election that offers genuine choices. Under this circumstance, selecting two to three candidates by imposing a nomination threshold of over 50% cannot provide genuine choices for the election. Therefore, we do not agree with the views of Mr CHUNG Kwok-pan or that of the Liberal Party.

Nonetheless, we appreciate the position of the Liberal Party in some ways. They also criticized the Government's approach as simply non-compliant with the principle of gradual and orderly progress as it even refused to make minor amendments to FCs and, as a result, we can only make some minor technical amendments. Deputy President, as mentioned by the Liberal Party and other Members, the authorities even refused to expand the electorate of FCs on a small scale. Why is it, Deputy President? The Secretary said that it is because there is an "absence of sufficient support in the community and clear consensus within the various subsectors". If no further progress is made, universal suffrage will not be achieved even if we wait forever or after the passage of thousands of years. Will those Members returned by FCs, including Mr CHUNG Kwok-pan who might make an about-turn when the time comes, actually vote for an abolition of their own seats? How can a consensus be ever reached? Is it not the same as asking a kite for a feather or borrowing a hair brush from a monk? However, Deputy President, if the authorities consider that some measures are beneficial to the public and essential, they should strive to work for them.

Deputy President, disregarding those examples that took place a long time ago, a recent example is the minimum wage which was opposed by the FC to which you belong. At the beginning, various parties completely failed to reach a consensus but the Government insisted on implementing the minimum wage so we just had to work on it. At that time, some people threatened that there would be massive closures of companies and layoffs but I have not noticed such a problem. All I can see is that many employers find it difficult to recruit sufficient staff. Therefore, universal suffrage can never be achieved if the Secretary advances such rubbish excuses.

Even if the universal suffrage for all seats of the Legislative Council cannot be implemented in 2016, which is our most coveted goal, we should take a step further in a gradual and orderly manner to, as mentioned by the Liberal Party and other people, expand the electorate and abolish corporate votes, but the authorities said that it is completely unacceptable. I heard that members of some FCs have requested to reduce the number of voters by one or increase the number by two. A Member has mentioned Mr MA Fung-kwok just now. In fact, it is not proper for Mr MA Fung-kwok to represent the press but I believe he is not the representative of the relevant sector since, frankly, how many voters are there in the FC to which he belongs? The list prepared by the Secretariat is very useful as it has set out the names of all Members and the respective numbers of votes they received; there are 2 586 voters in the FC of Sports, Performing Arts, Culture and Publication to which Mr MA Fung-kwok belongs. I wonder how can he represent the press? Yet, he has mentioned in a meeting — the Secretary can probably recall it as well — that a voter who belongs to the sector of publication was transferred to the Insurance FC for some unknown regulations and logic of the authorities. Mr MA certainly wants to secure every single vote but he could not help the aforementioned voter return to the FC to which he belongs, not to mention the things they have mentioned just now. This is absolutely ridiculous.

However, Deputy President, I believe the people of Hong Kong should learn more about the list because the number of voters of this small-circle system can be as few as follows: 147 voters in the Heung Yee Kuk FC; 159 voters in the Agriculture and Fisheries FC and it seems the number will be reduced by one; 135 companies in the Insurance FC; 204 companies in the Transport FC; the Labour FC, which sounds very powerful and even takes up three seats, actually has 646 voters only; 767 companies in the Real Estate and Construction FC; 1 319 companies in the Tourism FC; 927 companies in the Commercial (First) FC; 1 749 companies in the Commercial (Second) FC; 643 companies in the Industrial (First) FC represented by you, Deputy President; 829 companies in the Industrial (Second) FC; 128 companies in the Finance FC represented by Mr NG Leung-sing; 596 voters in the Financial Services FC represented by Mr Christopher CHEUNG; 2 586 voters in the FC represented by Mr MA as mentioned earlier; 1 472 companies in the Import and Export FC; and 3 200 companies in the Textiles and Garment FC represented by Mr CHUNG.

Mr CHUNG just said that there are 30 FCs seats covering 90% of the professions and companies. Such a remark corroborated the claim made by the public back then about the British Government creating FCs but, in fact, the

situation remains that only around 200 000 persons enjoy the right to vote in FCs. Deputy President, the name of "functional constituencies" is particularly terrible as it suggests that if you do not belong to the functional constituencies, you do not have any function. How can we tell more than 6 million people of Hong Kong that they do not serve any function? It is unnecessary for Mr CHUNG or Mr TIEN to be self-deprecating — this Member is even more successful as he takes a seat which is located further forward than his original seat; Mr YEUNG has lost his way indeed — Mr CHUNG and many other people can actually run in the direct elections, just as many Members of the Democratic Alliance for the Betterment and Progress of Hong Kong or other Members have won their seats through direct elections. Why would they think that way? If we apply their logic, many sectors which we consider as functional do not have any seats so there should be a minimum of 600 seats. Therefore, Deputy President, it is illogical.

Moreover, whenever there are guests coming to visit the Legislative Council, I would not only read out all of the aforementioned names but also tell the visitors that in the previous election, 16 Members returned by FCs — including you, Deputy President — were elected uncontested. Those visitors, especially members of overseas parliaments, have never heard of an election in which candidates would be elected uncontested; when I told them a certain Member got 100 votes while the other one obtained 200 votes, they would certainly believe that the election outcome of most of these seats was predetermined by cronyism working behind the scene. How can we tolerate such a practice nowadays?

Nonetheless, I am extremely enraged by the Secretary as he said the authorities had already stated that the system cannot be changed. What did he mean by "already stated"? While no major changes were made in the previous amendment, it does not mean that we cannot make any amendments now or else what does it mean to achieve a gradual and orderly progress? Why is it not regarded as violating the Basic Law? Therefore, I have also told ZHANG Dejiang, Chairman of the NPCSC, that there should be genuine universal suffrage in Hong Kong so that the people of Hong Kong can elect the Chief Executive and all Legislative Council Members, which will be beneficial to the work of the incumbent Government in various aspects, such as administration or governance. When those people who are currently advocating independence notice that the Government will actually do something for them, the number of people supporting independence will decrease. However, the Government still insists

on creating a small-circle system without making any changes, which is similar to the remark made by LAU Kong-wah when he was still a Member that "not even one single step can be taken". If such a situation continues, does the Government actually want to enrage the people of Hong Kong?

When I went to a secondary school for an exchange yesterday, a student asked worriedly, "Ms LAU, what will happen to Hong Kong in 2047?" And another student talked for four to five minutes about the LEE Po incident alone. We should not assume that secondary school students are ignorant. Many people have noticed what is going on now and when they realize that many things cannot be changed, they will feel very discontented or even extremely hopeless. If the Government still refuses to make any changes, I think it will be a serious dereliction of duty on the part of the Secretary. He even cited the absurd reason of "absence of consensus". Did he actually discuss with them and explain the situation to them? While FCs are not meant to last forever and the Secretary has all along indicated to the United Nations clearly that this is a transitional arrangement, why does the transition take so long? It is now evident to all of us that FCs are one of the causes of dissension in the society of Hong Kong and preventing us from reaching a consensus on various issues.

I am personally more than willing to co-operate with FCs Members as well as the Liberal Party. Yet, when I proposed to co-operate with them, the LEUNG Chun-ying clique forbade us from doing so and refused. When I told the students and teachers yesterday that it was actually the pro-Government camp and the Government who refused co-operation with us, they were very shocked; I said it was true and I actually made such a proposal to the President, Mr Jasper TSANG, in July last year. The authorities not only forbade us from co-operating but also refused to change the system. Are they not actually the main culprit of the problems in Hong Kong? Now, the authorities have proposed the Bill and said that apart from introducing some minor amendments, nothing else can be done. How ridiculous! We still have no idea when the system can be changed. If we rely on them to relay our opinions to Beijing, Hong Kong will literally be hopeless.

Deputy President, we really hope and believe that the public also support the implementation of universal suffrage and abolition of FCs. The Secretary said there was no consensus and not many people supported such an idea. That was complete nonsense. Has he ever asked the people of Hong Kong about their opinions? The surveys conducted previously by universities indicated that most

of the respondents supported universal suffrage and they therefore would not favour FCs. Some Members, such as Charles, proposed some minor amendments but they were not given the approval while the President did not allow their requests. I think it really is going too far. Therefore, Deputy President, it makes my blood boil whenever we talk about FCs and we will definitely vote against the Bill.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, the Government proposes to make technical amendments to the electoral legislation and other relevant legislation, in preparation for the elections to be held in 2016-2017 through the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill). These amendments include first, aligning the deadlines for filing election returns; second, updating the electorate of Election Committee (EC) subsectors and the corresponding functional constituencies (FCs) of the Legislative Council; and third, aligning the electoral arrangements of EC subsector elections and the Chief Executive election with other public elections.

Deputy President, as stated by the Government, most of the amendments are generally technical in nature, which do not involve many issues of principle. However, as mentioned by a number of Honourable colleagues earlier, in respect of the second amendment, that is, updating the electorate of EC subsectors and the corresponding FCs of the Legislative Council, the existing process, practice and mechanism of the Government for considering whether individual bodies can become new voters of the FCs have come under fire for lack of transparency and accountability, thereby giving rise to strong queries.

In fact, the Government has long been stressing that through FC elections, balanced participation can be achieved so that professional advice can be offered on the Government's administration and policymaking. Mr CHUNG Kwok-pan also spoke along this line earlier, for he kept pointing out that the FCs could offer professional advice from the industry perspective so as to achieve the objective of maintaining social stability. But insofar as FC elections are concerned, corporate votes instead of individual votes are adopted by a number of FCs. It means that not all practitioners engaged in the industries have the right to vote.

As for balanced participation, although it can allow representatives from various FCs to enter the Council, it is nothing more than an excuse. First, as the commonly known corporate votes instead of individual votes are adopted,

persons from the FCs do not have the right to vote if they are not voters. And corporate votes basically do not fulfil the principle of balanced participation. Moreover, such marginalized social groups as women and unemployed persons have no representative in the Council, and there is no one to speak for them. In that case, how can the Government's avowed balanced participation be achieved? And where are their representatives?

Ms Emily LAU cited a number of examples earlier to illustrate the extremely small number of voters in many FCs. For example, as she mentioned earlier, there are only 147 voters in the New Territories Heung Yee Kuk, 159 in the Agriculture and Fisheries FC, 135 in the Insurance FC and 204 in the Transport FC, while there are a bit more voters in the Education FC. Ms Emily LAU also cited the most special Labour FC. Do Members know the size of the labour force of Hong Kong now? The existing size of the labour force is 3.94 million. But how many voters are there in the Labour FC? There are only 646 persons, and to our surprise, it has been allocated three seats. Deputy President, just think about this. On the one hand, the number of voters in some FCs is too small to represent the views of the FCs. And on the other, how can the ratio of Members to voters be seen to be reasonable? For some FCs, the ratio is either one Member to dozens of voters or one Member to some hundred voters. And for others, the ratio is one Member to some thousand, several thousand or even tens of thousand voters. Can it be considered balanced participation? Can it be considered reasonable and fair?

Moreover, the small number of voters in some FCs has facilitated easy manipulation of election results. Take the Labour FC as an example. Things can be settled as long as a consensus is reached among them, that is, two seats will be ascribed to the Hong Kong Federation of Trade Unions, while one seat will be ascribed to the Federation of Hong Kong and Kowloon Labour Unions to which Mr POON Siu-ping belongs. These two bodies will negotiate in advance for every term of office. There is actually no need to hold any election. Why? It is because the 646 trade unions will allocate the seats among themselves in their small circle. Can it be considered a fair election? Deputy President, if it is considered a fair election, it will be extremely ridiculous indeed.

In addition, as pointed out by Mr CHUNG Kwok-pan earlier, very often, Members returned by the FCs will only speak for their own FCs, and they can hardly analyse social issues and express their views from a macro perspective. Mr Charles Peter MOK also said he could not help it. Sometimes he also has to

accord priority to the interests of his voters as he is accountable to them. Deputy President, what will happen at the end? It will easily lead to social division and dissension. What good does it do? When such problems arise in society, it will only keep reducing the possibility of social harmony, while social disputes will be on the rise. I do not know whether it is the Government's wish to see such scenes happen. If so, I simply have nothing to say. Otherwise the Government should do something, but it has been reluctant to do so.

Furthermore, earlier on, an Honourable colleague also mentioned that objective standards were actually absent in the delineation of FCs. Take the Medical FC as an example. At present, the Medical FC refers to medical practitioners. So, are Chinese medicine practitioners and chiropractors included? They are not. Worse still, for some FCs, the thresholds for eligibility of voters are not consistent and standardized. I mentioned earlier that some FCs use "company" as the basis, while others use members of professional bodies as the basis. The situation of some other FCs is different, like those representing accountants, teachers or lawyers. They have to take professional examinations before they can become members and voters. To put it in a vulgar way, it shows that the situation is really a mess without any sound criteria. This is our electoral system. In that case, how will people consider the elections fair, impartial, reasonable and equitable?

In fact, apart from this, I also recall that when Mr Charles Peter MOK spoke last time, he mentioned that some bodies of the information technology sector wished to become new voters. They thus made a request to the Government. But it seems that the Government has yet to reply whether approval is granted or not. Besides Mr Charles Peter MOK and Mr CHUNG Kwok-pan also mentioned similar cases. According to Mr CHUNG, bodies of the textiles and garment sector wrote to the Government four years ago to inquire whether they were eligible to be registered in the Textiles and Garment FC. Unexpectedly, the Government has yet to give them a reply so far. As the Government has not given them a reply, they cannot become voters in this election. In this connection, may I ask how the Government defines voters of a particular trade? The Government has given no reply at all, and even completely ignored them, which is way too hegemonic. In fact, this reflects that the Government does not have a set of reasonable, fair, transparent and accountable principles.

Deputy President, in fact, it is clearly stipulated in Article 39 of the Basic Law that after the reunification, the provisions of the International Covenant on Civil and Political Rights (ICCPR) as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region. It is clearly set out in Article 25 of the ICCPR that every citizen shall have the following right and the opportunities: first, "to take part in the conduct of public affairs, directly or through freely chosen representatives"; second, "to vote and to be elected at genuine periodic elections which shall be by universal and equal suffrage and shall be held by secret ballot, guaranteeing the free expression of the will of the electors".

But regrettably, Deputy President, the FC elections simply do not meet these two requirements. If we look up the Legislative Council election information dated 2012 — I believe no further elaboration is needed as Ms Emily LAU already talked about it earlier, but I still wish to recap certain parts — we will find that among the 35 FC seats, 16 of them were actually elected by zero vote, accounting for 45% of the total number of seats. Why did they get zero vote? Earlier on, Ms Emily LAU already explained that it was because they were elected uncontested. This is the outcome of an absence of competitors. Even if competition does exist in some FCs — Ms Emily LAU missed this point earlier — the candidate of the Agriculture and Fisheries FC was elected by 105 votes after a contest. We can imagine how representative it is for a candidate elected by 105 votes in the election. Here we have a number of Honourable colleagues returned by the geographical direct elections. Even if we leave aside other things and just talk about the votes they won, they got at least 20 000 or 30 000 votes, while the votes received by some Members returned by the FCs are even fewer than the odd amounts. We can imagine how representative they are.

Deputy President, the FC elections will prompt people to question their representativeness and credibility. Facing such circumstances, our SAR Government is good at one thing, that is, adopting the attitude of turning a blind eye and a deaf ear to these issues, giving neither response nor reply at all and caring about nothing. It will just hold on to the end and stick to its attitude and stance instead of addressing the issues squarely. In fact, a rather common phenomenon in the FCs is that the members often belong to the pro-Government camp. Hence, it has not only exempted them from being held politically accountable, but also undermined fair competition and social development.

Why? Because they are often left with no choice but to blindly follow the practice of the Government, thereby seriously affecting people's livelihood and social development.

Deputy President, although the amendments in this Bill are rather technical in nature, the Government has not taken this opportunity to expand the electorate and improve the situation. They will definitely oppose the introduction of the "Nine New FCs" as proposed by Chris PATTEN in the past, which aimed at expanding the electorate in order to enhance the credibility of the elects. To our disappointment, the Government cannot even do this. It has not only departed from the principles of the ICCPR, but more importantly, it has also run counter to the Basic Law. Why? It is because as stipulated by the Basic Law, it should abide by the principles of the ICCPR which should be implemented through legislation. But now, the Government has simply ignored these issues. As it does not even care about the Basic Law, how can I support this Bill? For this reason, I will oppose the Bill.

Deputy President, I so submit.

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

MR TAM YIU-CHUNG (in Cantonese): Deputy President, in the Second Reading debate on the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) last week, I listened to Members' speeches carefully. I have also heard several opposition Members' criticisms of the drawbacks of the functional constituencies (FCs) earlier.

The Bill currently tabled by the Government consists of merely technical amendments, but opposition Members have made an issue of the subject by lashing out at the FCs. FC elections are considered by some people as an abnormality, yet they have been there for 32 years. FCs were introduced by the British Hong Kong Administration, and they have since been implemented thanks to our recognition of their functionality. In addition, the Democratic Party has made some sort of a contribution in this regard, resulting in an optimization of the FCs in 2012 and an expansion of their coverage. In this way, the effect of "one person, two votes", one vote for direct elections and the other for FC elections, is achieved, showing that there is no question of unfairness at all.

Of course, I was personally a representative for the Labour FC between 1985 and 1995, and I consider Members' earlier criticism of representatives for the Labour FC unfair. These representatives are elected through registered trade unions on a "one-person-one-vote" basis. It is actually not easy to secure the support from all unions as they are formed among different trades. Many of them are rich in history and have strong representativeness, and boast a great number of members. That a trade union is willing to cast a vote for electing a representative for the labour sector is not an easy thing, as each of them has to ponder who to support, showing how strong the representativeness is. Furthermore, Members can see that the labour representatives in this Council are all experts on labour rights. Every time a labour-related law is under discussion, they will raise a lot of views and suggestions conducive to a thorough discussion in this Council. They will also convey to the labour sector legislation in relation to labour rights for yet another thorough and comprehensive discussion, so I see a point there.

In addition, I consider some Members' criticism of Mr MA Fung-kwok unfair, as the coverage of his constituency is rather wide. In this connection, some people may be worried that a FC with a limited coverage may have narrow representativeness and will only attend to sector business. This shows that a wider coverage may still be good, but it may give rise to criticisms of the coverage being too wide. Let me cite an example. During the discussion of the Bills Committee on Copyright (Amendment) Bill 2014 in this Council, Mr MA Fung-kwok had liaised with the sectors he represents and invited them to fully express their views to the Council. Throughout the process, he had also fully presented the views and suggestions of relevant sectors to make the discussion in this Council more comprehensive.

As for their remarks on individual votes and corporate votes, I hold that both individual votes and corporate votes certainly exist in the current FC elections, but Members have to distinguish the differences. The individual vote system is implemented mostly among the professional sectors, whereas corporate votes are mostly for trade representatives, who care about the overall development of the sectors; as for individual votes, the consideration is based on the concerns of individual practitioners. These are two different directions. Therefore, I hold that they are no substitute of each other and each of them carries respective functions.

Of course, will FCs last forever, as some Members put it? Members are aware that there will be a change, as it is stipulated in the Basic Law that the ultimate aim is for all the Members of this Council to be elected by universal suffrage. However, in a meeting in 2007, the Standing Committee of the National People's Congress (NPCSC) made a Decision as stated by Deputy Secretary General QIAO Xiaoyang, "that the election of the fifth Chief Executive of the Hong Kong Special Administrative Region in the year 2017 may be implemented by the method of universal suffrage; that after the Chief Executive is selected by universal suffrage, the election of the Legislative Council of the Hong Kong Special Administrative Region may be implemented by the method of electing all the Members by universal suffrage." In other words, we have to seek a solution to the election of the Chief Executive by universal suffrage before dealing with universal suffrage for this Council. There are steps to be followed through. Regrettably, opposition Members did not support the universal suffrage package for electing the Chief Executive last year, leading to the current situation.

Certainly, there is a view among opposition Members that they will oppose whatever patch-up amendments to the FC elections, as such amendments will only serve the purpose of strengthening FCs. Therefore, to me, the best approach is for the opposition camp to rethink the universal suffrage package for electing the Chief Executive and consider supporting the 31 August Decision made by the NPCSC, such that the day of achieving universal suffrage for this Council will not be too far away. I hope that they can consider it afresh instead of merely finding faults with the FCs, which is unfair to Members of this Council returned by FCs.

In addition, from the perspective of the overall operation of this Council, FC Members actually play an important role of being a stabilizing force in the community. As regards Council work, it is evident that they are proactively engaged in panels and Bills Committees. Members returned by geographical direct elections may always be busy with handling district business or liaising with electors from across districts, so FC Members have to undertake much of Council work single-handedly. Whenever Bills or motions of a professional nature are being handled, they will liaise with individuals and groups from the relevant sectors and fully reflect their views. Therefore, I see it as a sheer reflection of the functionality of the FCs. It is rather unfair to utterly brush aside their contribution in this regard.

I will support the amendments proposed in the current Bill, and hope that opposition Members can consider afresh the question of how FC elections should be changed. As long as we manage to seek a solution to the election of the Chief Executive by universal suffrage, changes will take place. Thank you, Deputy President.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, just now Mr TAM Yiu-chung told us to rethink the functional constituencies (FCs). In fact, we need not give it any thought, for the FCs are practically a system that is incredibly insulting to the intelligence of Hongkongers. From the historical viewpoint, they can actually be compared to the guilds in the medieval times, which were syndicates with vested interests, rather than functional in nature. Therefore, it is not accurate to call them functional constituencies. Instead, this ordinance should be renamed as "interests and privileges election ordinance", for this system is actually meant to return some people to represent the interests of their syndicates.

Just now Mr TAM Yiu-chung boasted how formidable the labour sector has been and how helpful it has been to workers. Certainly, I appreciate that Mr TAM Yiu-chung was returned by the Labour FC in the past. But firstly, this electoral system is most "rotten" and very much a small circle. Simply enough, they use a union, not a union member, as the unit across the board. If they consider themselves to be truly representative of workers, they should let their members choose their representatives. Even though they are members of the Hong Kong Federation of Trade Unions (FTU), I would welcome this all the same. They said that the FTU has 400 000 members, and I do not see any problem with it. These 400 000 members may as well be allowed to make their choices and then we will see what kind of representatives they will elect.

Certainly, in the final analysis, we do not wish that seats are returned by way of FC elections. But if they said that the Labour FC is very effective in its work and capable of protecting workers' rights and interest, why do they not dare broaden the electorate to all union members when the FTU claims to be a labour union with the largest membership? We in the Confederation of Trade Unions can go to the FTU to canvass votes from your members, and I do not see any problem with this. But they have not done so. They have worked behind closed doors, giving each union just one vote. This is entirely "pie sharing"

between the FTU and the Federation of Hong Kong and Kowloon Labour Unions as they share their seats using the rule of "2+1" every year. For how many years have they apportioned their seats in this way?

Some people said that they have done a good job but they have obviously betrayed workers' interest over one issue. They have all along claimed to be fighting for the interest of workers, vowing to fight for standard working hours, minimum wage, and abolition of the arrangement for offsetting severance payment by MPF benefits, in the interest of workers. Everything that they have done is said to be fighting for the interest of workers but ultimately they have chosen LEUNG Chun-ying. Today, this LEUNG Chun-ying whom they support has betrayed workers and CHENG Yiu-tong in their camp even has to shield LEUNG Chun-ying. On that occasion when we had a meal with ZHANG Dejiang, I saw that even Ms Regina IP was telling on LEUNG Chun-ying behind his back but the only person supportive of LEUNG Chun-ying was CHENG Yiu-tong. How schizophrenic they are. They can severely criticize LEUNG Chun-ying in this Council and then CHENG Yiu-tong can pledge staunch support for LEUNG Chun-ying outside this Council. Sometimes I heard one of them scold LEUNG Chun-ying and the next moment Mr WONG Kwok-hing would extend his gratitude to LEUNG Chun-ying. They simply exploit every opportunity to the fullest.

Their worst betrayal of workers is their continuous support for the 31 August Decision. They have defended the Decision disregarding how brazenly workers' right to election is strangled. Just now he still pledged support for the 31 August Decision in his speech. But think about this: The FTU supported the 31 August Decision and then they said that they uphold workers' rights and interest. The 31 August Decision precisely constitutes the biggest infringement on workers' rights. Workers need not only food to eat, and they need not only a job, let alone the fact that having food to eat and landing a job are closely related to the political system, and labour laws are closely related to the political system. We have always criticized the lack of improvement to the labour laws; so has the FTU, but at the end of the day they support a system whereby it is impossible to make improvements to the labour laws. They are indeed sinners of a millennium. Therefore, I hope that they can set the record straight. These FC Members representing the labour sector said that they have defended workers' rights and interest. Please go home and look in the mirror. Who are the workers whose rights and interest are defended by them? They have all along supported a government that colludes with the business sector; they

have supported a government that only skews towards the consortiums, as well as those governments of LEUNG Chun-ying's predecessors during the eras of Donald TSANG and TUNG Chee-hwa, and they had thrown weight behind them all the same.

This is the case of the labour sector. What about the other sectors? They are likewise syndicates with vested interests. More often than not, they have distorted facts, and they always like to distort FCs into "professions participating in politics". In fact, FCs are not "professions participating in politics". FCs are meant to protect the interests of the professions, the business sector or organizations. They are not about professions, but interests. Banks are the best case in point. When the Lehman Brothers incident broke out, what professionalism was there to speak of on the part of the banks? All they did was defending the banks, arguing that they had done nothing wrong in marketing Lehman Brothers-related products. What kind of profession is it? It is purely all about interests. Imagine: The United States is too big to fail, and the American Government paid several hundreds of million dollars to the banks. What professionalism is there on the part of the banks? Banks are avaricious because their aim is to make profits. Banks are not in any way a profession; its professionalism lies in avarice, and sometimes, all that they are thinking about is how to cheat people of their money. Just take a look at the banks in the United States or those in Hong Kong. Do they not aim to cheat people of their money at the end of the day? They are actually not a profession, particularly as Mr NG Leung-sing from the banking sector has transcended the boundaries of his original banking profession and become involved in the agricultural and fishery profession by studying "shampoo boats". What professionalism is there on the part of the banks? It turns out that the banking sector is professional in "shampoo boats". This is where their professionalism lies.

I call on Members to see clearly that the FCs are entirely not professions, and in order to meet the need of this Council for professional input, with the implementation of full direct elections, professionals can run in the direct elections on the one hand, and on the other, as this Council indeed requires support from the professions, including engineering, information technology (IT), and various other industries, public hearings can be conducted by this Council to invite the professionals to provide assistance, rather than resorting to small-circle elections for them to be returned to this Council to not contribute their professional knowledge but to protect the interests of their own sectors.

The insurance sector is also a case in point. Insofar as the insurance industry is concerned ... Mr CHAN Kin-por is not in the Chamber now. He most likes to take FCs under his wing, saying that FCs have worked most effectively. He is right, for the FCs have worked most effectively for their own sectors. For motions relating to the insurance industry proposed by him, what did he aim to achieve most keenly? It was to wrong the workers, alleging that the workers had faked injuries for compensation and then pointing an accusing finger at workers. This is their profession. Therefore, the entire system is a syndicate with vested interests, and it is not about professions. As for the electorate, we can all see that there are great discrepancies, as the electorate of some FCs is bigger whereas that of some others is smaller. We have no idea at all what criteria are adopted.

Mr TAM Yiu-chung said that we rejected even these minor patch-ups. Yes, we could not care less about these minor patch-ups. However, the constituents of these FCs have indeed become a laughing stock to Hongkongers. I learnt from Mr Charles Peter MOK that in his FC, the electorate can be formed by way of membership recruitment. It means that when one becomes a member, he can be a voter. What is most shocking is that in Mr Charles Peter MOK's IT FC, the electorate can increase all of a sudden from some 6 000 voters to over 12 000 voters, showing a 100% increase. For the new constituents brought about by this 100% increase, where do they come from? It turns out that one can become a voter in the IT FC by becoming a member of an organization. I asked him how one could become a member of an organization and how much the membership fee was. I was told that there would be a "big sale" when the election draws near and the membership fee cost a mere \$50. Members of the union of Indonesian and Filipino domestic helpers have to pay \$120 for the membership now. I should tell the Indonesian and Filipino domestic helpers to pay a membership fee to iProA and then they can join the IT FC since they are, after all, paying \$120 now, which is more than \$50. How can they be as "cheap" as such? How can one register as a voter in such a way?

In some other FCs, however, no one knows why some people cannot become voters. In the financial services sector, many professional bodies under the Securities and Futures Commission (SFC) are not voters. Have you not stressed your professionalism? But some professions do not have a part to play and they have to be kicked out. What logic is it? There is no logic at all. You people with vested interests actually want to block other people from joining your sector. For the sake of your own vested interests, you are afraid that your

interests may be diluted and therefore, in the finance sector, the actuaries of the SFC and their counterparts are excluded because you do not wish to have your interests diluted.

Likewise, neither does the insurance industry wish to have its interests diluted. Therefore, it is most important to ensure that only the bosses are eligible to vote while insurance agents are not, for their interests must not be diluted. Besides, there are also some ridiculous provisions in law. The arrangement in the Catering FC has been exposed recently. I rang up the Electoral Affairs Office enquiring about the reasons why some people are not eligible to vote. Who are excluded from the electorate? The shop operators in public markets under the Food and Environmental Hygiene Department (FEHD) are not eligible to vote but shop operators under The Link REIT are. Why is it that shop operators in private markets can vote in the FC election? It turns out that this is again provided for in law. Who can vote in the Catering FC election? The answer is holders of licences. Shop operators in markets under the FEHD are not holders of licences, for they are issued with permits only and so, they are not eligible to vote. Therefore, the entire system is extremely rotten and problem-plagued. In the final analysis, they are basically meant to protect the interests of syndicates with vested interests represented by you people who are sitting in this Chamber.

We, being Members representing the grass-roots workers, feel all the more indignant at seeing this. Of the 35 FC seats, five are the "Super District Councils" seats, and for the remaining 30 seats, some represent the business sector — not professions but only businesses with eyes set purely on interests — such as the representative of the Chinese General Chamber of Commerce, Mr Martin LIAO. They all represent the interests of the business sector. Of these 30 FCs, 15 purely stand for the interests of the business sector, and the other professions are also serving the business sector. These labour representatives in this Council are even so shameless as to speak highly of this system. Please do not be so schizophrenic. On the one hand you said that the industrial and commercial sectors are standing in your way when you fight for the rights and interest of workers but you said on the other that it is a good thing for the industrial and commercial sectors to have powers and you even suggested that they should be given more powers. How hypocritical you are! So it shows that this system has become as rotten as such.

Mr TAM Yiu-chung went further to explain the reasons why the FCs should not be abolished, making remarks about FCs lasting forever or whatever. I think the FCs will definitely go down in history as an eternal notoriety and it would be disastrous for them to last forever. He even blamed us for rejecting the proposals on the Chief Executive election, resulting in a situation where changes cannot be made to the FC system. What logic is it? It is again the logic of autocracy, the logic of the regime of the Communist Party of China (CPC). The CPC regime said that the method for the selection of the Chief Executive must be amended before the FC system can be amended, after which changes can be made to the Legislative Council election. Last time when the LEUNG Chun-ying Administration (including the incumbent Secretary) completed the review and consultation, they only proposed amendments to the Chief Executive election whereas the development of the Legislative Council election in a gradual and orderly manner was put aside without introducing the slightest amendment to it. Then the Government put forth the excuse that there had not been discussion among the public and no consensus had been reached. Certainly there was no consensus. Had a consensus been forged in society, it would have been unnecessary to involve them in dealing with this matter. So, this logic is most ridiculous and this also explains why the people of Hong Kong are so angry.

They are precisely using this logic to set a hard and fast framework on us over everything. They said that there must be nomination by a small circle and when we did not accept it, they continued to put constraints on us. They said that the method for the selection of the Chief Executive must be amended before the FCs can be abolished, setting on us a hard and fast framework again. Then we struggled against it; the people of Hong Kong became indignant, and they took to the streets to put up struggles and they even threw bricks. Then we were accused of throwing bricks. We certainly did not wish to see people throwing bricks, but this system is exactly imposing constraints on us in such a way. In fact, they have actually hurled at us bricks that are even larger in a bid to crush Hong Kong to death. We must condemn these pro-Government parties. We condemn the Government and we condemn the CPC regime. They are actually hurling bricks at us every day. They have been hurling at us unreasonable logic and unreasonable frameworks, making it impossible for Hongkongers to breath.

Under such a system, what will be the future of Hong Kong? So, when it comes to the future of Hong Kong, it is you people who have imposed constraints on Hongkongers to the extent that their confidence has been drained completely

away. This, I think, is most regrettable, and on behalf of the Labour Party, I oppose the these amendments and the entire FC electoral system. Thank you, Deputy President.

MR ALVIN YEUNG (in Cantonese): Deputy President, our discussion today is about the electorate of functional constituencies (FCs). Honourable colleagues from the democratic camp have spoken one after another. Mr LEE Cheuk-yan has just made an impassioned speech and also vehemently spelt out the shortcomings of FCs. I certainly do not intend to make any verbose repetition.

However, while Mr LEE is still present, I would like to add that, as he has just pointed out that the eminent Member in this Council, Mr NG Leung-sing, has been operating "shampoo boats" services across the sector, I believe Mr NG is definitely an ideal candidate for the Transport FC in the Legislative Council. Thus he should not confine his capabilities to the finance or banking sector. What a waste! He is of such a high calibre that he should switch to the Transport FC to challenge the Liberal Party.

Certainly, Deputy President, I often see the democratic Members of the Council as old-timers who do not keep themselves abreast of the times. Deputy President, FCs are so wonderful. Why should we oppose them? If there were no FCs, could our Secretaries enjoy such an easy time sitting so cosily here in the Chamber? Of course not. If there were no FCs, could so many Government Bills be readily passed? Of course not.

Certainly, Deputy President, I know FCs are wonderful as they bring a lot of professional talent into the Legislative Council. In fact, is it the case? Certainly, for example, a Member of my party comes from the legal profession. We certainly agree that competent individuals should join the Legislative Council and contribute their expertise to the public. However, Deputy President, at the same time, our worry is whether FC Members will only protect the interests of their own FCs — a question that calls for deep thoughts.

Deputy President, if you care to pay any attention and perhaps the public will also notice it, most FC Members were not returned by "one-person-one-vote" elections in which practitioners of the FCs voted in their personal capacity. And most of the seats were pocketed by the pro-establishment camp. Why? Deputy President, it warrants deep thoughts.

Take the catering industry which Mr LEE Cheuk-yan has also talked about as an example. Workers in the same catering industry are actually categorized into different levels: staff of the Food and Environmental Hygiene Department cannot vote while those of The Link REIT can. What logic and judgment are at play to hold back Secretary Raymond TAM who is present here today from introducing the smallest reforms? Of course, I am confident that with Secretary Raymond TAM's wisdom and the vision of the SAR Government, the system must be considered proven and able to sustain the effective operation of Hong Kong. However, is Hong Kong truly operating effectively? Deputy President, we surely know that this is not true.

The Basic Law stipulates that our constitutional development should follow a gradual and orderly course of progress. Many democratic Members have mentioned today that we have not seen any slight and small gradual progress. Is it true? Deputy President, not necessarily. The crux of the matter lies in the interpretation of "progress" — the meaning of "progress" to the pro-establishment camp and the Government is definitely a far cry from the "progress" in our mind and, that of Emily. Perhaps in their world, the gravitational force pulls upwards. Deputy President, why did I say that? Because we do not see any willingness displayed by the Government to make any slight compromise on the amendments proposed by various Members — not even giving them some thoughts. Mr SIN Chung-kai has mentioned his wish to expand the electorate of the Financial Services FC by allowing companies and individuals licensed under the Securities and Futures Ordinance to become electors. Unfortunately, the President did not permit the amendment. At the same time, Mr Christopher CHEUNG who is present today also opposes the amendment. He maintains that it is not feasible because of the material change it will effect in the electorate of the Financial Services FC. Mr CHEUNG, I believe you will be giving a response later on.

However, Deputy President, what I am trying to say is an expansion of the electorate will of course cause a fundamental and material change in it, and this expansion essentially means a change. Yet such a change will hopefully bring greater representation. Mr CHEUNG, I do not quite understand why you oppose it. Instead you should take the lead to support it as, given your strength and position, there is no way you will not secure individual votes.

Deputy President, at the same time, Members from other FCs, namely Mr Charles Peter MOK and Mr Kenneth LEUNG respectively representing the Information Technology and Accountancy FCs, also want to expand the electorate of their FCs. Obviously their proposals have been ruled inadmissible.

At this point, I remember that the provisional registers of electors are officially released today. Individual electors in the Information Technology FC have surged from around 5 000 in 2015 to over 11 000 this year.

Deputy President, exactly what is the reason for the number to double? Is it because a sizable number of people suddenly devoted themselves to the information technology industry in just a year? Or these practitioners in the computer and information technology industry suddenly found their conscience and gained enlightenment that they felt obliged to shoulder their electors' responsibility and so swiftly took part in the voter registration? But I do not think these are the reasons. They must have been influenced by Mr Charles Peter MOK, whose achievements are so remarkable, that they are eager for a possibility — a possibility — to support him for a second term. But please bear in mind that Mr Charles Peter MOK has not announced his intention to seek a second term.

Deputy President, I wish to point out and also hope that the people in Hong Kong will notice why the electorate of a certain FC has expanded so drastically in a short period of time. It is most unusual. And what is one of the reasons for this most unusual expansion? It is that in order to become an elector of the FC, one must first join some member associations under the Securities and Futures Ordinance. However, in order to join such member associations, one has to pay membership fees of varying amounts.

As Mr LEE Cheuk-yan stated earlier, it only costs HK\$50 to join a certain association while for other associations, according to the information given by Mr Charles Peter MOK, it costs a few hundred or even a thousand dollars.

Deputy President, as a matter of fact, it is a very serious issue, because if everyone enjoys equal rights to be an elector, why do we allow the prerequisites of becoming an elector — in this case the membership fees payable to some associations — to carry such a big difference.

If such a situation exists, in other words, some people can become electors at a lower cost while some others have to pay a higher cost to do the same. Does it accord with the most fundamental legal principle of equal rights for electors? Deputy President, apparently it does not conform to the relevant principles. Yet we still allow the situation to continue, presumably because of its benefits to the Government and the pro-establishment camp.

Deputy President, at this juncture I cannot help feeling that the development of Hong Kong over the years truly owes much to the FCs. Without the FCs, I believe Hong Kong would long have implemented universal suffrage. Without the FCs, I believe the Chief Executive sitting in the Chief Executive's Office today would not be a LEUNG. Without the FCs, I believe universal retirement protection would have long been introduced. Without the FCs, I believe standard working hours would be formulated soon. Because of the FCs, we have spent ages discussing a minimum wage. The FCs really have so many advantages: it slows down the changes in society, as well as its progress. Exactly because of this, I believe the Government or the pro-establishment camp have the best, most well-meaning intention: they hope society does not change too rapidly, particularly not progressing too rapidly such that other people can keep up with the pace. It must be so — unless it is not.

Such being the case, Deputy President, I think the SAR Government should definitely be awarded the Nobel Prize in Physics for violating the forward-moving trend in normal societies. Why does the Government not try to nominate itself for award of the prize? It can also promote to the world the wonderful FCs. Numerous professionals can become Members through FCs without running in geographical direct elections. Let us think about the demerits of geographical direct elections. Members returned by geographical direct elections are loud-talking extremists — there is such a Member sitting behind me. And they speak in such a spiteful and bitter tongue, completely showing no regard for others' feelings. Deputy President, in the long run I even think that it could be wrong to follow a course of gradual and orderly progress for the constitutional development in Hong Kong in accordance with the Basic Law. We should make the bold proposal to amend the Basic Law. In the long run, the constitutional development in Hong Kong should pursue gradual and orderly regress. The Legislative Council should not be formed through geographical direct elections — all Members should be from FCs. As Members from the pro-establishment camp have talked about the FCs almost like their prized possession, why are Members returned by geographical direct elections not replaced by those returned by FCs? Why do we not allow more whom they refer to as individuals from professional services to enter the Council? Instead why are we, a group of Members returned by geographical direct elections who are just extremists having no concept of right and wrong whatsoever and completely unproductive, allowed to stay in the Council and be such eyesores? Therefore, Deputy President, why does Secretary Raymond TAM not make such a bold and direct proposal to the Central People's Government and the SAR

Government. In each future Legislative Council election, there will be gradual regress: seats returned by geographical direct elections will decrease from 35 to 30, from 30 to 25, and then to 20 and lastly to zero. In this way, I believe the Council can operate effectively as there will be no one filibustering and folks like Mr CHAN Chi-chuen will not be able to enter the Council through FC elections.

Deputy President, in the long run, I reckon that the Legislative Council may as well be dissolved. The function of the Legislative Council is to monitor the Government. In fact, according to the pro-establishment Members, FCs only exist to provide opinions. Such being the case, why do we not organize more consultation sessions and set up more resident organizations for them to express their views? Indeed, according to them, the Council is entirely useless.

Deputy President, my remarks just now of course are nonsense. However, the frightening truth is such logic and statements did come from Members of the pro-establishment camp. I believe they genuinely subscribe to these viewpoints and genuinely embrace the FCs. I also believe they think FCs can maintain the effective operation of Hong Kong. Yet, Deputy President, my misgiving is society has indeed progressed. The current situation is different from the 1980s when FCs were first introduced. Now as we stand at the forefront of the forward development of the world, why do the FCs exist in Hong Kong alone while they are nowhere to be found in the rest of the world? Are we really so smart? Have we found a set of real solutions to social problems? Of course not. If so, our Secretary Raymond TAM would have been visiting places all over the world to promote FCs.

We have noticed that so many old problems have remained unresolved. We have also seen that many social conflicts could not be handled by elected Members and have instead been further intensified by the pro-establishment camp or the more important FC Members. Under such circumstances, the Council is no longer a place to resolve conflicts, but one where they intensify. For this reason, the retention or abolition of FCs has become a yearly agenda item in which democratic Members hope to see some progress. We even wish to abolish the FCs as this system is in essence illogical for it is a stumbling block to the effective operation of and discussion of people's views in the Council.

Deputy President, for this reason, before I conclude my speech, I have to make a special appeal to the FC Members present, especially outstanding Members like Dr LAM Tai-fai, to join the geographical direct elections early.

Staying in the FCs would be wasting his and other outstanding Members' wisdom, including Mr CHUNG Kwok-pan, who told me at the lift door just now that he would listen to my speech. Such outstanding Members have such good qualities that it is a tremendous waste if they remain in the FCs. Deputy President, I so submit.

MS CYD HO (in Cantonese): Deputy President, the amendments in this Bill are really insignificant and piecemeal. The amendments include the postponement of the election day due to inclement weather, as well as some amendments relating to the electorate, such as the deletion of an organization from the Agriculture and Fisheries Functional Constituency (FC), that is, the Sai Kung Fishermen Association Limited. Do Members know the number of votes held by electors in the agriculture and fisheries sector? The latest number of registered electors is 159. I would say that this single vote is inconsequential, and the election is still a coterie election after deducting this vote. Other examples involve the change of names of nine organizations under the Sports, Performing Arts, Culture and Publication FC, and the cessation of operation of six organizations under the Transport FC. What amendments have been made to the cultural sector? It is replacing the abbreviation "Ltd" with the full spelling "Limited" to tally with the names of these listed bodies with their record in the Company Registry. These amendments are really "limited". They are "limited" amendments of an extremely trivial nature. They will not cause any change to the system. They will not make the system worse, for the system cannot be worse, nor will they improve the system.

As we come across the Sports, Performing Arts, Culture and Publication FC today, I would like to examine the electorate of this FC with Members. Recently, a group of cultural workers from the cultural sector, calling themselves "The Voteless" (無票者), launched the "Voteless Campaign". They wrote to Secretary Raymond TAM around 21 May to point out that this FC had only 2 000-odd votes, and I do not know if the Secretary has replied to the letter yet. They pointed out in the letter that there were only 2 300 votes in the FC, and according to the latest figures published by the Government, there are 2 586 votes. However, according to the statistics of the Government, 192 930 people were engaging in the cultural and creative industry in the Census conducted in 2011, and by 2013, the number had increased to 207 490 people. Yet the relevant FC has only 2 586 votes. Against this background, in what ways are these votes representative? The 200 000 people I mentioned are only people

engaging in the cultural and creative industry, without factoring in those engaged in sports and other related industries. Will the Secretary tell us the number of people engaged in these industries later? In fact, according to the announcement of the Information Services Department, 8 512 electors are involved in the exercise to nominate representatives for the Hong Kong Arts Development Council. If so, why is the size of the electorate for electing Members of the Legislative Council and that of the Election Committee selecting the Chief Executive even smaller?

Deputy President, "The Voteless" group includes pillars in various sectors in the cultural industry, and they are all important personages. Let me read out their names, and they include, Adrian CHOW (music producer), CHOW Yiu-fai (lyric writer/writer/Assistant Professor of the Department of Humanities and Creative Writing of the Hong Kong Baptist University), CHOW Chun-fai (Artist), Denise HO (singer), Anthony WONG (singer), Gregory WONG (actor), LEUNG Pak-kin (lyric writer), Shu Kei (Chair of the School of Film and Television of the Hong Kong Academy for Performing Arts), Adam WONG (film director), NG Ka-leung (film producer), Vincent TSUI (film director), Eric POON (Associate Professor of School of Journalism and Communication of the Chinese University of Hong Kong), TANG Siu-wa (writer), CHAN Wai (writer), Cally YU (Writer), Candace CHONG (playwright), Lok Fung (cultural critic/writer), MUI Cheuk-yin (dancer), Justic WONG (comic writer), PAK Sheung-Chuen (Artist), Anson MAK (Artist), LEUNG Po-shan (Artist), Lawrence PUN (writer). They are people whom the Government has invited to represent Hong Kong to participate in the Venice Biennale exhibition, but they do not have a vote in the FC. Why? Will the Secretary please explain this? If the authorities attach importance to the cultural and creative industries and if they regard the cultural and creative industry a new pillar, why does an industry with 200 000 employees have less than 2 600 votes, and why is it still a coterie election? In fact, at present, certain organizations are only given one vote. Like the Hong Kong Journalists Association of the press, it is only given one vote and reporters are not eligible to vote. As a result, the representative of the sector does not give regard to the welfare of reporters. It is evident that it is a distorted system. The authorities claim to be concerned about professional knowledge, yet the representatives of various sectors fail to represent the pillars and renowned personages in such sectors. How can the authorities say that the representatives are "representing the sector"?

We have seen many other examples reflecting that representatives of FCs are only striving for more resources and power in the Legislative Council on behalf of their sectors instead of working for public interest. According to the original logic of the Government, this group of representatives will contribute their professional knowledge to society, but is this really the case now? As pointed out by Mr LEE Cheuk-yan earlier, in the Lehman Brothers incident, had representatives from the banking and financial services sector spoken for the general public? They had only defended those banks which had lured the general public into buying minibonds, and they opposed the setting up of a select committee by the Legislative Council to investigate the case. During the election period, LAU Kong-wah and other pro-establishment candidates standing in the direct elections were pressurized at election forums, and it was then that they agreed and undertook to set up the select committee when they returned to the Legislative Council the next term. These select committees striving to protect the interest of the general public were set up as a result of pressure exerted by Members returned by direct elections through campaign activities in direct elections, yet the authorities dare say that FCs have made contribution to the public interest of Hong Kong.

Let us look at another example. In the implementation of the relevant law on anti-smoking and the promotion of central slaughtering, the latter being a measure the Government has all along desired to introduce to prevent the spread of avian flu, who have raised the strongest opposition? It is the catering sector. Mr Tommy CHEUNG pointed out at the time that the smoking ban would affect the business of the catering sector and result in the closure of many food establishments. However, today, food establishments have to close down due to exorbitant rents but not the smoking ban. As for central slaughtering, the opposition comes from the wholesale and retail sector.

Deputy President, it is true that these people possess professional knowledge and, had a sound system been put in place, they could have made contribution to society. For this reason, the pan-democratic camp has long since proposed the German model. Half of the members of the German Bundestag are returned by direct elections, and the remaining half are returned by appointment lists submitted by political parties based on the votes won. The arrangement is similar to the proportional representational system, whereby the number of candidates on a list eligible to enter the Bundestag is decided by the number of votes they obtained. Political parties are to be responsible and held accountable to the professional aspects of these members of the Bundestag. If these

members on the professional lists of political parties fail to act properly to secure the support of the public, these political parties will suffer setbacks in subsequent direct elections.

Regrettably, under the FC system left behind by the colonial era, the above scenario will not occur. For Beijing does not wish to see the emergence of a strong and powerful political party in Hong Kong. Even for the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), the Central Authorities do not want it to grow, and when a candidate is elected the Chief Executive, he or she must withdraw from his or her political party immediately. This system left behind by the colonial government is doing great harm to the interests of the public. Yet, today, the Central Government and the SAR Government are actually defending this product or evil remnant left behind by the colonist, while accusing the democratic camp of not loving Hong Kong. Indeed, the Central Government and the SAR Government are fully embracing re-colonization, preventing the people of Hong Kong from taking matters into their own hands.

Mr TAM Yiu-chung mentioned the arrangement of "one person, two votes" earlier. He had better not say that. He should not think that by giving two votes to everyone, the election will be regarded as equal and democratic. The relevant convention on human rights of the United Nations stipulate that election should uphold universality and equality, and apart from the right for all to vote, it is also stipulated that each vote shall carry the same influence. This is the current situation for certain FCs. For instance, the representative of the Heung Yee Kuk FC is elected by 147 electors only, and the representative of the Insurance FC is elected by 135 electors only. As for the other five Members returned by the super seats under the District Council FC, they are elected by 3.2 million electors in Hong Kong. Can such an election be regarded as universal and equal? On the one hand, a few millions of electors can elect five Members only, whereas on the other, a hundred or so electors can elect one Member. Besides, under this so-called "one person, two votes" proposal for the 35 FCs, when the five Members of the super seats returned by individual votes are excluded, and when professional FCs with individual votes are excluded, 90 000-odd votes from the education sector, 6 400 votes from the legal sector and 25 000 votes from the accounting sector, there are only 35 000 votes in the capacity of bodies or corporates. In other words, they will control one third of the seats of the Legislative Council with these votes, blocking the democratization agenda.

Therefore, during the debate on the resumed Second Reading of this Bill last week, Members returned by FCs of the democratic camp took the lead to speak. In the election manifesto of these several Members from the FCs, the first item on the list is to abolish FCs. Some people may ask: Is this not political suicide? No. For the abolition of the FCs will lead to the rebirth of the constitutional system in Hong Kong. Some Members from the pro-establishment camp say that the abolition of the FCs is possible, yet those seats now held by the democratic camp should be abolished as a start. They of course want to do it this way, yet we will not abolish these FC seats which can still exert some influence. We will do so if the abolishment of seats is done in a proportionate manner. That is to say, if they abolish half of the corporate votes of the seats they hold, we will also abolish half of ours. They should not treat the people of Hong Kong as fools. We will not withdraw all our corporate votes to let them have more corporate votes. We will not allow them to continue to monopolize additional seats with the 30 000-odd votes, to give indiscriminate support to the Government in this Council, to obstruct the implementation of universal retirement protection, to obstruct the abolition of the offsetting arrangement under the Mandatory Provident Fund System and to obstruct the setting of standard working hours. They should not regard the people of Hong Kong as fools.

Deputy President, in respect of constitutional reform, FCs are one of the major topics of debate. In the 31 August Decision of the National People's Congress (NPC), it is stated that Hong Kong should first deal with the election of the Chief Executive. The 31 August Decision was a decision made by the Standing Committee of the NPC (NPCSC) at its 10th meeting. In fact, the NPCSC passed a lot of decisions in the past. It has built unauthorized structure on top of the Basic Law repeatedly by means of declarations, decisions and explanations, adding many additional terms and conditions to the Basic Law which came into effect in 1997. If the NPCSC could make such a decision on 31 August 2014, why can it not make another decision on 31 August 2016? There is a mechanism for that. If the Central Authorities are sincere in answering the call of the people of Hong Kong, and if they are sincere in fostering solidarity in the community of Hong Kong, resolving conflicts and preventing division in the community to achieve genuine harmony, the authorities should introduce an agenda for democratization that we can all see.

I urge the SAR Government to request the Central Authorities to restart the process for constitutional reform. If a decision obstructing democratization could be made in 2014, a decision can be made in 2016 to reopen the shut door,

so that democracy can be taken forward. During ZHANG Dejiang's last visit to Hong Kong, he said that if the issue could not be settled in one discussion, there could be a second and third discussion. We are prepared to sit down and meet with the SAR Government and the Central Government to discuss the restarting of the constitutional reform seriously, but please do not invite us to dine or attend cocktail receptions for handshakes. The people of Hong Kong want to see real progress in democratization, but not the insignificant and piecemeal amendments proposed by the Government in the present Bill, nor perfunctory work like replacing such abbreviation as "Ltd" with its full spelling of "Limited". Thank you, Deputy President.

MR WONG YUK-MAN (in Cantonese): Deputy President, I would like to state at the outset that I oppose the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) and, as always, demand the abolition of the functional constituencies (FCs). In other words, the FCs should cease to exist in any form. This position of mine will never change.

We can see that the third change in ruling party was successfully completed in Taiwan last week. Not only is democratic development growing increasingly sophisticated, but civil society is developing rapidly in Taiwan. When Hong Kong and Taiwan began to develop democratic elections back in the 1980s, quite many people of Hong Kong criticized the parliament in Taiwan for its "physical resistance" culture. But today, three decades down the road, the "Non-reelection Congress" in Taiwan was already dissolved a long time ago and replaced by a sizable ruling party and parliament, with the ruling party being elected by the people in Taiwan. What progress have democratic elections in Hong Kong made over the past three decades?

On 23 June 2010, Mr CHEUNG Man-kwong from the Democratic Party pointed out in his speech during a debate on constitutional reform in the Legislative Council that "Even though the 2012 package of the Democratic Party has enhanced democratic elements to the fullest extent within the Standing Committee of National People's Congress Decision parameters, it is just a transitional package, and FCs cannot be abolished at once. However, if the transitional package really enhances democratic elements, and increases 10 directly elected and *de facto* directly elected seats in the Legislative Council, so that the ratio of directly elected seats to FC seats in the Legislative Council

becomes 40:30, and there are 10 more directly elected seats for the first time, the political situation will gradually develop from a quantity change to quality change."

We can see from this extract of his speech that five of the 10 additional seats proposed in the District Council (DC) package promoted by Members of the Democratic Party were described as directly elected seats though they were apparently FC seats, thus changing the ratio to 40:30. Why did they fell short of describing it as a separate voting system? The votes cast by the three Members of the pan-democratic camp who are also super DC FC Members are useless under the separate voting system. I often tell Mr Frederick FUNG, who is sitting in front of me, that the vote he casts is useless. Since his vote is completely useless, why should he still cast it? Actually, he needs not cast any vote because it is useless. Why should he cast his vote? Because there is significant disparity in the FC seats, and a majority of the votes must be secured for all Members' motions to be passed under the separate voting system. Since the vote cast by this FC Member is useless, how can he still talk about democracy?

Just now, someone voiced opposition loudly to the 31 August Decision and screening. I oppose the Decision and screening, too. Nevertheless, the DC proposal is subject to screening. Can someone who is not a DC member run in the election? Can someone who fails to secure nominations from at least 15 DC members run in the election? Is there any screening? A large number of electors is not tantamount to democracy. It can be said that according to the 31 August package, all people of Hong Kong may cast their votes to elect the Chief Executive. Despite the large number of electors, the package is still subject to screening. These people were really talking nonsense and simply did not know what was going on in this world. I find the speeches delivered by the pan-democrats back then really laughable.

On 24 June 2010, Mr Albert HO made the following comments in his speech delivered during a debate on constitutional reform in the Legislative Council: "Our judgment is: If the motion is voted down, but the so-called "future guarantee" we strive for cannot be secured either (which necessitates the immediate activation of the "five steps"), is negating the motion beneficial to the political ecology for the pursuit of democracy? We have given it much thought. I think the answer is negative. It is mainly because in our society,

many relatively silent and moderate supporters of democracy do feel helpless, weary and disheartened of political disputes. They cannot see a way out. However, if we can tell them that there is a breakthrough this time and that the 10 newly-added Legislative Council seats will be returned by elections directly participated by the people, they will have a new hope and face a new phase, no longer entangled in a deadlock where everyone accuses each other, which keeps ripping up our society ... Lastly, WONG Yuk-man said that I have given up the moral high ground. However, I can tell him that I have not done so. Instead, I am standing at an even higher point to look at the development of the overall situation of our country. I can look even higher and farther than he does. I have reasons to believe that it is not easy for Hong Kong to strive for democracy in the present circumstances, and so this strategy of pursuing in stages is employed due to the limitations imposed by these circumstances. However, I firmly believe that the changes in Hong Kong not only carry significance in Hong Kong, but also in our whole country. The course of development in Hong Kong today may be the one for our country tomorrow. Thus, in this mood, I think the advancement of Hong Kong today is an important step to us and our whole country and nation." In other words, our country will also progress if Members support this constitutional reform package proposed by the Democratic Party.

Nowadays, people talking about democratic reunification will be teased, and those talking about building a Democratic China will even be condemned. Just look at the controversy arising from the 4 June vigil organized this year by the Hong Kong Alliance in Support of Patriotic Democratic Movements of China and we will find that young people do not care about it. If Members try to discuss democratic reunification and building a Democratic China with them, they will only feel that Hong Kong is now in a mess. How will they be interested in building a Democratic China? Not only have these Members failed to figure all this out, but they have also sought to discredit the young people for refusing to pay tribute to the 4 June incident and behaving in an inhumane manner. In fact, these young people did not say that they were unwilling to pay tribute to the 4 June incident. They merely rejected the approach adopted by the Hong Kong Alliance in Support of Patriotic Democratic Movements of China, that is, using the demand for building a Democratic China to pay tribute to the incident. However, these Members have still not awakened to the fact that the young people only care about localism, independence for Hong Kong, and the establishment of a state.

Now, six years down the road, we find it really absurd when revisiting the comments made by these so-called democrats. The Democratic Party managed to secure five super DC FC seats after approaching the Liaison Office of the Central People's Government. As regards their remark that there will be a quality change from quantity change, may I ask what quality and quantity changes have taken place now that six years have passed? To put it somewhat crudely, it is very likely that the pan-democrats can only secure two seats in the coming super DC election. What is the point of talking about quality change? Did it turn out to be just a hair?

In the previous geographical direct elections, the pan-democratic camp, coupled with the radicals, only managed to secure 17 out of the 35 seats, whereas the pro-establishment camp secured 18 seats. This means that the latter has one more vote under the separate voting system. This is why Mr Alvin YEUNG was claimed to be aiming at grabbing the critical seat in running in the by-election, or else the Rules of Procedure might be amended. It was amazing that they could have talked such nonsense to deceive the electors. What dynastic change has been brought about now that the pan-democratic camp has seized the critical seat? In the words of Emily LAU, I cannot help feeling resentful whenever this issue is raised. Now I have to settle an old score — please explain why the Democratic Party could only secure 19 seats out of the 30 seats in the geographical direct elections, even though the constitutional reform package proposed by the Democratic Party was passed. Buddy, do not forget that the Democratic Party managed to secure 19 seats in 2008. Despite the addition of five geographical seats in 2012, it managed to secure 18 seats only. What does it mean by development from a quantity change to quality change? They should come forth and refute me. I have been criticizing the FCs for being very evil for N years. One cannot describe himself as slightly evil while others very evil. Being slightly evil and very evil are equally evil. The development of democracy in Hong Kong will similarly be impeded. It is really embarrassing that they saw it fit to lay the screening foundation for the bogus universal suffrage package proposed for the selection of the Chief Executive. Now three decades have already passed, but the election of all Legislative Council Members by universal suffrage can still not be implemented. It is really a waste of time for us to continue to discuss how the extremely evil FCs can be fine-tuned. What can we say now that we have failed to live up to the expectations of our next generation?

Some time ago, someone asked me this question: What do Members belonging to the pro-establishment camp or the pan-democrat Members quest for in the elections? I said the answer was very simple. This question was raised

by a young man during the discussion in a seminar held about nine months ago. I replied that the election platform presented by the pan-democrat Members in 2004 was "Please vote for me in the dual elections by universal suffrage in 2007 and 2008". Subsequently, since the 2005 package was overturned, meaning that universal suffrage could not be implemented in 2008, the pan-democrat Members changed their Legislative Council election demand to read "dual elections by universal suffrage in 2012". However, since universal suffrage could not be implemented in 2012, their election demand in 2012 was again changed to read "fighting for genuine universal suffrage".

In the elections to be held in September this year, I guessed they would propose "reactivating the mechanism for constitutional reform and kick out LEUNG Chun-ying". I have been proved correct. The wordings of the banners recently hung up by them on the streets have been changed to read "referendum in September, CY the wolf go or stay". We have changed the slogan to read "hold an 'L' referendum, CY the wolf go". The word "L" used here is not vulgar.

In 1984, the White Paper on The Further Development of Representative Government in Hong Kong was published by the British Hong Kong Government to announce the holding of indirect Legislative Council elections in 1985 to elect 12 FC Members. Later, the number of FC Members was increased to 30 in 1995 and further to 35, or half of the 70 seats, now thanks to the package passed in 2010. Buddy, what progress has been made over the past several decades? Although people would say that, in order to meet its needs in governance, the colonial government had to absorb talents to serve its administrative and political purposes, why are Members still talking about ways to fine-tune the FCs today?

When the constitutional reform package was put to vote in 2015, I made it very clear that so long as the FCs were retained in the Legislative Council, I would oppose the constitutional reform package. This is my bottom line. I believe my electors will definitely support my stance of fighting for 100% democracy. So, if I were to vote in support of a constitutional reform package that sought to retain the FCs, I would feel ashamed to face myself and our next generation.

In fact, under Article 68 of the Basic Law, the Legislative Council shall be constituted by election in a gradual manner and ultimately by universal suffrage. Nevertheless, the elections to be held in September this year will be the same as

the one held in 2012 with no change at all. Neither will there be any change four years later in 2020. Some Members address ZHANG Dejiang as Chairman of the National People's Congress Standing Committee. In my opinion, discussing democracy with ZHANG Dejiang the bandit is like negotiating with a tiger for its hide, right? If these Members do not address him as "Chairman ZHANG", I will not call him ZHANG Dejiang the bandit. It is surprising that the President has not made a ruling. The shoe-shiners had better report me for offending ZHANG Dejiang, so that we will see what ruling will be made by the President. ZHANG Dejiang the bandit!

If the people of Hong Kong must count on the blessing of the Communist Party of China, or the wrong decision made by a totalitarian government or so-called leaders on the spur of the moment, before they can fight for democracy, how different are they from a hair? These Members often hide themselves in a birdcage and keep saying they would like it to be bigger, but the young people nowadays will definitely change the subject of conversation. Members might reckon that the turnout rate of young people might not be high in 2016, and the number of young electors might not be large either. I will not be intimidated by you, pan-democrat Members, who say that you can secure the same number of seats. Let us see who lives longer. You can never outlive these young people. On what ground should you make decisions for their prospects and future? Who are you? Who are you to say something like "opposing independence of Hong Kong" and "opposing this and that"?

What right do we, people of this generation, have to make decisions for the "post-90s" and people born in the post-millennium period? Why can they not express their views? Both you and I are already in our sixties, and our days are already numbered. Even if we can live 10 or 20 years longer, we should have already gone by 2047. Yet, you are determined to make decisions for the prospects of young people and the next generation as well as the future of Hong Kong. Is there anything wrong with you? The young people should certainly make their own decisions, right? Who are we to oppose them? The only solution is to shoot and kill all of them, but we cannot do so now. What can be done? Although you are unable to see it, I can see that this is the law of the world in motion. (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Mr WONG, your speaking time is up. Please be seated.

MR CHRISTOPHER CHEUNG (in Cantonese): Deputy President, I speak in support of the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) introduced by the Government as the Bill makes technical amendments in respect of such issues as "extending electoral deadlines in case of inclement weather", which can help perfect our electoral legislation and facilitate the authorities in making appropriate electoral arrangements. Hence, I will support it. But with respect to the pan-democrat Members' opposition to the Bill because of its absence of amendment to expand the electorate, I think they are behaving pretentiously, making an issue of it and talking nonsense, which is clear evidence of their one-sidedness, subjectivity and hypocrisy!

Deputy President, the speeches of the pan-democrat Members are actually monotonous. They took all the trouble to say that the Bill just contains minor patch-ups, disregarding public aspirations for genuine universal suffrage. I am really shocked by the pan-democrat Members' shamelessness and hypocrisy.

The Basic Law has already prescribed the ultimate aim of selecting the Chief Executive and all members of the Legislative Council by universal suffrage. In its Decision in 2014, the Standing Committee of the National People's Congress formally determined that universal suffrage for the Chief Executive election through "one person, one vote" could be implemented starting from 2017. After the Chief Executive is elected by universal suffrage, all members of the Legislative Council may also be elected by universal suffrage.

As long as the pan-democrat Members do not suffer a memory loss, they should clearly recall that they were bundled up together to vote down the constitutional reform package last year, thus depriving members of the public of the opportunity to elect the Chief Executive by "one person, one vote" and indefinitely postponing the formation of the Legislative Council by universal suffrage. The pan-democrat Members who voted down the constitutional reform package can be regarded as the real "killers of universal suffrage" as well as the culprits who caused stagnancy in constitutional development.

Today, they again make all sorts of pretences and ask for a restart of the constitutional reform. But there is no point crying over spilt milk. If the pan-democrat Members genuinely wished to abolish the functional constituencies (FCs) and form the Legislative Council by universal suffrage, they should have taken the practical action of voting for the constitutional reform package instead of voting it down. And now in the Legislative Council, they are saying that they have to fight for the formation of the Legislative Council by universal suffrage and abolition of the FCs. In putting on a show like this, they are absolutely not fighting for democratic universal suffrage. Instead, they are completely behaving like a bad loser, demonstrating their sheer hypocrisy!

Deputy President, in their speeches, the pan-democrat Members have belittled the role of Members returned by the FCs as representatives of public opinion intentionally or otherwise. I think they are simply making irresponsible remarks and talking nonsense. First, I must stress that Members returned by the FCs do not descend from Heaven. Instead, they are voted and elected by eligible voters of the sectors concerned. They are also broadly representative. Moreover, voters of the FCs possess professional qualifications of their sectors and are familiar with the operating conditions of the trades. Hence, the role of the Members elected by them as representatives of public opinion should not be belittled.

Undeniably, compared with geographical direct elections, the number of voters for the FCs are indeed smaller. But when we evaluate whether a Member is a representative of public opinion or has discharged the duty of speaking for his people, we should not just focus on the number of voters. In that case, does it mean that only Mr Alvin YEUNG can be considered a representative of public opinion? And Mr Charles Peter MOK cannot be considered a representative of public opinion as he got fewer votes than he did?

The FCs have long been serving a professional function. On the one hand, they have tendered the Government a number of recommendations for developing the economy and improving people's livelihood. And on the other, they have monitored the Government's administration. Their contribution to Hong Kong should not be denied, especially in recent years when the pan-democrat Members have been launching maniac filibusters in the Legislative Council, putting forward many crap motions and amendments. Fortunately we still have the pro-establishment camp, especially Members returned by the FCs from the pro-establishment camp who remain steadfast in their duties, voting

down such ridiculous motions and amendments one by one, so that the Government may maintain its normal operation, thereby maintaining social stability and harmony.

I hope the pan-democrat Members can be more objective and holistic in their outlook. They should neither allow a single leaf to obstruct its vision nor focus only on the number of voters for the FCs, deliberately neglecting the contribution of FCs to the community. If they just see things from their own perspectives, care about their interests only, keep talking about the abolition of the FCs and disregard the social need for professional advice from various sectors, they are not only one-sided and subjective, but also selfish.

Deputy President, in their speeches, Mr Dennis KWOK and Mr Charles Peter MOK pointed out that I only fought for the interests of my voters, that is, stockbrokers, but not other practitioners in the finance industry such as fund traders. I think this is contrary to the fact and smacks of smearing. In my proposal to the Chinese People's Political Consultative Conference this year, I suggested that the People's Bank of China should fully utilize Hong Kong, the largest offshore Renminbi centre, to offer more Renminbi financial products for issuance in Hong Kong. And I have also been actively promoting mutual recognition of funds. I have met with representatives from the funds industry and listened to their views on closing options on many occasions. Surely one cannot say that what I have done are all for myself and the interests of my own broker, which does not help the development of the financial business in Hong Kong.

Moreover, Mr Dennis KWOK and Mr Charles Peter MOK have spared no effort in hyping up the Financier Conscience, an organization demanding that corporate votes be changed to individual votes in elections of the financial services sector. Do they know that I found the time to meet with several representatives from the Financier Conscience on 17 May? Through my conversation with them, I discovered that they just kept demanding that the electorate be expanded, but they had little or no idea about the historical development of our financial industry, as well as how to promote the development of our financial industry and enhance the international status of Hong Kong's financial markets. Even so, I still listened to their views patiently, and expressed the stance of the trade on the expansion of the electorate.

If I really fight for the interests of my voters only as claimed by Mr Charles Peter MOK and Mr Dennis KWOK, I simply did not need to meet with the representatives from the Financier Conscience as they are basically not my voters at present. I found the time to meet with them precisely because I value the views of every member of the financial services sector, no matter whether they are my voters or they will vote for me or not.

When Chairman of the Standing Committee of the National People's Congress ZHANG Dejiang visited Hong Kong, he told us not to forget our original intention. I will never forget my original intention in running in the Legislative Council election, that is, to contribute a little to the development of the financial services sector in Hong Kong. I will spare no effort in fighting for anything conducive to the development of the financial services sector and consolidation of Hong Kong's position as an international financial centre.

As to the question of whether the electorate of the financial services sector should be expanded, I had discussed this with eight major bodies of the trade at a number of meetings during the deliberation of the constitutional reform. It is obvious that we support an expansion of the electorate of the FCs in a gradual and orderly manner, but we think that in the absence of a consensus in the community, introducing major adjustments to the electorate will only lead to more controversies. Hence, in respect of the retention or otherwise of the FCs, we consider that no change should be made arbitrarily without extensive consultation and thorough discussion. Mr Alvin YEUNG said earlier that I disapproved of an expansion of the electorate. I think that he, as a Member and lawyer, should respect and understand the facts instead of making incorrect criticisms arbitrarily. If he cannot even make the facts clear, how can he be a lawyer?

Mr Charles Peter MOK and Mr Dennis KWOK mentioned in the debate that so long as the Government was willing, the electorate can be expanded at once, and indeed tomorrow. I think they basically disapprove of the implementation of "one country, two systems" and the Basic Law in Hong Kong. It is unrealistic for them to depart from the constitutional basis in discussing the political system, demonstrating a lack of political wisdom. Moreover, given the different nature of various industries, on such issues as how the electorate should be expanded and which voters can better manifest the features of various sectors, thorough consultation must be conducted, otherwise things will only backfire and end in failure under a radical approach. Leaving these things aside, even from

the very fact that Mr Frederick FUNG and Mr Charles Peter MOK are divided on whether the electorate of the FCs should be expanded, it is evident that the proposal to expand the electorate of the FCs is extremely controversial. The remark that "indeed tomorrow" made by Mr Charles Peter MOK and Mr Dennis KWOK is sheer nonsense.

Deputy President, although I support the Bill, I wish to raise a technical issue in relation to elections, which concerns the publicity for FC elections. All along, the authorities' publicity on Legislative Council elections has only been focusing on encouraging people to register as voters and vote, as well as promoting clean elections, and so on. But it remains almost silent on the formation of FCs and the purposes they serve to the community, rendering many people unable to understand the merits of FCs to the community. In addition, the pan-democratic camp frequently smears the FCs, dismissing them as small-circle elections to mislead members of the public, thereby making Members returned by the FCs victims of wrongful accusations.

I think the Government is duty-bound to deal with this issue, and hope that it can step up its effort in promoting the functions and formation of the FCs in future publicity on the Legislative Council elections in order to enhance public understanding of the FCs. Members returned by the FCs are also elected by voters of their respective sectors, and they are broadly representative for sure. They do play a pivotal role in such aspects as maintaining order in the Council, offering professional advice to the Government, promoting economic development and improving people's livelihood. I hope the Government can carry out publicity campaigns effectively in order to do justice to FC Members.

I so submit. Thank you, Deputy President.

MR CHAN CHI-CHUEN (in Cantonese): Deputy President, in the last sentence of his speech Mr Christopher CHEUNG urged the Government to work properly on publicity to do justice to Members of the functional constituencies (FCs). I on the contrary hope that all Members from FCs will do justice to all the people of Hong Kong.

Today, Mr Alvin YEUNG presented in his speech a fantasy of FCs. He said he supported amending the Basic Law to change the relevant principle to gradual and orderly regression, so that FCs would replace geographical direct

elections gradually with the ultimate aim of all Members of the Legislative Council being returned by FCs. By then, filibustering Members like him would not be elected. Certainly, he explained later that what he said was just rubbish and he was mocking FCs in an oblique way. However, I think one point mentioned by Mr YEUNG is worthy of discussion, for FCs and geographical constituencies (GCs) are after all a matter of method adopted for election by divisions. From the perspective of election theory, the extreme method is "one person, one vote", where an elector has to select all Members of the legislature by marking his choices on a ballot paper, just like ticking the dim sum order form in a restaurant. In the case of the Legislative Council, if an elector is to tick a dim sum order form, the elector will have to put 70 ticks against 70 Members. This is an election method, yet some people consider it impracticable for an elector has to read 500 manifestos and put 70 ticks to choose 70 candidates. As a result, geographical election and constituency election emerge.

Theoretically, there is no good or bad by nature about election by divisions based on districts, industries or functions. Even if all the 70 Members were to be returned by FCs, they might all be elected by direct elections if everyone in Hong Kong belongs to an FC and when the number of electors, the right to nomination and the right to vote in each constituency are equitable. The logic is like dividing Hong Kong into 70 districts or dividing the 7 million people of Hong Kong into 70 constituencies. The two approaches are the same in substance. However, if the population is to be divided into 70 FCs, it will strain our brain. By then, we may have FCs like the women sector, the retirees sector and the science sector, and an FC may be set up for the unemployed or the sexual minority, and whether I will be elected depends on the situation at that time. My point is that despite the large number of constituencies set up and careful division, it is impossible to set up a constituency for each and every trade or profession. Some people may think that we do not understand scientists, for none of the 70 Members is a scientist, and thus we do not understand the problems faced by scientists. Does it mean that we have to elect a scientist as a Member? We should include the ethnic minorities, too. Am I right? If we were to increase the number of FCs or if all Members were to be returned by FCs, we would have to adopt this approach.

However, the system of FCs under discussion now is an extremely evil and weird system in Hong Kong. Under this system, the electorates of different constituencies vary immensely. There are votes cast by corporates, bodies and individuals, and there are Members returned by zero votes. While certain

Members are elected with the support of several dozens of bodies, some have to secure tens of thousands of votes to be elected, that is, Members from the super seats in the District Council FC. There is no benchmark at all. Under such circumstances, certain constituencies, particularly constituencies with corporate votes, will be easily subject to manipulation. The objective reality is that some candidates will be elected uncontested and some will be re-elected for unlimited terms. Yet Members returned uncontested are so abashed to claim that they are unanimously elected. Besides, the separate voting arrangement is adopted in the Legislative Council. These are the problems of FCs now faced by Hong Kong.

Some Members criticized the super seats of the District Council FC just now. In fact, before I was elected a Member, I did criticize the arrangement severely in 2010, and I agree with the arguments advanced. The three Members returned by the super District Council FC from the democratic camp or the pan-democratic camp have actually handicapped themselves. In the FCs, they cannot exert any influence, for they are an insignificant minority of only three votes. On the contrary, in the geographical direct elections, when heavyweight Members with political clout switch to contest for the super seats of the District Council FC, the performance of their camp in the geographical direct elections may be put at risk. At the voting in the legislature, I sometimes worry that a majority cannot be secured in the group of Members returned by GCs. Against this background, the pro-establishment camp may nominate Jasper TSANG as the President. If the democratic camp nominates Mr Alan LEONG or Mr Albert HO as the President, we may lose the majority vote in the group of geographical constituencies in case one of the Members fails to act responsibly and is absent when a vote is taken. This is the abnormality of the separate voting to which we refer.

Members may refer to the election manifesto I used when I stood in the election of the Legislative Council in 2012, in which I called for "immediate implementation of dual universal suffrage, brook no delay". The position of the People Power is unequivocal. It is the same yesterday and today. As such, we will not enter the discussion of the proposal to improve FCs. The proposal to improve FCs include the abolition or merger of certain FCs, seeking to change the proportion of seats returned by GCs and FCs, that is reducing the proportion of FC seats and increasing the proportion of GC seats returned by direct elections. Another proposal is for expanding the electorates of FCs. Many Members from the pan-democratic camp have made this proposal, which involves replacing

votes cast by bodies and corporates with individual votes. I understand that Members from the democratic camp who consider the proposal from this perspective think that with the expansion of the electorates of FCs, they may have a chance to stand for election and fight for a seat, and once they are elected, the number of seats held by the democratic camp in FCs may increase. This is the strategy, so to speak, to abolish or wipe out FCs by joining FCs, which has been discussed for years. Yet, in my view, anyone believing that this strategy or direction can achieve its goal is a bit naïve indeed. They may think that one day when Members supporting the abolishment of FCs are in the majority, or when they account for a two-thirds majority of all Members of the Legislative Council if Members returned by GCs are added to this, they may pass a constitutional reform leading to the abolishment of FCs.

Last week, I heard Mr Dennis KWOK speak most impassionately on the point that the younger elements in FCs at present support genuine universal suffrage. He said that though these young people did not have the right to vote now, for the voting decision is vested in their bosses, these young people would become bosses one day. As I listened to this, I could not help thinking that this was after all a nightmare. For candidates supporting universal suffrage will only have a chance to be elected as Members when these young people supporting universal suffrage have climbed to the positions of bosses. Yet, by that time, these young people will still be casting corporate votes. It means FCs will last for thousands of decades and forever. What a nightmare. Certainly, some people have said that there must be a critical moment when all Members from the democratic camp have to withdraw from FCs, yet this is another extremely radical approach.

Today, many Members from FCs, such as Mr CHUNG Kwok-pan, have pointed out one after another that FCs serve certain functions, and as Members of FCs possess professional knowledge, FCs should not be abolished. Their arguments include: there are good Members among FC Members, many FC Members are hard-working and some FC Members deliver good performance. I have no objection to this point, for many FC Members are so talented, Mr Abraham SHEK is definitely one of them and Dr LAM Tai-fai who has just left the Chamber is another. It is correct to say that some Members of FCs are hard-working. By the same token, some Members of the democratic camp may be lazy, so we should avoid making sweeping statements.

Nonetheless, the point lies not in who will be elected as Members, as under the existing FC system, many Members have been doing a good job. Yet there are some whose performance is poor and the public can do nothing about them. For this reason, we often say that for important meetings like meetings of the Legislative Council and the Finance Committee, Members returned by direct elections must be appointed as the President or the Chairman. Since these Members are monitored by millions of electors in GCs, their performance will not go far off track. Such chairmanship cannot be taken up by Members returned by "zero" vote. Why? Because they may act irresponsibly. No matter how bad their performance is, we can do nothing about them other than gnashing our teeth. Or we have to resort to violent methods to kick them out, for civilized and rational methods do not work on them. We consider this the worst part of FCs.

Moreover, some Members have pointed out that since we urge for the replacement of the incumbent Chief Executive, LEUNG Chun-ying, we should have passed the constitutional reform to allow the public to select the Chief Executive by "one person, one vote". I can refute this point unequivocally. If we are only given the right to vote but not the right to nomination, we cannot guarantee that LEUNG Chun-ying will not be elected as the Chief Executive for a second term. Since the candidates standing in the Chief Executive election are controlled by a Nominating Committee which is controlled by the Communist Party of China, candidates have to secure a majority of votes of the Nominating Committee to be eligible to stand in the election. If there are only three candidates, namely LEUNG Chun-ying, Eddie NG and Andrew FUNG, how can the 3-odd million electors in Hong Kong make their choice? Or do we really have a choice?

Regarding the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bills 2015 now under discussion, the text of the Bill seems to be a thick stack, yet what is the substantial content of it? We will know it by reading the long title. It is stated in the Bill that the Bill seeks to "amend various electoral legislation ... to change the period for lodging election returns", and the most important point is to "change the period for lodging election returns" and "to make technical amendments concerning the lists". I will not read out the amendments, yet the last sentence is "to make other minor amendments that do not affect the substance of the electoral systems". Members may see the series of hurdles imposed, as the amendments should "not affect the substance of the electoral systems" and be "minor amendments".

Many people do not have a clear concept of the definition of constitutional reform and domestic legislation, and I think the Secretary is obliged to explain it clearly to the people of Hong Kong. The constitutional reform must be passed by a two-thirds majority of all Members, yet domestic legislation can be passed by a simple majority. Though I will not discuss the expansion of the electorates of FCs, it is true that the Legislative Council can achieve this on its own.

The first point proposed in the Bill is to standardize the period for lodging election returns. What is the cause for this problem and why does it have to be addressed? This is exactly caused by uncontested elections. In the case of uncontested elections, the deadline for lodging election returns which set out the relevant election expenses and donations in the election is calculated according to the date the election result is published in the Gazette, which is 60 days after the date of publication of the Gazette. What is the problem then? If certain candidates of a political party are elected uncontested, whereas other candidates are returned by geographical direct elections or FCs, the deadlines for lodging election returns of these candidates may vary. Members elected uncontested will feel anxious, for their deadlines will be several weeks earlier than other elected Members. Since political parties have not yet finalized the accounts as a whole by then, political parties can hardly provide a breakdown of the election expenses for submission by Members. For this reason, the authorities are amending the deadline for lodging election returns. The source of the problem is uncontested elections. If there is no uncontested election, all candidates will know the results of the election on the same date, say 4 September, and this problem will not exist. This is a reason for our opposition to the FCs.

Deputy President, congratulations, as I learnt from the latest report yesterday that — if the report is true — you will be elected uncontested. The report stated that: Industrial (First), Andrew LEUNG, representative of the Federation of Hong Kong Industries, will return uncontested; Industrial (Second), Mr Martin LIAO, representative of the Chinese General Chamber of Commerce, will return uncontested; Real Estate and Construction, Abraham SHEK, uncontested; Import and Export, WONG Ting-kwong, uncontested, and a number of representatives from the labour organizations will also return uncontested. This precisely bears testimony to my point that FCs lack competition. Why are some candidates elected uncontested before the election actually starts? Will candidates returned uncontested in the geographical direct elections? The

amendments to the legislation we are handling now are insignificant and trivial, and the first and foremost amendment is to change the deadline for (*The buzzer sounded*) ... lodging election returns for these Members.

DEPUTY PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up, please stop.

MR KENNETH LEUNG (in Cantonese): Deputy President, as a non-establishment functional constituency (FC) Member, I can only say that my experience in this Council during these four years has really made me schizophrenic.

(THE PRESIDENT resumed the Chair)

I have participated in the Parliamentary Liaison Subcommittee chaired by Ms Emily LAU for these few years. Every time we meet with deputies from parliaments overseas, whether from Germany, Finland, Japan or Slovenia, they would show great interest in the FCs of our Council. President, it seems that no parliamentary system around the world has anything similar to the FC system in Hong Kong — I am talking about being similar rather than the same — I have looked up the information on Ireland and the United Kingdom to see if there are similar systems in other places. What was the purpose of our FCs upon their inception? We are told this is an instance of balanced participation. If balanced participation is possible only under such a system in Hong Kong, is it absent in the parliaments of other countries in the world?

There is a suggestion that our FCs comprise professionals as well as individuals with business and various career backgrounds, so representatives for the sectors may serve some function in the FCs. Sorry, President, I do not see any Basic Law or statutory provisions stating that FC seats are required to represent the sectors. Despite the fact that under the electoral system for FCs, practitioners in some traditional sectors, such as doctors, lawyers, accountants, engineers or members of trade associations can nominate candidates or vote, FC Members are never required to represent sectoral interests. Why? If the

interests of a few people in a sector clashes with those of all the people of Hong Kong, what should the FC Member choose? Of course, I will base my decision on the interests of all the people of Hong Kong, but, President, I am not saying this on behalf of other FC Members.

It is suggested that FC Members can offer a not so populist view on matters. Is it true? In fact, Members currently returned by FCs may have different educational, professional or business backgrounds. Yet, looking at other parliaments, are accountants, lawyers, businessmen or bankers lacking in the British Parliament? There is no lacking of them at all. They can also make use of their professional knowledge and experience to facilitate parliamentary work and government administration by making a policy better aligned with global practices on the strength of their professional knowledge. The question is whether our current electoral methods for the FCs as a whole are fair or just.

Ms Cyd HO mentioned the electoral systems of some countries earlier. Apart from direct elections, where electors can elect councillors of their own areas on a "one-person-one-vote" basis, an electoral college system for political parties, where different party candidates are listed in a ballot, is also implemented in many places, such as Germany, New Zealand as well as Taiwan, a neighbour of ours. Under this electoral system, professionals or members of the business community wishing to avoid the toil of standing in direct elections or electioneering may put their names on the list dedicated to political parties. President, the way to decide which candidates on the list win the ticket to the parliament varies among the countries. For instance, in Germany, the percentage of votes won by a political party determines the number of candidates on the electoral college ballot winning a seat in the parliament. In some countries, the "one-person-two-votes" approach is adopted to give every eligible elector aged 18 or above a vote for direct elections and another for the list. Of course, the relationship between the percentage of votes received by a list and the number of candidates winning a seat in the parliament varies among the countries.

Looking at the origin of FCs, what was the real purpose behind the creation of FCs by the colonial government? Was it really because such people were able to analyse policies or our motions from an alternative perspective? Frankly, FCs stand in the way of implementing direct elections for this Council as a whole, and that is a very simple function. No one will deny that FCs and direct elections cannot co-exist. FC is actually a most weird product. Why?

Under separate voting, amendments or private Bills proposed by Members have to be agreed by a majority of Members returned by FCs as well as those returned by geographical constituencies through direct elections who are present before they can be passed. The Basic Law has certainly set out conditions limiting the introduction of private Bills by Members, but separate voting is a very weird system.

A upper house system is practised in the United Kingdom. Given that some Members of the House of Lords are lifetime nobles, one may wonder if this is even more unfair. However, President, new constitutional reform has taken place in the United Kingdom nowadays to abolish some of the House membership inherited by lifetime nobles. All Members of the House of Lords in the United Kingdom are nominated by political parties and then recognized by the Prime Minister before taking office. The question is that Members of the upper and lower houses have completely different functions. There are 80 Members in our neighbour Singapore. Apart from the 70 directly elected Members, there are five to six nominated Members, and the other five to six are those who have lost in the elections but managed to become Members eventually as they have won the highest percentage of votes. Yet, these Members have functions different from other geographical directly elected Members. I should not go too far away. The main function of the House of Lords in the United Kingdom is to offer views on motions proposed by the Government. For example, a motion read the second time in the House of Commons will be submitted to the House of Lords for deliberation and amendment, and after amendment, it can only be returned to the House of Commons for voting by Members; if Members of the House of Lords are still not satisfied, they may amend it a second time, but the right of amendment is limited. They are not entitled to taking any action to veto any motion having been passed by Members of the House of Commons.

In the Parliament of Singapore, there are around 10 so-called "loser Members" or government-appointed Members who cannot vote on the general bills or budgets proposed by the Government. President, they can only deliver speeches and offer views on such bills, and so on. Members may not be aware of that, yet this is really how the Parliament of Singapore is currently operating.

In Hong Kong, the various functions of FC Members, be it the right to vote or the proposing of private Bills, are actually the same as those of directly elected Members. In this way, a bicameral system is placed under one roof to become a unicameral one, which is the world's first. President, "one country, two

systems" is already a unique initiative, and "one Council, two chambers" is even practised in this Legislative Council of ours. After knowing all this, I begin to doubt how "one Council, two chambers" operates, and the answer is that it cannot. President, we can see how the relationship between the executive authorities and the legislature is nowadays. Every time the Government submits a Bill to this Council, we have 16 political parties as well as FC and independent Members, and so on, so government officials or principal officials under the accountability system have to take weeks or months to explain the policies to political parties or individual Members. Improvement will not be seen in this regard, not even four years later. If our electoral system is not further democratized, there will not be any improvement at all. They will only have to work even harder.

According to the voter registers released today, Members can see that there are actually 12 different electoral methods adopted for the 35 FCs. For example, the individual vote system is adopted for the Legal and Accountancy FCs, and so on, the corporate vote system for the Financial Services and Insurance FCs, and so on, whereas both systems are adopted for the Information Technology (IT) FC. Therefore, we have to rack our brains in explaining to Members of overseas parliaments what FCs are. A particular case in point is the IT FC, which boasted 6 716 registered voters in 2012, but a few years later, the number has surged by 79.36% to 12 046 this year. President, is this healthy growth? Are there any fish eyes passing off as pearls? Every time the Government assigns a group to a certain FC, what are the criteria used?

Honestly, the amendments proposed by me, Mr Charles Peter MOK and Mr SIN Chung-kai for expanding the electorate of FCs are merely humble alternatives proposed on a pragmatic ground in compliance with the 31 August framework — I have avoided mentioning that I oppose the framework — with a view to making the methods for FC elections more consistent and representative. For instance, in the Financial Services FC, why are only companies listed on the Stock Exchange of Hong Kong eligible to vote? Is it a legacy from history? Does it mean that the other tens of thousands of companies and practitioners granted Types 1 to 10 licences under the Securities and Futures Ordinance make no contribution to the financial services sector of Hong Kong at all? Does it make sense? As for the Insurance FC, are the 140 or so registered insurance companies the only ones making contribution, while the more than 100 000 actuaries and practitioners, including insurance agents and insurance brokers, are

not making any contribution to the sectors? Why does the Government not accept such a humble and gradualist proposal? Of course, they may oppose my proposed amendments on technical or legal grounds.

President, I wish to reiterate that our amendments do not seek to make the FCs eternal. Instead, we hope that non-establishment Members can get hold of the majority of this Council in the future or this year. President, I so submit.

MR WU CHI-WAI (in Cantonese): President, we certainly think that the composition of the functional constituencies (FCs) is closely related to the political conflicts in this Council nowadays because under the separate voting system, the FCs can often exert critical influence. As a result, even a proposal supported by a vast majority of Members might not be passed. The reason for colleagues to put forward this proposal is to examine how our political system can improve the FCs which have been criticized for, in particular, having some of their seats returned by small-circle elections. They hope to broaden the FC arrangements and choices, so that the present deadlock can be resolved. Like it or not, this parliamentary system is here. No matter how Members shout at the top of their voices to pinpoint and criticize this Council, we still have to face these problems.

During the reunification in 1997, the pan-democrats made a collective decision to "get off the train", which probably means that Members should refuse to participate in the system since this Council is so lame, as many radical political parties or groups have suggested today. Nevertheless, as part of the administration of society, this system is already laid right in front of us. Should Members "get off the train" or resign *en masse* and leave this Council, will the disaster that hit the Provisional Legislative Council between 1997 and 1998 repeat? If the pro-establishment camp manages to gain full control of this Council and does whatever it wants, we may even lose our last line which may protect the core values of Hong Kong society. Is doing so in the best interest of Hong Kong? I think all of those who participate in this democracy campaign should really consider this issue seriously.

In 2005, the pan-democrat Members bundled themselves together in the vote to oppose the constitutional reform package rolled out at that time. When another package was rolled out in 2010, we all hoped that better arrangements could be made. However, the newly introduced constitutional reform package turned out to be a repeat of the package put forward in 2005. It will be the

biggest misfortune of Hong Kong society should our political system continue to waste time and sacrifice the democratization of Hong Kong because of the concerns expressed by the Central Authorities or their lack of faith in the people of Hong Kong. In fact, right from the beginning, all the problems merely hinge on the attitude adopted by the Central Government, Hong Kong Government and the people of Hong Kong in rationalizing their relations.

In 2010, the Democratic Party, including me, put forward a FC package and proposed that the super District Council (DC) seats be created. Our goal was very simple, that is, under the super DC regime, we would at least not lose our seats in this Council, thereby enabling us to move forward to put the election of the Chief Executive by universal suffrage in 2017 on the agenda. The Democratic Party was willing to pay such a heavy price in order to draw the last card.

Many people might ask what purpose it served since everyone knew what the last card was and so it was absolutely unnecessary for it to be drawn. Nevertheless, we must not forget that there were actually different ideological trends in society. I recall that when the pan-democratic camp vetoed the constitutional reform package in 2005, members of the community believed that the firm stance adopted by the pan-democratic camp was to blame for bringing the Hong Kong political system to a standstill. Given the political setting at that time, I think that immense courage and the willingness to assume responsibility must be demonstrated for some slight concessions to be made, with a view to striving for the card allowing the election of the Chief Executive by universal suffrage to be drawn, and the promise made by the Central Government when the Standing Committee of the National People's Congress (NPCSC) decision was made in 2007 regarding the election of the Chief Executive by universal suffrage in 2017 to be fulfilled.

Some radicals once said the pan-democratic camp would not have split up had the package be vetoed. But was it really the case? As the saying goes, "With the benefit of hindsight, no one would be a beggar". History tells us that we should not raise such hypothetical questions. We could only make judgments according to the prevailing situation and exercise our only right to defend Hong Kong, that is, the right conferred upon us under the framework of the Basic Law that differentiates between China and Hong Kong to take forward democratization while implementing "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy". Today, we

can still hear many pro-establishment colleagues criticize the democrats for harbouring ulterior motives in pointing the finger at the FCs, so to speak. Meanwhile, we are criticized by the radical Members for "being the bad guy to both sides". Actually, given the political situation facing us, we can really not say lightly that we can simply take either side because, in addition to a Member, it involves a spectrum closely related to people from different walks of life as well as their political beliefs.

If Members care to pay serious attention, they will note that the most radical and relatively mild electors can be found across our electorate spectrum. In recent years, the pro-establishment camp has often adopted the strategy of "presenting as godchildren" of the Liaison Office of the Central People's Government (LOCPG) whereby some apparently neutral people scramble for rational electors and express the hope that the community can be regulated and the core values of Hong Kong protected under the framework of the Basic Law, thus demonstrating that we are inherently moving in the same direction. We in the pan-democratic camp are obliged and required to ensure that such forces will not be snatched by the "godchildren" of the LOCPG. On the one hand, we have to motivate young people to strive for the democratic system and progress, and on the other, we should not give up our original supporters due to our personal choice and let the "godchildren" of the LOCPG absorb their support.

Throughout the democratic movement, Hong Kong has been facing the Central Government and the Communist Party of China (CPC) as a large machinery most adept at mobilizing the masses. This is why we must be extra cautious. In order to win a victory, the various political parties or groupings in the pan-democratic camp must play their roles faithfully in their respective posts. Since our goals are the same, we should not run into a dichotomy of friends and foes in striving to protect the core values of Hong Kong, even though our beliefs and means might be different. Otherwise, our strength will be weakened.

In the Legislative Council election to be held shortly, or during our future discussions about ways to take forward the democratization of Hong Kong, we must bear in mind that should we continue to attack each other, I can simply not see how the pan-democratic camp can deal with the CPC which has been jockeying for various strongholds in Hong Kong society by various means, not to mention that its influence is not pervasive. What we can do is to stand firm in our stance and discharge our duties properly.

President, the discussion today only pinpoint the FCs or some minor patch-ups for the electoral system. There is limited scope for discussion since the fundamental problems cannot be resolved. Moreover, the Constitutional and Mainland Affairs Bureau has failed to discharge its duties, for it is unwilling to do things even though they are not in violation of the 31 August Decision. For instance, the Constitutional and Mainland Affairs Bureau has indicated that the electorate of FCs will not be broadened due to the lack of a consensus in the community.

Actually, how can the community reach a consensus in respect of the political system? Moreover, the reaching of a consensus hinges on the yardsticks adopted. Even for the constitutional reform package under discussion, we must not harbour any vain hope that all Legislative Council Members will vote in support of it as there will be different preferences because someone's interest will definitely be involved when the package is put to vote. From this angle, the Constitutional and Mainland Affairs Bureau has failed to do what it should do, that is, improve and fine-tune the electoral system to better enable us to pinpoint accountability politics in the debates and discussions held in this Chamber.

President, I was once a member of the former Urban Council. I miss the days when the Urban Council was elected by all the people of Hong Kong, with some Urban Councillors indirectly elected among the District Boards. Under this assembly system, since Urban Councillors had to directly decide on or implement certain social policies, they had to face public supervision as well as limited resources and problems concerning the deployment and selection of resources in taking forward the relevant policies. In the course of discussions, all Urban Councillors including those from the pro-establishment and pro-democracy camps, had to ultimately assume the responsibility of making final decisions. Such an accountable attitude towards politics is precisely the quality of democracy or political talents that we have been striving for.

Has the Secretary ever considered ways to nurture such quality? Can he do something about the so-called district administration of the District Councils or review the District Councils Ordinance? The Secretary has indicated that he will not do so. However, he will consider dishing out money. Of course, it is a vain hope that the Secretary will surrender the powers held by the entire municipal council. However, should the Secretary fail to address this issue squarely, the whole Legislative Council will only continue to make a scene since

Legislative Council Members are generally not responsible for dealing with the ultimate distribution of resources. Although I believe the pro-democracy camp will definitely support the amendments proposed by colleagues to the relevant legislation, we understand that these amendments will not be passed because the Government disapproves of them. However, the electorate of the FCs should at least be broadened, so as to bring changes to the present phenomenon.

Some colleagues have argued that all FCs, such as the super DCs, are subject to screening. However, we must bear in mind that a political system with indirect elections might come into being. For instance, the Chief Executive may be elected by a Nominating Committee comprising all voters in geographical constituencies. Will such a nominating committee system whereby indirect elections can be held be taken as universal suffrage? Can the choices of the people of Hong Kong be manifested? In my opinion, if electors are allowed to exercise their right to choose, this system is already worth advocating. Even if it has adequacies, we will still be willing to take one more step.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, the Civic Party cannot support the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill). The main reason is that the Policy Bureau responsible for promoting this Bill has actually been in dereliction of duty with no intention or will to improve the functional constituencies (FCs) in the existing unfair electoral system in Hong Kong. Furthermore, President, I have mentioned in the Bills Committee that in the District Council elections last year, some 50 000 poll cards were returned. Those were "ghost voters" who should be dealt with, but the Government just ignored them. Instead, it dealt with matters relating to typhoons, scratching at places which do not itch at all. Hence, we will oppose this Bill to make our stance clear.

President, we have just read the new provisional registers of electors released by the Government, in which the change in the registered voters of FCs is especially "eye-catching" and our attention has been drawn to the information technology (IT) sector in particular. According to the figures released today, the number of registered voters in the IT sector, which had dropped by 1 000-odd to 5 650 in 2015 from 6 716 in 2012, has suddenly surged to 12 046. I think

Mr Charles Peter MOK can hardly feel happy about it because the newly added voters most probably will not vote for him. Even if they will vote for him, such figures still highlight the problem with FCs.

In fact, the design of FCs is illogical, unfair and full of loopholes. Just now I received some students who visited the Legislative Council. They asked me why the bus driver who took them here is not a voter in the transport sector. Another question is why the train captains of the MTR which they take after school cannot vote. I said, if you ask me these questions, whom can I ask then? There is simply no logic in the whole FC system. How are the voters defined? Who can vote and who cannot? Why are garment companies, bone-setters' clinics and curtain companies among the voters in the sports, performing arts, culture and publication sector as we have found out from the press report? It has also been reported that a pig-raising co-operative society which has already been converted into a holiday bungalow can still maintain its identity as a voter in the agriculture and fisheries sector, whereas a new farm is unable to register despite trying every possible means. Actually at the meetings of the Bills Committee, we have heard examples cited by Mr CHUNG Kwok-pan and Mr Charles Peter MOK of some unexplainable phenomena which have respectively appeared in their sectors. Hence, I could not answer these students' questions. I could only say that they had raised very good questions. I could not answer them not because I did not know how. It is because they might feel even more baffled after my explanation.

President, you may also have read a news report about someone who claimed in the interview that he held 45 votes. He looked so proud as though he was superior than others. At first I did not quite understand why he could hold 45 votes. If he belonged to a certain FC, at most he would only have one vote in his FC and one vote in the direct election of his geographical constituency. But this gentleman said that some companies, groups and organizations which were FC voters had some unique insight and preferred no one but him to vote on their behalf.

As such, we made enquiries with Secretary Raymond TAM and other government officers about this situation. We said this was not fair because ordinary citizens could have only two votes at most. We certainly considered it extremely unacceptable that someone could hold 45 votes. However, the Government said that was not the case. In casting those 43 votes, he merely carried out the wishes of those companies, organizations and groups on their

behalf. President, following this logic, we then asked if the Government could formulate a rule requiring a company to hold a general meeting or board meeting to reach a resolution and vote in accordance with the resolution afterwards. The answer is "no". How weird it is! After all, did he carry out his own wish or the wishes of the companies? Or did he guess the wishes of the companies or the bosses' preferences?

President, the FC system facilitates those in power in creating voters for themselves and manipulating the results for their own vested interests because if headcounts are adopted with "one person, one vote", the number of natural persons will be limited. However, if companies are used for such counting, a company can have 10 subsidiaries and even "sub-subsidiaries", all of which can be registered, giving rise to such preposterous situations mentioned by me just now. For what reason can the pig-raising co-operative society still belong to the agriculture and fisheries sector after being converted into a holiday bungalow? And how can bone-setters' clinics be voters in the sports, performing arts, culture and publication sector? This is weird, but regrettably, it defies any explanation.

President, let us recap some history. In 1984, the Government released the Green Paper on Representative Government, and in 1985, FC elections were held. When the British colonial government promoted FCs to the Legislative Council in the early 1980s, it stated clearly that it was a transitional arrangement. That was said not only at that time. We can easily find out by searching on Google that in 1995, when Solicitor-General Daniel FUNG testified before the United Nations Human Rights Committee on behalf of the Government, he also said that the FC system was merely a transitional measure. However, President, as you may have noticed from the operation of the political circle, there has been an obvious change in recent years. In the past, everyone said we needed to abolish the FCs and it was just a matter of time, but now the line taken is different. Now it is said that we need to enhance this system because FCs have indeed made a lot of great contribution, as though we cannot live without them.

President, back in the 1980s, the then British colonial government told the Legislative Council that since the professionals were shy and might not wish to appear in public, it was necessary to offer them opportunities of adaptation. The Government needed doctors, lawyers, members of the business sector and industrialists to join the Legislative Council and inject their experience into the work of the Council so that the work of the Council could be enriched with consideration given from the perspectives of various parties. However, the FC

system has been implemented for some 30 years. Those shy professionals should have become thick-skinned now. In fact, quite a number of the incumbent Members returned by geographical direct elections were originally members of the traditional FCs. For instance, I belong to the legal sector. Thirty years should be long enough for overcoming that kind of shyness and reluctance to appear in public.

As regards the other reason, did the FC Members selflessly make use of their personal experience in their professions or industries to enrich the discussions in the Council? It is not that they did not do so. Of course I cannot dismiss them completely, but sometimes it is quite ironical. For example, recently, we have discussed the reform of the Medical Council. At the meeting of the Bills Committee, Dr LEUNG Ka-lau, being the representative of the medical sector, requested a headcount without reason and proposed some very strange resolutions. I believe he certainly did it sincerely out of good intentions, but when he did such things, other people would look at him with prejudice and wonder if he, a doctor, was doing such things to protect the interest of his sector and shield other doctors. Hence, on the contrary, it would create a counter-effect. That means no matter how open-minded Dr LEUNG was and how he was truly concerned about the well-being of the 7 million Hongkongers, for which he had requested a headcount or motion debate, other people would inevitably look at him with prejudice. As proved with the passage of 30 years, those two reasons furnished by the British colonial government no longer stand. Please admit this fact.

Now the problem is, it does not matter that those two original reasons no longer stand because there is a new reason which can make the FCs last forever. The reason is that the sectors now occupying the seats under this illogical, unfair, irrational and seriously flawed FC system are unwilling to give them up. We consider that in this regard, the Government must take the lead and demonstrate the will to change. The Government merely keeps saying that it will listen to people's views, and it will make a change when everyone is willing to give up. If that is the case, there is no need for the Government's governance, is there? The Government certainly needs to have the will in considering what direction it should take to facilitate the Hong Kong Legislative Council in working effectively and prevent Members from splitting up and being polarized. The Government needs to assume a leading role, but it has not done so. The Government is reduced to having only ears. It will merely listen, and it even prefers to speak as little as possible. It only keeps listening, but when will it

stop listening and do something? When dawn comes, it will still be listening without doing anything. President, no matter how the FCs are whitewashed, actually the original nature will remain the same. The illogical, unfair, seriously flawed and unreasonable features embedded in the FCs cannot be changed.

There is only about one minute left in my speaking time. I really need to get it off my chest. As I mentioned just now, we may look at the District Council elections last year. It is said that some 50 000 poll cards were returned. President, we often suspect that people who did vote-rigging deliberately looked for residential units which had changed hands, that means whose ownership had changed, in the previous year. Then those units would receive a few poll cards. For example, a certain unit might receive poll cards for Tom, Dick and Harry, but now only Mr and Mrs WONG are living in that unit. There is clearly no Tom, Dick or Harry, but Mr and Mrs WONG might wonder if Tom, Dick and Harry had lived in the unit before they moved in, so they would let it be. If this Government really wishes to conduct fair and impartial elections with credibility, it is actually very easy. It can check who went to vote on the polling day and see whether Tom, Dick and Harry voted. If they did, it should catch them and get to the bottom of the matter because obviously, such an act is vote-rigging. At the scrutiny stage of the Bills Committee, we asked whether the Secretary and his colleagues could consider plugging this loophole, but they put forth many reasons, including privacy. Yet I do not quite accept them because they are technical issues which are not impossible to resolve.

Hence, President, given that the Government completely lacks the will to properly deal with and abolish the FC system, we oppose this Bill. We cannot support it.

DR KWOK KA-KI (in Cantonese): President, I speak against the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill).

President, Hong Kong is absolutely an international city, and we have the necessary strengths to be a leader in Asia and even the world in terms of our economic, educational and cultural level, but when we look at our political system, we are Third World. Why am I saying this? If we review history, and look at the world today, we will find the exception is the House of Lords in Ireland where they have a few seats carrying no functions that represent certain professionals. First, it is the House of Lords, in the traditional British or Irish

parliamentary system, these seats do not serve any real function of checking the administration; second, they are also in the minority. However in Hong Kong, we still have 30 traditional functional constituency (FC) seats, and I guess they have an electorate of probably a little bit more than 240 000 electors, according to the latest information released today. As for the traditional geographical constituency (GC) seats, the electorate was 3.47 million electors in 2012, and according to the latest figures just released this year, the electorate is more than 3.7 million, with 300 000 more electors. About 80% or 24 seats are returned only by 60 000-plus electors altogether. And among these 60 000-plus electors or 24 seats, 13 seats have altogether less than 8 000 electors. Why am I quoting such magic figures? This is because even when the directly elected members want to pass certain motions, so long as the FC Members with an electorate of only 10 000 or so electors vote against the motions, they can veto all such motions in this Council. So what kind of world is this? In history, there were such examples, such as Mussolini, where the fascist regime at that time also had functional constituencies. So I wonder whether the Secretary will feel ashamed when he introduces the constitutional system of Hong Kong to others during his visits to other countries, because if he talks about constitutional affairs, others will ask what exactly they are. His answer must be a defence of FCs.

Evidently, some Members have proposed amendments to this Bill seeking a broadening of the electorates of FCs. Our universal suffrage was killed by the Decision made by the Standing Committee of the National People's Congress on 31 August. The Government still states brazenly that we have to continue with the democratization of the political system. Then we have to do something to work on this, say to refine this outrageous FC system by broadening its electorate. But the Government is reluctant to do anything. I do not wish to repeat the examples cited by other Members, for example, such strange organizations as the bone-setters to be included in the Sports, Performing Arts, Culture and Publication FC; or some unacceptable societies to become electors of the Agriculture and Fisheries FC. What is this system? This is a ridiculous system. We talked to kaifongs in our district visits, and they said that our parliamentary system is very bad and unfair. We told them "your votes worth nothing because on average you elect one from among ten." How narrow is the electorate of some FCs? According to the latest Voter Registration Statistics for Functional Constituency released today, there are 134 corporate electors for the Insurance FC; 125 for the Finance; 154 for the Agriculture and Fisheries; and 195 for the Transport. There are five FCs which have less than 200 electors each. In addition, FCs which have less than 1 000 electors include District Council

(First) with 431 individual electors; Financial Services with 622 corporate electors; Labour with 668 corporate electors; Industrial (Second) with 816 corporate electors; Real Estate and Construction with a total of 712 individual and corporate electors; and Industrial (First) with 543 corporate electors. All of these members of small circles together can discharge the most important functions of the Legislative Council of monitoring the executive, approving motions, and passing or vetoing budgets. That the Government can be so degraded as to needing the support of such FC Members returned by small circles is really shameful. Well, had the administration by the Government won the hearts of the people how could it not come out and tell electors "I have your support in making this decision now" when it faces whatever issues. Whether it is constitutional development, people's livelihood or economic matter, so long as it is approved of by people, what is there to fear? Yet this Government is hiding behind the FC Members. What a shame.

We have 16 Members here who were elected uncontested in the 2012 Legislative Council Election, and we may have more uncontested FC Members in the next election, including the Heung Yee Kuk, Insurance, Transport, Labour, Real Estate and Construction, Commercial, Industrial (First) and (Second), Finance, Import and Export, Wholesale and Retail, Catering, District Council (First). Even before the election, we know already who will be elected. Both the Government and the Liaison Office of the Central People's Government in the HKSAR exercising control behind the scenes certainly hope such things happen, for in this way they can control the Council, control what motions to pass in this Council. Particularly, we may have the opportunity in future to scrutinize a Bill on constitutional reform, and even the Article 23 legislation, a sword long awaited by the SAR Government of various terms and is hanging like a sword above us, when these people will become the pivotal point upon which the passage hinges.

But Hong Kong is entirely different now. Under the current Hong Kong constitutional system, we hope to march towards democracy, universal suffrage, and "one person, one vote". If we continue with this small-circle election or this very strange and non-descript FC system that does not exist elsewhere in the world, how can we put up with that? In fact, there are opinions voiced on this. In the financial services sector, a lot of groups that support democracy request the change of corporate votes into individual votes. A total of 40 000 financial practitioners have already registered in the financial services sector including

brokers and financial consultants. There are altogether 10 categories of practitioners holding 10 types of licences, so this suggestion is absolutely feasible.

And at present there are 90 000 registered voters who are insurance practitioners. If corporate votes in the insurance sector can be changed to individual votes, the electorate could really be expanded to make this dilapidated, poorly designed system slightly improved. But the Administration reluctant to make even such. So what have the officials done after earning their huge salaries of million dollars. What have been done by the officials of the Constitutional and Mainland Affairs Bureau? Before us is a dilemma, and you should not laugh at or be happy about it, as all the buried grievances will only intensify the hostility of the public towards the administration by the SAR Government and the Central Government. Members should not stick to the old rut, thinking that everything will be fine with the FC system in place. I can tell you it is not the case.

I had run in the election of the Medical FC and, like other pro-democracy FC Members, we are very clear about our objective in the election platform, which is to abolish FCs. We wish to put an end to small-circle elections and replace them with "one person, one vote". Anyway, if we continue to go down this path, Hong Kong will not find the way out as we cannot see the future. And we are talking not just about young people, for financial, insurance, property practitioners or businessmen would be angry to see Members being returned in small-circle elections with only 100 voters or so. Have they ever voiced out for the practitioners of the industries represented by them? They are only serving their bosses in the financial, insurance and commercial sectors, and this will only intensify the grievances in society. This Government which has already lost the trust of people together with the FCs will only make things worse.

Some Members of this Council are shameless just as the Government. In earlier discussions in the Council, a Member once claimed that some Members had been returned by 20 000 to 30 000 votes whilst forgetting to look at himself in the mirror, oblivious to the fact that he had been returned by zero vote, especially Mr CHAN Kin-por. The zero-vote Member was laughing at Members elected by 20 000 to 30 000 votes, and even said that he had done so well that he could be returned even with zero vote. The current political system is extremely distorted, impractical, unfair and irrational, and it would only encourage unhealthy trends, collusion between the Government and the business

sector and transfer of benefits, and block policies of great importance from implementation. For example, the current-term Government said it would do well with its administration and increase housing supply as the previous-term Government had failed to do so. Some of the Secretaries present are also officials of the previous-term Government. In the previous Government, Rafael HUI, for example, received a lot of money from a real estate developer, and so he did something against public opinion to benefit only the commercial sector, particularly the real estate developers. Hong Kong people are suffering because the Government and FCs are colluding with each other, causing important policies on people's livelihood to be distorted.

There are a lot of deals taking place behind the scenes every day which the public might not know. These happen in the FCs and in the Election Committee. Next year when we have the Chief Executive Election, there will be 1 600 members in the Election Committee and many of them are that kind of people. They are the same people who select the FC Members and the Chief Executive, so the rotten apple will continue to rot. Does Hong Kong deserve this? Does the public deserve this dilapidated political system? Dare the public officers say with confidence that they represent the public because this election system is fair and they know what the public needs?

Apart from the Mainland which embraces this system, this system is regarded as a disgrace in Asia. Hong Kong has a high GDP and is also named the world's most competitive economy by the International Institute for Management Development in Lausanne, Switzerland. Therefore, we do not deserve such a corrupt and outdated political system. The Government has not done its job. Of course, they have an interest to look after for the Chief Executive Election will be conducted next year. Then in the next few years the regime will continue to rely on these FC Members returned by small-circle elections with zero vote for protection. They will continue to protect this pretty corrupt and distorted Government. So we cannot hold any expectations for the administration by the Government or having a new Chief Executive. As borne out by the expression used by Mr LEUNG Yiu-chung — "foul grass out of a foul vase" — a corrupt system will nurture corrupt people. It cannot go wrong.

I so submit. Thank you, President.

MR MARTIN LIAO (in Cantonese): President, I would like to speak on the theme of this Amendment Bill.

President, in this year and next, three important elections will be held in Hong Kong including the Legislative Council Election in September, the Election of the Election Committee (EC) in December and the Election of the Chief Executive early next year. This Bill proposes some timely and practical technical amendments so that these elections can be conducted more smoothly.

The proposed amendments *per se* are direct and readily comprehensible, and they are not controversial. For example, the alignment of deadlines for filing of election returns by candidates of FCs with and without competition as well as geographical constituencies will enable all the election teams to calculate and file returns on election expenses after the election according to the aligned deadline. This is a simplified procedure that will give different election teams which have carried out joint publicity and activities during the election sufficient time to apportion expenses and then make the necessary filing after the election.

Also the Bill seeks to update the voter registers of the EC subsectors and corresponding FCs with amendments to delete bodies which are no longer operating, update the names, add qualified new bodies, and also align the arrangements for the EC and Chief Executive elections. These are practical and necessary amendments, so I will support the resumed Second Reading of the Bill. I so submit.

MR WONG TING-KWONG (in Cantonese): President, the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (Bill) only involves technical amendments made in in the light of the changing circumstances and the realistic situation in anticipation of the imminent periodical elections.

Here today in the context of the resumed Second Reading debate of this Bill, some Members have raised questions about the so-called FCs. Honestly, the design of our constitutional system has some unique features, and the FC and geographical elections aptly manifest the function of mutual monitoring among intertwined interests in Hong Kong society. Let me put it this way. Members returned by geographical direct elections will certainly give priority to looking after local interests, otherwise how can they win votes? In contrast, FC Members will of course uphold the legitimate and reasonable interests of their respective FC sectors, otherwise how can they discharge their duties as FC Members?

Let us look at some concrete examples, and the simple case of such must be landfills. At present, this is the only way to deal with our wastes, and so proper arrangements must be made. Our landfills are nearing capacity, so all Hong Kong people know that extension is necessary. But for Tseung Kwan O, the Kowloon East Members, whether they belong to the pro-establishment or the opposition camp, will say they had better not be bothered. According to them, it will be the best to build such facilities in other districts, and there will be no problem as long as it is not in their districts. It is about local interests, but the FC Members do not have to carry such a burden; this is my consideration for the need and interests of Hong Kong as a whole. As a Member representing the Import and Export FC, of course, I will safeguard the interests of my sector. If the Government wishes to impose or increase any fees and charges for my sector, I will raise objection as a matter of course. But other FC Members and also the GC Members will consider things such as overall community needs and Government revenue, and here checks and balances come into play. In fact, we should explain to the people of Hong Kong the workings of this system.

Why does the opposition camp find the FCs so objectionable and would like to see the end of them as soon as possible? Why? Frankly, this boils down to the question of struggle for the power of governance because they cannot move anything vested in the executive authorities as the political system being implemented in Hong Kong and in this arrangement of the legislature checking the executive FCs invariably become the handle on which the opposition can lay attacks on the Government. In this context, we FC Members are standing in their way, and therefore they want to eliminate all FC Members before they can feel satisfied. If the FCs are all like the Legal FC or the Social Welfare FC, I think they would like all the seats to be returned by FCs.

Actually, there are issues that can be discussed, and nothing can be the best, for things can always be improved. Similarly, there is also room for improvement insofar as the FCs are concerned. If we all start with good intentions, we can change and enhance the electorates, and make the FCs more inclusive, but this is not what they are asking for. They want to eliminate them, eliminate the FCs, remove these obstacles, so that they can seize the power of governance.

Moreover, we have to be clear about Article 68 of the Basic Law which clearly states that "the ultimate aim is the election of all the members of the Legislative Council by universal suffrage". Universal suffrage cannot be

equated with direct elections, and even FC elections can be conducted in the form of universal suffrage. We can discuss the form of election to be adopted, such as how do we define FCs, the meaning of FCs, how are FCs formed, and how do we define the electorates of FCs. All these are open to discussion and improvement. But this is not what they really want to achieve.

President, today our discussion about the Bill should be focused on the technical amendments, highlighting to the Government deficiencies of the Bill and presenting our opinions. After all, the problems raised today are long-standing, and I think the arguments will not come to an end and the struggle for the power of governance will not wane. I hope all Members will have a clear understanding of this point. Thank you, President.

MR NG LEUNG-SING (in Cantonese): President, it is inevitable that the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) will give rise to disputes over the issue of the retention or otherwise of the functional constituencies (FCs). However, systems throughout the world vary a lot and present individual characteristics. Therefore, even if Members dispute over this issue, I believe it is still worth the debate as long as we state clearly our reasons.

Parliamentary systems have various features and are still evolving. Across the world, no particular template suits all countries, while continuous improvements and evolutions have also become a trend. We are thrilled at Hong Kong having recently regained its ranking as the most competitive region in the world. This reflects directly that, during the 19 years after the reunification, the unique principle of "one country, two systems" in Hong Kong has made a commercial city operate effectively and gain also worldwide recognition. We can see that the unique existence of FCs has played a key role in the overall operation of the Legislative Council.

Let us take a look at Annex II of the Basic Law: Method for the Formation of the Legislative Council of the Hong Kong Special Administrative Region (HKSAR) and Its Voting Procedures. It provides that the composition of the Legislative Council shall include Members returned by FCs and Members returned by geographical constituencies (GCs) through direct elections. In the 2012 Legislative Council Election, there were a total of 70 seats, including 35 seats returned by FCs and 35 seats returned through geographical direct elections.

Apart from the five seats in the District Council (Second) FC, the remaining 30 FC seats came from 28 constituencies, including three seats from the Labour FC. We can see from this that, regardless of FC Members or Members returned through geographical direct elections, a Member who is elected will lawfully serve the Legislative Council with a status conferred by the law. The Council and the people of Hong Kong should respect the law as well as the Legislative Council.

Annex II of the Basic Law also provides for the procedures for voting on Bills and motions as follows: "the passage of bills introduced by the government shall require at least a simple majority vote of the members of the Legislative Council present"; and "the passage of motions, bills or amendments to government bills introduced by individual members of the Legislative Council shall require a simple majority vote of each of the two groups of members present: members returned by functional constituencies and those returned by geographical constituencies through direct elections ...". These statutory provisions are very clear.

Since the reunification, FC Members and other directly elected Members in the Legislative Council have both performed an indispensable role in serving the people of Hong Kong. In the Legislative Council, there are representatives from various trades and industries, thereby manifesting the principle of balanced participation. During a period of nearly 20 years, FCs have maintained the capitalist system and international competitiveness of Hong Kong.

Throughout these many years, in the debates on many important Bills and motions relating to issues like the political system, economy and people's livelihood in Hong Kong, FCs have played a key role at critical junctures, especially when votes are taken. Under the circumstance that the majority of Members returned through geographical direct elections belong to the opposition camp, it is indeed necessary to rely on FC Members to guard the gate, so that motions that would damage the principle of "one country, two systems", hinder the SAR Government's administration and affect the overall interests of Hong Kong could be negative eventually, thereby facilitating smooth administration.

The followings are some results obtained by FCs in the Legislative Council. For instance, the voting on the budgets over the years has well demonstrated the role played by the FCs in maintaining the SAR Government's administration in accordance with the law. Every year, approval of the

appropriation of funds in the budget by the Legislative Council is crucial to maintaining the normal operation of the Government. Let us look up the voting results of the budgets for the past ten-odd years. There were three occasions on which just more than half of the Members voted for the budgets, including 36 votes in 2001-2002, 33 votes in 2003-2004 and 34 votes in 2009-2010, while the Members who voted for them were mostly FC Members.

The opposition camp always opposes motions in a high profile. Were it not for the support from FC Members, it is highly possible that a number of the budgets would have been negated. Once a budget is rejected, and according to Article 51 of the Basic Law, the Chief Executive has the power to dissolve the Legislative Council accordingly if the Legislative Council refuses to pass the budget. In that event, Hong Kong will face two scenarios: firstly, as the appropriation of public money has been negated, the operation of the Government would come to a standstill due to a shortage of funds, that is, the so-called "fiscal cliff"; and secondly, the Chief Executive cannot but dissolve the Legislative Council, and if the budget is again negated by the re-elected Legislative Council, the Chief Executive will have to resign. Under such circumstances, it would undoubtedly cause a huge and irreparable impact on the political environment and society of Hong Kong.

The FCs have all along played an important role in proactively promoting major bills and approval of funding for infrastructure projects in Hong Kong. Take as example the appropriation of funds for the Guangzhou-Shenzhen-Hong Kong Express Rail Link in 2010. At the time, the opposition camp acted against the public will and insisted on vetoing the funding application. They voiced objection simply for the sake of it. Fortunately, thanks to the support from the then FCs, the passage of this major infrastructure project could be enabled eventually, thereby facilitating the integration of the two places and the future development of Hong Kong.

Looking up the records for year of 2013-2014, one could find the opposition camp had proposed six motions by virtue of the Legislative Council (Powers And Privileges) Ordinance (P&P Ordinance) in an attempt to thwart the Government's administration. The latest example is the issuance of licences for domestic free television programme services. Members of the opposition camp proposed to invoke the P&P Ordinance more than once in order to submit motions to request the Government to make public all the information involved in

the vetting and approval processes in respect of the applications for domestic free television programme service licences and form a select committee to inquire into the matter respectively. The FCs played a pivotal role in the separate voting and voted down the two motions, so as to prevent a large amount of commercial secrets being leaked or made public, which would otherwise damage the business environment. This again proves that the existence of FCs can not only effectively prevent actions that would cause impact on the HKSAR Government, business environment and capitalist system, but also exert every effort to pre-empt the situation where the relationship between the executive and the legislature would be jeopardized, so as to maintain the prosperity and stability of Hong Kong.

Much credit for maintaining the policy of "one country, two systems" should go to FC Members as well. In recent years, Members of the opposition camp have constantly proposed motions to challenge the Central Authorities. The contents of such motions have even trespassed the bottom line of "one country, two systems". Take the motion on the "4 June incident" as an example. Since 1999, the opposition camp has proposed this motion for ten-odd consecutive years, against which Members, including those in FCs, would voice objection every year. Therefore, as regards such cardinal issues of right and wrong, the important national policy of "one country, two systems" would be vulnerable to attacks without the checks and balance exercised by the FCs, and such attacks would in turn adversely affect the prosperity and stability of Hong Kong.

It has been proved by all of these facts that the system of FCs has over the years played an important role in various aspects, such as maintaining the normal operation of the executive system, promoting the economic development of Hong Kong and maintaining the good relationship between the two places. It has made remarkable contribution to ensuring the smooth implementation of "one country, two systems" and safeguarding the overall and long-term interests of Hong Kong. As also emphasized by the Standing Committee of the National People's Congress, "any change relating to the methods for Selecting the Chief Executive of the Hong Kong Special Administrative Region and for Forming the Legislative Council shall conform to principles such as being compatible with the social, economic, political development of Hong Kong, being conducive to the balanced participation of all sectors and groups of society, being conducive to the effective operation of the executive-led system, being conducive to the

maintenance of the long-term prosperity and stability of Hong Kong". The existing FCs in the Legislative Council are appropriately playing a proactive and historical role in this respect. Therefore, various parties should consider the further evolution of FCs in a cautious and prudent manner and examine in detail how best to maintain the prosperity and stability of our society and economy in the future.

I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): President, "listening to the lecture of a wise man is more enlightening than ten years of reading". Mr NG Leung-sing should really run for office of the Chief Executive with his stark loyalty and heartfelt gratitude to autocracy. Honestly, at least he can meet the first requirement, that is, loyalty. Whether or not he has credibility does not matter. He needs only meet one requirement, and he can definitely beat LEUNG Chun-ying. LEUNG Chun-ying likewise boasts only one requirement, namely, loyalty. I wonder if he will run in the election or not.

Having said that, with regard to his remarks, I wonder if he actually intended to present his ideas in a seemingly negative manner, similar to LU Xun's style of writing. We now realize that the functional constituencies (FCs) are a case of the minority prevailing over the majority. It means that as the opposition camp obtained a majority of votes in direct elections whereas this "pigsty" of the FCs is returned by a minority of votes, or in other words, their votes outnumbered those of the pro-establishment camp even if they were counted one by one, the FC system must, therefore, be invented in order to turn the majority into the minority, which is an act of boundless beneficence.

President, we have all been bored to death by discussions about this issue. This man on my T-shirt is named TANG Jingling, who is the lawyer of LI Wangyang. What will happen without democracy? People will be harassed by the so-called FCs. When a small group of people who think that they, being lawyers, should lend support to the civilians in legal proceedings or bring justice to a person alleged to be "suicided", they are nevertheless considered to have incited subversion against the State. This is exactly the outcome of what they have done because this FC system is now implemented under one-party dictatorship. There are eight major pro-democracy parties and groupings,

including the Chinese People's Political Consultative Conference (CPPCC), as many Members in this Chamber are CPPCC members, and some are "KTV CPPCC members" whereas some are "ATV CPPCC members". This scenario has emerged all because of these lackeys who are pigs and dogs.

President, I have been listening to the speeches of Mr NG Leung-sing, Mr WONG Ting-kwong, and so on. I wonder if those scripts were written by CAO Erbao or QIANG Shigong as the tones are very much alike. This second power core has sent these pigs and dogs here to speak in the human tongue, which is surely unpleasant to the ear. What I heard from them is this: "People's communes are good; let us muster up our energy to make our way upstream and build socialism with greater, faster, better and cheaper production". But in the present circumstances, it is: "Functional constituencies are good; let us be fierce and merciless to make our way downstream and build an animal farm with greater, faster, better and cheaper production".

Never have I heard an autocratic syndicate speak in such a blatantly ridiculous manner, saying that two plus two equals five. I have only seen this in a novel. As Members all know, this novel is *1984*. The protagonist, Winston, saw "freedom is slavery" for the first time and after looking at it for a while, he automatically wrote down "2+2=5", and it was his spontaneous response. President, I bet you cannot figure this out even though you studied Mathematics. How can two plus two equals five? Then comes the line: "God is power", which is proof of this mathematical statement.

President, now I realize that the objective of FCs is not to protect the interest of their own sectors — President, we have already seen this situation now. For example, the Bar Association is dealing with its own business but even if they are dealing with their own business, that will render us affected because we may need to hire barristers to represent us in lawsuits. Lawyers are dealing with their own business, and the Medical Council of Hong Kong is dealing with its own business. We have been erratically affected by the FCs for a long time because of social conventions, and this is already our biggest tolerance. This has all along been the case but it is still alright if they leave us alone and mind their own business, and this is actually a concession made by us in terms of powers. It means that we have place trust in you being a profession, and conscience is part and parcel of a profession. So, your job is to exercise self-restraint and work for your professions with adherence to the professional oaths, and that is all. Now that some people have said, "No, our privileges are

not enough, and the effects on you are not strong enough, and what is more, we are primarily tasked to rescue all the people from the abyss of sufferings." Only Mr NG Leung-sing can say such things. Honestly, their depravity and decadence cannot be aptly described even by comparing them to filthy mouths through which no decency will ever come.

What is freedom? Freedom is having the right to say two plus two equals four. This applies to all other cases. In fact, the case of universal suffrage is just the same. We demand universal and equal suffrage. While it is equal, it may not be universal; while it is universal, it may not be equal. This is what you are like now. All of you in the FCs are like this. People who are eligible to vote think that it is equal, only that it is not universal. But we want it to be universal and equal. You have been slipping in straw arguments, and despite the use of "corporate votes" or votes cast by the dead, or for people like Mr CHAN Kin-por, you may try to abruptly strike off four companies and see if Mr CHAN Kin-por will jump out of the coffin to question you why those four companies have to be struck off. You will surely protest, will you not?

We, being the powerless, have only one demand and that is, each vote carries an equal value. According to Mr NG Leung-sing, it should be easy to do it in future because if 35 of the 70 Members are returned in the Peak, that could be said as universal suffrage. It can be 35 Members returned in the Peak with 3 500 constituents or 35 Members returned by all 7 million-odd people.

Go do some studies! Do not go singing in KTVs when you visit the Mainland in your spare time. Do not drink Maotai and eat abalones when you go to the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region in your spare time. Go seek some advice from WANG Zhenmin and say something human. You made a really good point. Had there not been such a depraved system, the cesspit would not have emitted such an awful stench. Had there not been such a depraved system, LEUNG Chun-ying would not have been selected. It is because of the FCs that a handful of people can monopolize the Chief Executive election. In the Election Committee the FCs made up the four sectors, each of which has 300 members, and worse still, there is no standard whatsoever in making the allocation. Even though the agricultural and fishery industry is dying, there are still so many of them. This is nothing but equivocation. Our demand is simple. We want it to be as fair as possible, buddy. Regarding the 35 seats returned by direct

elections, have you not made all sorts of pretences, saying that this geographical constituency should have an additional seat given an increase in its population while proposing this and that for another geographical constituency with a reduced population? You know what should be done and you know how the calculation should be made in those cases because the cesspit as referred to by Mr NG Leung-sing will not be affected; nor will those coffins be affected, so that the "living dead" can sleep in them. Am I right, President?

It was a promise made by the Communist Party of China (CPC) that a decision can be made on how dual universal suffrage should be implemented in 2007 and 2008 for the people of Hong Kong. When Mr James TIEN ran in the election in 2004, the platform of the Liberal Party also included the implementation of dual universal suffrage in 2007 and 2008, right? Had it been implemented successfully back then, he might have become the Chief Executive. How many interpretations of the Basic Law have been made so far? The Standing Committee of the National People's Congress (NPCSC) interpreted the Basic Law twice in 2004, and there was another interpretation of the Basic Law by the NPCSC in 2005, followed by further interpretations in 2007, 2011 and 2014. These six interpretations of the Basic Law made amendments one after another to the definition of universal and equal suffrage. The more it was amended, the worse the situation became, and amendments had been made until 2014. Take a look at the situation now. The FCs are the root of all evils. The 31 August Decision should be revoked, but the final proposal turned out to be the worst, as a candidate is required to obtain nomination from half of the 1 200 members, that is, 600 members of the Nominating Committee before he can run in the election. In other words, there will be choices of pigs, making a choice among four pigs.

Simply enough, in the book *Animal Farm* which was also written by George ORWELL as you mentioned, how did he describe the elections? He said, "Twelve voices were shouting in anger, and they were all alike. No question, now, what had happened to the faces of the pigs. The creatures outside looked from pig to man, and from man to pig, and from pig to man again; but already it was impossible to say which was which." The FC election can be compared to this scene in *Animal Farm* as the pigs have turned into men and men into pigs, becoming a "half-pig, half-man" freak. So, for remarks that nobody dared make in this Chamber a decade ago, why do some people dare make them a decade later? It is because Mr NG Leung-sing is back here as a Member again.

When a system enables a person who should have been eliminated originally under the system, how can this person not continue to worship this system with the utmost servility? Therefore, those who are most adamant in opposing the election of the Chief Executive by universal suffrage must be FC Members or those relying on the CPC's votes in the Legislative Council. Regarding the words of the NPCSC, I see what they mean. If the election of the Chief Executive will be conducted by universal suffrage in 2017, the Legislative Council will be returned by universal suffrage in 2020. In other words, if the Chief Executive will be returned by universal suffrage in 2017, what are these people going to do? By then, those people whose brilliance is unequalled according to Mr NG Leung-sing would turn out to be rubbish that needs to be shoved into the museum of history right away. He does not even know what he is talking about. Are they so good? If they are really that good, the CPC would not have admitted verbally that in the NPC election, a bottom-up system is adopted with the implementation of universal suffrage at the lowest hierarchy. Is this what we do in Hong Kong now, not to mention the fact that political party affiliation is not permitted?

Therefore, President, on this issue, it is impossible to resolve all the problems if the 31 August Decision is not revoked. If the 31 August Decision is not revoked, people like Mr NG Leung-sing or Mr TAM Yiu-chung or Mr CHAN Hak-kan who are going to speak later will continue to help villains do evil here. President, a person who keeps his mouth shut will not be taken as dumb. You are the winner after all, so why do you still have to say here that faeces taste well, that two plus two equals five, that charcoal is white and that snow is black? Do you get it? Tell me, is the CPC not clever? All of these are quasi-true propositions.

I originally did not plan to speak on these trivial amendments but I really could tolerate this no more. So, when ZHANG Dejiang came to Hong Kong to deliver some remarks, he should have cleaned up the scene after defecating. When the NPCSC under his charge made these interpretations, he should make correction by himself. So long as no correction is made, this pack of scoundrels and lackeys will exist, and as long as this pack of scoundrels and lackeys are here, they will stand in the way of democratization in Hong Kong. Not only will we be deprived of a future, the current situation will grow even worse. An example is the universal retirement protection scheme which should be implemented. It is because they do not work on it that the opposition camp has to take it up.

Mr NG Leung-sing has made it very clear that they must strain every nerve to block it. Such being the case, please do us a favour, Members of the pro-Government camp. Please tell us what you will really work on. Do let us know, and I can keep my hands off them.

Yet, the biggest problem is that you invariably would not do whatever you said that you would do. President, even you have talked about universal retirement protection for more than two decades, and when will actions be really taken? I can keep my hands off it and do nothing except giving it a big hand. What do you say? Now I understand why the well-being of Hongkongers is not given weight. Because the proposals put forward by the opposition camp must not be carried out, and it is because the Government returned by a small circle has spent our public coffers on implementing the Belt and Road Initiative in advance and it has spent a large amount of our public coffers on connecting us with the Guangdong economy which is losing its vigour and undergoing a recession. We raised objection; we questioned why cost overruns were incurred and enquired about the prospects but we were not even allowed to do so. Despite a shrinking economy, we still have to provide a large area of land for the development of hotels, and LEUNG Chun-ying is still fantasizing about the development of Grade A offices and the construction of this and that, but there is no way for us to stop him. Without universal suffrage, the situation would be like that of TANG Jingling, the lawyer, who was named a criminal for inciting subversion against the State when he represented his client in court and took up the cudgels for LI Wangyang to do him justice. Without democracy, there is definitely no freedom. War is peace; freedom is slavery; ignorance is power. These are the truths upheld by NG Leung-sing and his likes. We Hongkongers will not listen to these worthless stuffs. I look forward to seeing all of you at the Victoria Park on 4 June, in order to tell them that we do not agree to one-party dictatorship!
(The buzzer sounded)

PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up.

MR JAMES TIEN (in Cantonese): President, in the previous debate session, I heard many Members talk about the problems with the functional constituencies (FCs). I found that Members of both sides have presented views that go to

respective extremes in their discussion of this issue. One side has denounced FCs as absolutely devoid of merits, whereas the other side has claimed that FCs can enable the smoother operation of the Government.

President, I do not know whether I am the only Member in this Council who has undergone such changes. Initially, I was appointed to the Legislative Council in 1988, and then I was elected as an FC Member representing the Federation of Hong Kong Industries, then an FC Member representing the Hong Kong General Chamber of Commerce, and finally a directly-elected Member. According to the design of the Basic Law back then, what is Hong Kong's political structure after reunification? Did it just rely on the appointment system during the British-Hong Kong era to bring the voices of elites from different sectors of society — elites are not necessarily rich people — into the parliamentary assembly direct? In this way, it would obviate the need for the Government, unlike foreign countries such as the United Kingdom and the United States, to depend on lobbyists to lobby full-time lawmakers, who are generally political figures or politicians. We consider that in Hong Kong, where "one country, two systems" is implemented without any concern about foreign and defence affairs, most of the people, including the new arrivals from the Mainland, wish to make a living and lead a stable life. A sound economy can help address livelihood issues properly.

Democracy is a most fine sounding word, but is it a panacea for all ills? Currently many foreign countries definitely enjoy democracy. However, with a sluggish economy, we can see that even Europe, which has been widely plagued by the refugee crisis, is not doing well. Although ordinary citizens in European countries can elect their own leaders with their ballots, they would find it hard to make a living when the economy turns bad and the government lacks tax revenue. Such scenarios are not unfamiliar to us on the TV recently. I consider that over the years, the FCs have enabled the elites from different sectors to make contribution to society since talents are drawn from the finance, industrial, labour, medical and accountancy sectors covered by FCs. Hong Kong is an international metropolis. At present, many new laws in foreign countries involve the finance, accountancy and legal (where the common law system is practiced) sectors. Is it better for Hong Kong if there are lawmakers who have expertise in these areas when such legislation is introduced in Hong Kong?

The Liberal Party and I have all along believed that the FCs are necessary. Yet, I also agree that the number of voters for the FCs may be too small in its original design. Should we broaden the electorate in accordance with "the principle of gradual and orderly progress" stated in the Basic Law? This we absolutely agree. After the rejection of the political reform package (the 31 August package introduced last year based on the Decision made by the Standing Committee of the National People's Congress on 31 August 2014), we mentioned that since the 31 August package mainly dealt with the election of the Chief Executive there was no reason that the number of FC electors could not be increased gradually, for criticisms had been levelled at the FCs for their being unfair and undemocratic. For instance, the finance sector has around 100 votes only and the business sector has several hundred votes only. Is it possible to give franchise to directors or senior executives as well, for they are also people who are familiar with the workings of the sectors?

At that time, the Liberal Party put forward a proposal. While we objected to the abolishment of FCs, we hoped to maintain the existing nomination method but extend the franchise to the over 3 million voters. That means Hong Kong citizens would have one vote in direct elections and one more vote in any one of the 30-odd FCs where they could choose any one of the FCs freely. Those who are concerned about the education of their children may vote in the Education constituency, and senior citizens who care about healthcare issues may vote in the Medical constituency. It is fair, isn't it? As to the right of nomination in the latter constituency, it should still rest with the Hong Kong Medical Association which would nominate doctors or experts as candidates, but the franchise will rest in the hands of the several million electors.

Certainly, people would criticize this as a replica of the Chief Executive election because there would be screening. Why should we shortlist a number of doctors for election by several million people? Why should we shortlist a number of bankers for election by several million people? I believe we have to strike a balance between professionals and the general public. The public may query those experts of their views on the Lehman Brothers incident. Will they take the side of the banks concerned or care about ordinary investors? I believe if the franchise is in the hands of the several million people, these bankers, no matter who they are, must take the citizens' decisions into account in order to become a lawmaker. Under such circumstances, I consider that the most

reasonable model for the Legislative Council is one that embraces the participation of professionals and gives each elector two votes. This is the ultimate model. Certainly, we have yet achieved that to date.

Just now I have heard the speeches of many Members. Some of them hold that those FC Members will only protect and support the Government. I think that claim is unfair since FC Members do make contribution to their respective sectors. In my opinion, the many issues dealt with by the Government boil down to the question of harmony. For example, in the scrutiny of many Bills, the Government may engage the pan-democrats or directly-elected Members in discussions, without unnecessarily creating confrontation between FC and directly-elected Member. If the Government can handle the matters properly, even motions proposed by FC Members would be supported by directly-elected Members.

There are many small and medium enterprises in the industrial and commercial sectors in Hong Kong. They have employed a large number of staff and most of the employees understand the difficulties faced by their employers. Recently, the business environment of various industries is very poor. Both employers and employees of small companies realize that business is slack and there are few customers. They certainly know this, don't they? Therefore, they would appreciate the plight of their bosses and doubt whether the Government's policies have made the operating environment difficult. For example, has the Government only allocated land for public housing construction instead of commercial buildings and shopping centres, thus making office rentals keep rising without any possibility of downward adjustment? I believe citizens would have two different views. They may not think that those FC Members are useless when the latter speak on economic development or professional development of other sectors.

Hence, I think the future of Hong Kong needs the participation of elites. However, if citizens question the fairness of such ideas of democracy, we need to address it. The Liberal Party considers that any initiative about the FCs in the future should by all means allow more people to vote. Such a change should certainly take place in a gradual and orderly manner since the Government may not agree to increasing in one go the number of electors to several millions. However, can the number of FC electors be increased in the next term? I hope the Government will do so. When discussion is launched afresh on political

reform in the future, the Liberal Party will continue to encourage and support the Government to broaden the electorates of all the FCs. With regard to the right of nomination and the requirement that candidates must be familiar with their respective sectors, I hope the existing method of nomination of elites will remain, but with an increased number of voters to foster balance. I hope that the legislature can handle these matters in future. Please do not think that all FCs are, as Mr LEUNG Kwok-hung put it, the root of all evils, which is misleading to the public. Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, during the debate earlier, quite a number of Members mentioned Mr Steven HO, an FC Member of our party. Mr HO really wants to be here today to respond personally to the criticisms made by Honourable colleagues just now. However, he has to represent the industry on a visit to the Mainland and engage in relevant communication, so he is unable to attend this session of the meeting. Nevertheless, he has prepared a speech and let me state clearly for him here his stance on the retention or otherwise of FCs.

In fact, many Members have demonized the FC Members, as I also heard a moment ago. This is also a profound feeling of Mr Steven HO personally. However, in Mr HO's view, FCs have indeed manifested the important principle of balanced participation of all sectors under the existing political system of Hong Kong. Hence, it is necessary to refute and correct the injurious remarks made by some pan-democrat Members about FC Members earlier.

We can see that the contents of speeches made by the pan-democrat Members are in fact nothing new, highlighting their disrespect and disregard for the history, economy and industries of Hong Kong as well as their distortion of the Basic Law. If, according to the pet remarks on their lips, the simple majority system of election adopted by certain countries were implemented in Hong Kong, it would in fact not conform to the existing requirements of the Basic Law and the actual situation in Hong Kong.

Nevertheless, concerning such issues, Members of the opposition camp will resort to their distortion of the "indirect elections" of FCs and they are fond of quoting "universal suffrage" out of context. As a matter of fact, universal suffrage can be implemented not only through direct elections, but also by means

of indirect elections. The senates in many countries are formed through indirect elections. One of the main reasons is to prevent society and the parliament from pursuing populism.

The FCs in Hong Kong are a system created in consideration of the issues I mentioned a moment ago. Unlike geographical direct elections, FCs are categorized according to different types of functions, such as industries and social groups, thereby creating some seats similar to those returned by professional representation. The main reason is that capitalism is upheld in Hong Kong where industries, trades and social groups covered by FCs are important cornerstones for the maintenance of Hong Kong's continuous development as well as its prosperity and stability. Professional advices tendered by FCs concerning the development of Hong Kong also precisely embody the concept of the Basic Law, that is, the previous capitalist system and way of life in Hong Kong shall remain unchanged for 50 years. The importance of each of the FCs has not only been tested and proved by the history of Hong Kong, but can also be seen in their significant contribution to the development of Hong Kong.

Earlier in the debate, some Members of the opposition camp said that FC Members have only represented the interests of their sectors over the years. However, we can see that, under the political system, the functions of FC Members and Members returned by geographical constituencies (GCs) through direct elections are in fact complementary to each other. Just as GC Members returned through direct elections often concentrate more on district interests of their respective constituencies, FC Members will provide opinions on various issues based on their professional knowledge, with a view to complementing the lack of knowledge of certain industries in the Council. If directly elected GC Members of the opposition camp blindly voice objection simply for the sake of it and employ the tactic of "filibustering" in the Council, while maintaining long periods of absence from the Chamber during the "filibustering", just like now, then are directly elected GC Members always hard-working and superior or FC Members always absent from meetings inferior? Take a look around the Chamber today. How many pan-democrat Members are present during the debate? The answer cannot be clearer.

Therefore, whether or not Members proactively serve the people bears no relevance to them being returned by FCs or by GCs through direct elections. In fact, the biggest problem in the Council currently is not through what kind of elections Members are returned, rather it is whether the Council has fully made

use of our time to discuss various policies and seek development opportunities for society. On the contrary, the present focus of our work is on dealing with the never-ending or regularized "filibustering". As a result, many policies and issues that are originally conducive to the development of Hong Kong have been sacrificed owing to "filibustering".

During this debate on the Bill, some FC Members of the opposition camp have indicated support for the abolition of FCs, including their respective constituencies, but at the same time, they have said that the electorates of traditional FCs should be expanded. President, this is a contradiction. If they consider FCs a great scourge as described by them, why do they still try to refine it? Their theory is so contradictory, which is mainly attributable to some of their personal political interests. Because they need to win the votes of some supporters who are in favour of the abolition of FCs, and at the same time, they themselves are also parties with vested interests. They want to retain their existing seats, while making use of the current issue of the abolition of FCs to benefit their own camp, so as to secure a greater victory in the Council by reforming the electoral system.

Certainly, no electoral system could enable a particular political party or camp to secure a majority of seats because every electoral system has advantages and disadvantages. Under the present electoral system in Hong Kong, the Legislative Council elections consist of FC elections and geographical direct elections, so the Council's most important work is to allow Members returned by both FCs and GCs to serve people together in concert in the Council and reach consensuses on issues despite their divergent views. If the pan-democrat Members are totally correct on every matter, while FC Members are completely wrong, is it a good thing for Hong Kong after all? The opposition camp disapproves of FCs and may have its own set of theories, or it is more likely that this is its stance on electoral politics. However, there can be no gainsaying it that FC Members do have contribution and serve functions to Hong Kong. If they continue to demonize FC Members, this will in fact do no good to Hong Kong and the Legislative Council.

President, these are the views Mr Steven HO wishes me to present for him in this Council. Thank you, President.

MR CHAN KIN-POR (in Cantonese): Originally, I tried to avoid taking part in the debate on such controversial issues because I felt worried that some people will express their dissatisfaction in this Council at meetings of the Finance Committee chaired by me, thereby causing delays to the funding applications of the Government. I really feel worried about this, so Members must have noticed that I have been speaking less recently. However, someone mentioned me by name a moment ago, saying that I had wronged the workers on the issue of work injuries and that I had targeted at the workers and protected the insurance industry. I think I need to make a clarification.

I have put forward some suggestions to the Government, which are mainly related to inter-departmental measures to combat industrial and commercial frauds. I hope Members can note that what I am talking about is frauds and illegal practices rather than work injuries of workers. Therefore, my target is just a handful of unscrupulous people who make fraudulent insurance claims for work injuries. What Mr LEE Cheuk-yan said is definitely misleading because an insurance company is in fact a manager only who is responsible for receiving premiums and issuing compensations. The more the compensations made, the more the amount of premiums will increase. The one who pays is not the insurance company but the employer. The employers are also victims. If the insurance sector identifies some loopholes and problems based on its experience in processing claims and then put forward suggestions, so that the employer is not required to spend money for no good purpose. What is wrong with it? I simply cannot figure out what the problem is. The elevation of every issue to the political plane will do no good to the whole society and Hong Kong. There are many people in Hong Kong who would put forward some ideas, and their purpose is not to resolve the problems but to stir up contradictions and conflicts as well as create confrontations, with a view to gaining more political capital for themselves. This is the most lamentable situation in my view.

In addition, I would also like to talk a little bit about the problem of work injuries. As a matter of fact, the insurance sector very much hopes that workers can return to work as early as possible. We have recently commissioned The Chinese University of Hong Kong to conduct a research study on the methods to enable injured workers to return to work as early as possible. This can in fact help them to shorten their sick leave by half. The workers are also happy that they can return to work as early as possible. I just wish to cite an example to state clearly that we should neither consider every issue according to a conspiracy

theory nor treat the functional constituencies (FCs) in this way. I find that in this Council FC Members have been working diligently and spending plenty of time on their work in a focused manner and with concerted efforts. They have been doing better and better. In my view, their performance in this term is better than that in the last term. Very often, those who sit here to prevent an abortion of the meeting are FC Members. Those who sit tight here during meetings are mostly FC Members as well. Therefore, I think this is fairly obvious to all people. Even though they wrong us and mislead the people, it would demonstrate all the more clearly to the people the importance of FCs. Hence, I wish Members could be reasonable in the future, instead of making incessant personal attacks by name, making vicious remarks, telling someone to eat this or eat that. It is meaningless for them to repeat such words because the quality of people has improved. They would not believe in everything they said, but they would look at the facts instead.

I will not speak too much, but I would also like to talk about the issue of balance in the Council. Some Members returned by direct elections would be more concerned about people's livelihood and welfare issues, while some FC Members who are well versed in the business environment and difficulties would reflect the crux of the problems, so that we could understand the same matter from more perspectives. So, what is wrong with it? Take as an example a recent Bill in respect of the Mandatory Provident Fund. We all know that the Government had in fact reached a consensus with us on the core funds some time ago, but Members proposed amendments suddenly. Consequently, I invited members of the industry to meet with Members, so that they could take that opportunity to explain the case to Members. Members were not partial towards the insurance sector. Rather, they listened to reasons given by various parties before making a decision on whether to support the Bill or otherwise.

I have cited my constituency as an example, but I believe other constituencies, be it the Accountancy, Finance or Medical FC, would also have the same function. FCs can reflect the difficulties of these important industries that have influences on Hong Kong, so that we can make wise decisions with proper understanding of the impact of the legislation on various sectors. So, what is the problem? I therefore hope Members will not interpret this as protection of the industry concerned, thereby sowing discord among the people and stirring up hatred towards the business sector. This is in fact most inappropriate. The business sector has its functions, responsibilities and

contribution. In my view, the efforts and time devoted by the FC Members in this Council as well as their professional knowledge are indeed not less important than those of directly elected Members.

Among the directly elected Members, there are good people and bad ones, while among the FC Members, some may have done better and some may have room for improvement. Nonetheless, I think we should respect each other. If you disapprove of me, it is not a problem. But you have to convince me with reasons, instead of telling me to eat this or that or humiliating us. This is because such acts are absolutely meaningless. I have now come to know more clearly the insights and views of the people. As long as the FC Members can keep working hard and presenting good performances, I believe the people would understand all this.

As regards the Bill today, we know that the amendments are only technical in nature. As a matter of fact, there is no need to digress too far and talk too much about the deficiencies of FCs. I will support all of the amendments proposed by the Government.

Thank you, President.

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

MR PAUL TSE (in Cantonese): President, as Mr CHAN Kin-por said, the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) *per se* is not worth spending too much time discussing because basically, technical amendments are made to include new organizations, change the names of 11 bodies, remove seven bodies, and so on. All of them are piecemeal amendments. Still, any improvement is good, so we will certainly render it our support. Nevertheless, I am afraid the scope and direction of the amendments to the Bill have greatly disappointed the community at large.

President, please allow me to raise a couple of points in this regard. First, let us look at the relevant documents. This time, since a new election cycle is approaching, the authorities indicated that all the work had to be completed before 2 May, which was the voter registration deadline. There was not sufficient time to deal with the items proposed earlier, so we could only wait for the next exercise to make the amendments. However, every time an election is

over, very often the Government will adopt a "cooling down" or "slowing down" tactic — I do not know what better description I can use — stalling for two to three years without doing anything. When the next election comes, it will use the same excuse of insufficient time. Consequently, the electoral system in Hong Kong has all along made no progress other than piecemeal amendments. This is extremely undesirable, especially when there are dedicated departments with numerous Hong Kong officials responsible for elections and constitutional reform. They can hardly shirk their responsibility.

President, the second point I would like to make is, the authorities have advanced the excuse that the consultation in 2013-2014 had mentioned reforming not only the Chief Executive election but also the Legislative Council election, but there was lukewarm response from members of the public in respect of the Legislative Council election. In particular, there seemed to be no consensus on reforming the functional constituencies (FCs). This is, I am afraid, somewhat misleading because, as we can check against the records, the actual situation at that time was that the Government, the media and members of the public had all placed their focus on the reform of the Chief Executive election. As we all know, it was not until the reform proposal for the Chief Executive election could be passed that there would be the chance to touch on the matter of further expanding the electorate of the Legislative Council election. Since the focus was placed on the Chief Executive election and something happened during the course which seemed to be a wet blanket thrown on us, dampening all our passion, few people expressed much concern about the reform of the Legislative Council election. I consider that the Government was a bit unfair in using this as an excuse for not doing any work.

President, back to the FCs. I have reread the speech I made on the relevant subject in 2011 and found that I had talked a lot about the merits, demerits and background of FCs at that time. I thank some Honourable colleagues for their mention of some of the speeches delivered at that time, including the one made by Dr Margaret NG. It is still fresh in my memory that back then, after industriously studying each FC in detail, Dr Margaret NG proposed a series of amendments, requesting us to make amendments to each FC. There was a heated debate on this at that time. I have heard the speeches delivered by Mr Dennis KWOK, Mr Alvin YEUNG and Mr Alan LEONG. All of them have talked about the legal sector. I will speak also on this aspect later on, but let me come back to the FCs for the time being.

President, I very much agree with what Mr James TIEN said just now, that Members' speeches seemed to, on one side, overemphasize the absolute evil of FCs, and on the other side, give consideration only in terms of the utility of FCs without conducting any thorough review of the role which the whole electoral system or the system of representative government under our present discussion should play. President, as I have mentioned many times before, representation is the most important element that any system of representative government must exhibit. Moreover, it must pre-empt any serious manipulation. Given these two criteria, coupled with the principle of universal and equal suffrage stipulated in the Basic Law, basically any electoral system which can satisfy these three benchmarks will be ideal, if not perfect. Such an electoral system cannot be bad. Even Mr CHAN Chi-chuen has pointed out earlier in his speech that elections in FCs and direct elections in geographical constituencies (GCs), which respectively define the constituencies by occupation and residential address, do not have any difference in nature in terms of classification. However, his conclusion was somehow contradictory to this remark, and he did not propose anything to improve the FC system at all. If there is no difference in nature, then theoretically and logically, a system will work as long as we continuously improve it to make it satisfy the three points I have just mentioned, namely, representation, being free of manipulation and the principle of universal and equal suffrage. Regardless of the approach adopted, the game must fulfil these three criteria. No matter whether classification is made by district, FC, age or even place of origin such as Chiu Chow, Fujian and Hakka, or defined by disadvantages such as the physically impaired, ex-prisoners, youngsters, women and unemployed persons, they can have their representation and be classified into different groups. Hence, the question is, does the existing system in Hong Kong satisfy the three basic criteria mentioned just now?

Of course, over the years, the FCs have been repeatedly criticized by Honourable colleagues, public commentaries and members of the public opposing the FC system. For this reason, the FCs have to various extents given people a bad impression and feeling which may not be changed overnight. In fact, in the past, we have seen individual cases of Members who were relatively sloppy or who made unfair comments without putting them through careful thoughts, which sometimes caused people to develop ill feelings against some FC representatives. However, sometimes this kind of ill feelings may fit certain Members returned by geographical direct elections even better. Hence, in my view, we should not target individual Members or make comparisons with individual bad examples.

Instead, we should consider how to make the FC system or any system better meet the public interest, including the major principles of representation, being free of manipulation and universal and equal suffrage mentioned by me just now.

(THE PRESIDENT'S DEPUTY, MR MA FUNG-KWOK, took the Chair)

Deputy President, let me give an example. The system in Hong Kong is a local rather than national system. In terms of population and scale, it does not need a bicameral system. A lot of jurisdictions or countries and regions with which we are familiar have, in general, formulated a system consisting of an upper house and a lower house. Why is that the case? Let me draw an analogy of a car. If we want the car to go forward, we need to step on the accelerator. To a certain extent, since the directly elected Members of this Council are directly chosen by the voters to represent them to fight for their welfare and interests, they may wish to go forward faster, so they will step on the accelerator harder. Regarding workers' interests, housing, education and any welfare policy, including universal retirement protection which we are now discussing, they wish to go forward swiftly and succeed in one move, with a view to achieving more for members of the public. This is understandable, since they represent the voices of the masses. However, if they only step on the accelerator and do not know when to make a turn or apply the brake, I am afraid sometimes speeding will lead to crashes and deaths. For this reason, the mechanisms in any places will have a "brake" built into the design. As I mentioned just now, Hong Kong lacks the scale for the establishment of a bicameral system. Then where is our brake? It lies with the FCs which account for half of the seats in the Council. This is also the original intent of the design. Of course, to make this design operate more effectively, it must satisfy the three points mentioned by me just now, namely, representation, being free of manipulation and the principle of universal and equal suffrage. However, it seems the present FC system is far away from this ideal.

As a matter of fact, the criticisms levelled by many Honourable colleagues in the opposition camp against the FCs cannot be deemed as unreasonable. For example, small-circle elections or corporate votes should be changed as and when appropriate. However, as I have pointed out at the beginning of my speech, the Government keeps delaying such work without making any actual improvement, thus leading to the present state where we are not sure if the FC system can still

be rescued. In fact, if the Government continues to mark time without doing anything, I am afraid the FCs will definitely be doomed. This is most regrettable.

In my view, the FCs have a lot of strengths which have not been brought into full play. I also do not concur with certain Members' view that FCs are monsters which cannot be found anywhere else in the world. As I have mentioned many times before, why is this system not adopted in any advanced country in the world? Basically, there are two major difficulties which are insurmountable. Firstly, very often, when a country or society already has directly elected members serving as the people's representatives, it cannot go back and withdraw some of the seats and power. The United Kingdom is a very good example. Many years ago, the United Kingdom had considered, tried, discussed and studied the introduction of an FC mechanism, but it fizzled out in the end.

Secondly, the problem we now encounter is that the Government keeps making excuses, unwilling to do any work for fear that there will be "uneven distribution of spoils". Once a certain group enjoys vested interests, any attempt to slash the interests or power of anyone in the group may arouse a great controversy. As mentioned by me just now or many times in the past, the main reason for the lucky "natural delivery" of the FC system in Hong Kong back then was the political indifference of Hongkongers in the 1980s. They only wished to make a living. So long as there were other people responsible for the political work, they would not bother about it. So the controversy was smaller at that time. Not only could the FCs have a "natural delivery", the problem of uneven distribution of spoils was also not serious.

Hence, now even if we wish to disperse the power of the FCs — for example, many real estate agents wish to have a representative of their sector in the Council, and they should have such a representative in the Council — it cannot be achieved anyway. Moreover, as I mentioned just now, Mr Dennis KWOK compared the legal, insurance and financial services sectors in his speech last week and considered that there was no reason not to improve these three sectors. I totally agree with his view, but at the same time, I would also like to ask Mr Dennis KWOK whether he agrees that the eligibility to vote should not be confined to barristers and solicitors if the legal sector itself also wishes to avoid class distinction or class conflict, or to ensure fairness.

As a matter of fact, in the legal sector there are many legal professionals such as legal executives, legal assistants and clerks, as well as seasoned secretaries and filing clerks responsible for court files. Provided that verification has been made — Members may not know that law firms will strictly manage the appointment of these persons. Every law firm has to submit a file on a regular basis, stating who are responsible for what jobs in the firm, the employment duration of each person, whether they work full-time or part-time, and so on. Everything is set out clearly. Hence, if their identity has been verified, on the principle of equality of all classes, why does the legal sector not introduce a reform first to devolve the power to more professional peers who have served in the legal sector for years so that the latter will also be eligible to vote?

For this reason, I think that when we make criticisms of other people, we should also look into our own sector. In fact, class discrimination and class distinction also exist in our sector itself. I hope Mr Dennis KWOK would not mind me saying this. Although I used to be a barrister and I am now a solicitor, I consider that in this profession, the eligibility to vote should not be confined to barristers and solicitors. A better approach is to allow more people to vote so as to meet the principles of broad representation and universal and equal suffrage.

Deputy President, among the comments on FCs, one was directed at Dr LEUNG Ka-lau, questioning whether his behaviour of late would give a false impression that he was particularly biased for his own profession. Deputy President, my observation is that Members returned by any FC, and even Members returned by any GC through direct elections, can only represent their own FC or GC. Certainly, after they are elected, they should represent the interests of all the people of Hong Kong, but to various extents, it is inevitable for them to be especially concerned about the interests or views of their own constituencies. Frankly, in the composition of the Legislative Council, the representative of any FC will stand for only one voice. Leaving aside the President who will not cast any vote, at least he will have to convince the majority of the other 68 Members in order to pass a motion proposed or a proposal made by him. For this reason, no one can act arbitrarily alone for his own profession. This is common sense.

Hence, regarding the question of whether Members returned by FCs will be excessively biased for their own professions, I believe they indeed need to show particular concern for their own sectors, and they will be especially well-versed in

matters of their own sectors. For instance, when I represented the tourism sector, I was especially well-versed in the problems of this sector and would exert my best to fight for its interests. Nevertheless, to convince other Members to accept that the tourism sector should have such benefits or to accept the merits and demerits exhibited, rational persuasion was somehow necessary.

Deputy President, all in all, today offers a very good opportunity for us to revisit the problems of FCs, but the actual responsibility should lie with the Government. The Government should make more efforts and should not wait for another four years. It should expeditiously enhance the FCs, with a view to meeting the three criteria mentioned by me just now, namely, representation, being free of manipulation and the principle of universal and equal suffrage. Be it FC or GC, it is something good as long as it can work for members of the public. Thank you, Deputy President.

MR IP KIN-YUEN (in Cantonese): Deputy President, I would like to divide my speech into two parts. I will first express my views on certain technical issues in respect of the legislation and then provide opinions in principle concerning functional constituencies (FCs) as a whole and relevant issues.

The first part is about technical issues. On 13 July 2015, the Legislative Council debated the Electoral Legislation (Miscellaneous Amendments) Bill 2015, under which the amendments proposed were the same as those proposed under the Electoral Legislation (Miscellaneous Amendments) (No. 2) Bill 2015 (the Bill) we are debating today. These amendments are relatively minor and technical in nature. Take as an example the Education FC. The Bill has only updated the lists of persons comprising the Education FC of the Legislative Council and the Higher Education Subsector of the Chief Executive Election Committee and included the members of the Board of Governors of the Gratia Christian College.

The effect of the amendments in this exercise is still a far cry from our demands for the implementation of genuine universal suffrage and abolition of the FCs. While it is certain that no genuine universal suffrage will be implemented under the framework of the 31 August Decision of the Standing Committee of the National People's Congress, the Government of the Hong Kong Special Administrative Region (SAR) should at least show its sincerity by responding to the demands of Hong Kong people in respect of democracy. It

can take this opportunity to broaden the electorates of FCs so as to enhance their representativeness and democratic elements. For instance, it can replace corporate votes in the Agriculture and Fisheries, Insurance, Tourism, Finance, Industrial and Commercial FCs, and so on, with individual votes, or replace corporate votes with director's votes. But the SAR Government has done nothing in this regard other than merely proposing piecemeal amendments in the Bill as mentioned a moment ago, which are minor and technical in nature. This is gravely disappointing.

We have all along demanded the abolition of FCs. Even though we still have to hold the FC elections presently, but at least the electorate should be expanded. Therefore, Mr SIN Chung-kai, Mr Kenneth LEUNG and Mr Charles Peter MOK have proposed amendments respectively to broaden the electorates of the Financial Services, Insurance and Information Technology FCs. Regrettably, the President has ruled that the amendments concerned could not be proposed as they violate Rule 57(4)(a) of the Rules of Procedure and are not relevant to the subject matter of the Bill. It is most regrettable.

Here, I would like to take today's opportunity to reiterate the issues relating to the definition of an elector in the Education FC. These issues are technical in nature but important.

The Electoral Legislation (Miscellaneous Amendments) Bill 2015 passed in July 2015 provided a clearer presentation of the definition of an elector in the Education FC and the Higher Education Subsector. It is a good development as it helps resolve the confusion in the past. Nonetheless, some problems are left unresolved. The meaning of a phrase in the legislation, that is, "full-time academic staff engaged in teaching or research and administrative staff of equivalent rank", is unclear and ambiguous. As a result, the Hong Kong Professional Teachers' Union has received complaints from its members working in various tertiary institutions from time to time. Different institutions have come up with different interpretations or definitions of that phrase. According to some institutions, tutors and lecturers would be included as "full-time academic staff engaged in teaching or research", while the definition of some institutions would exclude tutors and lecturers. This has resulted in inequality in terms of franchise because the current basic ranks in many institutions only include professors, associate professors, and assistant professors, and so on. So, would lecturers, tutors and course instructors be included as well? Mr Paul TSE has questioned just now whether there is class discrimination. In fact, tertiary

institutions will have to address these problems in making definitions in this regard. There are often diverse views on the definition of "equivalent rank", thereby resulting in complaints.

My demand is very simple: various benchmarks used by different institutions should be standardized, so that a relatively accurate description consistent with the legislation can be adopted. In this connection, I have requested the authorities at a meeting of the Bills Committee to provide a list of all eligible ranks proposed to be included in the definition by different institutions. With this list, we can make a comparison to see whether different institutions have been handling these problems based on the same definition. However, the present problem is who can enjoy the right to vote? It turns out that the decision lies with the interpretation given by individual institutions of the relevant provision, which can be very objective. For instance, institution A submits a list and institution B submits another, but the benchmarks used by them can be completely different. We should cautiously monitor whether the interpretations made by individual institutions are appropriate and the same when allowing them to make their own decisions.

Regrettably, notwithstanding my repeated requests, the Government's reply was gravely disappointing. According to the Government, it was not in a position to do so as the information provided by the institutions could only be used for the purpose of voter registration and nothing else. I do not understand this indeed because the information we requested does not involve personal data. Rather, it is general information only. Why can the Government not provide such information? I have nothing to say if the Government could ensure the fair treatment of all academic and administrative staff without providing such information. But is there any means to do so? Why do we keep receiving complaints? I am gravely disappointed if the Government cannot do so and does not deal with the matter seriously. I really hope that further actions can be taken by the Government to ensure that various tertiary institutions will adopt a general standard to treat all academic and administrative staff fairly, so that all full-time academic staff engaged in teaching or research can truly become voters, so as to protect their right to vote.

Deputy President, I would like to move on to the second part. As regards the FCs, we wish to ensure that everyone enjoys an equal franchise as I mentioned a moment ago. But regardless of what reform is to be made, this would at the most allow the Higher Education Subsector to have a relatively fair

franchise. As for the Hong Kong society as a whole, the existence of FCs would result in inequality in respect of the right to vote, that is, it is fair to all, but it is fairer for you than for me.

Mr Paul TSE has mentioned that there should not be class discrimination. However, if we carefully analyse the electoral method of FCs, we will find that it is discriminatory at the end of the day. We are well aware that the franchise or the value of each vote is not equal. I often use myself as an example. There are 90 000-odd voters in the Education FC that I represent, while the other FCs may only consist of 100-odd voters or organizations each. But one seat would be returned by both. This makes people of society feel rather unfair, thereby lowering the legitimacy of the Legislative Council as a whole in society. This is a problem we have to face.

Another problem in respect of FCs we have to face now is that among the 35 FC Members, a number of them are returned uncontested without going through competitive elections. I believe this is totally inconceivable for Members returned by geographical direct elections. How could it be possible for someone to be elected without going through any election? But this could happen in the FCs. Without competitive elections, voters have in fact never made a choice, that is, it is unable to ascertain whether the election platforms of the candidates have been accepted by the electors. As a result, we can see that many voters do not know well nor have any good understanding of the FC Members.

More seriously, as for other people in Hong Kong not belonging to any FC, they also do not know much about FC Members because many of them are elected without going through competitive elections. These FC Members elected (including me) may concentrate more on the issues within their FCs. As regards matters outside their FCs, most of the FC Members have only a limited understanding, so their level of participation is relatively low. If the integration of society as a whole cannot be displayed and manifested in the Council, the image of this Council would be significantly undermined in the mind of the people.

Looking to the future, this Council must keep abreast of the times. We hope that genuine universal suffrage can be implemented for elections of the Chief Executive as well as the Legislative Council in the future. We should take practical steps to make the Council as a whole more representative. In this connection, the FCs must be reformed. Today, I cannot explain the methods of

reform in detail. But I believe the goal of many FC Members (me included) at the time when we were elected is to abolish all FC seats, including my own. We think it would be better in this way.

In the past, we had conducted visits to the parliaments of many foreign countries, where the electoral methods adopted are different. Take Germany or the Scandinavia as an example. Some of their members of parliament are elected by elections among political parties on basis of proportional representation. This electoral method can in fact retain many elites of society in the parliament. Can we pursue development in this direction? If we retain the existing methods in respect of FCs, this will not only make it impossible for us to raise the acceptability of this Council and enhance our capacity to carry the views of the whole community, but also make the mechanism of this Council incapable dealing with divergences in the whole community.

In a pluralistic society, there must be diverse views and interests. This Council is a venue where different interests and views are pooled together to form the public will through a fair mechanism. In my view, this function has not been brought into full play in our existing Council. One of the reasons is the existence of FCs. The system of FCs is indeed unfair.

To conclude my speech, I hold that we can do better in some areas in respect of these legislative amendments, including some minor problems about definition. Secondly, we should enhance the electoral elements or representativeness of individual FC elections. In the long run, we should even abolish the FCs and replace them with a more representative electoral method.

Deputy President, this concludes my speech on this Bill today. I so submit.

MR TOMMY CHEUNG (in Cantonese): Deputy President, having listened to the speeches of many Honourable colleagues today, I will probably feel ashamed to face myself and particularly the functional constituencies (FCs) if I do not speak. Besides, many colleagues probably are not aware that when I was a member of the Basic Law Consultative Committee (BLCC) in 1985, I supported promoting the idea of FCs to the BLCC for consideration. To date, I have no regrets about doing so but it was not because of the fact that I am now a Member returned by FCs.

Many reporters have asked me whether I support the abolition of FCs and I often told them, "You had better ask the members of the sector represented by me if they support such an idea." I believe if you ask the members of the sector represented by me whether they support the abolition of the Catering FC in the Legislative Council, they will tell you that over the past few decades, they had invested great effort and money in carrying on some small businesses such that they can now support their families while their children have also made academic achievements and probably need not follow their paths. The most wonderful thing is that in the last 10-odd years, there is this fool who is willing to work for them round the clock and promptly respond to their demands while they neither need to pay him the minimum wage or any salary nor make Mandatory Provident Fund contributions for him. They can lay him off if they no longer like him after four years without having to make any severance payment or long service payment. The HKSAR Government, including the British Hong Kong Government, has never given the catering industry such favourable treatment so they are now very satisfied with having such a person. Therefore, if you ask members of the sector that I represent whether they support the abolition of FCs, I can only answer on their behalf that I have never heard anyone voice support for such an idea so far.

I noticed that while a lot of Honourable colleagues, particularly those belonging to political parties, had run in the election of FCs, they gnashed their teeth about FCs. On the contrary, I had actually persuaded Mr James TIEN and Selina CHOW to run in the direct elections of geographical constituencies (GCs) instead of FCs before they took part in the direct elections in 2004. Is there anything wrong? Nothing.

Mr IP Kin-yuen just stated that people with different political views should be allowed to share their ideas in the Council and the FCs are exactly comprised of people with different political views. Several years ago, many people often smeared me and considered that it was too cold-hearted for me to propose a minimum wage of \$20 per hour. In fact, I did not make such a proposal back then. What I said was simply a reply to the remark made by a reporter who said that if the minimum wage was \$20 per hour, only around 1 000 people would receive an hourly rate equivalent to the minimum wage or below. In response, I said that if the minimum wage was \$20 per hour, it would not cause much negative impact. Yet, I have never proposed such an idea. Mr WONG Kwok-kin of the Hong Kong Federation of Trade Unions has also publicly stated that "Mr Tommy CHEUNG has never said so and I have not heard him make such a remark in public or in private".

Nonetheless, people often smear me as a cold-hearted employer. In fact, I was not an employer back then and did not employ any staff so the level of minimum wage simply would not have much impact on me. This is exactly the case of siding with the majority. There are many people who earn a low income while the number of employers of small and medium enterprises (SMEs) is small, and you have no idea where do they live. Therefore, everyone advocates a higher level of the minimum wage.

I often joke that if I should ever run in the direction elections, I may also propose to increase the minimum wage to \$100 per hour and consider the hourly rate of \$50 as insufficient because I want to win the election. As it is not concerned with using my money but simply offering benefits at the expense of others, what is wrong with such a proposal? I may even propose to provide paternity leave of one year. Since it is not concerned with using my money, what is wrong with the proposal? I may even propose to follow the practice of Norway where the standard working hours are restricted to 34.5 hours per week or propose that we should do better than Norway and implement standard working hours of 30 hours per week. It is not concerned with using my money anyway. I will not blame any colleague for proposing measures which are more extreme for the sake of securing votes because if you lose the election, who will take pity on you? How can you continue to speak up? Yet, who are you speaking for?

Some Members stated in the Council that we should strive for equality and that many countries consider Hong Kong very special because the system of FCs is not adopted in the rest of the world. Yet, what is the point of it? Is it true that we cannot adopt this system simply because it is not adopted in other places? I remember that when Ms Emily LAU and I met with a member of the Israeli parliament more than a decade ago, Ms LAU told the lady — she would, in fact, say the same things to the members of any parliament — who was a professor in America and a member of the Israeli parliament. At the time, Ms Emily LAU criticized the FCs in Hong Kong and I think she had reasons to believe that this member of the Israeli parliament would support her idea. However, that member of the Israeli parliament — I cannot recall her name — stated that although Hong Kong might be the only place in the world which adopted the system of FCs, it did not mean that it was not a good system. She said that while there were some systems in Israel that were unique in the world, should Israel actually follow the systems of other places for fear of being criticized by the others? She said that as Israel had a small population of only several million

people, was it necessary to adopt the systems implemented in places with a population of hundreds of millions of people, over a billion people or tens of millions of people? What kind of system would be considered a good system?

I need not be furious when I respond to the speeches of Members because everyone has a right to express his own opinions. I will not defend my work either as the amount of work that I did in my position is not less than the work done by any Member returned by direct elections. Regardless of whether it is about my work in the Legislative Council, what I did for the general public (not restricted to the sector I represent) or my work in different Bills Committees and panels, I will consider not only the opinions of the catering industry because we are not solely responsible to FCs. If there are ordinances which will be beneficial or unfavourable to the FCs we represent, we will certainly speak up. When the issue of imposing a levy on glass bottles was discussed in the Legislative Council last week, we also voted against the proposal and explained that it was because the amount of levy to be charged at source was unknown. It will not achieve any effect if the level of levy is too low but if the level is too high, members of the public will have to pay a fee in the future. Can the imposition of a levy actually reduce the use of glass bottles? We do not think so.

An Honourable colleague has just mentioned that most of the Members returned by FCs belong to the pro-Government camp. I literally do not believe other Members will regard me or the Liberal Party as pro-Government. To be honest, if Members should care to look up the records, they will find out I often joked that the Democratic Party is actually the largest pro-Government camp. If they do not believe it, they can look up the records that were taken while Dr York CHOW was in office. All of the Bills submitted by him were passed. Check the records and they will know whether Mr Tommy CHEUNG and Mr Vincent FANG or Members of the Democratic Party had voted for the Bills more often. They always voted for the Bills while we always voted against them. Who should actually be regarded as the opposition camp and the pro-Government camp? Therefore, Members should look at the situation carefully.

Insofar as I am concerned, I certainly agree that FCs can be enhanced. It is impossible to attain "the best" in reality as things can only become "better". There is no system that cannot be enhanced. Yet, can it be enhanced to such an extent that all people are allowed to vote in FCs? I may not agree with that. If a person does not belong to any sector of FCs, what is the point of voting? In fact, the system of FCs has merits and I consider it necessary to reflect the

opinions of every sector. Many people have asked, "Why my sector is not given any seat in FCs?" Mr Tommy CHEUNG can reflect the opinions of the catering industry; Mr Vincent FANG can reflect the opinions of the sector he represents; and the Member of the Insurance FC has also reflected the opinions of his sector. However, why is there no representative of the employees doing shampoo for customers in salons? There are many people who work in the beauty industry in Hong Kong but no one represents them. People working in the advertising industry have also asked why there is no representative of their industry.

Therefore, it is the wish of many people to expand FCs and increase the number of seats. In the previous amendment, several seats are added to the District Councils FC but many people did not approve of such a change. Of course, there is an FC for the District Councils now. Ms Emily LAU has just criticized the District Councils but the Democratic Party supported such a proposal. Anyway, I have been a Member of the Council for over 10 years and heard all kinds of opinions. I will probably feel ashamed to face myself and members of the catering industry if I do not speak today because they support the FCs.

I would also like to talk about Ms Emily LAU because I quite enjoy chatting with her. Over a decade ago, she told me that "If you run in the direct elections of GCs, you can actually win. Why do you stay in FCs?" I said it was my personal choice that while she thought I could win, I did not think I could win the election and therefore I chose to remain in FCs. However, I can tell everyone and Ms Emily LAU today that I will not run in the direction elections of GCs because my political beliefs are helping the SMEs and speaking for the catering industry. I think they need to be protected because no one is speaking for them.

The small and micro enterprises in the catering industry are the most underprivileged group in Hong Kong as no one has ever held discussions with them. If Members do not believe what I have just said, they may look at the recent scrutiny of the Medical Registration (Amendment) Bill 2016 (the Bill). A Member, who is probably Mr Paul TSE, has mentioned Dr LEUNG Ka-lau just now. In fact, I do not have any opinion about Dr LEUNG Ka-lau extending the discussion period, raising objections and doing many things for the doctors and members of the Medical Council of Hong Kong because that is exactly the duties of Members returned by FCs.

On the contrary, a Member returned by direct elections had criticized other Members frequently and claimed that he was not filibustering at the meetings, including the one which was held last week. At the meeting this past Monday, he appeared to criticize me without mentioning my name and accused me of criticizing him for filibustering. He was actually the one who said so as I had never mentioned the word "filibustering" while I had only urged Members not to waste time. A Member returned by geographical direction elections does not belong to FCs but he presented himself as helping the public. As we all know, I conceived the proposal of the Bill last summer. I would like to thank the Government, the Chief Executive, the Secretary and the Director of Bureau for accepting and introducing the Bill as I know it is a difficult job. To be honest, however, the Bill is introduced for the sake of the 7 million people of Hong Kong. We do not wish to run into the problem of having insufficient doctors in public hospitals or the Medical Council of Hong Kong preventing overseas doctors from coming to Hong Kong for practice. We also wish to pre-empt the problem of justice not being done after a hearing on malpractice is conducted for eight to nine years. These are the contents of the Bill, proposed by an FC Member.

Deputy President, I do not wish to waste our time but I simply felt a strong compulsion to speak up. Thank you.

MR ABRAHAM SHEK: Deputy President, I have been a Member of this legislature for nearly 16 years minus seven weeks and I am proud to have served Hong Kong well to the best of my ability, not just the Functional Constituency (FC) that I represented in the real estate and construction industry.

When I became a Legislative Council Member, my constituents told me that the first and foremost task I must do is what I think is good for Hong Kong and then it is in the interest of Hong Kong that we should pursue for the interest of my constituents. So, all this talk about we are representing a specific interest here and the fight for that particular interest is really wrong.

Over the years, the FCs and pro-establishment Members of this Council have provided stability in terms of economic stability. In times of the SARS economic downturn, who were there to put this Council in order? The FC Members and pro-establishment Members were here to maintain stability when there was political instability, and we have done our job. The FC Members are

here every day, sitting here day and night, night and day, to go through legislation from different perspectives. A lot of contribution has indeed been made by the FCs. Just look at the chairmen, vice-chairmen and members of the 18 panels set up under the Legislative Council, the FCs have made a lot of contribution and they did well for Hong Kong.

The opposition's scathing attacks against the FC Members are based on the obsession with the omnipotence of universal suffrage that adopting formal equality in the Legislative Council election shall, according to the opposition, provide the ultimate solution to every political, socio and economic problems of Hong Kong — if they can do that, good luck on them — while the continuing existence of FCs will lead Hong Kong to the abyss of hell, knowingly ignoring the contribution — as I have earlier stated briefly — made by Members of the FCs due to FCs' "original sin of a democratic deficit". It is a pathetic reality of those opposition Members who seek pleasure of putting their heads in the sand, not to see, not to hear and not to know. But is the universal suffrage that the opposition has been preaching a panacea to Hong Kong's deep-seated problems? No. Or are FCs necessarily blind supporters of the Government? The answer is also "no". I have strong reservations about adopting a dichotomy to answer these questions. The truth prevails.

Mr LEE Cheuk-yan and Ms Cyd HO say, "Banks do not deserve to vote because they only care about their own interest and they are too greedy to represent people". But bear in mind that the very fundamental value of freedom and liberty is about maximizing one's interest, which is the proven and dominant socio-economic ideology under free market principles. In this light, Mr LEE Cheuk-yan and Ms Cyd HO too can represent the labour to strive for the labour's interest — there is nothing wrong for one to pursue his or her own interest. Modern society advances because people are allowed to pursue their own interest and the only restriction is they must stand and abide by the law. So, the problem raised by Mr LEE Cheuk-yan and Ms Cyd HO can be resolved by observing and constantly refining the law — so, following the Lehman Brothers, if I may just bring out this incident, the law and the regulatory regime have been tightened, safeguards for small investors enhanced and business activities between investment banks and commercial banks better defined. So, where are the interests? And we have the interest of those FC Members who have not taken the people into consideration. They did it in the interest of Hong Kong.

Granted, FCs suffer a democratic deficit because of its under-representation of the general public. To address this concern, some opposition Members consider that FCs must be abolished at one go, while others consider that the issue can be addressed by broadening the electoral base for the various FCs to achieve "one person, one vote". I, however, consider that we should not jump to a summary conclusion. It should be reminded that FCs are the key to the principle of "one country, two systems", an innovative idea set in stone in the Basic Law. They talked about Ireland, they talked about other European countries. Where can you find a place, other than Hong Kong, to have this "one country, two systems" — a capitalistic regime in a socialistic system? That is why we are unique. That is why we have FCs here to ensure political stability, economic generation and for the welfare of these 7 million people. In other words, FCs have been part of the formula for Hong Kong's economic success and advancement by way of the maintenance of a delicate balance in the Legislative Council against populism and over-politicization. Just imagine, if we have a government here without FCs and without the pro-establishment Members, what do we expect in Hong Kong? The answer is obvious.

This is no exaggeration. Look at the filibusters in the Public Works Subcommittee and the Finance Committee in recent years. Had it not been the Members of FCs and pro-establishment Members who dutifully discharged their duties as lawmakers, many of the important infrastructure projects and livelihood funding proposals would have been thwarted indefinitely, and the livelihood of hundreds of thousands of practitioners of those affected industries and their families would have been adversely affected. Have the opposition Members cared about those people? No, they just want to fight a political fight. Where is the balance? That is why the Basic Law has to ensure that every sector is broadly represented, and this is the very virtue of the FC system.

On the other hand, the FCs do not only toe the Government's line — they are not just pro-establishment Members, and I am proud to be a pro-establishment Member. My colleague, Mr Tommy CHEUNG, said he was not a pro-establishment Member. I am. Which government in the world can provide stability? Which government can provide a city with an unemployment rate of only 3%? Which government can provide half of the population with public housing? What is wrong with being a pro-establishment Member? There is no shame in being a pro-establishment Member, and I will continue to be one.

Look at how the FC Members have contributed to the drafting of laws and scrutiny of Bills. This is a case in point showing how FC Members can offer different perspectives to supplement discussions in the course of law making. So, the problem hinges not on whether FC Members bear the "original sin" or whether Geographical Constituency (GC) Members must be morally superior. What kind of superiority are they talking about? What kind of democratic principles are they talking about? What kind of ideology are they talking about? The more important issue is how diversity can be preserved to make Hong Kong a better place. It would be very worrying if we jump to universal suffrage at one go when the populist ideas in society have gone wild. Look at how the people throw papers, ink and glasses around. This is not the way Hong Kong should be heading. The whole Hong Kong would have gone mad.

Deputy President, although the opposition's demand for formal equality seems to be justified, as they believe rights and justice should be manifested in the form of "one person, one vote", my concern is about substantive equality and justice. When Hong Kong has become increasingly polarized and over-politicized, it is risky to broaden the "undiluted democracy" of the Legislative Council election — we cannot be too careful about raising the tyranny of the majority at the expense of the interest of the minority who contribute to the welfare and stability of Hong Kong.

When it comes to promoting universal suffrage, everyone may still recall that despite the efforts of the FC Members and pro-establishment Members in advancing "one person, one vote" in the 2017 Chief Executive Election, the first important step towards implementing universal suffrage in Hong Kong, all the efforts ended in vain as a result of the opposition's destructive tactics. Now that the opposition is crying wolves, is it not sarcastic?

The opposition Members say that they were opposed to the "universal suffrage package" in 2015 for the Chief Executive Election because of the unfairness of the nomination process that would tilt the balance in favour of the pro-Government or pro-Central Authority candidates. But what was most revealing of the opposition Members' reasoning was that they seemed to show little trust in the people of Hong Kong, which is a prerequisite of democracy, as they considered that the electorate would tend to vote for the "chosen" pro-Government candidates. That was most interesting. If people's aspiration

for universal suffrage was so strong, then the opposition Members should have won every seat in the GCs and they should be able to secure all the GC seats in the forthcoming 2016 Election. If that day comes, God bless Hong Kong.

Deputy President, so what is the solution to the democratic deficit of FCs? While I do not consider that there is a need to change, at least for the time being, as FCs have contributed greatly in maintaining the very balance contributing to the socio-economic stability and prosperity of Hong Kong, whether the FCs should be changed in one go or in future is always debatable. However, it should be subject to the wish of the people and the well-established principles and procedures enshrined in the Basic Law and "one country, two systems".

Thank you.

DR FERNANDO CHEUNG (in Cantonese): Deputy President, I have heard the impassioned speeches of the pro-establishment camp (including Mr Abraham SHEK Lai-him) to uphold the functional constituency (FC) system, which are indeed an eye opener for me. Some remarks that I considered anti-intellect, totally unjustified, calling a stag a horse, twisting facts and confounding right and wrong could be presented as so true.

Mr Abraham SHEK represents the FC of real estate and construction. He mentioned just now that the reason for Hong Kong's success is precisely the existence of FCs, and we need to uphold the free market under capitalism. The reason for Hong Kong's success is precisely the existence of free market. The set of practices that we are operating are competition and openness, which are the key to the success of Hong Kong. How could we maintain such an environment and regime without the FCs? His speech was really nice sounding. Many of the FC Members come from the business sector. If they really embrace free market and enjoy competition, they should join the competition. Why do they not engage in competition? Why do they not run in the elections? Why do they keep practising cronyism in the coterie? The businessmen emphasize competition, but it turns out that it is not the case in reality. They like monopoly. Let us look at the real estate sector in Hong Kong. Is there monopolization? The several major real estate developers have monopolized the market. They are the most dominant, yet they say they cherish freedom, openness and competition. The fact is they have control of the whole market.

When it comes to political representation, why do they not join the competition if they cherish competition? Deputy President, do we have competition? In the Legislative Council Election of 2012, 16 seats out of the 30 traditional FCs were elected uncontested, including our dear Mr Abraham SHEK, who has just left the Chamber. Many of the Members did not need to compete. Dr LAU Wong-fat represents the Heung Yee Kuk which has 147 registered voters. Mr CHAN Kin-por is the Chairman of the Legislative Council Finance Committee (Finance Committee) and represents the Insurance FC which has 135 registered voters and he was elected uncontested. Mr Frankie YICK represents the Transport FC which has 204 registered voters and he was elected uncontested. The situation in the Labour FC is even worse, with all three seats of which were elected uncontested over the years. How many wage earners are there in Hong Kong? Over 3 million. And how many registered voters are there in the Labour FC? There were 646 registered voters in 2012. These 646 registered voters had to elect three Legislative Council Members, but they were elected uncontested. They are Mr KWOK Wai-keung, Mr POON Siu-ping and Mr TANG Ka-piu. In what capacity can they represent the workers? Only 646 registered voters. They should engage in competition if they cherish competition. Why do they not run in the direct elections?

Mr Abraham SHEK said earlier that we do not trust the voters. We oppose this system of bogus universal suffrage precisely because voters to vote only after a screening of candidates, but then they say we do not trust the voters. Are they speaking the other way round? If the FC Members and the regime trust the voters, all the seats should be opened for election. Why did they say just now we would cause big chaos, keep throwing stuff and disrupt the order of Hong Kong if all the seats were returned by direct elections? Do they think Hong Kong people would elect some trouble-makers as Members to disrupt the order of Hong Kong and destroy their own "rice bowls" and the territory? Do Hong Kong people act in this way?

Deputy President, I wish to talk more on this. There are 767 voters in the FC to which Mr Abraham SHEK belongs. He needed not do any electioneering for many terms. Mr Jeffrey LAM belongs to the Commercial (First) FC — I do not know what is the first and the second. Anyway, an FC has returned two Members for no reason. There are 927 voters and the two Members were elected uncontested. Mr Martin LIAO belongs to the Commercial (Second) FC where there are 1 749 voters and he was elected uncontested. Mr Andrew LEUNG is the Deputy President of the Legislative Council and Chairman of the

House Committee. He belongs to the Industrial (First) FC with 603 voters and he was elected uncontested. The Deputy President and the Chairman of the Finance Committee were returned to the Legislative Council without going through any election, and yet they have major powers in hand. Mr LAM Tai-fai belongs to the Industrial (Second) FC. I just heard Alvin sing great praises of him, but he was elected uncontested too in the FC where there are 829 voters. There are 128 voters in the FC to which Mr NG Leung-sing belongs, and he needed not go through any election either. Mr NG Leung-sing is amazing. He said FCs have made enormous contribution, as the Budget would have failed to be passed on several occasions were it not for the FCs. There will be big trouble if the Budget cannot be passed. How big is the trouble?

It is an important Bill. The Chief Executive might have to dissolve the Legislative Council if it were not passed. What if the Budget still could not be passed upon re-election after the dissolution of the Legislative Council? Secretary Raymond TAM must know that the Chief Executive will have to step down, and this then lets the cat out of the bag. It turns out that the most important function of the FCs is to guarantee that the Chief Executive needs not step down and to ensure that all the policies proposed by the Government can be passed. This is a given and we know it very well. In fact, there were only 238 000 voters and 30 seats for the 28 traditional FCs in 2012, with an average of 8 000 voters returning one Member. On the other hand, there were nearly 3.5 million voters and 35 seats for the geographical constituencies (GCs), with an average of 100 000 registered voters returning one Member. Come to think about this. The value of votes of voters in geographical direct elections had a difference of 12.5 times against that of voters in the FCs. Some cases were even more ridiculous. For example, the financial sector to which Mr NG Leung-sing belongs marked a difference of 800 times. So what was the sum of voters for the 24 FC seats having the lowest number of voters? There were about 60 000 voters in total. These 60 000 voters returned 24 Legislative Council Members. I assume they all had to undergo elections, leaving aside those who were elected uncontested. We have 16 seats elected uncontested in our term, which is already quite outrageous. Of course they all belong to the FCs. Only 60 000 voters are enough to control 24 seats. What does it mean? It means only 60 000 voters suffice to reject any Bill requiring a positive vote of two thirds of the Members, including the impeachment of the Chief Executive and a Bill on constitutional reform. We can also see that there is a structural problem with FCs. The system is manipulated by a small group of people with vested interests. They

command the wind and rain in society, control most of the social resources and manipulate contacts in various sectors. They are already the biggest beneficiaries, but then they can even reject any significant reform. Mr Abraham SHEK added earlier that Hong Kong would not be stable if there were no FCs. Hong Kong will certainly be super-stable and will not change eternally, because they will hinder the evolution of the Earth. In all sorts reform, all of them will become the obstacles. They are obstacles instead of the stabilizing force.

Please allow me to do the counting further: Mr WONG Ting-kwong represents the Import and Export FC which has 1 472 voters and he was elected uncontested. Mr Vincent FANG represents the Wholesale and Retail FC which has a larger number of voters at 7 242 and he was elected uncontested. Mr Tommy CHEUNG was similarly elected uncontested in the Catering FC represented by him, where there are 7 797 voters. Mr IP Kwok-him represents the District Councils (First) FC which has 410 voters and he needed not undergoing any election. Deputy President, the list and the information are prepared by the Secretariat as an introduction on the Legislative Council for visiting guests. Every time when there are visiting guests, we really find it difficult to explain to them why it is so weird that 30 out of the 35 seats are traditional seats. Other seats are simple and we fully understand it. This kind of voters is very strange. Deputy President, some of them are human and some are not. They are corporate representatives. Meanwhile, the voters of some other sectors can be corporate representatives or individuals, and the situation is very much confused.

Mr Tommy CHEUNG suggested us to ask the catering sector if they would oppose the FC system. Certainly not. How would the holders of vested interests be willing to give up their interests? He said the representatives of the catering sector are worthy of support because they work very hard. Are the waiters in the catering sector not working hard? Do they have the franchise to elect Mr Tommy CHEUNG? Do they have any representatives? Where are their rights? In the catering sector, for those women workers squatting in the back alleys or toilets to wash dishes, where are their interests and political rights? If we have to give representation to all the sectors, how many constituencies are needed? Why are the cleaners not represented? It beats me. We have a lot of sectors, such as male and female communities, whatever. If we define sectors in this manner, how many constituencies are necessary in order to achieve adequate representation?

Mr Abraham SHEK said the Basic Law stipulates broad representation with a representative for each sector. In such case, we need to trouble Secretary Raymond TAM to think up some better FCs. Direct elections shall be abolished for sure. It will be fair when our political system carries adequate representation for all the sectors. Is that the case? Don't be so anti-intellect. Under a system that is so unfair and completely biased in favour of the vested interests, this group of FC representatives have grown so fat that they cannot even pull up their socks. Even if it is not the case, they are the elites in society and belong to the professional sectors. They are already in advantageous positions in society, but they still want to gain double benefits and assume control of everything to fight for the interests of their own sectors. Do they ever feel ashamed? Mr Abraham SHEK put it most correctly. He said "no shame", and I really feel they are "shameless" to an outrageous state. That means they need not feel any sense of shame so long as they can put this remark decently and righteously: "Didn't we make contribution in the past? Won't Hong Kong collapse without these elites from the FCs?" It seems their words will become true after being repeated several times. But what does the Basic Law say? The Basic Law stipulates that Hong Kong shall have a democratic system. We could have at least tried to expand the electorates of the FCs through local legislation, but what has the Government done?

(THE PRESIDENT resumed the Chair)

This Bill only makes some minor technical amendments, not even any attempt to increase the element of democracy. But still the pro-Government Members saw it fit to come forth to support such a Bill and uphold this evil FC system shamelessly. They even said that we should make it last forever and eternally, which would be good for Hong Kong. Come on, just pack it! It will be good for Hong Kong only if the FCs fold up early.

DR CHIANG LAI-WAN (in Cantonese): President, having heard the impassioned speech of Dr Fernando CHEUNG just now, I cannot bear it anymore, so I rise to speak and express my feelings. In my view, whether a Legislative Council Member is good or not does not depend on how he is elected, but on his quality and sincerity in serving the Hong Kong public. I often wonder

whether FC Members have really made no contribution, and whether the existence of FCs means that there is no democracy in Hong Kong. After pondering over these questions and reading materials of different advocacies constantly, I realize that this is not the case. In fact, the existence of FCs is important, and the quality of a Member and his dedication to the Council are most essential. Take Dr Fernando CHEUNG as an example. He works as a lecturer in a university and is also a legislator. He said that he was encouraged by his university to do so. Indeed, I wonder if he can be a good legislator. Time is limited for him, how much time can he spare for Council business?

President, I come from the business sector. By chance, I had an opportunity to run in the direct election and become a legislator. Over the past four years, I have seen the performance of FC Members, as well as that of those returned by geographical direct elections. I believe Hong Kong is, in fact, a pluralistic society. Let us imagine what the Council would become if all Members of the Council had unique qualities like those possessed by Dr Fernando CHEUNG or Mr LEUNG Kwok-hung, or if they were like Mr LEE Cheuk-yan who voices indignation at everything and makes irresponsible remarks ferociously in the Council. As such, thinkers, Sophocles and Plato, considered that an ideal nation should be able to maintain good governance. Good governance is a favourable policy which requires different people to perform their respective duties, and this is the most perfect division of labour. Sophocles maintained his view. He still maintained this view when he was sentenced to death.

Take a look at the Council today. Among 35 Members returned by geographical direct elections, many are lecturers, social workers and lawyers. However, how many of them really belong to the professional and commercial sectors? I believe there is general agreement that only three Members come from the business sector. The number is so small. Our society comprises people from different walks of life. Therefore, a legislator has to be responsible to members of the public from different community groups. This Council has to deal with a wide range of issues, which should be subject to monitoring by different people.

For instance, I am a member of the Bills Committee relating to the Companies Ordinance. Mr Kenneth LEUNG from the Accountancy FC raised many constructive questions by employing his professional knowledge. The

professional knowledge and abilities required for asking such questions are lacking in ordinary legislators returned by geographical direct elections. Moreover, I notice that many Members who have joined the Panel on Commerce and Industry come from the industrial and commercial sectors as well as professional sectors while only a few of them come from geographical constituencies. These FC Members have offered enormous insight at meetings. Then why did Members from geographical constituencies not join this panel? Because most of them have joined the Panel on Welfare Services. It indicates that people only care about what they are good at and interested in. Why? Because the majority of their electors are grassroots, and therefore they should be concerned about welfare issues. However, it should not be neglected that Hong Kong is an economics society, so the existence of FCs is important.

We know that there are 18 panels in the Council. Let us take a look at the membership lists of these 18 panels. It is obvious that members of the Panel on Administration of Justice and Legal Services are predominantly lawyers from FCs, and those of the Panel on Economic Development and Panel on Commerce and Industry are mostly legislators from the industrial and commercial sectors. By classification, we can see a better picture and realize that FCs perform an important role in the Council. Having said that, I agree that in order to prevent manipulation and domination by minority groups in some constituencies, we can enlarge the electorates of FCs. As mentioned by Mr TAM Yiu-chung earlier on, if the constitutional reform package was passed last year, the Chief Executive would be elected by universal suffrage in 2017, and all the people in Hong Kong would be able to elect their Chief Executive by "one person, one vote". We could then explore how the FC system could be improved in 2020, and how the electorates could be expanded. Unfortunately, all this is history. I hope that all Members, be it you or me, who are here today are committed to serving the community at large and the people of Hong Kong. Should Hong Kong follow the path of Europe or United States by conducting a so-called democratic election? Should we copy the election system of Taiwan? I think it may not be possible to do so. Instead, I call upon all Members to work out together a political system which is really tailor-made for Hong Kong with local characteristics.

I so submit. Thank you, President.

MR ALBERT HO (in Cantonese): President, I have been a Member of the Legislative Council for two decades, and democratization has been an issue under debate from the first day I joined this Council. Never could I have imagined that two decades down the line, we still have to argue over the ABCs of the principles of democracy, and we still have to discuss the meaning of democracy, the need to achieve equality, the need to take care of a special class of people, and the need to take care of people who have made special contribution to the economy. I think this is indeed a huge disgrace to the people of Hong Kong.

Just now Dr CHIANG Lai-wan asked a simple question. She asked if it is truly the case that the functional constituencies (FCs) have made no contribution. Certainly they have made contribution. The question is to whom they have made such contribution. They have certainly made special contribution to major consortiums and business moguls. Of course, there are historical reasons for the introduction of FCs in Hong Kong.

The 1980s marked the beginning of constitutional reforms in Hong Kong. The objective was to encourage members of the community to take part in politics. Therefore, FCs were introduced as a channel for the commercial sector to warm up for their participation in politics and start training talents, with a view to identifying their agents in politics. This is how FCs were first introduced. Later, as we all know, there was a need to discuss the question of direct elections. In the beginning, many people said that direct elections were not an option and that Hongkongers should not go for direct elections because direct elections would cause chaos and use up all our money. Then they went on to say that direct elections would scare all the businessmen away, similar to the remark made by Mr Abraham SHEK, and this view is actually most laughable. It is because all the businessmen are holding foreign passports, which means that when something goes wrong in the future, the countries to which they will be moving are all places where direct elections are implemented. While they often complain about the high tax rate in Hong Kong, the fact is that when something goes wrong, the countries to which they will be moving all levy high rates of tax, which may even be several times higher than those in Hong Kong. So, these views are indeed incomprehensible.

In fact, they know only too well what is going on. It is not the case that they particularly look down on Hongkongers, and they know that Hongkongers are not so stupid or half-witted or inferior that they do not deserve "one person, one vote" which is practised in some democracies overseas. They hold these views because of indolence, President. What does it mean? It means that if

they have all along enjoyed protection, they will wish to continue to enjoy such protection. In other words, this is "free political lunch" that we have been talking about. When "free lunch" is provided, they will certainly eat it. Why should they not? They do not have to pay a price or they only have to pay a small price to enjoy these special privileges. This is what they want in their minds.

Therefore, President, I do find it most regrettable that we are still talking about these things after all these years. Besides, not only the capitalists held this view, even the Hong Kong Federation of Trade Unions (FTU) made these comments back in those years. They said that we must not scare away the capitalists. They said this famous line at the time: "We prefer meal tickets than ballot papers". This is a famous line advanced by the FTU back then. I was greatly shocked on hearing it at that time. They were labour representatives and they could go so far as to make such a remark. Without democracy, can workers be afforded more equal treatments? With regard to the many problems that we now face, can they be resolved without a fairer way of participation in politics? I think it will be very difficult to do so.

Coming back to the question, President, I certainly cannot say that FCs have not in the least performed any function or role in history, but their function and role should long have come to an end. Article 68 of the Basic Law stipulates that the legislature shall develop towards the election of all its Members by universal suffrage in accordance with the principle of gradual and orderly progress. Some people said that FCs can be maintained even if full universal suffrage is achieved. In recent years, some members of the community have all along insisted on this view and especially after 2012, they have continued to stress that the FCs can be maintained in 2017 or 2020.

However, President, after the reunification, in the report submitted by the Government of the Hong Kong Special Administrative Region on the Covenant on Civil and Political Rights in 1998, it was stated in one of the paragraphs that the FCs were transitional, or an arrangement to facilitate transition to full universal suffrage. "Transitional" is the word explicitly used in the report. President, what does transitional mean? It means that they will be gradually reduced until they all disappear ultimately. This is the meaning of they being transitional. If not, what does it mean by transitional? So, as we can see, the Basic Law has set out the timetable for the first decade, stipulating that the FCs, which initially accounted for two thirds of the seats, will be reduced by half after

2004. At that time, we actually expected the full abolition of FCs in 2008. Regrettably, the interpretation of the Basic Law in 2004 retained the FCs and froze the constitutional development. Then, in 2007, according to the timetable at the time, dual universal suffrage would be implemented in 2017 and 2020. Back then, we all expected that in the Legislative Council election, all the seats would be returned by geographical direct elections and by then, the historical mission of FCs should fully come to a close. That was all very clear, and at that time, they did not deny this view and they considered that it was open for discussion.

President, unexpectedly, despite the passage of the transitional package in 2012 to allow some changes to be made to the Legislative Council, and while we expected that the ultimate goal could truly be achieved in 2017 and 2020 because according to the timetable, we should reach the finishing line after making that transitional step, we regrettably found it most infuriating that the constitutional development of Hong Kong was again frozen in 2014. Universal suffrage was even rejected for the Chief Executive election in that we would be given choices only through a process of "birdcage" nomination. Worse still, the election of the legislature will outrageously remain stagnant, in violation of the principle of gradual and orderly progress. Therefore, we cannot support this Bill today, for it is exactly contrary to the promise and principle put forward back then of gradual and orderly progress and reducing the ratio of FCs.

President, the FCs, by its nature, will create special protection. Their entire design is unfair, and this is somehow related to our wealth. Many people said that the FCs are broadly meant to enable people with economic clout to have corresponding or equivalent voting rights in the light of their contribution to the economy. Due to the wealth gap in Hong Kong, the voting rights are, therefore, allocated unequally. Just take a look at their design and Members will understand it. Dr Fernando CHEUNG has spoken about this at length earlier on, and I need not further explain this point in detail. The inequality lies in the arrangement that votes are cast on the basis of organizations in many FCs, and in these organizations, the rich people or big bosses of business groups can each have many votes. Coupled with the organization-based voting system, many organizations can actually be created by only one person or one business group. Therefore, the interests represented by FCs are narrow and worse still, cases of fraud by vote-rigging may be resulted. All in all, this system is unfair and unequal. It represents only sectoral interests and the electoral rules may lead to election fraud by vote-rigging.

Lastly, this design will actually inhibit party politics from playing any role, thus creating a divided legislature. Coupled with the fact that the proportional representation system adopted in direct elections is likely to cause certain divisions, the legislature will become all the more fragmented. As a result, it would be difficult to bring together the more mainstream political parties, which can conversely facilitate control by the Chief Executive or the executive.

President, this is the current situation. This is why we must fight for full universal suffrage and abolition of FCs in the Legislative Council. We must achieve this goal before there will be genuine democracy. In fact, Articles 45 and 68 of the Basic Law have clearly provided for this goal, only that the Beijing authorities have adopted some approaches and played with words to distort the meaning. They have also distorted the relevant articles of the International Covenant on Civil and Political Rights which we have ratified, including the definition in Article 25.

President, some people said that on many professional issues, it is often the case that there is participation only by FC Members, so what is the use of the directly-elected Members? This is far from true, because many people of professional background can indeed be returned in direct elections. Members can take a look at former Members, Dr Margaret NG or Ms Audrey EU, and also the incumbent Members, such as Mr James TO and myself. We have all taken part in the scrutiny of many Bills relating to professional issues, while members of the industrial and commercial sectors can also put forward their views from the angle of their sectors. Therefore, in respect of professional skills and law drafting, directly-elected Members have all along played a significant role. Do not think that people with professional knowledge and readiness to make professional contribution can be returned only by the FCs. They absolutely can be returned through direct elections as well. In fact, we have seen many people of professional background running in direct elections in overseas countries. Under a sound system, a political party or a number of political parties should be able to take part in the work of the parliamentary assembly through different teams of their party members. This way, mainstream views can be readily formed and through competition among the mainstream views, a consensus with greater acceptability can be readily forged in the parliamentary assembly. President, while one may be able to control this Council which is very divided, lobbying remains a tall task. Things have developed to such a sorry state now, and this is why the Liaison Office of the Central People's Government in the

Hong Kong Special Administrative Region always has to proactively canvass votes and summon people for "X-ray checks". These are precisely the outcomes of the FCs.

President, I think I do not need to make any repetition today. It is impossible for us to support this Bill which proposes only minor patch-ups in respect of the FCs. The next step in respect of the FCs should be taken in line with the promise made by Beijing in 2007. This promise will not be fulfilled in 2016; nor will it be in 2017; and this also seems to be impossible in 2020. In spite of this, we demand that this promise be honoured by implementing universal suffrage for the election of the Chief Executive and the election of all Members of legislature, and abolishing the FCs in one go to stop FCs from obstructing the normal development of the legislature and to stop them from obstructing the implementation of party politics through equal and universal participation, so that through competition among political parties, a sound democratic system can be developed.

Therefore, I reiterate that we will definitely vote against the entire Bill today.

MR WONG KWOK-HING (in Cantonese): President, while this Bill has only proposed some technical and simple amendments, Members of the opposition and pan-democratic camps have elevated these simple amendments of a general, technical nature to the political plane. So, at this juncture, I cannot but rise to speak in response.

First of all, a number of opposition Members said that the election of the Labour Functional Constituency (FC) is a piece of cake as everyone votes according to the order given to him. I think their comments amount to vilification of the Labour FC election and insults on all the labour unions in Hong Kong which voted in the election to return their representatives to the Legislative Council. I was elected to the Legislative Council by the Labour FC in 2004, and I later ran in the geographical constituency elections. In the Labour FC election in 2004, we had to approach various trades, sectors and even labour organizations one by one to listen to their views, respond to their enquiries and answer their questions. That was a gruelling, difficult process comparable to running in direct elections. After visiting most of the labour unions, I compiled a long report on the records of my visits and submitted it to the then Chief Executive,

Mr TUNG Chee-hwa, in order to convey the views of most labour unions in Hong Kong and call on the Government to make improvement. In the subsequent years, I persistently worked to strive for these causes, and even though I later switched to the geographical constituency elections, I have never forgotten what I went through in 2004 when I faced queries, challenges, questions and demands from the labour unions. I have not forgotten those experiences, and I have continuously fought for these causes over the past 12 years. Therefore, I must voice strong dissatisfaction and regret at their remarks which are insulting to the process of the Labour FC election and the mandate given to us by the people. I strongly condemn them for wantonly pinning labels on us and slinging mud at us.

President, in response to the opposition Members who have, by fair means or foul and by using the most abusive and slanderous language, hurled excessive insults at the existence of FCs and the role of FC Members today, I must say that this is unbecoming of them. We should practically present viable and appropriate suggestions on the existence of FCs and how this system should be reformed, which is the proper and reasonable approach. I wish to make it clear that in my view, the electoral system for FCs needs to be revamped and improved for it to keep abreast of the times. It absolutely must not remain stagnant. This is my position.

In fact, President, with regard to making changes to FCs and the reform of the Legislative Council, a timetable and a roadmap were already provided as early as nine years ago. President, I have with me a document adopted at the 31st Session of the Standing Committee of the Tenth National People's Congress (NPCSC) on 29 December 2007. Its heading is "Decision of the Standing Committee of the National People's Congress on Issues Relating to the Methods for Selecting the Chief Executive of the Hong Kong Special Administrative Region and for Forming the Legislative Council of the Hong Kong Special Administrative Region in the Year 2012 and on Issues Relating to Universal Suffrage". In the first paragraph there are a few most succinct lines, stating the direction of universal suffrage for returning the seats of the Legislative Council and providing a timetable and a roadmap (I quote): "The Session is of the view that appropriate amendments may be made to the specific method for selecting the fourth Chief Executive and the specific method for forming the fifth term Legislative Council of the Hong Kong Special Administrative Region in the year 2012;" — the following lines highlight the key — "that the election of the fifth Chief Executive of the Hong Kong Special Administrative Region in the year

2017 may be implemented by the method of universal suffrage; that after the Chief Executive is selected by universal suffrage, the election of the Legislative Council of the Hong Kong Special Administrative Region may be implemented by the method of electing all the members by universal suffrage." (End of quote)

As we can see, this timetable and roadmap is clear and assertive. On the contrary, when have we heard the pan-democrat and opposition Members say anything about a direction in such a forceful, determined manner? Never. They know only to hurl criticisms without proposing any viable options. Nine years have passed. This year is 2016 and the next will be 2017. If the Decision adopted by the NPCSC nine years ago had taken effect, the Chief Executive could be returned by universal suffrage next year, and discussions could subsequently start on how the Legislative Council could be returned by universal suffrage and certainly, a reform of the FCs would be put on the agenda. All this was clear and real. However, the pan-democrat and opposition Members know only to put up opposition and do nothing else. They invariably put up opposition, come what may.

President, today, I have again brought here the two cartoons created by me because although I have displayed them in this Council for a few times before, I think they still fit this debate. In this cartoon there are two dragons. The first dragon is the election of the Chief Executive by universal suffrage and as Members can see, this dragon is coming our way. The second dragon behind it is the election of the Legislative Council by universal suffrage. I drew these two dragons to represent the Decision made by the NPCSC nine years ago. But what happened then? There are now only two Members of the opposition camp on my right in the Chamber, and these pan-democrat Members are, in fact, opposed to universal suffrage. They actually do not walk their talk. Therefore, I would compare them to Lord YE who claimed to love dragons but was actually afraid of the real one. Supposedly this dragon could come to us next year but they have, by hook or by crook, stopped this dragon from coming, depriving all the people of Hong Kong of their right to elect the Chief Executive by "one person, one vote" next year. Who has deprived the people of this right? It is taken away by the pan-democrat Members who have been hoisting aloft the banner of democracy. It is taken away by none other than these Members.

As I have said many times, when we eat rice, we have to eat it mouthful by mouthful. We cannot eat the entire bowl of rice in one gulp. Could Dr Kenneth CHAN swallow a whole bowl of rice in one gulp? Could

Mr Dennis KWOK do so in one gulp? This is actually impossible. Eating should take its natural course; so should social reforms and parliamentary reforms. But much to our regret, they wanted to swallow a whole bowl of rice in one gulp in proposing these demands; and they wanted to swallow the entire bowl of hot soup in one gulp and as a result, no one has come out winners. The Chief Executive election to be held next year will not be conducted by universal suffrage; nor will there be universal suffrage for the subsequent Legislative Council election. So, this second cartoon of mine most clearly demonstrates that they are bogus democrats. How can they be genuine democrats? They only hold fast to 1 200 people. Reforms could have been carried out in a step by step manner, but they wanted to swallow the entire bowl of rice in one gulp and refused to take it mouthful by mouthful. The result is marking time.

President, even if I am wrong in accusing them of being bogus democrats and adopting double standard, I am quite impressed by the speech made by Mr WONG Yuk-man today. He has given them a dressing-down in such an eloquent, impassioned way, hitting the nail on the head. While Mr WONG is not in the Chamber now, and I do not agree with his position and remarks, I appreciate that these scathing criticisms of the many pan-democrat political parties for adopting double standard are actually made by him. They are invincible in their words but powerless in their actions, and while they vowed verbally to fight for democracy, they are, in fact, opposed to democracy. What did Mr WONG Yuk-man mainly mean to say in his speech just now? He was actually criticizing them for obliquely shielding the FCs and obliquely shielding the so-called pro-Government parties as referred to by them. In this connection, the incumbent FC Members in the Legislative Council should thank the opposition camp for protecting the functions and role of the FCs in an oblique manner.

You have listened to my speech for so long. Let me ask members of the public who are now listening to the radio and watching the television this question: Have you ever heard the opposition Members suggest any viable options at all? Apart from hurling criticisms, have they ever suggested a timetable and a roadmap? Everything was already laid down nine years ago but you people vetoed the method for the selection of the Chief Executive and refused to accept it last year, thus resulting in today's scenario. What else can you criticize? Who else can you blame? Go do some soul-searching seriously. If you do not reflect on yourselves seriously but only hurl criticisms at other people, let me again chide you with this cartoon of mine which I displayed last

year. You are the real pro-Government parties. You are most conservative. It is because of your opposition to the proposal on the election of the Chief Executive by universal suffrage that the Chief Executive will continue to be returned by 1 200 people next year, without the involvement of all the people of Hong Kong. They can only act as onlookers but not electors. This is your own making because you refused to make the slightest concession and you did not even allow a small breakthrough. It is better to have a breakthrough than not having it at all, and after a breakthrough is achieved, a step-by-step approach can then be adopted. This is the proper order for the development of society. But you people who claim to be pro-democracy are, in fact, bogus democrats. You criticized the FC Members as pro-Government but the fact is that you are the genuine, *bona fide* pro-Government Members.

But, well, forget it, let us not dwell on this point on pro-Government parties. Let me talk about some more practical issues. Over the past few years you have received money from Jimmy LAI, and is it not better for you to honestly give an account of what happened? This will be most practical. It would be useless no matter what argument you present. You have received some \$40 million, and the Democratic Party, the Civic Party, the Labour Party and the League of Social Democrats are all involved. You may as well give a clear explanation, so that the public may still place a little bit of trust in you. But on the one hand, you received money from your boss, Jimmy LAI, and you voted against the constitutional reform package and created the 79-day illegal occupation, and on the other, you made such claims as fighting for universal suffrage, and so on. This only goes to show that you are lying. You cannot falsify truth, nor verify lies. As there are still a few months remaining in this term, you should hurry up to give an explanation to all the people of Hong Kong. In receiving some \$40 million, what promise did you make to Jimmy LAI?

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

DR KENNETH CHAN (in Cantonese): President, just now we heard Mr WONG Kwok-hing repeat the speech he had delivered during the debate on the constitutional reform and illustrate again the cartoon which he had displayed during the same debate. Repeating his old remarks, he did not have any new ideas. Nevertheless, I would like to refresh Mr WONG Kwok-hing's memory. On the day of "waiting for 'Uncle Fat'", did he not dash out of the Chamber with

the others? Did he not neglect his duty? Afterwards, did he not go to the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region to apologize in tears? Now who is your boss? What nonsense! Does he know how to write the word "shame"? How brazen he was in talking about "telling the truth"!

Yesterday, the report of the inquiry into the lead-in-water incident was published, in which the conclusion was very clear: it was a collective failure. I would like to remind Members of the pro-Government camp, including Mr WONG Kwok-hing, that at 1.12 pm on 16 October 2015, when the pan-democrats proposed in this very Chamber to invoke the Legislative Council (Powers and Privileges) Ordinance (P&P Ordinance) to set up a select committee to inquire into the lead-in-water furore, how did they vote? All of them voted against it because they were pro-Government. All the pan-democrats voted in favour of the motion and requested the setting up of a select committee to conduct an inquiry. Today they speak eloquently, bragging about the merits of functional constituencies (FCs), in that they can stop us from "speeding" and prevent the emergence of populism advocated by the pan-democrats. Frankly, the voting result of the motion is a fact recorded in history, unlike those unbridled speeches which referred to Plato and Socrates without any thoughts. Just now the hypocritical display of affection and deceptive gesture of Dr CHIANG Lai-wan, who was so thick-skinned that she used the philosophers to put feathers in her own cap, were really ugly, anti-intellectual and disgusting to me.

The voting result of the motion was that 16 Members returned by geographical direct elections were in favour of it and 13 against it, so under the separate voting system, it was passed by the geographical constituencies. However, the result of separate voting of the FCs was that nine pan-democrats were in favour of it and 23 pro-Government Members against it. The motion was negated in the end. For this reason, on 16 October last year, the motion requesting the invocation of the P&P Ordinance to set up a select committee to inquire into the lead-in-water furore was negated here, and they also said that we were "obstructing the evolution of the Earth". We supported setting up a select committee to conduct an inquiry, but they objected because they had to shield the Government.

President, during the whole debate, we saw many Members of the pro-Government camp claim that they had done a lot of work. They were exceptional talents who should not be smeared. They also described themselves

as virtuous and competent. In fact, they were unable to come to themselves. The original purpose of the whole debate is to discuss the undemocratic nature of FCs. It concerns the provisions in Article 68 of the Basic Law which provide for the progress towards universal suffrage. The meaning of universal suffrage is simple. It is universal and equal suffrage.

The Hong Kong Special Administrative Region Government is bound by Article 25 of the International Covenant on Civil and Political Rights of the United Nations. At a number of meetings of the United Nations, including the one attended by me personally, this point has been explained very clearly, that is, there should be universal and equal suffrage. No matter how the FCs are expanded or changed, they will not meet the definition of universal and equal suffrage. For this reason, they do not conform to Article 68 of the Basic Law, which stipulates that the ultimate aim is the election of all Members of the Legislative Council by universal suffrage.

If someone describes the FC system as a brake system, we may as well use the inquiry into the lead-in-water furore mentioned just now to illustrate the other aspects of the system. How are public sentiments and public opinions formed? What is meant by the well-being of members of the public? We should share the public's urgent concern. This example has exactly shown us how unbearable and gullible Members returned by FCs were, and how easily they would make various kinds of exchanges and compromises. When we wanted them to stay tough, they could not do so. When we wanted them to fight for the well-being of the people of Hong Kong, they just refused, adding that FCs were necessary to resist the emerging populism.

Any Hongkonger who has read a little history will know that in both Chinese and Western history, the most horrible example of populism is the Cultural Revolution which took place 50 years ago. Does it have anything to do with democracy? No. Nazis like Hitler and fascists were extremists who supported dictatorial rule and went to extremes. Only such people are the most horrible populists.

Here we are talking about the actual economic, political and social injustices in Hong Kong in terms of the Gini Coefficient, wealth gap, living environment, education, welfare, and so on. We are simply seeking justice for members of the public, but they have branded us as populists. Actually they need not fear. The Basic Law has long since stipulated that the Government must keep expenditure within the limits of revenues. When the Basic Law was

drafted decades ago, there was already a great fear of populism. The people of Hong Kong understand it and know that we need to keep expenditure within the limits of revenues. We need to look after the creation of wealth, but over the years, the Government has exactly failed to fully deliver its homework for fair distribution of wealth. This is an approach of discussing and commenting on affairs with a view to fighting for appropriate treatment for the people of Hong Kong under an undemocratic political system. It is not populism. Here no one engages in any Cultural Revolution or fascism. Sorry, only Mainland China will do such things.

They seemed to say that the FCs were so special that they should last forever. They also described how exceptional they were, so they absolutely could not be sent into the time capsule. However, is it necessary to keep this system forever? Actually we need not talk much about the reasons. Mere mention of vested interests will do. Mr WONG Ting-kwong seemed to sound quite reasonable in his speech. He said he had his own interest. Why could he not speak for his personal interest? However, when his party comrade Mr CHAN Hak-kan made the speech for Mr Steven HO, he did not put it this way. He said we should not always stick to our interests. Rather, we should talk with reasons and see how to achieve checks and balances. They put forth various reasons, but in fact, they were cooking up excuses to continue their lies and cover-up. As a matter of fact, directly elected Members can also listen to the views of different strata and stakeholders.

Early last year, I visited the Philippines with almost all the fishermen groups with which Members are familiar. Among them, there was an interesting guy. I asked him to support me standing for election in the agriculture and fisheries sector because I needed 10 nominations. That guy said if he nominated me, he would lose his job because there would be a consequence. Hence, it seems the FCs have defined certain sectors as their possessions, detaining and isolating them so as to continue to enjoy the vested interests permanently. With no FC, the conditions in a democratic social system will absolutely be favourable to achieving good governance. Frankly, Secretary Raymond TAM, please think about your colleague Eddie NG, the Secretary for Education. Is he really awesome? Certainly not, but you often say he would listen to different views. Everyone can listen to different views. To achieve effective administration, the Government does not need to resort to any special channel to listen to special views like the FCs do, does it?

The nature of FCs is in breach of the value and principle of democracy. For this reason, we should discuss the question of whether FCs should be maintained or abolished at this level, rather than bragging about our personal ability to fight for the interests of our sectors, claiming that we thus need to seek re-election and the sectors to which we belong need to continue to exist. What we pursue is a fair, impartial and open political system and environment for the implementation of policies. The people of Hong Kong hate transfer of benefits, collusion between the Government and the business sector and secret dealings. The Government continues to lie without blinking, saying that they are exceptional talents, so such talents should be selected on their merits. But the truth is, it is about benefits in the small circle. Given the naked benefits and pursuit of power, they have packaged an anti-intellectual and low-class game as support for "one country, two systems" and capitalism. What do they support? The truth is they support a corrupt system and incompetent and mediocre persons who keep acting perfunctorily and flattering each other.

What we pursue in Hong Kong is a fair, open and impartial electoral system with competition. Every voter should be equal. If we take a look at the experience in other places, we will see that many places have lowered the age limit for election candidates to 18, and a number of countries have even lowered it to 16. A mature community will not worry about the new generation harbouring radical thoughts, challenging authority or making those in power fidget with anxiety. It will not have such worries. It will only be as open as possible and let the people "bring it on". We do not work by sharing a pie behind closed doors. There is no "Western District" to do any co-ordination for us. Neither is there any "big boss" who will instruct us how to advance or retreat. We are a group of pan-democrats who pursue freedom and equal human rights, including the right to stand for election and the right to be elected. A Member of the pro-Government camp has remarked in his speech today that our purpose of speaking so much is nothing but to seize power. As far as I can remember, this came from Mr WONG Ting-kwong who said that we wish to seize the power of governance. In participating in politics, promoting good governance, debating in public for our own beliefs and striving for support, what else are we seeking if not the power to manage our own city and government? To steal the limelight? To get the title of "The Honourable"? How does sticking to these 70 seats make us superior to others? Do we need to say "Member, how are you" respectfully to those Members who are slightly more influential? That is what some officials do now. They will say, "Member, how are you?" What a bunch of hypocrites! They do not even know how to act.

We want truly good governance, real power of governance and genuine universal suffrage, not this kind of hypocritical, insincere, perfunctory and dirty game of transfer of benefits which is packaged with words of righteousness and justice in their outcries. The arguments advanced by Mr WONG Kwok-hing just now were indeed laughable, yet he still tried to slam other people. He should feel ashamed indeed. Mr WONG Kwok-hing, if there is any score to settle, it should be settled with you.

With these remarks, I oppose the Second Reading.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9 am tomorrow.

Suspended accordingly at 7.56 pm.