

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 11 May 2017

**The Council continued to meet at Nine o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P.

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

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

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

THE HONOURABLE CHAN HAK-KAN, B.B.S., J.P.

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG<sup>#</sup>

THE HONOURABLE CLAUDIA MO

THE HONOURABLE MICHAEL TIEN PUK-SUN, B.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 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.

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

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 WING-HANG

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

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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<sup>#</sup> According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.

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.

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 ALVIN YEUNG

THE HONOURABLE ANDREW WAN SIU-KIN

THE HONOURABLE CHU HOI-DICK

THE HONOURABLE JIMMY NG WING-KA, J.P.

DR THE HONOURABLE JUNIUS HO KWAN-YIU, J.P.

THE HONOURABLE HO KAI-MING

THE HONOURABLE LAM CHEUK-TING

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI

THE HONOURABLE SHIU KA-CHUN

THE HONOURABLE WILSON OR CHONG-SHING, M.H.

THE HONOURABLE YUNG HOI-YAN

DR THE HONOURABLE PIERRE CHAN

THE HONOURABLE CHAN CHUN-YING

THE HONOURABLE TANYA CHAN

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG

THE HONOURABLE LAU KWOK-FAN, M.H.

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE JEREMY TAM MAN-HO

THE HONOURABLE NATHAN LAW KWUN-CHUNG<sup>#</sup>

DR THE HONOURABLE YIU CHUNG-YIM<sup>#</sup>

DR THE HONOURABLE LAU SIU-LAI<sup>#</sup>

## **MEMBERS ABSENT:**

THE HONOURABLE JAMES TO KUN-SUN

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

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

THE HONOURABLE KENNETH LEUNG

THE HONOURABLE KENNETH LAU IP-KEUNG, M.H., J.P.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE PAUL CHAN MO-PO, G.B.S., M.H., J.P.  
FINANCIAL SECRETARY

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

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

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

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

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

THE HONOURABLE NICHOLAS W. YANG, J.P.  
SECRETARY FOR INNOVATION AND TECHNOLOGY

MS FLORENCE HUI HIU-FAI, S.B.S., J.P.  
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE ERIC MA SIU-CHEUNG, J.P.  
SECRETARY FOR DEVELOPMENT

MR YAU SHING-MU, J.P.  
UNDER SECRETARY FOR TRANSPORT AND HOUSING  
(pm)

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

DR DAVID CHUNG WAI-KEUNG, J.P.  
UNDER SECRETARY FOR INNOVATION AND TECHNOLOGY

**CLERKS IN ATTENDANCE:**

MS ANITA SIT, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MS DORA WAI, ASSISTANT SECRETARY GENERAL

MR MATTHEW LOO, ASSISTANT SECRETARY GENERAL

## GOVERNMENT BILLS

### Committee Stage

**CHAIRMAN** (in Cantonese): The committee continues with the fourth debate. Dr KWOK Ka-ki, do you wish to speak again?

### APPROPRIATION BILL 2017

**DR KWOK KA-KI** (in Cantonese): Chairman, I was greatly annoyed by the response given by Secretary WONG Kam-sing yesterday. Many Members have already pointed out that the current-term Government is heartless and unjust. This is particular the case with the Transport and Housing Bureau and the Development Bureau. In many cases, they claim that their policies are for the good of the public, but in reality, the policies are only meant to serve a whole conglomeration of different vested interests, as in the case of Wang Chau, the North East New Territories, Hung Shui Kiu, and even Yuen Long South. Serving the interests of rural forces and property developers is definitely and always the prime concern of the Government. Now, apart from Chinese enterprises, "red" property developers also want to have a share.

Nevertheless, aside from the development policy that we have been following closely, we now have another headache or heartache—the Secretary for the Environment, whom I am going to talk about today. Initially, we did not think this Bureau Director should be a very controversial figure. I suppose when compared with his predecessor, who always dallied with his work, the present Secretary should not be any worse, because he has in fact put in much greater efforts than his predecessor. But much to my anger, at this very time when the present Government is about to finish its term, he has renewed the so-called Scheme of Control Agreements ("SCAs") with the CLP Power Hong Kong Limited and The Hongkong Electric Company Limited, once again allowing the two power companies to "rob" Hong Kong. What are the contents of these SCAs? When the authorities discussed with us at the very beginning, they told us clearly that the Government would only accept a permitted profits rate ranging from 6% to 8%. Knowing that the range was from 6% to 8%, we all thought that the Government would strive for 6%, but now, it has turned out to be 8% instead.

Worst still, the term of each of the SCAs was lengthened from 10 years to 15 years. Apparently, as the authorities say, there are chances of requiring the two power companies to reduce their tariffs. However, as soon as the Secretary for the Environment talked about such chances in this Council or before the media, the two power companies immediately hastened to declare openly that there would be no room for any tariff cuts. This is just like giving the Secretary a slap on the face. So, Mr Secretary, please stop dreaming! Having been hoodwinked into signing the agreements, he was teased yet again by the two power companies afterwards. The Secretary's words are nonsense, because we know only too well that any tariff cuts will only be followed by increases at much higher rates later. Otherwise, how can there be any room for any tariff cuts to speak of?

What are the gains of the two power companies then? Well, the SCAs are valid for 15 years and they must be very happy about that. Having signed the 15-year SCAs with the Government, they can, first, have a longer time to "make money" in Hong Kong and fleece Hong Kong people. Second, there will be no change to fixed capital requirements, but their fixed assets can give them immense benefits, as they can keep investing in such assets for the purpose of boosting their permitted profits. When the Government wants to develop natural gas power generation, for example, they will be only too happy to comply, pumping tens of billions into the development, and replacing old generation units one by one or even all of them, so as to boost their fixed assets. Alternatively, they may install various natural gas fittings (e.g. natural gas pipes and storage containers). This can also enable them to cheat the Government of its money. So the truth is that the two power companies can actually exploit Hong Kong people in any way they like with the protection of the Government. What kind of SCAs are these? And why should we feel happy about such agreements?

The Government has naturally denied this, asserting that it will step up the development of renewable energy and work with the two power companies on emission reduction with a view to mitigating pollution in Hong Kong. This is all rubbish. Yesterday, there was news about the forthcoming market availability of locally manufactured solar panels, each of which is priced at an estimated US\$1,000. The state of California in the United States is an example of using solar energy. There, it costs around \$400,000 to install solar panels for a house with an area of 1 000 sq ft, and the estimated power saving is about 30%. But can the Government tell us where in Hong Kong can solar panels be

installed? Is it possible to install solar panels in any places in Hong Kong without government subsidies? The two power companies have already stated clearly that they will offer reverse prices as financial support if the Government can find places for installation of solar panels. Yet, they are paying lip service only and know that this will never become a reality. Developing renewable energy (wind power and solar power) in Hong Kong actually faces many constraints due to limited land supply. Therefore, the Government has actually made a trap for itself. The two power companies are of course very happy, because they know very well that the Government is unable to make it happen, and they only need to do some sort of window-dressing, pretending to comply with the Government's request. This is all very well, as they can then claim that Hong Kong has already put in place a renewable energy policy. I suppose that 15 years later, Hong Kong people will eventually realize that they were once again cheated by the two power companies. What on earth is this Government doing? How is it going to safeguard our interests?

The SCAs are meant to empower the two power companies to maximize their gains. We recommend the interconnection of power grids to enhance competitiveness. But the Government does not like this idea because it simply does not want any competition between the two power companies. Actually, the lack of control over the two power companies is not the end of the story. The case of vehicle petrol and diesel in Hong Kong is very similar. Having conducted a long study, this "toothless tiger" called the Competition Commission was unable to invoke the Competition Ordinance to check the situation. We therefore fear that even if the Government accepts interconnection, it will still fail to control the two power companies if they agree between themselves to over-report their fixed assets and not to cut tariffs alone. Actually, the SCAs should be the most effective tools for the Government to check the two power companies. We have repeatedly asked the Government if it is possible to tighten control. But then, the Government has instead concluded the agreements so swiftly and with such rashness. Once again, this "sunset" government is so very "decisive".

Well, let me now move on to environmental protection and emissions reduction. As we can all see, the one who has caused harm to Hong Kong in this area is the Secretary's boss rather than the Secretary himself. What has "689" said then? He says that the emissions in Hong Kong will affect the Pearl River Delta ("PRD"). Fortunately, however, someone out there is still willing to

speak sensibly. The Under Secretary is not present here today, but at least the former Director of the Hong Kong Observatory is willing to speak sensibly. If we take this stance in the our discussion with the Mainland on emissions, frankly, we will be courting self-destruction. His saying that the emissions in such a small place like Hong Kong will affect PRD is really illogical and against common sense. But then, he is the Secretary's boss. In fact, we all know that the culprit of the air pollution in Hong Kong is the huge emissions in PRD. This needs no elaboration because this country's emphasis on development as a paramount principle has ... Honestly, the first victims are her own people, because they are thus exposed to various forms of contamination, including land, air and environmental contamination, and even water and vegetables are contaminated. Hong Kong people have also eaten some contaminated food from the lower end of the food supply chain, but such food may contain less harmful substances, though. Since this country behaves in this way, the people living in places near her are all doomed because she does not treasure human lives. To her, development and economic statistics are of utmost importance because such statistics will eventually become the money in the wallets of state-owned enterprises and corrupt officials. Therefore, her people's consumption of contaminated vegetables, water and air is not an issue to her at all. Corrupt and top officials have already transferred their money to the United States. We know that various state-owned enterprises (e.g. HNA Group) have tried all possible means to transfer hundreds of billions to places like the British Virgin Islands and the United States, and we all know that it is money laundering.

I do not want to talk about this. But I want to ask if we ourselves have done our part. After protracted discussions, the Waste Charging Scheme for Domestic Waste, which requires the separation and charging of waste, has started to make some progress at long last. We know that the term of the present Government is already coming to an end, but we still want to ask why it stops short of committing itself to the launching of this scheme a bit earlier. What has it done over the past five years? Its greatest contributions are merely the continuation of landfill extension and the construction of one more incinerator. Should this Government's environmental efforts stop here? Please stop deceiving the public. The Secretary is not as poor as his predecessor in performance, but his handling of the two environmental projects (in particular the signing of the SCAs with the two power companies) before he leaves office is really unacceptable to the public. Anyway, a lot of people have difficulty understanding and digesting the very complicated contents of the SCAs. We

can only sigh before all these statistics. But all is too late now because the Government has already signed the SCAs with the two power companies. The 15-year guarantee for the two power companies is already a fait accompli. What more can we say now? We should chide the Secretary, not the two power companies.

Okay, let me say a few words on the Transport and Housing Bureau. Since the Secretary for Transport and Housing is not present, the Under Secretary must face all the chiding here. What is wrong with the Bureau? Frankly, it should be called the Messy Bureau. It is supposed to handle all matters relating to the infrastructure and housing properly, but what has done for our infrastructure? Nothing but "white elephants"! There is another news report today which discloses that the irregularities involving the building contractor of the Hong Kong-Zhuhai-Macao Bridge have not shown any decline in number over the past three months. This bridge, which costs over \$115 billion, is a downright disgrace. But the actual throughput after inauguration, erroneous projection and overestimation of throughput, and underestimation of construction cost are no longer considered issues of any significance.

The Government has recently used another tactic. In the case of the Kai Tak Sports Park, for example, it simply tries to snatch a big sum of money at the very beginning in the name of a 30% contingency fund, regardless of anything. In the past, when the Government messed up the whole thing and failed to check the misdeeds of the contractors, it must apply to the Legislative Council for additional provisions to cope meet the cost overrun. At that time, everything must still undergo our scrutiny. But now, having raised the contingency fund so drastically, the Government does not even need to apply for any funding from the Legislative Council to meet the cost overrun. In this way, it can simply evade monitoring. What kind of government is this, may I ask? This will only benefit the building contractors, as they can seek gains from the Government as much as they want to ... some \$8 billion, as in the case of the Kai Tak Sports Park. It will be surprising if they do not do so. This same tactic, that is the tactic of raising the contingency fund drastically, will likely be used in all future projects. But all this money is the hard-earned money of all Hong Kong people. Yes, indeed, the health care policy is a complete mess, the elderly care schemes are all so shamefully meager, and the education system is a total flop. But they must also be put aside because infrastructure construction must be the priority. "White elephants" intended to foster integration with the Mainland, in particular, are most preferred. They think that all such projects can foster integration. So,

you see, there are these three corridors running directly to the Mainland, in preparation for realizing China's plan of transforming Hong Kong in 2047 and fulfilling its dream of gulping up Hong Kong.

The Development Bureau is doing exactly this. It has been making incessant efforts to blur the boundaries of Hong Kong. It wants to construct more trunk routes running directly to the Mainland, trunk routes that link Mainland right to the very heart of Hong Kong. In the future, people from the Mainland can gain direct access to Central via the artificial islands, fast and easy and without any trouble, and just like stabbing your heart with a sharp knife. Such is the five-year blueprint of the Government. Regarding all those planning areas like development, the infrastructure, transport and environmental protection, can you tell us which of them can have the approval of the common people in Hong Kong? Can you name any of them which are not downright deception? In all cases, the only ultimate intention is to benefit a whole bunch people from large consortiums, the business sector, building contractors, China enterprises and "red" capitalists. They all have their representatives in this Council to speak for them.

In fact, \$500 billion is only the beginning, and we have no idea as to how much money (in hundreds of million dollars) the construction of the artificial islands will cost. I do not think there can be any changes in the future under such a nonsense political system and government. Even though some government officials are replaced, the next government may well be even worse. I so submit (*The buzzer sounded*) ...

**CHAIRMAN** (in Cantonese): Please stop speaking, Dr KWOK.

**CHAIRMAN** (in Cantonese): Dr LAU Siu-lai, do you wish to speak again?

**DR LAU SIU-LAI** (in Cantonese): Chairman, I rise to speak on the two amendments involving head 33 in respect of subhead 000. The amendments respectively seek to cut a sum of money roughly equivalent to the annual operation cost for the Civil Engineering and Development Department ("CEDD") to employ three professional officers to conduct the strategic studies for artificial islands in the central waters, and the annual operation cost for CEDD to employ

two professional officers to conduct the technical studies for nearshore reclamation at Ma Liu Shui. I do not think these studies should be taken forward.

A government paper shows that the Government plans to conduct studies on constructing artificial islands in the central waters and developing them into a commercial and residential area. The artificial islands are an important project under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+") to develop an East Lantau metropolis, with a view to meeting the long-term social and economic needs. The Government plans to reclaim land in the waters near Hei Ling Chau and Kau Yi Chau for the development of artificial islands. According to the Government, it intends to develop the area into a smart, liveable and low-carbon development cluster and turn the area into an important city.

"Hong Kong 2030+" is a development strategy spanning almost 20 years. Everyone in society should participate in the discussion, shouldn't they? This strategy involves a major relocation of important districts and the long-term development of society. I do not understand why the project has to be decided by a Chief Executive with only a five-year term. The consultation of the project totally lacks transparency and has little promotion. No one knows about it. But the Government says that the consultation has already been done and the so-called technical studies will follow.

In fact, I wish to tell Members that there are great controversies over this project. Many organizations question this long-term planning and the need of such a large commercial district. Can we further develop Central or its adjacent districts to achieve the same result? Is there really no land on the Kowloon Peninsula? The Government often talks about the need to construct a commercial city in the New Territories. Why does it suddenly want to develop the East Lantau Metropolis? Hong Kong is actually a very small city, so how many more commercial centres do we actually need? Many people hold that the Government has been blindly taking forward infrastructure projects, not just "white elephant" projects.

As the Save Lantau Alliance has said, there are actually many sites that can be used for development. For instance, there are 1 200 hectares of brownfield sites, lots of idle Crown Land in the urban area and other core areas in the New Territories that can be used for development. Why has the Government become

so creative as to think of initiating such a massive project to construct artificial islands? This will not only destroy natural habitats, but also the marine ecology that we treasure.

The most interesting thing is that the Government announced without doing any serious consultation that the "Hong Kong 2030+" had been passed. Later, it said that a series of "white elephant" infrastructure projects had also gone through consultation and had been endorsed, and that the projects would now enter the technical study stage. In fact, I believe Members should still remember the meeting of our Public Works Subcommittee held in November 2014 in which we discussed the funding proposal for the artificial islands. There was strong opposition in society. People opposed the Government over blindly constructing these "white elephant" projects. In the end, the Government withdrew the proposal.

I thus wish to express my query here. How come the Government can propose a highly controversial project, which spans some 20 years, without reaching a prior consensus in society and then say that the project has directly entered the technical study stage? What kind of reasoning is this? The Government has pressed ahead with the technical studies in the absence of public endorsement and then says that the project was technically feasible and supported by public views. This is totally unreasonable and against common sense. The Government should have forged a consensus in the community and resolved major social conflicts before taking forward such a large-scale and long-term project.

Most importantly, there have been many controversies over this project. Should we inject such substantial resources into the construction of artificial islands? The strategic studies alone cost some HK\$260 million. The same amount of money can be used as subsidies for the "N-have nots" and the money can also meet the needs of the grass roots for a whole year. I do not think the Government should conduct technical studies on such a controversial project; rather, it should save the money for improving the livelihood of the grass roots.

I once attended a seminar in which a government official said that since the population in the future will drastically increase with an influx of workers and immigrants, the Government must establish commercial districts and build the East Lantau Metropolis on artificial islands to accommodate population needs. I then asked the government official an interesting question. I said that when we

asked the Government to take forward universal retirement protection, it said that sometime after 2040, the population in Hong Kong would age and no new population would come in, and thus universal retirement protection would not be a viable option because the retirement protection system would be overburdened. However, according to demographic data, both the scholar proposal and the 2064 proposal will not overburden the system. But the Government projected at that time that by the years after 2030, the population in Hong Kong would drop dramatically and age. When the Government needs to take forward the East Lantau Metropolis, it justifies itself by saying that the population will drastically increase and thus it needs to develop more land to provide commercial and residential districts to meet population need.

At that time, I asked the government official how these two sets of statistical projections were worked out and why they were so diametrically opposite. The government official then explained that the Government must be more conservative in using money but more aggressive in planning construction. How "flexible"! I really must urge the Government to make a serious and proper population projection based on good planning and a sound policy? If the projection truly indicates a dramatic population increase, the Government should give us the universal retirement protection scheme we want; if the projection indicates a decreasing working population, the Government should scrap the East Lantau Metropolis idea under the "Hong Kong 2030+". The Government should not be so arbitrary in its decisions. It should either implement universal retirement protection after constructing the artificial islands, or drop the plan of constructing artificial islands if it refuses to implement universal retirement protection. All is so simple. Its statistical projections must be consistent.

The people in Lantau think that the works project will have a serious impact on Lantau. It will destroy the natural habitats there, especially those in Mui Wo. When the Government intends to construct artificial islands in the central waters, has it ever considered the building height? What about the air circulation system? How much pollution will result? Then, how can the artificial islands become a liveable city? The Government brags about the plan with all sorts of empty talks, provides confusing data and exaggerates the usefulness; and then, it presses ahead with the project, informing the public that the project has already entered the technical study stage.

The mentality of the Government is always like this. Every time, it kind of gives Hong Kong a shampoo first, and then says that the hair must be rinsed and blown dry no matter what. This is the case with the Hong

Kong-Zhuhai-Macao Bridge, and also with the Hong Kong Disneyland. Now, it suddenly says that it wants to go ahead with the Kai Tak Sports Park and later the projects under the "Hong Kong 2030+". All this is just like giving us a shampoo first, and it is such a lathery one too, I must say. How can Hong Kong people possibly clean up all the mess for it?

All these top officials and technocrats are so very well-paid. But they have done nothing except giving Hong Kong such a big shampoo. On the other hand, for a decade or two, grass-roots workers must toil and sweat and work the longest work hours in the world in order to clean up the mess for them. I really do not know why we should still pay them any salaries at all. Do Hong Kong people owe them anything? Please go to other places and stop messing up Hong Kong.

If the Government continues to force ahead with the development projects, Hong Kong will be pushed to the verge of serious social conflicts. Would they please reflect on what they have done? Please follow the rules and proper procedures. Proceed with technical studies or feasibility studies of any project only if there is a social consensus over it. It is that simple. In conducting consultations, would the Government please remember to follow only one set of genuine data and please do not lie? We do not pay public officers to lie about their work.

The technical studies for nearshore reclamation at Ma Liu Shui involve two professional officers. The situation here also involves conducting technical studies. Similarly, before a social consensus has been forged, the Government announces that it will carry out reclamation at Siu Ho Wan in Lantau, Lung Kwu Tan in Tuen Mun and Ma Liu Shui in Sha Tin to provide land for housing construction. The reclamation will provide 60 hectares of land for developing a private luxurious residential area and some other projects. Many local groups would tell you that they oppose reclaiming land for luxurious property developments the most.

The Government invited the public to submit their views on the project. A total of 28 000 submissions have been received, and 20 000 of which are against choosing Ma Liu Shui as the project location and against using the land for luxurious property development. I do not know whether the Government will use the 60-odd hectares of land for luxurious property development, public housing construction or some other purposes, but one golf course, which covers

some 170 hectares of land, is more than enough for everything. The Government often loads us with lots of data and then uses population increase as an excuse to support its housing construction projects around town. Its projects damage agriculture. There is also the project to construct artificial islands in the central waters. All these projects are taken forward in the name of population planning.

How much money does the Government need in order to take forward the "white elephant" projects? After all, removing one golf course will be more than enough to provide the land needed. Or, scrap the plan to construct the Kai Tak Sports Park altogether and use the entire site for housing construction. The Government can use the site for private housing, public rental housing or Home Ownership Scheme housing. No matter what housing, the site can provide a comfort home for Hong Kong people to live there happily ever after. Please do not waste any piece of land and then carry out large-scale construction that damages the natural habitats; and meanwhile, Hong Kong people are left with no place to live.

This is a hard fact. Even if the housing construction is completed, who would want to live in Hong Kong if the air quality is so poor, the environment so undesirable if these factors continue to deteriorate? If the population does not grow as expected, the completed housing will become a "ghost city". Who will be responsible to manage and maintain the city then? How much more public money will have to be spent? By then, the incumbent public officers would have left, and other consultants and property agents will become the handsomely-paid consultants. What do Hong Kong people owe the Government? Or, what do the Chinese White Dolphins owe the Government?

The Secretary has to do a serious rethink. Having received his salary, which comes from public money, he has to perform his duties with the long-term interests of Hong Kong and the people in his mind. If the Secretary does not know how to do it, would he please do a proper consultation? This Government has forced ahead with projects against public opinion. This is a tactic the Government adopts to do whatever it pleases. I hope that the Government will save its dignity, do its duties, consult public opinion, make long-term planning and truly respect the interests of Hong Kong people.

I have repeatedly called on the Government to do so, so much as that I feel annoyed by myself. But you people only think about your personal interests and tilt towards the bigwigs. This is the image that Hong Kong people have about

you. I truly do not know how you can sleep peacefully at night and whether you have done any soul-searching at home. I genuinely hope that one day you will truly think from the interests of Hong Kong people. I so submit.

**CHAIRMAN** (in Cantonese): Mr LEUNG Kwok-hung, do you wish to speak again?

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, when we talk about the Development Bureau and the Housing Department, their wrongdoings are just too numerous to name. I also wish to speak on problems concerning the Development Bureau, the Housing Department and the Lands Department. Nevertheless, why have they committed such wrongdoings? Actually, there is a more important reason behind them. That is, LEUNG Chun-ying's political life is doomed. However, after he was appointed the Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference, the meaning is that he dies but never falls down as he becomes a "zombie". To be fair, in the past five years, what the Development Bureau and the Lands Department have done are really his deeds. Everyone can see that according to the plan, Paul CHAN should take the office of the Deputy Financial Secretary. However, since LEUNG Chun-ying failed to create that post, the riddance of MAK Chai-kwong allowed Paul CHAN to fill the post afterwards. Therefore, the numerous problems of the LEUNG Chun-ying regime are actually related to the fact that the Development Bureau has been under the control of his "sidekicks". Therefore, I cannot leave the question without touching on the overall strategy of the Government.

When LEUNG Chun-ying said in the previous election that the deep-rooted conflicts had to be resolved, many people thought that he was going to address the conflicts between property developers and ordinary people, or the conflicts concerning the poor people who have no universal retirement protection, or the conflicts arising from workers having no protections. But all of these were fake propositions. The reason was that after he spoke on these conflicts, he failed to address any of them. Another conflict was the short supply of housing, which had made it hard for people to have proper housing.

Chairman, what has the Development Bureau done? First, it has facilitated the emergence of "white elephant" projects. The Public Works Sub-committee chaired by Ir Dr LO Wai-kwok is affixing the seal to approve the

funding every day. I have never seen a regime spends all of its money in the Belt and Road Initiatives while there is a shortage of schools, community facilities and health care services. What are the Belt and Road Initiatives? It is simple, the Communist Party creates the Asian Infrastructure Investment Bank, and then asks everyone to lend money to those who need the aid ... that is, to lend money to other people so that they can purchase the overcapacity on the Mainland, including iron and steel, export of public works, railways and cement. Other people who borrowed the money have to repay for the loan. We are simply paying everything in cash. With some simple computations, we will find that the Liantang Boundary Control Point, the Hong Kong-Zhuhai-Macao ("HZM") Bridge, the Express Rail Link ("XRL") and the West Kowloon Cultural District ("WKCD") are simply some large but impractical "white elephant" projects at the expense of Hong Kong people's hard-earned money while the effectiveness of them remains questionable. This is the first point.

Second, LEUNG Chun-ying said he had to secure more lands for the construction of public rental housing ("PRH") units, but he just failed to honour his words. In the next decade, the target of total housing supply will be 460 000 units, in which the total number of public housing units is 280 000, including 200 000 PRH units and 80 000 subsidized units. However, for the time being, the land supply for public housing construction can only build 236 000 units, that is to say, there is a shortage of 44 000 PRH units. This is the issue that he has said he would solve. Nevertheless, the problem is that we are usurping land to build important projects as said by LEUNG Chun-ying. That is, grade A and B office premises or hotels. Chairman, now he is talking about the construction of the Bay Area, not to mention the lands usurped in North East New Territories. Now they are constructing the Bay Area, and that is what LEUNG Chun-ying is tries to show to the people in his Bay Area tour. The connotation is that Hong Kong has no place to live, but we are spending substantial public money in the construction of "white elephant" projects in order to link us up with other people's facilities. There are two effects. First, wealthy Mainlanders may come to Hong Kong and engage in land speculation activities. This is why we have the double harsh measures to curb the frenetic property market but no double harsh measures to curb the HNA Group from engaging in land speculation activities. At present, Mainland consortiums are so rich that they are too busy to engage in land speculation activities and they do not feel like speculating on the property market.

The Chief Executive and the Development Bureau have openly said that they would address our housing problem. But after five years, Hong Kong's property prices are the highest in the world. The difficulty in purchasing a flat in Hong Kong is also the highest in the world. Furthermore, after the revocation of the rent control policy, they have never reviewed it afterwards. The soaring rent prices have made it difficult not only for people to purchase a flat but also for people to rent a flat. When we ask the Government to build new PRH flats, however, it just cites the excuse that it has no land.

Chairman, many people ask me: "'Long Hair', why has the Government not constructed PRH flats?" Hey "buddy", it is because people cannot speculate on PRH flats. The most outrageous phenomenon in Hong Kong is that there is an inadequate supply of government subsidized housing, such as Home Ownership Scheme flats, PRH flats and other similar housing, in particular PRH flats. Chairman, what is PRH? As I am living in a PRH flat, I know it very well. That is, you have to go through a means test. Only the poor people are allowed to live there, and they are not allowed to buy or sell these flats. Then, what is the characteristic of private housing? Its main feature is that one may buy a private flat and leave it vacant; it is a commodity that can be speculated.

The Chief Executive or the Government has told us that everyone will live in peace and work happily. However, the dwelling places, which are essential for them to live in peace and work happily, are not deemed basic necessities but commodities. Besides, their prices would be determined by the market. Chairman, why? That is because if one wants to engage in all the speculation activities, he has to ask the bank to borrow the money and secure the mortgage. Everyone knows that when one has repaid the mortgage after 15 or 20 years, actually the sum of the repayment will double the original cost. Chairman, now there are few Hong Kong-owned banks here. A large number of banks are acquired by mainlanders. When you purchase a property, it will make a profit in the first place. When you obtain the mortgage, they will make another profit. A property which is worth \$5 million will eventually cost you \$10 million. That is, all the money will go into their pockets. The same also happens to people who purchase shops. That is why Hong Kong people cannot make ends meet no matter how hard they work.

I also wish to call upon WONG Kam-sing to speak on the issue of "blindly usurping land", since he seemed to have taken part in the "sticking a pin" exercise too. I have repeatedly mentioned the four big public housing estates, including

Ho Man Tin Estates, Wong Chuk Hang Estate and North Point Estate. Actually, how environmental friendly was it for the Government to have them demolished? After the demolition, where would those construction wastes be shipped? What have happened to the residents who have been living in these four tightly packed housing estates? It turns out that these places will be transformed into low-density luxurious apartments. Members will understand the situation if you go to Ho Man Tin and take a look. I go there to play football habitually. I know the Valley Road Estate has been completely demolished. Wong Chuk Hang Estate's fate is the same. Now it has become Wong Chuk Hang Station. It is owned by MTRCL and some property developers, then they allow banks to do the speculations.

Furthermore, Chairman, actually our lands are not insufficient for the construction of residential housing units. The problem is that when the construction of residential housing units is completed, Hong Kong people cannot afford to buy them. It has nothing to do with the supply. This is the crux of the problem, but the Government is reluctant to address it. Besides, speculation activities have never ceased. Shopping malls under the ownership of the Government is monopolized by the Link REIT. Now there is a new policy. That is, all wet markets under the Housing Department outsourced to contractors are being speculated. I have done some research and found that most of the speculation activities involve companies which are linked with mainland-owned consortiums. What should we do? Is that the development of Hong Kong that we want?

Chairman, I have read a book lately, therefore I wish to cite a paragraph. The title of the book is *Questions From a Worker Who Reads*—workers in the past were illiterate. After a worker became literate, he asked a question. The question was "Who built the seven gates of Thebes?"—something similar to the Arc De Triomphe—"The books are filled with names of kings. Did the kings themselves haul the craggy blocks of stone? ... Each page a victory. At whose expense was the victory ball? Every ten years a great man, who paid the piper? So many particulars. So many questions." What did he mean? That is, the blood of tens of thousands of soldiers makes the success of the general.

Chairman, people say that we are in peaceful days, but the Gini coefficient of Hong Kong over the past few years have been scaling new heights like our property prices. The wealth gap is also the widest in the world. Even with the

help of the minimum wage policy, over the past 10 years, people with a monthly income below \$14,000 (that is, the group of people as claimed by LEUNG Chun-ying that he will try to secure the support if he has obtained the nomination for the election of the next Chief Executive, for they are earning less than \$14,000 per month, he will seek to change the wealth gap and cause the skewed distribution of benefits) are unable to improve their lives with their wages alone. Those who are living on profits, rentals, interests and dividends have their wealth doubled. This is the nature of today's problem: originally, lands are the daily necessities of Hong Kong people, which are essential for them to solve the basic housing need. They have now been reduced to a monopolized commodity, and the supply is rationed out by the Hong Kong Government. By every possible means, the Government launches all sorts of measures to hand over the control of the supply to consortiums such as the HNA Group and the mainland-owned banks behind them. This is the truth. This also explains why the Government has to build not only the boundary control point, the HZM Bridge, the XRL and the WKCD in order to cause a deficit, but also the Kai Tak Sports Park in Kowloon East, which will lose money in future after its completion. This is the actual reason. All our money is not spent on issues which Hong Kong people concern most and which will allow Hong Kong people to have accommodation and shelter to live in. No, the ordinary people have to spend 40% to 50% of their incomes to address the most basic problem, and the profits are handed over to land owners completely.

Chairman, as to this question, it is difficult for the Development Bureau to escape the blame. On 1 July this year, President XI Jinping will come to inspect Hong Kong. But what will he inspect? That is the Hong Kong that I have explained just now. The most outrageous thing is that he is the one who makes Hong Kong people so poor that they can find no accommodation at all. Every one of us is suffering from the hegemony of estate developers, as well as the monopolies and takeovers of mainland-owned consortiums derived from the hegemony of estate developers. At present, we have been turned down by the authorities when we just ask for renting some venues for a few hours of assembly and procession. We have to cancel the application. The same thing happened in 2003 when six football pitches were booked by organizations celebrating the reunification. But at the last moment, the authorities pulled back from the brink and allocated a small piece of grassland for our assembly. Eventually, 500 000 people were forced to take to the streets. Today, I want to say that we, the impoverished Hong Kong people, are messed around by you, and we become

impoverished because of land issues. We just ask for a small plot of land for assembly and demonstration, so that President XI Jinping can see us and hear us. He should cease to be an ostrich, and he should never build his success upon the blood of tens of thousands of soldiers.

On 1 July this year, everyone should take to the street! Do not forget what we have achieved in 2003!

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen, do you wish to speak again?

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, Mr LEUNG Kwok-hung has just talked about the issue of using Victoria Park as the venue for organizing reunification celebration activities on 1 July. Actually, he can withhold his discussion on this issue until the last debate session when my amendment proposed to reduce the estimated expenditure on the Leisure and Cultural Services Department is put up, because the amendment is related to the estimated expenditure for the celebration of the 20<sup>th</sup> anniversary of the establishment of the Hong Kong Special Administrative Region and the reunification of Hong Kong.

This morning, government officials almost outnumber Members in this Chamber. As I have proposed a total of 14 amendments for this session but have only explained one and a half amendments when I started moving them, now I can only choose to explain the amendments which I think are of most importance. I hope that in this session, I can explain two and a half amendments, including the proposed reduction of \$190 million under "Head 60—Highways Department" (the amount of reduction is roughly equivalent to the estimated annual operational expenses of the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Hong Kong Project Management Office ("HKPMO") of the Highways Department). Another one is Amendment No. 168, which seeks to reduce the estimated expenditure under head 158, roughly equivalent to the annual emolument (on the basis of the minimum salary point) of Head (Airport Expansion Project Coordination Office) ("AEPCO"), Transport Branch of Transport and Housing Bureau. The reasons for proposing the two amendments to seek the expenditure reduction are that I think HKPMO has failed to fully discharge its duty of monitoring the HZMB project while AEPCO's provision of unnecessary support to the "while elephant" three-runway project is a waste of public money.

The construction works of the HZMB Hong Kong projects have been underway for some years, during which a number of sins have been committed. The first sin is the reluctance to accept responsibility for the major construction blunders; the second is conniving at the wrongdoings of the consultants; the third is the serious cost overrun, requiring the public to foot the bill; and the fourth is the frequent occurrence of industrial accidents, attributable to the Government's and contractors' complete disregard for human lives. The HZMB Hong Kong projects have been beset by a number of unforgivable mistakes since commencement of the construction works. The large amount of movement of the artificial island, for example, has caused delay in the implementation of construction works on the island and polluted the marine ecology nearby.

The aforesaid incidents reflect that officials in charge of the HZMB Hong Kong projects have underestimated the potential problems associated with the non-dredge reclamation approach. Worse still, instead of taking the initiative to inform the public and the Legislative Council of the serious drifting of the artificial island, the Government tried to cover up the problem. Despite the fact that the drifting has caused delay in the construction of buildings on the island, directly leading to a cost overrun of over \$5.4 billion, officials at HZMB HKPMO of the Highways Department were still not required to bear any responsibility. As officials are not held responsible for the construction blunders, mistakes continue to be made one after another during the construction process. After the drifting of the artificial island, there was a serious collapse at the reclamation area of the Hong Kong Link Road ("HKLR") connecting the Airport Island. Once again, relevant officials at the Highways Department were not held accountable for the technical failure even though a large-scale temporary reclamation had to be carried out to prevent any further collapse of the reclamation area and despite the harm being done to the marine ecology in the surrounding. The officials, who even tried to cover up the collapse incident, came forth to explain the case to the public and the Legislative Council only after the disclosure of incident by the media. From this we can see how the lack of accountability has disabled the whole department to learn from mistakes and caused construction blunders to occur time and again.

Actually, it is HKPMO which has to bear responsibility for the occurrence of major construction blunders. According to the document submitted to the Establishment Subcommittee by the Government, one of the duties and responsibilities of the Project Manager/HZMB is to oversee the construction contracts and act as the Employer's Representative under the contracts.

Meanwhile, the duties and responsibilities of Chief Engineer/HKLR include leading and directing his/her subordinates to provide contract advisory services, and carry out technical audits on the contracts of all the HZMB related local highway infrastructure projects. He/She also has to assume overall responsibility for the control of project scope, cost and programme for the HKLR project. While we supported—not me but the Council which gave its support—the creation of such posts with such duties and responsibilities to monitor the projects, these officials have underestimated the difficulties of the construction works. It is outrageous to see that they not only attempted to cover up the construction blunders, but they also failed to accept responsibilities after the revelation of the mistakes. To our surprise, these officials have awarded the China Harbour Engineering Company Limited, the company behind the reclamation works blunder, another \$10 billion contract for parts of the topside construction works at the Hong Kong Boundary Crossing Facilities ("HKBCF"). How can government officials allow the company which had committed such a serious mistake in the previous project to continue to be awarded project contracts worth of billions of dollars? Thus, I think it is necessary to propose an amendment for expenditure reduction.

Besides, officials at HKPMO not only refused to accept responsibility for the construction blunders, but they also connived at the consultants' attempt to cover up their mistakes. For example, it has been two years since the occurrence of the collapse at the reclamation area of HKLR, the Airport Island. Yet, the consultancy firm and the contractor concealed it from the public, while officials at HKPMO also connived at the concealing. As we refer to the document, one of the duties and responsibilities of Chief Engineer/HKLR is the procuring and administering consultancies and construction contracts for the delivery of the HKLR project. If HKPMO, instead of immediately disclosing any wrongdoing of the consultancies to the public and the legislature, connives with the consultancies to cover up their wrongdoings, how can HKPMO discharge its duties. The unsatisfactory performance of the consultancies will directly cause project delay and cost overrun.

In the words of many pro-establishment Members and even staff at HKPMO, project cost overruns were due to the judicial review which had delayed the commencement of the construction works. However, the real fact is the \$5.4 billion cost overrun is a result of the engagement of companies with uneven quality to take up the reclamation works, causing the drifting of HKBCF and the delay of the completion of the reclamation works for 10 months. Such a delay

has resulted in a tighter schedule for the topside development works at HKBCF, rendering contractors an opportunity to submit higher bids and request higher contract prices. It should be noted that the first duty and responsibility of the HKPMO is the planning, administering and directing the work of the HZMB HKPMO to ensure that the HZMB and related highway infrastructure projects are completed on time and within budget. Hence, we can see that the official who has taken up the position has failed to complete this task.

Another reason for the expenditure cut is the failure of HKPMO, as the employer under the contracts, to take up its responsibility to safeguard the safety of construction workers. The pro-establishment camp may argue that it should be the responsibility of contractors, not the Government, to safeguard the safety of workers, and that the raising of many such questions during the funding applications for the projects is filibustering. So, let us look at the duties and responsibilities of the Project Manager/HZMB when the post was created. The ninth duty of the Project Manager/HZMB is to oversee the construction contracts and act as the Employer's Representative under the contracts. Given that the Government is the employer under works contracts of the Government, the contractors are in effect its employees. In the HZMB HKLR project, the Project Manager/HZMB is to represent the Government to be the employer of the contractors. As the employer of the entire project, the Government has to take responsibility for the safety of workers under the project and be duty-bound for the occurrence of any industrial accident. There have been countless accidents since the commencement of the HZMB HKLR project, showing the contractors' disregard for the safety of workers. The responsible officials also seems to show little remorse. In their eyes, the number of industrial accidents arising from the project is not particularly high, so that contractors associated with serious industrial accidents were allowed to continue with their work process in a short period of time and that they were awarded more works projects for the topside development at HKBCF. With the connivance of the authorities, the biggest employer, the contractors have a trump card to play. This explains why the Government and the contractors are accused by the general public of treating human lives with utter disrespect. Ultimately, the Government should be held accountable for this.

I would like to speak on one more amendment, which is the proposed reduction of the estimated expenditure on the annual emolument of Head/AEPCO. The proposed cut comes as I think the Government should not provide any form of assistance to the "while elephant" three-runway project. The construction cost of the three-runway is \$141.5 billion, which is five times of

the cost for a new runway at the Sydney Airport. However, the benefits of the three-runway have been largely reduced by the airspace issue, turning it into a "white elephant" project costing a hundred billion dollars. Although the authorities have explained time and again that the project, which will solely be funded by the Airport Authority Hong Kong ("AA"), will not incur any public money. As no funding application will be submitted to the Legislative Council, the project will also be immune from our filibustering in the Finance Committee. However, by foregoing its dividends from AA, the Hong Kong Government will lose tens of billions of revenue income. If the economic benefits of the three-runway after its commissioning falls short of expectation, or if the project faces cost overrun, the Government may need to underwrite the financial shortfall. Apart from being a "white elephant" project, it may also be catastrophic for the Hong Kong marine ecosystem. By the employment of Head/AEPCO, the Government is actually spending public money to hire a dedicated official to assist the ecologically disastrous project in getting through the Environmental Impact Assessment ("EIA"). Occupying a large area of the habitat of China white dolphins, the three-runway will obviously cause permanent damages to the environment. However, the Environment Bureau has endorsed the relevant EIA and allowed a marine park which serves to make up for the damages to be built after the completion of the three-runway project.

Members may think that the EIA report is prepared by AA. The fact is Head/AEPCO has played an important role as the intermediary between the Government and AA for helping the three-runway project to pass EIA. According to the paper for the Establishment Subcommittee in 2012, the major duties and responsibilities of Head/AEPCO are to oversee all aspects of the work of AEPCO, facilitate the AEPCO as the focal point for coordinating all interfacing work between the Government and AA, and advise relevant Policy Bureaux and government departments on matters related to the airport expansion plan. In particular, the handling of EIA to ensure the smooth conduct of EIA pursuant to statutory requirements and according to schedule is the top priority of AEPCO. From this, we can see that one of the important tasks of Head/AEPCO is to enable the smooth passage of EIA for the three-runway. It can be imagined that to enable the smooth conduct of EIA, Head/AEPCO will definitely need to give some hints to AA to facilitate its preparation of the EIA report which can better meet the requirements of the Environment Bureau on the one hand. He may also have to seek cooperation from the Environment Bureau to allow the smooth passage of the EIA report on the other hand. Can these tasks be described as "coordination"? Under such arrangements, I am extremely doubtful

how the EIA report prepared by AA as well as the environmental monitoring and audit to be conducted in the course of the works can be carried out independently and fairly.

The establishment of the dedicated department to strengthen the so-called cooperation between AA and the Government will render it difficult for the latter to tackle problems relating to and arising from the three-runway project in a fair manner. The duties and responsibilities of one of the Principal Assistant Secretaries at AEPCO include coordinating with AA, relevant Government Bureaux and departments and stakeholders in taking forward the works smoothly. To me, instead of making the smooth progress of the construction works its top priority, the Government should ensure that the project is implemented in compliance with the laws of Hong Kong and EIA, and in the best interest of the people of Hong Kong. What always worries me is if the assurance of the smooth progress of the construction works is its top priority, will AEPCO impose pressure on various government departments, so that they may turn a blind eye to any noncompliance of the three-runway with the requirements?

Because of the time constraint, I will only give a brief account of Amendment No. 37. In respect of "Head 33—Civil Engineering and Development Department", I propose to cut the estimated expenditure roughly equivalent to the annual emoluments of two professional officials responsible for the technical study for nearshore reclamation at Ma Liu Shui. I move this amendment as I oppose the reclamation at Ma Liu Shui without reservation. In my view, bureaucrats responsible for overseeing the project have not only deliberately confounded and biased the outcomes of the technical study for the Ma Liu Shui reclamation, but they also intentionally tolerate and pamper the consultant which is completely devoid of integrity.

Reclamation at Ma Liu Shui is an unnecessary reclamation project which will ruin the quality of life of local residents. So far, no detailed information about the future land uses on the reclamation area has been provided, though it is expected that the area will be used for massive housing production. The large-scale housing development on the reclamation area is bound to increase the patronage of the East Rail, making it even more crowded, and bringing greater inconvenience to the residents in Sha Tin, Tai Wai, and Ma On Shan. I propose to cut the salaries of officials overseeing this project for their making the study biased and for letting the consultant without integrity to continue with its work.

**CHAIRMAN** (in Cantonese): Mr Nathan LAW, do you wish to speak again?

**MR NATHAN LAW** (in Cantonese): Yes, thank you, Mr LEUNG. In this debate session, I have proposed two amendments. Yesterday, the amendment that I discussed was related to "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030". Today, I will talk about another amendment in relation to head 159 involving \$39 million, which is equivalent to the annual estimated expenditure for the Energizing Kowloon East Office of the Works Branch under the Development Bureau. In the following, I will focus on the project of Energizing Kowloon East.

The Energizing Kowloon East initiative was first put forward in 2011 with the aim of planning, facilitating and monitoring the development of Kowloon East, with an expectation that Kowloon East can be transformed from an old industrial district into the second central business district in Hong Kong. The mission of this project is very clear. It is to change the planning of Kowloon East from an old industrial district full of factory buildings to a central business district, or to commercialize the district as a whole in other words. However, the Government is also very clear that that district itself has a lot of different working units, whether units of cultural and creative industries or units of other industries. Besides, they are not purely industrial in nature as there are many other working units which settle there due to the unaffordable rental of commercial buildings. The Government has thus put forward some initiatives related to art and other aspects, in the hope of delivering a message to the public that the Government is not going against the group of people previously residing or working in Kowloon East. The ecosphere of that district is actually very rich, with many people engaging in subcultural and other industries staying there.

However, can the whole initiative achieve the expected result? LEUNG Chun-ying once said that the policy of revitalizing industrial buildings was very successful. It is of course successful from the angle of building speculation, as 80% of the industrial buildings being revitalized have been turned into offices and some are even upgraded to grand-looking Grade A offices. In the words of the Government, they have successfully rebuilt the landscape, successfully transforming a dark and gloomy industrial district into a grand-looking commercial district. However, from another angle, the policy of revitalizing industrial buildings is a complete failure to those trades who basically cannot survive in commercial buildings.

Let us look at the industrial districts, including Kowloon East and other districts. The people originally residing or working there are from different sectors, and they are renting the premises of industrial buildings for various usage. What has recently happened to Hidden Agenda, a live house, is of course related to the use of industrial buildings for music purposes. If we look at the area in detail, we find that the area has actually accommodated some people who cannot afford renting commercial premises, and they are engaging in not only music industry, but also many other industries which are exactly what Hong Kong, the Hong Kong community and Hong Kong people need. Many people who are engaging in these industries are residing and working in these areas.

After the fire broke out in the mini-storages earlier on, the Government has stepped up supervision and I have also received several cases on which I needed to meet some groups relating to industrial buildings. What people are involved? In one of the cases, the tenant is running table tennis training courses in an industrial building. As we also know clearly, premises in commercial buildings and shopping malls are usually not spacious. Whenever there are larger premises, they will usually be rented for luxurious sports like fencing, as the users are all very well-off. Hence, while the tenants do not mind paying high rents, the users also do not mind paying the exorbitant course fees. However, table tennis is actually a popularized sport which requires a lot of space, and the tenant is thus forced to settle in an industrial building.

He told me that he had also tried looking for premises in other places, including shopping malls and commercial buildings. But can he afford the rental payment? Once he has signed the contract, he will have to rent it for one to two years. Considering the sustainability and cost-effectiveness of his business, he cannot afford the rent. As a result, he is forced to run training courses in an industrial building instead. In fact, there is a very large demand for this from the public, and the society is not only serving those who are well heeled. Many of his students come from grass-roots families. If the family of his student is receiving CSSA, he will teach this student for free. May I ask Members whether this is what Hong Kong needs?

Among the groups which have discussions with me, there are some well-known theatrical troupes. In terms of land lease, the Government has just granted permission for art studios to be a kind of usage allowed in industrial buildings, but this is restricted for self-operating only and not allowed for renting to a tenant, who still needs to follow the existing stringent and complicated

procedures. Are these theatrical troupes not needed in Hong Kong? Can Hong Kong only accommodate those well-funded performing units which can rent large venues like the Hong Kong Coliseum? This is of course not the case.

Therefore, at the macroscopic level, the people working in industrial buildings are developing a wide spectrum of industries and they are actually needed in the Hong Kong society. People always talk about the homogeneity of Hong Kong's industrial structure, which is basically attributed to the lack of space in Hong Kong for these people who cannot afford the rents in commercial buildings to develop their careers and professions, and the lack of other means to assist this group of people from the Government which, on the contrary, will only suppress them. The Hidden Agenda incident is an obvious example.

As I mentioned yesterday and will reiterate today, Hong Kong needs a cultural policy, so that those who cannot afford the rental in commercial buildings can stay together in a district. This is not just opening an area or a unit among the various large shopping malls for them. This is not the idea, as what they need is a habitat and an ecosphere. One example is the old area of Kwun Tong. Why is it favoured by musical groups? It is because in this area, there are places selling and mending musical instruments, there are performance venues and like-minded people around, and a cultural ecology thus exists. We can look at the cultural and creative clusters in Taiwan and the many cultural and creative parks in Beijing transformed from industrial areas, which can create an ecosphere. Hong Kong needs to take reference from these places, as the revitalization of industrial buildings often mentioned in Hong Kong is for speculative purpose. If the Government really wants to embark on development, so that as mentioned by Mrs Carrie LAM eight years ago, the music bands do not need to play music in secret, the Government should designate a zone not for property speculation purpose but for artists and music artists to move in. With a rental level affordable to them, the entire ecological chain can move in. The overall atmosphere is for promoting the development and for promoting their creativity, and this is how it can be developed.

As we can see, the Energizing Kowloon East initiative is basically putting the cart before the horse. Through various means, the Government revitalized an entire industrial building which turns out to be a new commercial building for the creation of a so-called central business district in which those who cannot afford the rent will be chucked out. As a result, many people who previously resided in industrial buildings have nowhere to go. This is a very serious

problem, not the problem of simply one or two live houses or one or two music artists without holding a licence. The problem lies in policy mismatch of the entire Government. For the sake of development, the Government has forgotten some people whom it should take care of. Just think about it. Can our society do away with table tennis training courses, theatrical troupes and some small-scale music groups? If the holding of mega events and the holding of concerts in the Hong Kong Coliseum are what we are concerned, we cannot blame others for labelling Hong Kong as a cultural desert. This is all due to the government policies.

As regards the Energizing Kowloon East initiative, the high rental level is not the only problem. Its district or area building policy can actually show that it is impractical in nature. The cultural and arts units originally settling in Kowloon East are very much against the face-lifting project of back alleys and the project of "Fly the Flyover Operation" under this initiative, because with the hundred thousand dollars and even million dollars of money public spent, the Government is only creating a magnificent commercial district in its eyes with some areas being improved according to its own ideas, without paying any regard to the views of users towards that area. Hence, these policies have met strong opposition from the community. All in all, what has been done under this the Energizing Kowloon East initiative is putting the cart before the horse, and the people residing and working in Kowloon East are also unable to receive better treatment. The more important problem is that the Government basically has no cultural policy.

In regard to the Hidden Agenda incident, for the many problems mentioned by the Government including fire safety or licencing problems, this live house has already tried every means to resolve them. The biggest problem does not lie in its fire safety measures but in the entertainment licence that it has not obtained. There are only three entertainment licences for live houses in Hong Kong. In a place with a population of 7 million people, no matter how you dislike or disregard music, only three performance venues, a ridiculous figure indeed, are holding entertainment licences. Hence in this incident, there is nothing wrong with the fire safety measures of the performance venue but something wrong with the mindset of the Government, which comes up with such a complete policy mismatch.

In proposing this amendment which seeks to reduce the annual expenditure for the Energizing Kowloon East Office, I reprimand the Energizing Kowloon East Office for only caring about making profits, chucking out the existing

tenants of industrial buildings, and then transforming the industrial buildings into buildings of numerous offices with a rental level only affordable by a limited number of sectors like finance, while disregarding the fact that the industrial building clusters in Hong Kong are actually supporting the living of a group of people who help improve the livelihood of the public and who are needed by the general public. They comprise of not only music artists. Perhaps you do not like listening to music, but I believe you will think that Hong Kong people need the support of a wide variety of facilities. This is the reason for my proposing this amendment.

Besides, I would also like to speak on another amendment concerning "Head 60—Highways Department", which seeks to reduce the expenditure for the Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office. In fact, many Members have also mentioned the Hong Kong-Zhuhai-Macao Bridge earlier on. The number of casualties pertaining to this project since its commencement in 2011 is frightening: 10 people were dead and 234 people injured. Of course, the Labour Department will say that these are lower than average figures. However, do you know that there are actually many concealed cases? A lot of experts also guess that the related figure should be over 600 cases. Why do the cases have to be concealed? Because if those contractors report the large number of cases with casualties, some points from the performance score and money will be deducted. Therefore, there is a very large incentive that these cases will be settled in private by giving financial compensation to the injured workers. If they report lower-than-average figures, while it is easier for the Government to give an account to the public, it is also unnecessary for them to have some points and money deducted and they can proceed with the project. This shows the serious problems in the existing mechanism and inspections on the part of the Government.

According to the Government, inspections were conducted in respect of 1 400 cases within six years. When they have handled 1 400 cases in six years, this means that a few hundred cases were handled each year. It sounds well and the Government seems to have done something. There were also more than 300 prosecutions. Nevertheless, do you know what the inspecting officers can see during government inspections? When the work injury incident of the Hong Kong-Zhuhai-Macao Bridge has once again become a focal point of society, many people engaging in engineering projects kept on texting me. They asked me whether I knew that the officer would give prior notice to the contractor before any government inspection, telling him the time of inspection and advising

him to properly deal with the black smoke and other problems beforehand. In other words, instead of looking at real scenes, the officers will be looking at the drama shooting scenes as in a television station, a good impression created by the contractor who has removed or covered up all the irregularities. Does this kind of inspections serve any function? Can they be called inspections? Both parties just put up a show and thought of a figure. They then told the public that they have made a lot of efforts. This is very ridiculous indeed. If an inspection is not effective in which the officer is only watching the show played by the contractor as in a drama shooting scene, it is also useless even if they have conducted inspections for 140 000 cases, let alone the 1 400 cases.

Therefore, the number of industrial accidents in which 10 people were killed and 234 people were injured is definitely the tip of the iceberg. The ones who suffer from the collusion between the Government and the contractors are the workers, those who are really engaging in highly dangerous work. In the past, many newspapers have closely followed up the incidents, reporters have interviewed the workers and the Government has also published many safety guidelines. Why do they not follow? The answer from a worker has left me a very deep impression. He said, "If you follow the guidelines, there is no need for you to come back to work tomorrow. If you have the harness attached to the independent working platform, you will not be needed here tomorrow, as the contractor will not employ some people who are afraid of death." This is absurd and also very ridiculous. If you follow the safety guidelines published by the Government, you are afraid to risk your neck and you do not need to come back to work tomorrow. What kind of working environment is that? This problem is thus very serious.

Under the ineffective supervision of the Government, the general atmosphere of the whole sector is very unpleasant. Ten people died in the accidents and this is not a small figure. Human lives are not part of the project cost as there is only one life per person. Hence, how can the Government tolerate? How can it not step up supervision, conduct more surprise inspections to improve the general atmosphere and impose more mandatory control?

Therefore, I agree to reduce the expenditure for the Office, as it basically (*The buzzer sounded*) ... has not done what it should have done.

**CHAIRMAN** (in Cantonese): Mr LAW, please stop speaking.

**CHAIRMAN** (in Cantonese): This debate has now come to a close.

**CLERK** (in Cantonese): Heads 26, 28, 47, 51, 55, 76, 106, 135, 147, 148, 152, 180 and 184.

**CHAIRMAN** (in Cantonese): The committee now proceeds to the fifth debate. The themes are "Economic Development and Innovation and Technology". The policy areas covered by the relevant heads are: Commerce and Industry; Economic Development (other than energy); Belt and Road; Financial Affairs; Innovation and Technology Industries; Broadcasting and Telecommunications; and Maritime and Aviation.

Six Members, namely Mr CHAN Chi-chuen, Mr Jeremy TAM, Mr LEUNG Kwok-hung, Dr KWOK Ka-ki, Mr Nathan LAW and Dr YIU Chung-yim have respectively given notice to move a total of 19 amendments to reduce the various sums for 13 heads read out by the Clerk just now. Details of the amendments are set out in Appendix 1D to the Script.

**CHAIRMAN** (in Cantonese): Members may now proceed to a joint debate on the amendments to the 13 heads. Members have been informed that there are about five hours for the committee to conduct this debate.

I will first call upon Mr CHAN Chi-chuen to speak and move Amendment No. 28 set out in Appendix 1D to the Script, to be followed by other amendment proposers in sequence; but they may not move amendments at this stage.

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, I move Amendment No. 28 as set out in Appendix 1D to the Script, which seeks to cut an amount of funding approximately equivalent to the annual estimated expenditure on the personal emoluments incurred by the Census and Statistics Department ("C&SD").

I do not believe there is time for me to explain one by one the various subjects in relation to the 10 amendments proposed by me in this session. So, I will first illustrate why I have to cut the estimated expenditure incurred by C&SD. A reason for proposing this amendment is that C&SD made a terrible mistake during the Population By-census in which two tablet computers were lost.

C&SD conducted the Population By-census from late June to August last year, during the period two tablet computers were lost. The Registration and Electoral Office lost two notebook computers at the AsiaWorld-Expo earlier, and the incident was the talk of the town, as the computers contained personal data of all 3.8 million registered voters in the territory. Everyone was enraged, and the pro-establishment camp and pro-democracy camp jointly passed a motion condemning the fault.

However, it has been revealed subsequently that C&SD has lost computers too. Though the missing computers are two tablet computers, I consider that, in comparison with the Registration and Electoral Office, C&SD has a worse attitude towards the management of the incident. It is because C&SD took nine months to admit the loss of two computers. It did so only after someone reported the incident to the media, while some Members enquired about the problem after receiving an email revealing the issue. C&SD responded that these were merely tablet computers, that they had already activated a remote-controlled programme to delete personal data stored in one of the devices, yet data in another computer was not able to be deleted as the questionnaire in the tablet was still open. As a result, the computer still contained undeleted personal data of 46 people from 12 households.

The Commissioner for Census and Statistics said that C&SD did not cover up the issue, as it wasted no time to call the Police and notify affected households and the Office of the Privacy Commissioner for Personal Data ("OPCPD"). According to him, OPCPD had finished investigating the incident and expressed satisfaction with remedial measures adopted by C&SD. That said, this does not mean that C&SD should be subject to no criticism. As the incident involves detailed personal data, C&SD's failure to actively make the incident public clearly implied its intention to conceal the fault. If it was not for the whistle-blower and the media's inquiry, I and the people in Hong Kong may not have known the incident today. The recent case concerning the United Christian Hospital particularly indicated that when a government department is at fault, it will likely

not attempt to play down or cover up the problem, nor will it try to hide it from the people. On the contrary, it should give the public an account for the issue as soon as possible, instead of doing so reluctantly only when there is no alternative.

Some members from the information technology trade have pointed out that even if C&SD has set dual passwords in the computer, it still has to account for the computer's status when it was lost. If the lost computer was turned on at the moment when it went missing, and that the census officer concerned did not lock the device with the passwords, then others could easily access all the stored personal data. On the other hand, even if there are dual-passwords, the lawless people can still crack the passwords with software costing one or two thousand dollars, if C&SD only applied normal encryption. Owing to this, the Government claimed that it had engaged an expert to certify before the public if the encrypting system was able to effectively prevent any leakage of personal data.

Members from the trade consider that the Government should engage an independent third party to conduct the certification, yet C&SD insisted an extremely low risk of leakage, as claimed by the Government's own internal computer experts. According to these experts, the files would automatically close after 5 to 10 minutes, even if they were open in the first place. So, the question that the files could stay open for a long period did not exist. Moreover, they claimed that it would take years to crack the computer which simply contained some basic personal data, and therefore predicted that the hackers would not spend the time on this. The Government or C&SD might wish to alleviate the people's concern, yet their arguments were given seemingly without much thought. They have to justify the issue with convincing proofs if they wish to ease the people's worries, but not playing down the problem.

In fact, during the discussion on population census conducted by the Legislative Council of the previous term, many Members expressed their views that the tablet computers should not be wasted after the census, that the tablets should be donated to the needy people lest they would become obsolete for the next population census five years later. Therefore, donating the computers is the right move. However, now that the incident has aroused public concern about personal data security, I would like to know if the authorities adopted any specific measures to completely wipe out the information saved in these tablet computers which had been used for handling sensitive personal data. Can the data in the computers be restored? No one knows the answer by now. Moreover, while

the 5 084 tablet computers were donated to 74 non-governmental organizations, not a list of the beneficial organizations was compiled afterwards. We believe the arrangement is not quite transparent.

A computer security expert raised a query, claiming that unencrypted tablet computers running the Android system and statistic software can never be casually given to external organizations, otherwise it will pose a risk of leakage of personal data collected during the census. The expert pointed out that, in case of an unencrypted system, or software without encryption before being installed, personal data contained in the devices can be restored easily, even after all the data stored in the devices have been erased after a factory reset. He demonstrated the operation on a second-hand Android mobile purchased randomly in the market. All data in the mobile was deleted when it was bought, and it was reset to factory settings, yet the expert was actually able to restore all the WhatsApp history saved previously in the device with ease. It was done in less than half an hour. Therefore, I am worried that the incident involving the lost tablets will bring out the question if personal data stored in these 5 000 computers concerned were completely erased.

As a matter of fact, government departments frequently lost storage devices with personal data in the past. Last year, a report by the Audit Commission stated that a total of 107 inventory items kept by the Customs and Excise Department, Environmental Protection Department, Highways Department and Office of the Government Chief Information Officer were found missing during a six-month period in the year before last. The cost of these missing items amounted to \$450,000. Among these items, 32 were embedded with data storage devices, including personal computers, notebook computers, and so on, which might involve leakage of classified information. Yet, in violation of security requirements, the departments concerned did not report the losses of these devices to Security Bureau. Therefore, I would like to take this opportunity to express my wish that the Government can exercise due care when handling these information technology devices in the future. Of course, it should actively notify the public in case of any incident.

Furthermore, I have to raise a point in respect of an issue related to C&SD. Regarding the previous Population By-census, C&SD rejected my request, refusing to add the options of same-sex partner or same-sex cohabitation in the census questionnaire, as well as refusing to add a third gender as an option beyond male and female. In respect of collecting personal data for statistical

purpose, what I want to point out is that the authorities do not refuse to collect any data simply because the data are seemed to be useless or unnecessary by the Government. It should be left for the people to decide whether the data are useful. Moreover, this shows the respect of the survey respondents as it offers them the space to earnestly fill in their personal data. Therefore, I hope C&SD can heed this advice when it carries out population censuses in the future.

Next I would like to talk about "Head 55—Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)", which seeks to resolve that estimated expenditure on emoluments be cut. I will speak on an issue related to the domestic free television programme service licence. Secretary for Commerce and Economic Development Gregory SO's announcement about the Executive Committee's refusal in granting a free television licence to Hong Kong Television Network Limited ("HKTVN") aroused episodes of saga. The SAR Government only granted licences to Fantastic Television Limited and HK Television Entertainment Company Limited, while denying HKTVN with reasons of a need to introduce competition through a gradual and orderly approach, worrying that the market might not necessarily sustain the operation of all five television stations. Up to this moment, the Government has yet to make public the assessment criteria for not approving HKTVN's application for a licence and the reasons for cherry-picking two out of three applicants. I understand that this might not be the decision of Secretary Gregory SO, yet he should still be held accountable as the ultimate leader of the Commerce and Economic Development Bureau (Communications and Creative Industries Branch).

Is there any new development in regard to the incident this year? Three and a half years after the saga, Mr Ambrose HO Pui-him, former Chairman of the Communications Authority ("CA") and a Senior Counsel, recalled when he left the office as Chairman in March that HKTVN performed the best among the three stations. However, the Government did not accept CA's recommendation and permitted only two more free television service licences. HKTVN was therefore denied. Mr Ambrose HO pointed out that, as the Chairman of CA, he also felt very surprised and disappointed, same as the general public then.

Mr Ambrose HO said that his biggest disappointment did not come from the refusal to grant a licence to HKTVN, but the lack of satisfactory justifications on the part of the Government in response to numerous public queries about the decision. All along, the Government merely repeated the same scripts:

introducing competition through a gradual and orderly approach, and it responded by quoting nothing more than the consultant's analysis. However, as Members have known, both the consultant's report and the Office of the Communications Authority ("OFCA") recommended granting the licence. The people did not see any concrete reason as to why the Government opted to make a decision which contradicted the people's expectation to such a significant extent.

As early as in 2008 when Mr Ambrose HO first took office, he wished to demonstrate to the public the CA's fairness and impartiality. Learning of many opinions concerning insufficient choices of free television programme, he found it encouraging to have three respectable applicants for free television service licence. All three applicants at that time had their own advantages, and audiences would benefit from having more choices. In connection with the free television licensing issue, the Government rejected CA's recommendation, neglected professional advice and violated the people's will. After all, if we were to cut the expenditure, I would suggest that we also cut the estimated expenditure to be incurred by CA, because the Government just completely overrode the detailed studies and advice provided by OFCA, probably due to factors or opinions in consideration of that "single man".

It is said that HKTVN's experience foretold Hong Kong's future. The Government totally betrayed its previous practice under which it actively facilitated entrepreneurs in the past. After such an example, who else will take the bold step to invest and make so many prior preparations? While the applicant believed it had done the best and had thoroughly analysed the market, it turned out that the Government denied granting a licence, giving excuses like avoiding vicious competition and preventing any television stations from closing down. However, the Government does not have the responsibility to worry about this, it simply has the duty to facilitate and encourage competition, but not avoiding too much of it. Therefore, while the Government sometimes claims about the effective implementation of the positive non-intervention policy in the past, it now turns out that an appropriately proactive policy advocated by LEUNG Chun-ying is prevailing.

The television industry in Hong Kong declines exactly due to the endless actions done by the Government to move the goalposts in relation to issues falling outside its purview. Each time I mention this point, I will quote the first Policy Address delivered by LEUNG Chun-ying which boasted about Hong Kong's prosperous cultural and creative industries in the past. It was the good old days

when Hong Kong dominated the Asian market, exporting a whole lot of cultural products to markets in the Mainland China, Taiwan and South East Asia where television programmes from Hong Kong were popular. However, television production in Hong Kong today lags behind Taiwan, Korea and Mainland China. For this, the Government must take the blame.

Nowadays, our Government claims of helping the movie sector, yet it has almost done nothing to assist the television sector. In fact, these sectors do not need any help from the Government. It fine enough if the Government does not hinder their development. I hope the next Government will really formulate the right policies for the broadcasting and television industries in order to support those entrepreneurs in Hong Kong who truly have the ambition to take the industries forward.

**Mr CHAN Chi-chuen moved the following motion:**

"RESOLVED that head 26 be reduced by \$540,647,000 in respect of subhead 000."

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

(Mr CHAN Chi-chuen stood up)

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, I request a headcount.

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

(While the summoning bell was ringing, THE CHAIRMAN'S DEPUTY, MS STARRY LEE, took the Chair)

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

**DEPUTY CHAIRMAN** (in Cantonese): I remind Members that according to the debate arrangement, this debate will end at about 3:15 pm today.

I will call upon public officer to speak at about 1:30 pm today. After public officer has spoken, I will call upon Members who have proposed amendments to speak again. This debate will come to a close after the relevant Members have spoken.

Members who wish to speak, particularly those who have not yet spoken, will please press the "Request to speak" button as early as possible.

**MR JEREMY TAM** (in Cantonese): Deputy Chairman, I propose that head 28 be reduced by \$2,950,200 in respect of subhead 000, and the amount is approximately equivalent to the annual estimated expenditure for the emoluments of the Director-General of Civil Aviation.

The proposal is actually related to the many different major and minor problems with the Civil Aviation Department ("CAD") which I have identified since I took office as a Member of this Council. When I submitted the amendment, my original intention was to try to illustrate that these problems might have something to do with the former Director-General of Civil Aviation. However, as he has already departed from the position and has passed away, I would try to express my views and criticisms today on the position of Director-General of Civil Aviation and Mr Simon LI, who has now assumed this position, and explain the reasons why I propose this amendment.

Since the commissioning of the Air Traffic Control System ("ATCS") developed by the Raytheon Company ("Raytheon") last year, we have identified many different major and minor problems with the system. I have asked my staff to prepare a summary of the relevant cases and to my surprise, a lengthy summary of eight pages was produced to list out the problems identified so far. Actually, the summary has only recorded the dates, the incidents, the problems identified and a brief description of each case, but it has taken eight pages to provide such information in full. It would of course not be possible for me to elaborate on each problem identified within my speaking time of 15 minutes today, and explain why I consider the new Director-General of Civil Aviation should have avoided or prevented the occurrence of the incidents concerned, or minimized the impact thus caused. However, I would like to use my speaking

time today to make a brief summary of the problems which we have observed in the past few months when this Autotrac 3 System ("AT3") developed by Raytheon has been put into operation by CAD.

The system was commissioned in September to October last year, and owing to a number of reasons, its commissioning has previously been delayed for quite a while. Although it was originally anticipated that the problems could be resolved in three or four years, the new system was ready for full commissioning only at the end of last year in around October. On 27 October, during the phased implementation of the system before its full commissioning, in order to facilitate the establishment of a no-fly zone during the staging of the China International Aviation and Aerospace Exhibition in Zhuhai, CAD staff input some non-routine command and scenario data into the system, thus causing some problems with the new system and the need to switch to use the old system at once. I believe this is the first incident which has aroused great public concern after the commencement of operation of the new ATCS.

I subsequently started to receive staff complaints concerning the questionnaire surveys conducted during the phased implementation of the new system. The aim of conducting these questionnaire surveys was to gauge frontline staff members' views on their confidence in the new ATCS, the problems identified and whether there was room for improvement. The questionnaire surveys were not conducted in response to the above incident, but in accordance with the regular practices that have all along been adopted. Yet, there was something different with these surveys because as reflected to me by some staff members, if they indicated a lack of confidence in the new system in the questionnaires, they would be interviewed by their supervisors in CAD, indicating that it would not be advisable to fill in the questionnaires in this way, or even hinting that they would soon be promoted, so that they would make amendments to the answers provided in the questionnaires.

Deputy Chairman, there may be no great cause for worry if complaints of this sort were received from just one staff member, but I have received such complaints from at least three to four frontline ATCS operational staff members of different ranks, and they could even name the management staff who have interviewed them for the above purpose. Hence, I consider the matter not merely an issue of air traffic control or technical concerns, but has evolved into a

management problem. I therefore started raising my queries on the matter openly, and many other different incidents were subsequently reported in the media.

Among such incidents, some were disclosed by me upon receipt of the relevant complaints, but there were also many incidents which I have never heard of and have only learned about their occurrence from media reports. For example, on 14 October, two aircrafts were flying head on at a high altitude of 40 000 ft, and there was only one-minute flying distance between them before a head-on collision would occur. It was reported that operational staff members using the new ATCS were unaware of the crisis, and immediate actions were taken to address the problem only when they were informed by staff members monitoring the situation with the old ATCS at another location over the phone of an imminent risk of a head-on collision of the two aircrafts.

CAD argued that while the minimum requirement in this connection was a distance of five nautical miles, the two aircrafts were 15 nautical miles apart then. However, a distance of five nautical miles is a rather general guideline, because it still depends on whether two aircrafts are flying head on, side by side or one after the other. For aircrafts flying head on, I have sought the views of many ATCS operational staff members, including newly recruits, those who have been on the job for some years and those with more than one to two decades of practical experience, and they all indicated that it would definitely be undesirable for two aircrafts 15 nautical miles apart at a high altitude of 40 000 ft to fly head on until the last minute.

There are also some other incidents which CAD has confirmed and which have aroused media or public concern, and these include a case happened on 15 November. In that incident, the position of a departing flight was not displayed on the radar screen for up to 12 seconds, thus giving rise to many public opinions which questioned the reasons behind the spate of similar incidents. According to the official explanation given by CAD, such incidents caused by unknown reasons were not unique to the new ATCS and have also occurred to the old ATCS. I received a lot of different information later, indicating that although such incidents have occurred to the old ATCS, the frequency or reasons behind were somewhat different from those occurred to the new ATCS.

CAD explained that due to the limitations of its radar system, the positions of some flights might not be displayed on the screen. I of course agree with CAD on this point because it is true that a radar system does have certain limitations. However, if we give the matter some more thoughts, it would not be difficult to realize that as I said earlier and would like to repeat once more here, although we are now using the new ATCS, the old ATCS is in fact still in operation. As the two systems can simultaneously monitor all flight positions, a direct comparison can be readily made of the information respectively shown on these two systems, since both the new and the old ATCS are using the same radar system. Therefore, with video recording made for all screens, if a flight position displayed on the screen of the old ATCS is not displayed on the screen of the new ATCS, a judgment can already be made to suggest that it is not because of environmental reasons that the radar system has failed to detect flight positions.

A press meeting was held by CAD later on 20 November, but it seemed to be an attempt to blur the focus. A host of different reasons were cited to explain the causes of the incident, including the limitations of the radar system, and even the possible difficulties involved for detecting the positions of aircrafts somewhere near the border of the system. These remarks are nothing but mixing up right and wrong, because it is understandable that for aircrafts flying farther away from the border of the effective area for radar detection, their positions will be more difficult to detect, but the position of the departing flight in the incident under discussion was lost soon after it has taken off, and it should therefore have nothing to do with the difficulties mentioned above. Hence, I consider that CAD was just obscuring the truth by making such remarks at the press meeting.

The situation became even more serious later when some unusual incidents occurred, such as the problem of "ghost plane" which I have mentioned in some of the press interviews given previously. What kinds of situations would the problem of "ghost plane" cover? Some possible scenarios include the display of double images of a single aircraft on the screen, or the disappearance of the position of a flight as mentioned just now, or even the emergence of the so-called "plane sandwich" when a plane which should not be appearing on the radar screen is seen sandwiched by two other planes. The most bothersome part about the problem of "ghost plane" does not lie merely in the simple fact that the image should not appear on the screen in principle, but also in the fact that it will trigger the anti-collision warning system at the same time.

In the event of the appearance of "ghost plane", frontline ATCS operational staff members should assume that it is a real aircraft, and they should never consider that the image has never appeared, and thus ignore it and regard it as a common system malfunction caused by unknown reasons. They have to assume that an aircraft has actually appeared, and that there is the possibility of having an air crash, so the whole thing is like the most told story of "The Boy Who Cried Wolf". When such a false alarm becomes too frequent, it would exert immense pressure on frontline ATCS operational staff members. Furthermore, we should also bear in mind that when a person is required to look at the screen for a long time in executing his or her duties, his or her attention will definitely be drawn to a particular point once an alarm is sounded at that position. This will inevitably cause immediate distraction to the person, and will certainly put the overall aviation safety at stake.

Nevertheless, CAD does not consider it a problem, and always regards this as a trivial matter frequently observed during the teething period. I can hardly agree with this because problems which should only be found during the teething period, such as the issue of "ghost plane" mentioned above, are still plaguing the new ATCS now, when the system has already been put into operation for about half a year.

How did CAD handle the problems then? It has made no effort to resolve the problems very proactively, but has on the contrary tried to settle them with the persons who disclosed the problems. Internal circulars were issued to make it clear that such incidents should not be made public, and that those who violated the rule would be subject to disciplinary actions. In my opinion, this is nothing but a self-deceiving move, since problems involving aviation safety concerns do exist. Frontline ATCS operational staff members told me that previous attempts had actually been made to reflect the problems to the management, but the whole thing got stuck at a certain level where no further progress could be seen, as if nothing has ever happened. As they have grave concerns about the matters, they gradually turned to seek help from outsiders.

We have no reasons to accuse these whistleblowers. Why should they as civil servants take the risk to do such a thing? They were not doing this to make a name for themselves, because all complaints were anonymous. Moreover, I was not the only person who received the complaints, and they have also sought help from the media to uncover the cases. Hence, with respect to these incidents, the civil service team has indeed been put under tremendous pressure.

Besides, the Flight Data Processors ("FDP") has also failed to function properly for 15 minutes on one occasion, and all flights were affected. In this connection, the Director-General of Civil Aviation emphasized that aviation safety had not been affected. I agree that in this incident, it is true that imminent risk of aviation safety has not been caused to any aircraft, but we should understand that what happens up in the sky is unpredictable. If something really happened then and support from the ground was needed, ATCS operational staff members might not have all the necessary information at hands, and this is where the real danger lies.

CAD subsequently said that such a problem would not recur after the implementation of the satellite-based Automatic Dependent Surveillance—Broadcast ("ADS-B") technology later. As a matter of fact, the technology was partially implemented when the incident happened, but it has not yet been fully commissioned since CAD has specified that for aircrafts flying at an altitude of 29 000 ft or below, mandatory application of the satellite-based ADS-B technology would not be required. Therefore, there is actually a gap in the implementation of ADS-B and not all aircrafts can be covered by the protection of the technology. There is absolutely no guarantee that the positions of all aircrafts can be detected through the satellite system.

CAD has later introduced the Tower Electronic Flight Strips System, which has in fact been in use at the Air Traffic Control Tower for some time with some incidents and recurring problems. I will press the button and request to speak again so that a detailed elaboration could be made in this regard. Yet, much has already been said now and fellow Members may consider that instead of saying too much about things that have already happened, it might be more desirable to identify ways to solve the problems or do things better in the future.

The new ATCS has been commissioned for half a year, but there has still been recurrence of the problems mentioned just now, though on fewer occasions already. However, does CAD have the determination to solve the problems? Moreover, with respect to the management and governance issues I mentioned earlier and the disputes concerning the questionnaire surveys conducted, a reply has still not been given by the Government so far. After I have lodged a complaint with the Transport and Housing Bureau, the Bureau has asked CAD to submit a report on the matters involved, and has undertaken to review the report

and then decide if an investigation is needed. This has already been laid down in black and white in the Bureau's reply letter to me, and I am not fabricating anything here. (*The buzzer sounded*) ... I therefore sincerely hope that ...

**DEPUTY CHAIRMAN** (in Cantonese): Mr TAM, your speaking time is up.

**MR JEREMY TAM** (in Cantonese): ... Members would consider supporting my amendment.

**MR LEUNG KWOK-HUNG** (in Cantonese): Deputy Chairman, the theme of this debate session is "Economic Development and Innovation and Technology". If pro-establishment Members discharge their duty as Members and all speak in this five-hour debate session, they will not have enough time as they are well-versed in these two areas. They very often say that Hong Kong should develop its economy, innovation and technology. After the abortion of the proposal on establishing an Innovation and Technology Bureau introduced by "689" into this Council five years ago, Nicholas YANG went through much ordeal before assuming office as Secretary for Innovation and Technology. But since then, he has had nothing to do, and he did not join the first tour of "689" in the Mainland.

Deputy Chairman, in this discussion on Hong Kong's development of innovation, technology and the economy, let me say this point-blank ... Well, as rightly said by a jingle in the Mainland: "The Communist Party is like the moon, as it changes on the 1<sup>st</sup> and 15<sup>th</sup> days of the Lunar month." What I mean is that once every five years, we can hear a new economic development direction for Hong Kong and the intention to develop new industries. Deputy Chairman, you probably joined the legislature in 2008. How are the six major industries proposed by Donald TSANG now? What about Islamic bonds? At the time, we held discussed these proposals very enthusiastically, so enthusiastically keen that we thought they would really be materialized. At the time, no Members staged any filibuster because we believed in him. But all these ideas have turned into empty talks in the end. Why? Not so much because of our refusal to do any thinking or do anything. The crux is that Hong Kong's greatest trading

partner and sovereign state has undergone economic changes. First, throughout the 12 years since 2003 when Hong Kong's economy began to rebound from the bottom of the valley, Hong Kong's economy already turned increasingly monotonous. Second, the Government keeps spending our public money on infrastructure development as a means of driving the economy. Third, the infrastructure projects in Hong Kong are intended to foster Guangdong-Hong Kong integration and also Shenzhen-Hong Kong integration, instead of enhancing our local and also external competitiveness.

Deputy Chairman, it looks like the officials in charge of economic development in Hong Kong only need to follow the thoughts of the Mainland instead of doing any more thinking on their own. The development of Qianhai has already commenced, and speaking of the Lok Ma Chau Loop development, we must count on the leadership of the Secretary for Innovation and Technology. But nobody knows the current development of the Lok Ma Chau Loop. We only know that the lands there have been developed. The greatest change in Hong Kong is the huge influx of Mainland capital. What changes have been brought about by the influx of Mainland capital into Hong Kong? Everything in Hong Kong has been commercialized, including daily necessities, community facilities and services. Even our clothing, food, housing and also transportation have been commercialized. After their commercialization, they are capitalized and securitized. Afterwards, everything will be smooth. What does this mean? It means that everything is turned into something like securities for speculation.

(THE CHAIRMAN resumed the Chair)

Chairman, we are now discussing economic development. As I said in my speech in the previous debate session, over half of the Hang Seng Index constituents are enterprises funded by Mainland capital. I believe the rate is now close to 60%. And, many banks in Hong Kong have been acquired by such enterprises. This will definitely lead to another ... The right to formulate policies on this industry and the most profitable business is rested with the Legislative Council and also the relevant advisory bodies. The two Secretaries are now present. Just now, some Members questioned why the authorities performed so very unimpressively in the matter of granting a television

programme service licence. Actually, this is due to the same reason and is related to the Mainland's policy on Hong Kong's mass media. Can we see the presence of Mainland capital in Hong Kong's mass media market? Chairman, you will know the answer at a glance. In fact, speaking of mass media organizations (including electronic media organizations) in Hong Kong, Mainland enterprises have basically gained control over Hong Kong's mass media organizations through market acquisition, such as TVB and even Cable TV as the most recent example. Such Mainland enterprises have gained control over these companies by buying their shares and turned them into a tool for making money. This is also the case with the real estate industry I talked about a moment ago.

When it comes to economic development, the Asian Infrastructure Investment Bank ("AIIB") has become a popular discussion topic in the community these days. What can be achieved by Hong Kong in AIIB? Nobody knows. US\$100 billion capital is required to join AIIB. So, what effects can be produced by this US\$100 billion? How can Hong Kong benefit from joining AIIB? Nobody knows. In the so-called AIIB and Belt and Road vision, nothing is in Hong Kong's control except giving money.

Let me give a simple example. AIIB committed US\$1.73 billion in 2016, and many development projects are underway in the neighbouring regions of Hong Kong, including the building of a US\$20 million-worth power plant in Myanmar, and also the hydropower extension project in Pakistan. But Hong Kong is not involved in these projects, because these projects are financed by the World Bank. In other words, Hong Kong is unable to take part in such big business. Myanmar's credit rating shows that it may be unable to repay the loan anytime. This shows that after joining AIIB, Hong Kong merely pays money to do certain business which is completely ripped of any cost-effectiveness and is only a playmate of other regions, so to speak. How does the Government develop Hong Kong's economy? The Government has presented a vision to people, saying that our participation in AIIB will bring a huge fortune to Hong Kong and give a better future to Hong Kong people. It has also said that Hong Kong can make money under the Belt and Road Initiative by capitalizing on its competitive edge.

Chairman, LEUNG Chun-ying led a group of rich people on a visit to the Bay Area recently. Well actually, how is the economic development of the Bay Area related to AIIB? Will the development of the Bay Area require any

financing from AIIB? Will AIIB offer any financing to its development? This is what is called "shortfall between reality and talks". What does the Bay Area count on to develop its economy? It counts on Hong Kong people's money to build the Hong Kong-Zhuhai-Macao Bridge ("HZMB") to facilitate economic development in the Bay Area. He has lured Hong Kong people into spending \$400 billion on massive reclamation on the pretext of developing the Bay Area's economy, while also rolling out the Lantau development plan under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" to provide accommodation to 900 000 people. How are all these related to Belt and Road? These are merely part of his stratagem.

Apart from the cost-overruns concerning the Express Rail Link, HZMB and also the Liantang/Heung Yuen Wai Boundary Control Point, the \$400 billion on reclamation and also the money for building the infrastructure facilities connecting to the Mainland are hard cash from Hong Kong. Let me say it once again. Those regions participating in AIIB (meaning those regions along Belt and Road) merely purchase the excess manufacturing capacity, the labour export and also the excess and out-dated technological equipment of the Mainland with low-interest or even interest-free loans from the same financial syndicate. Hong Kong pays money to enable those regions to do so. What kind of economic development is this?

As I said at the beginning of my speech, the capitalization and securitization of various commodities will naturally bring forth countless opportunities for speculation. This explains why land prices have turned increasingly high in Hong Kong. With increasingly high land prices in Hong Kong, the Government has even committed huge sums of public money totalling hundreds of billions of dollars to creating lands in the area between Hong Kong and Shenzhen. As land is a valuable commodity, they may engage in persistent speculation. The remarks of Secretary Gregory SO and also Secretary Nicholas YANG are all nonsense, as all infrastructure projects are aimed to dovetail with the ideas of Shenzhen-Hong Kong integration, a "one-hour living circle" and also Guangdong-Hong Kong integration. Under the planned economy of the other side, Hong Kong provides the "chicken", but the other side merely provides the "soy sauce".

Chairman, bank loans are required for any works projects. I want to ask one question. If bank loans are required ... Almost all banks in Hong Kong have been acquired by Mainland enterprises. Hong Kong people are frugal by nature, and Hong Kong's GDP has risen by 100%. But grass-roots elderly people in Hong Kong are worried about their retirement life. Those who have not yet retired are worried about the likelihood of losing their jobs. Even those in employment are worried about wage stagnancy. In the course of economic development, the fruit of Hong Kong people's sweat-and-toil labour ... Just now, I quoted a few lines from a poem about how kings hauled up lumps of rock. Even if they were unable to haul up the lumps of rock themselves, they could always count on their aides to do the work for them. They did not need to pay out of their own pockets to arrange for lavish banquets for celebrating their accession to the throne, as somebody else would pay for them. Hong Kong's economic development evolves with the Mainland's overall economic development.

Large sums of "hot money" have entered Hong Kong. The crackdown on corruption in the Mainland has driven many Mainland people to come to Hong Kong to buy our lands. This is completely beyond our control. Worse still, we even have to offer loans to them. This explains the polarization and dichotomy of Hong Kong's economy; this explains why 50% of Hong Kong people only earn a salary of less than \$14,000 while the other 50% do not; this explains why the legislature is so deserted today. The reason is that the issues discussed in the legislature are not matters of the greatest concern to Hong Kong people, such as livelihood improvement, the building of affordable housing for people, and the partial allocation of their monthly incomes for retirement protection and their children's further studies. All these have not been discussed in the legislature. The Government's economic philosophy merely concerns the questions of how to enable a handful of people (especially consortia funded by Mainland capital) to undertake "white elephant" projects in Hong Kong with our public money, and also how to develop our financial market more prosperously. Their only focus has always been on the financial market.

Chairman, due to time constraint, I am unable to go into the details. I initially wanted to discuss the details. Now, I cannot do so, as you have cut the filibuster. I will go into the details later.

**DR KWOK KA-KI** (in Cantonese): Chairman, I will speak on my Amendment No. 151. It seeks to cut three months of the emolument of the Secretary for Commerce and Economic Development.

Hong Kong used to be an international city in Asia. Everyone here attaches a great deal of importance to commerce and it should have flourished here. But let us look at what the Commerce and Economic Development Bureau has been doing. The Bureau has been doing a disservice to Hong Kong. The first disservice is the Hong Kong Disneyland ("Disneyland"). The Disneyland was founded on an unequal agreement signed by a previous Government. Under this agreement, land was "ceded" to build a Walt Disney theme park here and the Walt Disney Company ("Company") only needed to contribute a small portion of the money and received the bulk of the benefits.

This unequal agreement is already a done deal. The Government begged for it and nothing can be done now. But the absurdity is that we have to continue to be robbed by the Company. Well aware that the Company will continue to make money out of this unequal agreement, the Government still hand over to it a \$5.45 billion funding in exchange for, frankly, an outdated theme park. Before the opening of the Shanghai Disneyland, the Company asked us confidently for funding, saying that it needed to attract more tourists to the Hong Kong Disneyland. But now, having received the money, the Company secretly ... boldly to be exact, signed an agreement with the Shanghai Municipal government on the Shanghai Disneyland. The Company has obviously abandoned us. But what can we do? We have to continue to succumb to its requests.

I remember most deeply the Secretary's reply to our question at a Finance Committee meeting. In response to our enquiry on the Company's stand in the negotiation, the Secretary quoted the words of the Company: "Take it or leave it". The Company has acted so barbarously in the negotiation. How can the Bureau still table the proposal to the Legislative Council for approval? The Company has acted like a triad member. "Take it or leave it". What a rude remark! And then there came Mr LAU, the man who attended the meeting. When we asked him about his background and whether he knew the details of the negotiation, he said he didn't know the details and he was not related to or involved in the negotiation. The Company sent such a representative to the meeting, was it trying to fool us? He told us almost nothing. How could the Government take this?

The \$5-odd billion, which will be used on site formation and buildings construction, is taxpayers' money. If the Company wants to cook the books, it can easily do so. It can make out a few more demand notes, saying that it needs a few more billion dollars to design the amusement ride, make entertainment programme arrangements and props, so on and so forth. Members should know this very well. It is similar to the design fees or consultancy fees in some works projects. A few billion dollars can all be spent in no time. So, the Company can easily spend a few billions dollars, or even more, of our money on the Disneyland. But we need to pay the price. We certainly need to, and the price is that our shares of the Disneyland will be further reduced. What kind of a negotiation is this? In fact, the crux of the problem is on ourselves. If we have worked hard enough on improving our tourist facilities and finding worldwide other theme park operators or if we have let our own creative industries to play a part here, we do not need to count on this out-dated theme park, plus paying \$5-odd billion for something so "precious".

The most funny thing is that pro-establishment Members could associate this with children's rights. Our children do not even have the medicine they need. For instance, it now takes three years for a child to receive paediatric psychiatric service, not to mention children's rights. What exactly are their rights? Our children have to compulsorily sit for BCA. I could hardly imagine that their rights are associated with the Disneyland. It is outrageous. The Disneyland is my first point.

And next is the food trucks. The idea of food truck brought up by the Commerce and Economic Development Bureau is untenable. The scheme has been kicked off for two months and the food truck operators cannot even recover the cost. More locations are then allocated for the food trucks to station. But the idea is still doomed to fail. The Food Truck Pilot Scheme is not tailored to local needs. To begin with, the food trucks should be located at places with high pedestrian flows. Food trucks in places and cities like California and New York are placed in locations with high pedestrian flows. But our Government chooses to place them in distant locations.

The latest location is the AsiaWorld-Expo. You can hardly find any people in the AsiaWorld-Expo except when an event is host there. Moreover, it still depends on whether people are willing to leave the air-conditioned stadium for the food trucks outside and eat food under the sun. This is still possible though because the food sold inside the AsiaWorld-Expo is too expensive and too

few in terms of choices. People are forced to go out and find other food choices. However, the food trucks there should not be considered operating very successfully because they are only the lesser of two evils.

Has the food truck scheme considered the interests of the operators? A food truck, including its kitchen installation, costs some \$700,000 to \$1 million. Not all small business operators in Hong Kong can afford such an amount of money. Food trucks in many other places are allowed to operate with a smaller amount of money or are exempted from fully meeting the requirement of a \$1 million initial investment. People in the community have also built their own version of food trucks. Perhaps senior officials are of the view that these local food trucks are not that good looking and consider them a disgrace in the inauguration ceremony. But this mentality is totally detached from the people.

In fact, can the Government do a better job in this regard? Small district economies such as night markets and bazaars are quite flourished in Hong Kong. Have we made an effort in this regard? The Commerce and Economic Development Bureau refuses to do and handed the job over to the Food and Environmental Hygiene Department of the Food and Health Bureau. This is the most absurd thing I have ever heard. Night markets and bazaars are supposed to be tourist attractions and activities that can boost our economy. A study conducted by the United Kingdom shows that night markets and bazaars can bring in an annual income of £7 billion. Although developing night markets and bazaars will incur some costs, with the help of corresponding policy, it can facilitate the establishment of a bazaar economy. But what have we been doing? We have been trying to push these small business operators to a dead end. I think that the Food and Environmental Hygiene Department has taken up a very difficult task. It has to handle numerous aspects of work and liaise with the Housing Department, Leisure and Cultural Services Department, Lands Department, Highways Department and Transport Department. The Commerce and Economic Development Bureau thinks that attracting district economies is not part of its work.

Besides, monitoring the beauty industry is another task under the Commerce and Economic Development. The beauty industry or the consumption mode by pre-payment have got out of hand in Hong Kong. It is a disgrace of Hong Kong indeed. Some beauty parlours even resort to detaining the customers until they are willing to pre-pay the service concerned. If the customers are emotionally or mentally disadvantaged, they would take further

advantage them. The Commerce and Economic Development has turned a blind eye to these irregular practices. The Bureau fails to lay down a licence cancellation system, which it should have done in the first place, and transfers the issue of medical beauty services to Dr KO, the Secretary for Food and Health. Medical beauty services are a specific area that the Food and Health Bureau may have to take up, but what about the consumption mode by pre-payment that rips off customers? The Commerce and Economic Development again says that it should not be under its portfolio. In fact, the Commerce and Economic Development should have the responsibility to maintain a fair business environment in Hong Kong. If business operators rip off customers, or some large-scale chained stores, listed corporations or beauty groups resort to triad-style extortion in conducting their business, why is this not related to the Commerce and Economic Development Bureau? When we talk about laying down a cooling-off period, the Bureau again says that this is not under its terms of reference. If the Bureau is not responsible for any issues, what exactly has it been doing? Is it still qualified as the Commerce and Economic Development Bureau? Should we call it the Commerce and Economic Damage Bureau?

Okay. There is one more issue related to it and that is the Kai Tak Cruise Terminal ("KTCT"). KTCT is a subject that makes many Hong Kong people very angry. It was Donald TSANG who decided to use that site for the KTCT. Well aware that it is unrealistic and in vain to take forward this grandiose project because the site does not have the necessary conditions required for operation and ancillary facilities are poor, the Commerce and Economic Development Bureau still took it forward and let it become an international subject of ridicule. Comments of the tourists who came to the KTCT are that the cruise terminal is ridiculous because there is no supporting transportation, no restaurants and all shops are closed. But the Secretary does not see the problem and takes no follow-up actions. The contractor disappeared and the money for the workers was in default. The KTCT is of such poor standard, how are we going to showcase it to the world? Stop fooling people please.

Fortunately, Hong Kong people are resilient. Frankly speaking, they know that if they rely on the Government alone, they are doomed to fail. They thus rely on themselves and work their fingers to the bone. No matter how high the cost is and how unsupportive the Government has been, they persevere with their own hard work. In this regard, the Commerce and Economic Development Bureau should be ashamed of itself.

Another outrageous issue, though it is already an old issue, is about communication technology, television licensing, the broadcasting industry and communication industry. I saw in the newspaper today the investigation conducted by the Securities and Futures Commission on the takeover of the Television Broadcasts Limited. It turns out that the connections behind the shareholder who intends to takeover Television Broadcasts Limited is very complicated and may even involve a political strategy of the Government. In other words, the Government intends to tighten the scope of communication and broadcasting in Hong Kong and control the local media with "Red" capital. Hong Kong will soon catch up with the Mainland in this regard indeed. Anyway, given that Carrie LAM, the "777" Chief Executive-Elect is so fond of watching the broadcast of the China Central Television ("CCTV"), she can turn all television channels into CCTV's channels. They have so many channels for people to choose from. She can instantly provide Hong Kong with an extra dozen of television channels if she does so.

I am afraid this is not the way to properly take forward our broadcasting industry. The Government itself does not support the Radio Television Hong Kong and scraps digital broadcasting. How could other radio stations survive? The Government does not have any policy to tie in with digital broadcasting. Even the Transport Department has done a disservice to digital broadcasting by banning the installation of digital broadcasting equipment in cars. What kind of a government is this? Unlike Hong Kong, Taiwan has not encountered any problem with digital broadcasting because they have hundreds of small radio stations operated by the people themselves using their AM or FM frequencies. Hong Kong certainly cannot do the same because this is against the will of the Communist Party.

Hence, taking forward commerce and economic development is just empty words. What the Government has been doing is to implement the policy of one country, so that Hong Kong will rely more on the Mainland economy. Its real intention is to tighten the scope of our innovation and technology as well as that of our broadcasting and communication. It may even support installing screening software. Although there is still some time before the genuine reunification in 2047, we are actually very close to this day. We will soon become the same as the Mainland where information broadcasting and communication will be put under control. By then, the Mainland will complete its unification indeed.

However, I believe the creativity of Hong Kong people will not die. They will find a way to spread the information not to the liking of the Government and the Mainland. Hong Kong people will not beg for support from the Government to take forward commercial and industrial development or to keep their jobs. These officials, who just care about their sinecures, fail to help us progress forward (*The buzzer sounded*) ... they actually make society regress. I so submit.

**MR NATHAN LAW** (in Cantonese): I am speaking on my amendment which proposes to reduce head 152 by \$337,000 in respect of subhead 700, and the amount is approximately equivalent to the annual estimated expenditure for the initiation of major tourism infrastructure projects. The main objective of proposing this amendment is to express my criticisms on the launching of massive construction projects by the Government, and the blueprints or directions it has formulated for implementing major tourism infrastructure projects or planning on the overall development of the tourism industry.

In a paper submitted to the Panel on Economic Development, the Government stated that in order to enhance the overall receiving capacity and attractiveness of the tourism industry in Hong Kong, it would be necessary to develop a series of tourism infrastructural facilities. Development projects to be taken forward include the expansion of the Hong Kong Disneyland Resort ("Disneyland"), Lantau development, Kai Tak Fantasy and the shopping centre at the border area. The tourism industry is a pillar industry of Hong Kong, and I think no one will deny its importance and completely oppose the development of the tourism industry.

There is of course nothing wrong with tourism development, but I object to making urban planning serve the privileged few in the name of developing tourism, thus sacrificing the space for common people and the natural environment, and costing the Government a huge sum of public money while bringing disasters to the environment and people's livelihood. As a matter of fact, the tourism problems that Hong Kong faces do not confine to major infrastructure projects, but also the blueprints in "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"), which include a large number of minor initiatives of community transformation in addition to a lot of major transport infrastructure development to facilitate the

connections between the Mainland and Hong Kong. These have made life very difficult for the people, aggravated the burden of the public and upset the ecology of many small communities.

For example, with respect to the conversion of Tin Wan Shopping Centre, which have aroused heated debates recently, although the shopping centre would not be converted into an international school now, the contractor has indicated its intention to convert it into a shopping mall for Individual Visit Scheme ("IVS") visitors. Tin Wan is a small community with a population of only 10 000-odd residents, but it has already become a hot spot for IVS visitors with the establishment of a number of hotels in the district. Local residents will in fact be very much affected if the only shopping centre where they can go for daily shopping is also converted into a shopping spot for IVS visitors.

As revealed by many other examples, the ecology of a number of small communities in the North District and Tuen Mun District has undergone changes under the influence of the IVS policy, and stationery stores and tea restaurants which have been serving local residents for many years are all replaced by drug stores and gold shops. This kind of tourism development has resulted in a significant impact on the community development of Hong Kong. As pointed out many times in the past, this is a very serious problem and is one of the misjudgments made in respect of the directions for tourism development in Hong Kong.

Another problem is of course the implementation of major tourism infrastructure projects, which is completely different from community transformation or displacement of shops, and a project which has been widely discussed lately is the expansion of Disneyland. The expansion of Disneyland has recently become one of the focuses of discussions in the city because as pointed out by many fellow Members, the expansion plan is plagued with defects. Although the Government is the major shareholder of the Hongkong International Theme Parks Limited (the company responsible for operating Disneyland), it is subject to the restrictions of the Shareholders' Agreement signed with the Walt Disney Company, and has also refused to provide a copy of the Agreement on the ground that it contains commercially confidential information. Under the influence and control of the Walt Disney Company, there is no way for the Government to revise the Option executed in 1999.

On the one hand, it is crystal clear that the agreement under negotiation is, as Dr KWOK Ka-ki has put it just now, a very lousy treaty that we have to stoop to accept. On the other hand, the 60 hectares of land acquired under phase 2 of the project will be reserved and left idle for 20 years, and the Government cannot resume the land and use it for other purposes. How big is the area involved for these 60 hectares of land I am talking about? We can draw a reference from the Wang Chau development project, under which only 20 hectares of land are involved, but many local residents are already forced to move out and live in destitution. Over the past 10-odd years and in the future 20 or 25 years, these 60 hectares of land under phase 2 of the project have been and will still be left idle. According to the Government, the site has previously been used for holding many activities, but perusal of the relevant information reveals that the site has actually been used for holding activities under several programmes only over the past 10-odd years. This is a sheer waste of land resources, and a practice against the principle of cost-effectiveness too.

If Disneyland has all along been operating well, not incurring a loss at least and generating revenue for the public coffers of Hong Kong with its impressive performance, it might be excusable for the Government to reserve 20 hectares of land for the project. However, as we can all see, when a deficit is recorded every year, we have also been dumping public money into the sea every year. Under such circumstances, it is simply unjustified and a waste of land resources in Hong Kong if 60 hectares of land are reserved and left idle for the project.

The Government has signed an unequal treaty and sent Hong Kong onto a path of no return back then, and worst still, it is planning an expansion project and an injection of over \$5 billion now, which is tantamount to meeting the endless demands made by the other party with our public money. Knowing very well that this is nothing but a trap, it is simply unreasonable to force this Council or Hong Kong people to fall into that trap. The Government is now insisting on making further investments to do such a losing business with no decision-making power, while only businessmen from the Walt Disney Company can make a profit of over \$2 billion to \$3 billion over the past 10 years. No wonder Mr Michael TIEN from the pro-establishment camp has righteously and severely criticized the Government for forfeiting its own rights and humiliating this city of ours.

This is already ridiculous enough for us to contribute money to guarantee profits for the Walt Disney Company when its management is not performing well, but the attitude adopted by the Government is even more ridiculous and has

made us gape in astonishment. When the whole city is stormed by the remarks that we can just "take it or leave it", Secretary Gregory SO will soon be given a new nickname. Apart from "Secretary Name Card", he can also be nicknamed "Secretary Take It" or "Secretary Leave It", and with the passage of the relevant works item, we might as well call him "Secretary Take It". This is really puzzling to every one of us in Hong Kong because obviously, we are not at a disadvantage, and the situation now is completely different from that in 1999 when the agreement was first signed. Mr Michael TIEN has also put forward a proposal, asserting on calculation that the Walt Disney Company would still be able to make profits even though we ask for more, and that the Company would probably accede to our requests even though it is asked to earn less. As a commercial entity, the Company should understand that this is how things work in the business world, and would probably compromise further if this Council imposes further pressure on the Company by exercising greater power or showing greater resolution. However, the Government has failed to work with this Council and fight for more favourable arrangements, and I consider this absolutely ridiculous.

This is one big problem brought about by the tourism infrastructure project of Disneyland, but as for other projects such as the development plans in Lantau or Kai Tak, and the macro planning under "Hong Kong 2030+" and Energizing Kowloon East, what the Government has been focusing on is a series of transport infrastructure projects. Examples in this regard include railway projects such as the East West Corridor and the Shatin to Central Link, Kai Tak Cruise Terminal, the Hong Kong-Zhuhai-Macao Bridge. Moreover, as pointed out during the discussions on "Hong Kong 2030+" yesterday, the Government has established the Lantau Development Office, plans to construct the Kai Tak Sports Park, the Hong Kong Palace Museum in the West Kowloon Cultural District, and all these are development projects to be taken forward with transport infrastructure projects that seek to achieve integration of Hong Kong and the Mainland as the backbone. On the one hand, this has run contrary to the development needs of Hong Kong people, and has served only to tie in with the national planning of China. On the other hand, when such projects are evaluated in the local context, would they really be considered conducive to the healthy development of our tourism industry? Not only have these major infrastructure projects failed to address the problems faced by Hong Kong, their implementation has also throttled the room for survival of many local minority groups.

Take Disneyland as an example. During construction of the theme park back then, archaeological studies on a number of historical relics could not be conducted in time before they were sunk into the sea with the commencement of the government reclamation projects, and this has also given rise to a lot of controversies then. Lantau Island is a place with a long history in Hong Kong, and it is rich in historical relics and monuments since evidence of human settlement on the island can be traced back to as early as the Stone Age. There were salt marshes in Tai O, and Yeung Hau Temple in the district is a monument with a history of over 300 years, while stilt houses are the dwelling places for local residents in the area. Lantau Island is the origin of Buddhism in Hong Kong, and it was the place where Buddhist monks landed back in those years. It can be seen from news reports that the cattle in Pak Mong, Silver Mine Cave in Mui Wo, Tung Chung Fort and the abundant unearthed blue and white shreds in Sunny Bay are all things and historical relics with great conservation value in Lantau Island. Reclamations in areas surrounding Lantau Island today will not only make it difficult to conserve all these and endanger the ecological environment of Chinese white dolphins, the future commissioning of traffic infrastructures in the region will also bring about more serious problems of air pollution and water pollution.

Recently, quite a number of problems have been identified with a number of construction projects, including the three-runway system, artificial islands in the central waters and the Hong Kong-Zhuhai-Macao Bridge. Such problems like the collapse of seawall, the use of low quality sea sand for reclamation, and so on will only lead to ecological disasters which we cannot foresee now, and are these the consequences that Hong Kong people would like to have?

Many workers in the cultural and music sectors are now renting industrial units located in Kwun Tong and San Po Kong to operate their own art studio and band room. For example, My Little Airport, an independent band which appeared in the Hong Kong Film Awards Presentation Ceremony two years ago, has previously put up a performance in Hidden Agenda. However, under the bulldozer type of development pursued by the Government, this piece of pure land will soon vanish. It is definitely possible that many industrial buildings where cultural workers in Hong Kong have taken refuge will turn into hotels, large commercial buildings or office buildings.

In a song named *Love Song of To Kwa Wan* by My Little Airport, there are a few lines of lyrics which read, "Will that station of the Shatin to Central Link be completed more slowly, for I can no longer afford higher rents". These are

exactly the feelings of workers in the cultural and music sectors, and even every members of the general public. On the one hand, a highly efficient transport network will bring them a lot of convenience, but on the other, convenient transportation will push up property rents. As observed from some recent examples, after the commissioning of the West Island Line and the South Island Line, the price of property per square foot in surrounding areas has soared in geometric progression, and this is actually the Government's fault when members of the public are caught in such a dilemma. The Government is still at a loss for the ways to achieve a balance among the development of traffic infrastructures, public aspirations for traffic convenience and the pressure brought about by soaring rents. The problem is actually a result of erroneous planning on the part of the Government.

The Government and members of the tourism industry should never try to wipe out antiquities and monuments and replace them with infrastructures and modern tourist sites, and sacrifice the daily life of common people, because all these are local history and cultural relics, which are valuable, complicated and diversified. It is also important that we should never adopt a stereotyped development strategy in Hong Kong, but should try to preserve historic relics and treasures found in various districts. If hundreds of billions of dollars spent on infrastructure projects can be allocated for other uses such as conservation, better results would definitely be achieved. Moreover, we should never hold the concept that conservation and development can only be opposing each other, and this is certainly not a reference or lesson we can draw or learn from the experiences of tourism development in other places all over the world. Making further development in Hong Kong does not mean that we should blindly destroy what we have but rather, we should develop on the basis of our rich culture and historical background, turn them into trademarks of Hong Kong and attract visitors from around the world.

At the Council meeting of 22 March 2017, we have discussed the motion moved by Mr YIU Si-wing on "Giving full play to the edges of local tourism resources". Some Members opined that a tourism policy should be formulated on the premise of engaging in conservation, and the Government should first of all conserve historical relics, monuments and sensitive ecological areas in Lantau Island. There were also Members suggesting that a bazaar policy should be formulated in the long run, and cooked food bazaars for grass-roots people as well as culture and art fairs should also be developed. As I have said earlier, while these proposals can achieve the objective of promoting tourism

development, consideration has also been given to natural environment and the daily life of common people. I consider this the correct direction for developing the tourism industry.

Although the amount of estimated expenditure for the initiation of major tourism infrastructure projects I propose to reduce is only \$337,000, which is a drop in the bucket when compared with the expenditure for any infrastructure project, I hope to take this chance to express my stance on the implementation of major tourism infrastructure projects. The aim of developing the tourism industry is to bring our many different faces, life and custom, history and culture to visitors. If we sacrifice our natural environment, historical heritage, cultural space and the daily life of common people for tourism development, tourism will be reduced to seeking only for materialistic satisfaction, and Hong Kong will become an uprooted city with no history and no soul. This city is now suppressing anything that have a soul, and our culture and roots are being gradually removed. Hence, I speak on and propose the reduction of the annual estimated expenditure for the initiation of major tourism infrastructure projects, and will make a concluding speech on my proposal later.

I so submit.

**DR YIU CHUNG-YIM** (in Cantonese): Chairman, I would like to speak on Amendment No. 178. This amendment concerns "Head 184—Transfers to Funds" and seeks to resolve that head 184 be reduced by \$4.5 billion in respect of subhead 984.

First of all, we see that in head 184 the Government proposes this year to transfer a \$4.5 billion surplus from the current account to the Capital Works Reserve Fund. But I must point out that this is in breach of the stipulation of Article 107 of the Basic Law. According to Article 107 of the Basic Law, "The Hong Kong Special Administrative Region shall follow the principle of keeping the expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product."

However, when looking at the account of the Capital Works Reserve Fund, we see deficit which grows year after year, in the next four consecutive years. Looking back at the expenditure of the Capital Works Reserve Fund in the

previous years, say, in 1997-1998, the expenditure at that time was just about \$30 billion. But the figure increased two times to \$90.8 billion in 2016-2017. According to the estimates and projections provided by the Government, the expenditure of the Capital Works Reserve Fund will continue to rise in the next five years, amounting to \$91.6 billion in 2017-2018, \$104.2 billion in 2018-2019, \$108.9 billion in 2019-2020, \$125.3 billion in 2020-2021 and \$130.8 billion in 2021-2022. Expenditure in the Capital Works Reserve Fund in Hong Kong will overshoot \$100 billion and then \$130 billion, as it keeps growing at almost \$10 billion a year.

On the revenue side, according to the data provided by the Government, proceeds from land sale is a major source of income for the Capital Works Reserve Fund. As a matter of fact, a prime lot has been sold this year at a record-breaking price. The Government keeps increasing its land sale but the total revenue stands only at \$119.8 billion. In the next five years, the revenue is estimated to stand at \$101 billion in 2017-2018, \$89.2 billion in 2018-2019, \$92.8 billion in 2019-2020, \$97.4 billion in 2020-2021 and \$102.3 billion in 2021-2022. That is to say, even under the optimistic forecast made by the Government, future revenue can only maintain at a below-\$100 billion level approximately. On the contrary, expenditure will keep increasing to overshoot \$130 billion. Based on the Government's data, it is predicted that we will see deficit for four consecutive years in the five years to come.

Let me read out the following figures to you: a meager surplus of \$9.3 billion in 2017-2018, to be followed by a series of deficits, at -\$14.9 billion in 2018-2019, -\$16.1 billion in 2019-2020, -\$27.8 billion in 2020-2021 and -\$28.5 billion in 2021-2022. The Capital Works Reserve Fund is going to experience increasingly heavy deficit, even under the most optimistic forecast made by the Government. This is an obvious breach of the principles of exercising financial prudence and keeping expenditure within the limits of revenues as laid down in Article 107 of the Basic Law.

But what we see is that the public works and infrastructure works under the Capital Works Reserve Fund have been launched and their contracts signed. Having no way to reduce its expenditures, the Government resorts to increasing land supply at the expense of the environment, in a bid to pay for the escalating expenditure in infrastructure works. They also have the economic incentive to push land prices upwards, so that the revenue of the Capital Works Reserve Fund will reach the level optimistically forecast by the Government, as mentioned just now.

We have to note in retrospection that the Capital Works Reserve Fund was set up as an account for capital cost of public works and infrastructure works, so as to stay clear of the account for recurrent revenue and prevent the cost of infrastructure works from affecting people's livelihood. The notion is thus clearly established: infrastructure works are paid by land sale and should be kept away from the current account which concerns people's livelihood. However, the Budget this year proposes to transfer the \$4.5 billion surplus from the current account which concerns people's livelihood, to the Capital Works Reserve Fund to pay for expenditure on infrastructure works. This is in direct contradiction to the original intent of establishing the Capital Works Reserve Fund. If we keep on transferring the current account surplus to pay for infrastructure works, the money intended for livelihood items, such as health care, welfare, education and so on, will be depleted and become inadequate.

Many people hold a misconception about land sale. They thought a bigger volume of land sale at higher prices will increase government revenue, so that the government treasury will have more money for improvement of livelihood. I have to state solemnly here that all the revenue from land sale will actually go to the account for Capital Works Reserve Fund, it is utterly irrelevant to the improvement of people's livelihood. The Capital Works Reserve Fund serves only as a revolving door from land sale to infrastructure works: the higher the revenue from land sale, the more money we have for public works and infrastructure works. But this Budget is even more ridiculous. On top of not using the proceeds from land sale to boost people's livelihood, it withdraws from the livelihood account, as the \$4.5 billion of current account surplus is transferred to pay for infrastructure works.

Such an arrangement, when implemented, will generate more incentives for launching more infrastructure works in the future, so that the works expenditure will continue to swell from \$130 billion to \$150 billion and then to \$200 billion. Even if the proceeds from land sale are inadequate, the shortfall can be compensated by transferring funds from the current account. This approach which contravenes Article 107 of the Basic Law will lead Hong Kong to a financial crisis.

Let us review the wordings of the Budgets. I have revisited the Budgets in 2015, 2016 and 2017 and they all said infrastructure works were at their peaks. The Government knows it well that with the signing and launch of so many public works and infrastructure works, expenditures are soaring high and out of

control. Therefore, this year they would like to exploit the current account surplus and appropriate the rare surplus of \$4.5 billion, which is originally meant for the livelihood, for transferring into the Capital Works Reserve Fund.

I hope members of the public and Members in this Council can carefully consider the amendment I make this time. This amendment seeks to prevent the Government from transferring current account surplus to the Capital Works Reserve Fund. Please note that the current account is meant for items important to people's livelihood, such as health care, welfare and education, which are already seriously underfunded. We are always short on money as this Government is a penny-pincher in almost every respect, such that some patients are denied of subsidized medicines and the elderly are deprived of sufficient or appropriate resources. Under the circumstances where resources for various livelihood items are inadequate, making good use of the current account surplus to help improve the livelihood is the only proper solution.

However, the Government not only ignores livelihood demands but also transfer the rarely available current account surplus to the Capital Works Reserve Fund to pay for those works which, according to people in the community, are "white elephant" works. We, as Members, must join hands to prevent the Government from using livelihood surplus to meet the ever-increasing expenditure on infrastructure works.

Indeed, I would like to ask taxpayers whether they agree to let the Government transfer the tax they pay, specifically the surplus leftover in the current account after spending on livelihood items, for the construction of "white elephant" works which are overspending habitually? Citing an international research report, Arcadis International Construction Costs 2017, I indicated clearly in my speech yesterday that launching too many public works by the Government was a major reason for overspending in public works in recent years. This leads to an inadequate supply in manpower, materials and machines within a short period of time, resulting in a sudden surge in the cost of public works. This international report has in fact indicated that such is a vicious circle created by the Government. Hence, the Government should recognize its responsibility in keeping the ever-increasing expenditure in Capital Works Reserve Fund under control, instead of eyeing up the current account surplus with the intention of misappropriating the livelihood funds to meet the expenditure on these "white elephant" works.

Last but not least, I must point out that when I recently asked the Government about the overspending of a large number of public works, a government official replied, "No. Upon completion of a good number of small-scale public works, we have surpluses rather than deficits." The Government indicated that the surpluses amounted to tens of billions of dollars but they would not be transferred to the current account. This means that the Government has exaggerated the amount needed when applying for funding from the Finance Committee of the Legislative Council. The remaining surplus, instead of being surrendered is kept in the Capital Works Reserve Fund to pay for the expenditures on the "white elephant" works projects. So, the logic is now clear to us: when there is surplus in the Capital Works Reserve Fund, it will not be transferred to the current account for the benefit of the livelihood. In that case, why is the surplus in the current account transferred to the Capital Works Reserve Fund to pay for those overspending "white elephant" works, whose overspending problem is created by the Government itself?

We must note that Hong Kong may run into the risk of economic recession in the next five years. In case of an economic downturn, the proceeds from land sale will plummet. But as we cannot refuse to pay for expenditures on the Capital Works Reserve Fund, an even more severe deficit will be resulted. If we do not properly safeguard our current account surplus now, when there is a decrease in tax revenue (*The buzzer sounded*) ...

**CHAIRMAN** (in Cantonese): I remind Members once again that according to the debate arrangement, this debate will end at about 3:15 pm today.

I will call upon public officer to speak at about 1:15 pm. After public officer has spoken, I will call upon Members who have proposed amendments to speak again. This debate will come to a close after the relevant Members have spoken.

Members who wish to speak, particularly those who have not yet spoken, will please press the "Request to speak" button as early as possible.

**MS TANYA CHAN** (in Cantonese): Chairman, I think taxpayers will feel worried after listening to what Dr YIU Chung-yim mentioned earlier. I know that certain projects have saved money, meaning that the amount of expenditure is less than the amount of funding already allocated. One example is the stormwater storage tank in Happy Valley, a project beneficial to people's livelihood of course, which had been followed up closely back then. However, we found that there is such a practice of channelling the unused amount of funding for a finished project to the private coffer to support other projects with cost overruns. The channelling of our money is done secretly in this way.

Back to the subject, if I recall correctly, an amount of money has been reserved for cost overruns in the Kai Tak Sports Park project. Dr KWOK also mentioned that situation on the other day. If I apply for funding for a project, I of course will ask for a bit more, because in case there is any surplus, I need not return the money to you. I can then put the money into my little coffer and allocate some money to any other projects in future without having to apply for additional funding from the Legislative Council. In that case, I do not have to answer questions from Members and the public. If that is what they are doing, are they not getting all the advantages? Every time when they have to apply for funding, they will ask for a bit more. After they have obtained the funding, they will use it slowly and save up slowly. They will then have enough to spend and the existence of the Legislative Council will be pointless in future.

Chairman, I originally would like to speak on Amendment No. 150 and Amendment No. 151 in relation to the Commerce and Economic Development Bureau, and particularly in relation to Mr CHAN Chi-chuen's request of slashing the subvention of the Hong Kong Trade Development Council ("TDC"). TDC is just too rich or too fat even to pull up the socks, right? Of course, the first thing I have to say is that TDC has indeed promoted Hong Kong trade, but this is only one of its statutory functions. As we all know, TDC is a statutory organization. Under the law, there is a Committee of the Council which also has its statutory functions and powers. Nevertheless, as TDC develops, even the Hong Kong Convention and Exhibition Centre ("HKCEC") is also under its development.

I very much want to talk about the history of HKCEC, about which some younger people may not know. In 1984 when the negotiation on Sino-British Joint Declaration was underway by both Chinese and British parties, we very much wanted to construct a convention and exhibition centre in Wan Chai North. This was not funded by the Government. Instead, the Government entrusted

TDC to find New World Development Company Limited ("New World") in signing the contract. In fact, we can find the information on this part of history in the Legislative Council Library. In 1994 during the preparation for the HKCEC Phase II extension project, it was inadvertently disclosed that an unequal agreement was signed against the background of the Sino-British Joint Declaration when Hong Kong was facing a dark period of uncertainties in its development or future.

As a matter of course, it was indeed not easy for New World to undertake this construction project with its own funding under that critical situation. Nonetheless, it actually could get not a few advantages. When New World undertook the HKCEC construction project with its own funding, all the related projects like hotel and office development in the surrounding area would also be awarded to it, and the management of HKCEC was also mentioned. At that time, New World signed an agreement with its fully-owned subsidiary, Polytown Company Limited ("Polytown"). During the preparation for the Phase II extension project, the people concerned cast some doubts on the clauses of the agreement. Why? When considering the Phase II extension project, they asked whether Polytown had to be in charge of the project and why TDC would have a role to play in the project. This is mainly because in the management of HKCEC, Polytown will give an amount of money to TDC each year and this has become one source of TDC's income. In the agreement, the amount was set at US\$650,000 or 5% of the total operating costs of HKCEC. The above is the limited information that we know.

Chairman, a lot of information could be found in the papers back then, but the situation is totally different now when we have to earnestly beg the Secretaries every day during meetings for those papers which are "highly mysterious, and contain too much commercial information and secrets to be disclosed to the public". In fact, this is an agreement signed by the same commercial company, and we can see some very important clauses in it from a paper of the Finance Committee ("FC") dated 1994. Chairman, those unequal clauses even exert their influence today. However, it will be highly difficult for us to ask for a copy of the agreement or to learn about the clauses today. Back then, the content of these clauses was disclosed in the course of discussion as the people concerned mentioned how these noncompetition clauses would affect the development of Hong Kong trade or HKCEC in the future. There are only two parties to this agreement, one being TDC and the other one being Polytown, a subsidiary fully owned by New World. In brief, if TDC does not undertake such

development, it will have an easy task as it will not be bound by these projects. However, TDC thinks that it has earned some profits from the business and is familiar with the convention and exhibition industry, and thus wants to reap more profits. After Phase I development project was completed, it obtained the contract for Phase II development, a project that doubled the size of phase I. But it was fine only if it was doing its work properly. Afterwards, there was The Atrium Link Extension ("ALE") project. As I mentioned earlier, during the discussion in 1994 on HKCEC Phase II development, they wanted to know whether the management had to be entrusted to Polytown or could be entrusted to a better management company through open tender. They, however, found a non-competition clause and thus sought legal advice from London QC, Mr Christopher CLARK, who said that any action of TDC contrary to the restraint of that non-competition clause might well present it with formidable legal difficulties. This was written in black and white in the FC paper back then. They would then think what the restraint was.

In clause 4.5.1 of the agreement concerning non-competition, it says, "The TDC shall not during the term of this Agreement"—How long is the term? It is 40 years plus 10 years and plus another 10 years, and the extension of 10 years will go on forever. In other words, only if it has not done anything wrong, the extension of 10 years will go on forever. I continue to read, "The TDC shall not during the term of this Agreement develop or co-develop, or sponsor, endorse or otherwise participate in the establishment of any exhibition facility or trade mart located in Hong Kong other than the Exhibition Centre and in operation at any time during the term of this Agreement." What is the meaning? If TDC wants to continue developing any exhibition centre or exhibition facility, it must cooperate with Polytown. However, this also applies in its development of any trade mart. I would then think: What is a trade mart?

Chairman, it is very nice that the Secretary is now in the Chamber. The Secretary might have heard what I just said, but I also want to take this opportunity to ask him again about the report of AMR International ("AMR"). I know the Secretary will say that some commercial secrets are involved, and I also believe that there are some related commercial secrets. This is a report published in 2014, and the Panel on Commerce and Industry has given us an executive summary of this report. Why is that report so important? It is because this report is related to the Policy Address this year which mentions taking away our Wan Chai Sports Ground in order to cope with the shortfall of 132 500 sq m of convention and exhibition venues in Hong Kong by 2028.

Chairman, just think about it. There will be a shortfall of 130 000 sq m of such venues by 2028. It does not matter anyway, as this report has also recommended 15 short, medium and long-term measures to cope with the shortfall. I have been asking the Secretary about the absence of a measure to take away the Wan Chai Sports Ground among these short, medium and long-term measures. I want to ask him about the implementation of these measures. For example, the eleventh measure is about repositioning of HKCEC and AsiaWorld-Expo. The medium and long-term measures include expansion of convention and exhibition space of AsiaWorld-Expo, or provision of additional convention and exhibition space in other locations. How is the implementation of these measures? The Secretary has not given us any answer. I really want to have a look of that AMR report, and I think that we can have a fair discussion in future.

Nevertheless, I think the Secretary will feel bored as I have been asking him about this for four months, Chairman, but I still cannot hear any response from him. Even for the report on replacing the large-scale performance venue in West Kowloon, we can still read it from the Legislative Council Archives. Each Member is given a document envelope. Only if I make a prior reservation of that report, it will be passed to me through the document envelope and I can take it out and read it as many times as I like. I really have no idea why this AMR report is so mysterious. The Secretary should know that an exhibition venue is mentioned in the West Kowloon report and this information is open to the public. The Secretary should also know that there is still some space adjacent to the Hong Kong Palace Museum in West Kowloon for the development of a convention and exhibition venue. Has that venue been taken into account in the AMR report? I know nothing about it.

I will continue with this issue. Why do I say that TDC is avaricious? Because it actually has an area for development already. This area in red was originally the bus terminus in Wan Chai North and it will become the Exhibition Station of the Shatin to Central Link. The Town Planning Board has previously designated the area above the Exhibition Station for TDC's development. In accordance with the paper concerned in 2014, it is said that "In the medium to long term, the Government will consider ways to increase convention and exhibition facilities. The Exhibition Station site, with an area of about 1.65 hectares, has already been rezoned to 'Comprehensive Development Area', which is primarily for convention and meeting facilities and other commercial related uses." Of course, this is not a small area indeed. As the Secretary has

also mentioned, this area will be used as a venue for meetings. At first, I thought that this might not be related to the non-competition clause mentioned earlier, although it is stated in the clause that TDC shall not develop other exhibition facility or trade mart.

However, Chairman, I am still very worried and hope that the Secretary can follow up on this. First of all, is it necessary that the development project be given to TDC? I am still in doubt of that today. But now that even the project design has also been handed to TDC, I find it even more puzzling. Since TDC is already very rich, the authorities do not need to entrust TDC with the project. I also hope that before TDC is given the project, legal advice can be sought on whether the trade mart mentioned in the non-competition clause is definitely unrelated to the exhibition centre.

Chairman, this non-competition clause is still in force. If an exhibition centre is being classified as a trade mart, TDC will be in breach of the clause and may have to face formidable legal difficulties. If that happens, it will be in a mess when TDC has to compensate for the losses incurred and the Government also has to cover a certain amount of expenses. Therefore, under the circumstances when clarification has not been sought from TDC on its development of the site above the Exhibition Station, why would the authorities entrust it again with the project concerning Wan Chai Sports Ground? I still cannot understand so far why sport facilities always have to give way to commercial uses.

TDC really receives a lot of money from Polytown each year. Chairman, at first, we thought that after signing these unequal clauses, the parties concerned would at least bargain with each other. As I mentioned earlier, TDC would receive an amount equivalent to 5% of the operating costs. In fact, this percentage has been raised later. In 1997-1998, it was 6.211%, and in 2002-2003, it was 8.028%. What is the actual amount of profits that TDC gets each year from Polytown? TDC received an amount from \$6.7 million since the opening of ALE to \$176 million in 2015-2016. TDC receives money without doing anything. I thus want to say here that it is illogical for TDC to go on like this.

Nonetheless, Chairman, I want to express my views quickly in the remaining 30 seconds. I think the Secretary should pay attention to the Hidden Agenda incident. In fact, with more and more business seminars being held in

Hong Kong, if the Secretary really wants to develop creative industries, he has to consider that some seminars and exchange sessions can be done in various forms and ways. In the Immigration Ordinance, should exemption be only given to some acts like contract signing, cargo examination or participation in seminars? If the Secretary wants to continue developing cultural and creative industries, he has to think about alternative ways of doing another kind of exchanges.

Thank you, Chairman.

**MR JEREMY TAM** (in Cantonese): Thank you, Chairman. My last speech also focused on Civil Aviation Department regarding the Committee stage amendment moved by myself to reduce the Department's expenditure by \$2,950,200. In the previous debate session, I could not finish my speech due to time constraint. First of all, I would like to point out why I consider the Civil Aviation Department or the Transport and Housing Bureau largely responsible for the problems associated with the new Air Traffic Management System ("ATMS"). The various problems, big and small, have cropped up recently as a result of their failing to handle the whole issue properly.

In the first place, it has something to do with the management or governance of the Civil Aviation Department. As I have just mentioned, its frontline staff are under heavy pressure. Previously, they received a survey questionnaire and the consultant company would refer to the survey outcome in making recommendations, such as whether the department should continue using the ATMS, if any improvements should be made, etc. Therefore, the survey was quite important indeed. However, a number of the staff members (close to 10) complain to me about being pressurized by the middle and senior management to answer positively in the questionnaire by giving a satisfactory rating to the new ATMS and expressing confidence in using it.

Regarding this, I have both lodged a complaint with the authorities and written a letter to Secretary Prof Anthony CHEUNG, bringing the matter to his attention. Prof CHEUNG replied in writing, telling me that the matter would be handled solemnly and all that I had to do was to make a substantive allegation. And so I proceeded to contact the Transport and Housing Bureau on 21 December which promised to ask the Civil Aviation Department to inquire into the matter and take relevant actions should there be sufficient substance in the allegation. The Transport and Housing Bureau would look into the matter

and conduct its own investigation accordingly in case it had any doubts concerning the investigation report submitted by the Civil Aviation Department. Thus, I gave an account of the matter to the Transport and Housing Bureau then. Chairman, the Bureau was indeed very efficient because after I had given an account of the matter to them at noon that day, they managed to issue a statement at around ten o'clock that night: "In response to media enquiries on whether an agreement has been reached between the bureau and Mr TAM for the Transport and Housing Bureau to investigate the allegation immediately, the Transport and Housing Bureau now clarifies solemnly that this is totally unfounded ... So far the Transport and Housing Bureau officer concerned has not received the list as mentioned in Mr TAM's statement during office hours yesterday." The truth is, however, I did have faxed the list concerned to the Transport and Housing Bureau before five o'clock that afternoon.

The most intriguing part of this lies in the letter that I received from that Bureau the next day, i.e. 22 December. The letter reads, "Your letter dated 21 December has been received. As reiterated by XXX"—I had better not disclose the person's name—"of the Transport and Housing Bureau while talking with you on the phone on 21 November, the Bureau will, upon receipt of specific information concerning the suspected Civil Aviation Department management staff who were allegedly involved in threatening air traffic controllers, refer the information to the Civil Aviation Department for follow-up actions. And the information submitted by you has already been referred to the Director-General of Civil Aviation for follow-up this morning." This means that they did have received the faxed list from me, and the contents of the telephone conversation can prove the validity of what I have just told, that is, I requested that the Transport and Housing Bureau instructed the civil Aviation to inquire into the allegation, and in case the Bureau is still not satisfied with the investigation results, it will conduct its own investigation. It is just as simple as that. Their such a high-profile response has, in effect, caused people to think I am a liar, but then in the following day, they confirmed in writing their knowledge of the matter as informed by me. I have no idea if they did all these deliberately or it was purely a kind of miscommunication between the Bureau and the Department. Yet, I do care because they have to do me justice and indeed, they owe me an apology.

The matter reveals that the Civil Aviation has governance problems, but what happened later on? Two staff members responsible for flight plans at the Air Traffic Control Centre had failed to input instructions in compliance with the

operational settings, thus causing a 40-minute failure of the ATMS. In connection with this, the Civil Aviation Department told in its reply that the main system remained unaffected while both the fall-back system and ultimate fall-back system were in normal operation. In February 2017, according to the information gathered by FactWire News Agency ("FactWire"), the Civil Aviation Department recorded six incidents of "loss of separation" in January. The Department later clarified that those incidents were only "mild" in severity as they were within a scope of 5 knots only. Among those incidents, three being mild technical glitches.

Therefore, apart from some minor glitches such as missing flight information, incidents of loss of separation had also occurred under the current system. Recently, the number has been on the rise. FactWire further pointed out in 10 February that there has been more than 80 instances involving detection of "ghost targets" (i.e. non-existent aircrafts or mistakes in radar detection of aircraft's position or altitude where flight information is missing, or "split tracks"), and false alarms of predictive conflict alert were caused in 30 such instances.

From my personal point of view, this reflects the truth that the situation is far worse than what was told by the Civil Aviation Department. The latter keeps citing the opinion given by NATS (National Air Traffic Services), an overseas independent consultant: The system can stay in operation given that it has been running smoothly without any record of malfunctioning in the past. Nevertheless, the documents retrieved by FactWire confirmed that the Civil Aviation Department began its close relationship with NATS as early as in 2009, with talks on forming a strategic partnership. Under this backdrop, how independent can the opinion of a potential strategic partner be, may I ask?

As the ATMS has undergone software update later on 20 March, I suppose that everything will be fine again because the prevailing problems can be resolved and the operational efficiency of the system can be enhanced with updated software installed in the system. The ATMS Expert Panel ("the Expert Panel") noted in its interim report published on 3 April that some of the occurrences were caused by the limitations of radar technology and so the system was deemed sound. A few days later, however, another system failure occurred on 10 April, which was caused by an accumulation of users' preferences settings exceeding the pre-set system limit. This is still fresh in our memory. Not until then did we realize that there is limitation on the number of personal preferences settings

(including the positioning of the screen, font size of words display, colour and brightness) and the total number allowed for the entire system is set at 5 000. The system will slow down once the number of such settings exceeds 5 000. The Civil Aviation Department had to activate the fall-back system as a result.

The Civil Aviation Department used to stress that the fallback system had never been activated, but that was no longer the case because the fallback system was finally activated on 10 April, that is, six months after the commissioning of the new ATMS. Are all the occurrences mentioned above are merely transitional problems as asserted by the Civil Aviation Department? But I think we are well aware that there is something wrong with the system's software.

Here, I must give credit to the Civil Aviation Department. After the system failure occurred on 10 April, I requested the Department to retain the old ATMS, which they originally planned to remove in May, for a longer while. I made this proposal for safety's sake because in case there is something wrong with the system software main system, both the main and the fall-back system will be have the same problems. Given that the old one is a totally independent system, it can provide support if necessary. Having heeded my advice, the Civil Aviation Department will retain the old system for a longer while until next month, pending the Expert Panel's decision on further actions after conducting relevant studies.

Chairman, I think we all agreed that Hong Kong is second to none in terms of civil aviation safety, and that owes much to industry members as well as the staff of the Civil Aviation Department for their striving wholeheartedly to give their best efforts in gaining recognition from the international community for Hong Kong's aviation industry. Besides, Hong Kong is regarded as a traffic hub with absolute safety as well as a sound and reliable aviation network. Yet, recognition is hard to come by and is not a necessary outcome of the efforts made. Hence, we have to be forward-looking and comprehensive in carrying out every single task in order to guarantee the provision of safe and reliable aviation services.

Taking into account every hint, however, we find that the views of its staff at lower levels are not brought to the attention of the senior management under such an insular approach of governance adopted by the Civil Aviation Department. I definitely understand that the entire ATMS is rather complicated and it may take five to eight years—that sounds more reasonable—to complete all

necessary steps ranging from the purchase of a new ATMS to system reintegration. While replacing the old system with a new one is a grand mission, that is not an excuse for turning a blind eye to all those utterly unresolvable problems. I do agree that we need to spend a reasonable amount of time on system reintegration, but how long should it take then? Perhaps it will take more than a couple of months for rectifying all the problems encountered.

Do not forget that the construction of the third runway of the Hong Kong International Airport is about to commence. Recently, reclamation works are already underway and maybe the Members concerned have already conducted site visits to inspect the progress of those reclamation works. By then, the air traffic will be much busier and I am skeptical if the ATMS can cope with the increase in flights. Judging from the current situation, various glitches, both big and small, have occurred under the new system. I certainly understand that solving problems takes time but, Chairman, it is necessary to set a time frame. If the problems cannot be resolved within the time frame, then we really have to consider replacing the current system with another system.

We can draw a line based on this concept, say, before the commencement of the three-runway system, that means after deducting a period of five to eight years as mentioned just now, the authorities may have to, starting from the end of this year until the middle of next year, decide if the ATMS really has to be replaced. I do hope that the Civil Aviation Department will adopt this mentality instead of keeping a tight grip on the ATMS currently in operation only because it has devoted so much money and time into it. What is point in keeping it while neglecting some other better options?

Taxpayers' money must be put to good use and when all the problems associated with the current ATMS are unresolvable, we have to get rid of it as early as possible to avoid setting off a domino effect. Try to imagine this: Hong Kong will have to suffer greater loss upon completion of the three-runway system when the airport is unable to fully utilize its runway capacity in coping with the number of additional aircraft movements by then due to the problematic ATMS. Nowadays, a works project may cost \$10 billion or \$20 billion, but replacement of the ATMS will only cost \$800 million to \$1 billion. Comparatively speaking, it is not a very large sum. If the three-runway system cannot come into full operation upon completion due to the restrictions of the ATMS, the economic loss to be suffered by Hong Kong must exceed the range of \$800 million to \$1 billion. More importantly, Hong Kong as an aviation hub must safeguard its high standard of safety.

I hope that the Government will give serious consideration to the several points that I made above and do its job well in future. As I have said right at the beginning of my speech, I did not aim at exposing the blemishes of the Civil Aviation and commenting on its past performance. At this moment, I only want to talk about my observation and worries over the past up to now after the Director-General of Civil Aviation assumed office in May. I am so concerned with how we can ensure smooth operations of Hong Kong's aviation industry and economy. Above all, I really care how Hong Kong can achieve and maintain the highest standard of aviation safety. I so submit.

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, at last I can have more than two chances to speak in this debate session and propose 10 amendments. Just now I have spoken on Amendment No. 59 on the Commerce and Economic Development Bureau (Communications and Creative Industries Branch).

When I spoke last time, I talked about the free television licence incident, in which the Chief Executive in Council vetoed the decision of the Communications Authority ("CA") to award a license to Hong Kong Television Network Limited ("HKTVN"). No sufficient grounds were given, and even the former Chairman of CA was puzzled. To put the blame on Secretary SO is a bit unfair to him, because he can only remain silent and cannot say what he really thinks. Over the past few years, we have kept asking him about this, but he simply cannot speak out. He is not allowed to speak his mind even after the making of the decision.

Therefore, I have just asked the Government if it is correct to say that it does not have a television policy and does not want to give any assistance to the Hong Kong television industry. Chairman, it will be better in a way if there is really no policy. But, the point is here is not about any lack of policy. There is in fact a television policy, but the policy is to facilitate the invasion of red capitals and their control of Hong Kong's television industry. This is may not be something Secretary SO really wants. But Hong Kong people do have sufficient grounds for such suspicion, as they can observe empirically from many actual cases, including the licensing issue concerning HKTVN some time ago. Did the Administration arbitrarily reduce the number of licences from three to two and withhold the licence that could have been granted to HKTVN, simply because it is a Hong Kong-owned company not vulnerable to the invasion of red capitals and the control by red forces? This the suspicion held by the public.

Meanwhile, there is one more piece of evidence for everybody's reference today. The headline carried by one newspaper today is actually very big news. But I do not know why there is not too much media coverage. Perhaps we should intercept Secretary SO for a response later on. The headline reads, "Double share class comes to light, showing LI Ruigang as the real boss. TVB suspected of withholding information from CA." I do not know if Members have time to follow the news. I myself started to study the relevant procedure and papers only in the past two days. It was brought to light that actually, the beneficial major shareholder of TVB was LI Ruigang, the "Murdoch of China".

The share structure of the largest shareholder of TVB, Young Lion Holdings ("YL") has never been brought to light before. But some time earlier when the Takeovers and Mergers Panel of the Securities and Futures Commission ("SFC") held a hearing on TVB's commercial buyback plan, the Panel demanded TVB come clean about the share structure of YL. It was then discovered that LI Ruigang had substantive control over YL and TVB in some other forms of agreement, and he owned a substantial equity interest of 79% in YL. SFC even pointed out that certain provisions of the relevant agreements might not had been provided to CA. It was therefore rather questionable if CA knew the genuine boss of TVB was actually the person with the surname LI instead of CHAN. If CA knew nothing about that, then it was quite normal that Secretary SO also knew nothing about it. It was because CA had to report that to Secretary SO before he was informed of the matter. However, it did not mean that the Communications and Creative Industries Branch under the Commerce and Economic Development Bureau should not be held responsible.

Up till now, TVB has not responded to the matter. But CA responded last night that it had learnt the matter from SFC and thus it would study the relevant papers provided by TVB on its share structure in detail and see if it had violated the Broadcasting Ordinance and relevant license requirements. Of course, the next thing to do is to seek legal advice.

Now everyone is casting doubts on the matter. Actually, the distribution of shareholders behind TVB has been a mystery. Yesterday, SFC disclosed that China Media Capital ("CMC"), which was under LI Ruigang's control, was holding the voting and non-voting shares of YL. Thus his total equity interest was 79.01%. He was then holding 26% of TVB's share via YL. That is to say, CMC was the substantial shareholder of TVB and had the beneficial interest in TVB.

(THE CHAIRMAN'S DEPUTY, MS STARRY LEE, took the Chair)

SFC also found that three shareholders of YL (Charles CHAN, Taiwanese merchant Ms Cher WANG and the "Murdoch of China" LI Ruigang) had signed two agreements earlier, which had made CMC, the company which held the most non-voting shares, the de facto control in the decision-making process. Under most circumstances, the non-voting YL shares might carry power of nomination, approval or disapproval amounting to de facto voting rights. It was really terrible. Another thing was even more outrageous. Pursuant to the Shareholders Agreement, CMC had the option to require Charles CHAN to sell the entire shareholding to a Hong Kong-resident third party of CMC's choice. That is to say, it can drive away anyone at any time.

The Broadcasting Ordinance is regulating these things in Hong Kong. It was implied that TVB was withholding information from CA that perhaps CA had not intervened because TVB and YL might not have been provided the information to CA in accordance with the Broadcasting Ordinance, especially those relevant provisions in the Shareholders Agreement and the Relationship Agreement. The matter should be handled properly and seriously, otherwise, why should the Broadcasting Ordinance stipulate that only a Hong Kong permanent resident can be a "qualified voting controller" of a domestic free TV license? Everyone should understand the legislative intent of this Ordinance. That is, it does not allow a non-Hong Kong resident to control a media of such importance. However, because of the TVB's buy-back plan, it was brought to light that some people were suspected of withholding information from CA.

People from the legal sector said that the worst case scenario was to suspend TVB's license because it had failed to comply with the ordinance's requirements. However, Members may rest assured that Secretary SO cannot shoulder the responsibility of suspending TVB's license. A riot will break out if TVB is closed down. For that reason, the Government will find ways to settle the matter. Perhaps TVB will get away with a fine, or it will be issued a serious, serious, serious, serious, serious, serious (repeated seven times) warning.

Therefore, everyone can see that the television policy has made so many people worried. People are saying that things are turning red. People are just gossiping, but now we can see this from many incidents. For that reason, Secretary SO, I sympathize with you that this incident is only exposed at the final

two months of your term of office. And you have to wait for the investigation, wait for SFC and CA's legal proceedings in your remaining term of office, and yet you can do nothing. I hope that the next Government, especially the Commerce and Economic Development Bureau (Communications and Creative Industries Branch) will review our television policy, with a view to making Hong Kong people feel that the Government is not turning Hong Kong's media and television industry red, or is not abolishing the legislation so that anyone can have complete control in a television station, no matter he or she comes from the United States, mainland or Taiwan. By then the authorities may conduct the consultation and discussion again.

Moreover, I also wish to respond to the issue concerning the Disneyland. Just now Mr Nathan LAW has also spoken on this issue, but his amendment is not to the point at all. Mr Nathan LAW's amendment involves "Head 152—Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)". He proposes to reduce a sum equivalent to the estimated full-year expenditure of launching campaign of major tourism infrastructure projects. Let us take a look at the sum, just \$337,000, does it matter to reduce this meagre sum of money? No, it does not matter, it is just like that he has only scratched the surface without getting to the core of problems.

Let us think about it, two weeks ago we have approved \$4.55 billion. Now he proposes this amendment of reducing \$337,000 of the department's expenditure because he is not convinced. Nevertheless, what he is doing now will make other expenditures the innocent victims. It is because the item does not only involve the Disneyland, but also the launching campaign of major tourism infrastructure projects. Therefore, I am not going to help Mr Nathan LAW convince Members to support his amendment.

However, I understand why he has to propose this amendment, because it is so exasperating. Deputy Chairman, Members of your party have also moved motions in the relevant panel and those motions were passed. We want to help the Government, so that it can secure the best bargaining chips in the negotiation with Disney, because the majority of Members do not wish to see the Disneyland closes down. However, the Government has not accepted our views. Afterwards, Secretary SO said that there was no room of negotiation. We were told that we might take it, or leave it. If the Secretary told us beforehand, then we need not wasting our energy and moving motions. Or the Secretary may

come to tell us that there is no room of negotiation after the motions were moved. Actually the CEO of Disney needs not come to Legislative Council. What he has to do is to leave these words for Members' discussion: "Take it or leave it".

Not only Members from the pan-democratic camp—that is, the opposition camp as you describe—many Members from the pro-establishment camp are not convinced in heart though they are convinced by word. Mr Michael TIEN is not convinced in heart and by word, as Mr Abraham SHEK just made this pithy remarks. Actually during the discussion, Dr CHIANG Lai-wan—she is also a businesswoman—has raised some insightful views this time around, which is quite rare indeed. But eventually, she said "visiting the Disneyland is a matter of the right of the children, and I can hardly bear to see that Hong Kong's children are losing the chance, so I have no choice but to support the funding request." Even if she disapproves the funding request, the Disneyland will still exist. It will not close down by tomorrow. The only thing is that it will not conduct the expansion.

Everyone knows why Hong Kong people or Hong Kong's legislature are not really convinced, because it seems that we are under duress to allow Disney to make a profit. No matter the Hong Kong Disneyland is making or losing money, we have to pay the royalty and management fees. But it will not tell us how much profit it has made, as it is not allowed to disclose. Eventually, there are rough estimates in society that it has pocketed \$3 billion. The Secretary said the expansion works would bring about \$40 billion economic benefits. This is his argument and this is the projection made by experts. But as to the fact that if these figures are believable, you need to ask the legislature. Please do not speak against your conscience. If they find you believable, they will not be convinced only by word but not convinced in heart.

However, as the funding request was approved not long ago, then we have seen a report which is rather chilling to many Hong Kong people. The cover story of this week's *Next Magazine* is: "The Government kneels down and pays \$5.4 billion, Disney's restrictions removed, Patriotic Families become biggest winner". What does that mean? It turns out that when the Government signed the agreement with Disney some years ago, there was an unfair provision which limited the height of the surrounding development. That is, within the areas visible to Disneyland, the height of buildings should not exceed the Disneyland. It is because according to Disney's requirements, it will keep outsiders from getting a peek at the rides and attractions inside Disneyland. Likewise, no

buildings should be seen from Disneyland, because that will ruin the sense of fantasy that Disneyland gives its guests. For that reason, they drew up the restriction provision. However, during the phase 2 expansion of the Disneyland, the restriction will be relaxed.

At this point, Members should understand that what the Government concerns most is not that Disney will scrap its phase 2 development and turns to work on the improvement of phase 1, or Hong Kong may also suffer if the competitive edge of Disneyland diminishes, such as Hong Kong will "dry up" or it will run its course. It turns out that what the Government concerns most is that if the expansion project is vetoed, Disney will not discuss with the Government on relaxing the height limit.

What will the result be? Everyone knows that the Government's "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+") is in full swing, including the proposed East Lantau Metropolis, the Sunny Bay reclamation, as well as reclamation works on uninhabited islands such as "Kau Yi Chau" off Peng Chau and the construction of artificial islands. The agreement signed between Disney and the Government has just restricted the development in the area.

In 2014, the Lantau Development Advisory Committee under the Development Bureau pointed out in its discussion papers that, the height limit prescribed in the agreement signed between Disney and the Government will be a question to be considered in the Lantau development. However, the Government has been actively discussing the expansion plan with Disney over the past one year. During the discussion, the Government raised the issue concerning the restriction on nearby lands, and eventually Disney gave its consent in principal that the height limit in nearby Government lands would be relaxed.

As a matter of fact, Members have discovered the problem when we were leafing through information for the preparation of questions to be asked in the Finance Committee. Now the funding request is approved, certain media have discovered that some property companies at Peng Chau have started to acquire one farmland at Peng Chau which has been abandoned over 40 years. It gives no cause for criticism for someone to grasp the chance of development, but the boss of the company is a member of the advisory body, therefore people start to question if the entire Disneyland development project is a conspiracy.

**MR LEUNG KWOK-HUNG** (in Cantonese): Mr CHAN Chi-chuen is really stubborn. He has been too kind in this matter. This is simple. Uneven access to information will lead to an unfair transaction. So, who will have access to such kind of information? The Deputy Chairman herself was a member of the Executive Council before. In the Executive Council, members are free to talk about or listen to virtually everything without restriction. All members have the rights to speak and listen, and it all depends on the muscle of the speakers as to whether the words can be realized. This is our entire system. However, this is not the case in our Council, which is merely a cosmetic institution where words fall on deaf ears. So, only five hours' are allocated for us to conduct the debate after the President's decision to cut off the filibuster, disregarding the fact that we have much to say. Honestly, the time allocated is definitely not enough if all 70 Members in this Council opt to speak on each topic. Therefore, the President's move to cut off the filibuster has effectively deprived us of our power to monitor the Government.

Let me now return to the topic. Speaking of innovation and technology, can Secretary Nicholas YANG design a programme to enable us the ability to make use of big data and find out the reasons for the frequent cost overruns of our infrastructure projects? The Secretary may try identifying the causes of such overruns, as this is a topic of heated dispute. Some people ascribe this to filibuster, while others attribute this to increase in wages. On the other hand, as Dr YIU Chung-yim has explained just now, an international institution pointed out that if a certain user announces to the market its plan to commence a series of construction projects, the cost will certainly inflate. Say, if someone announces that he will procure 5 000 shoes, all made of crocodile skin, then the price of crocodile skin will absolutely go up. Moreover, this will give rise to rent seeking activities in which people will start hoarding crocodile skin. Can the Secretary help Hong Kong people by applying big data on such an analysis? As the Secretary has said, it is not only about goods manufacturing as we may not be able to compete with others in this area. So, for such an advanced city like Hong Kong, we can utilize our innovation and high technology as an effective tool in boosting our creativity, thereby bringing our economy forward with the support of big data. Please give this a go in order to help us avoid cost overruns.

Members may think that "Long Hair" has no point here. You may wonder how serious cost overruns can be. Deputy Chairman, this is really about the economy. So, how serious is the situation of cost overruns? Let me have a count: the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express

Rail Link, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Projects, the West Kowloon Cultural District, the MTR Shatin to Central Link projects, Liantang/Heung Yuen Wai Boundary Control Point and associated works, as well as the Three Runway System, though this one is not yet built. The total estimated cost in the beginning was \$297.5 billion—I am trying to be generous and not counting the numbers after the decimal point—yet the latest estimated cost soared to \$417.6 billion in total. Funding for some of these projects have already been approved, while applications for funding regarding other projects have yet to be lodged. Moreover, construction of the Three Runway System has not started yet. Will Members think about how much is the cost overrun? The answer is \$120.1 billion, an exorbitant figure. If this happens to a company, it would have closed down already. Deputy Chairman, do you understand this?

A prominent entrepreneur in the toys trade once procured the wrong kind of paint for use in the production process, which resulted in immediate closure of his business. If our Government is a private company, it would have collapsed by now. That said, the Government has yet to close down because we have kept feeding it with profits for its wastage. Members will of course follow the ritual and endorse the \$120.1 billion funding to foot the bill, including the \$5.4 billion for the Hong Kong Disneyland Resort in which we had to either "take it or leave it". Buddy, he spoke in English, asking us to "take it or leave it". However, we should have added a line here: "If the kitchen is too hot, leave it." Just leave it if anyone believes that the kitchen of Disneyland is too hot. Buddy, being a chef, why do you need us to indemnify your business? Our government officials would never learn the tactic of "give and take" at the negotiating table. If I were the negotiator, I would have said, "leave it", if you feel the kitchen too hot.

So, how are we going to negotiate? From where do we starting talking about our economy? Legislator "Slow Beat" has a clear mind with this matter—probably he does not have a clear mind, as others may have told him so—I am talking about the height restrictions. It turns out that we did not think about developing Lantau Island when we signed the contract then. Why did we need to develop Lantau? Having the Discovery Bay is fine enough, which is owned by a patriotic businessman surnamed CHA. How would they allow others to invest in the area? Even if it is the case, they would start with the Discovery Bay where there is an abundant supply of land. Deputy Chairman, this is not the case now. How do we practice economic development nowadays? Legislator "Slow Beat", do you remember? There was plenty of land at the Discover Bay area, but it is no longer true now. Deputy Chairman, what do we mean when we talk about our economy? For instance, with regard to "Hong

Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"), do you remember how much money has the Government proposed to spend on land reclamation? \$400 billion. Deputy Chairman, this is about the economy. Do not say that I have strayed from the topic. He now asks me for \$400 billion to be used on land reclamation, with a view to implementing Hong Kong 2030+. Having overrode the original Tung Chung development plan with a capacity of 200 000 residents, they replaced it with another plan housing only 80 000 residents or so, and the planned population was again amended to 100 000. Secretary Nicholas YANG, the overall economic drive in our city does not come from those sophisticated technology championed by you, but from the most ancient trade. No, I do not mean prostitution. I believe rentier capitalism is the oldest economic activity in human history. This is wrong, simply wrong. During our discussion of the economy, Deputy Chairman, I have time and again expounded in this Chamber that the economy is not something described by many government officials and plutocrats these days. It is not about bringing more profits. No. Money is made for spending. In other words, the essence of labour in a society is that, regardless of whether it is mental or physical labour, we must search for a way to better distribute the new wealth created by us all, so as to strengthen society as a whole, thereby creating more wealth in future, which will also be distributed fairly. As regards the \$120.1 billion hefty cost overrun, which have deprived our wealth by \$417.6 billion, Deputy Chairman, what do we get in return?

While Mr YANG always talks of a lack of creativity among the workforce and a lack of technological talents, I believe a straightforward means in dealing with this problem is to start from universities, right? Our funding for universities only equals to half of the levels granted to universities in regions comparable to us in terms of power and economic might. The Deputy Chairman had the chance to study in The Hong Kong University of Science and Technology, but I want to ask: how about those who were not admitted to the University? Now that they earn an monthly income of around \$10,000 at most, yet renting a sub-divided unit may cost them \$6,000 already. How are they able to pursue further studies? How are they able to plan for their own future? The present system, this particular system under discussion, really serves to enrich a minor portion of people only.

As I have repeatedly pointed out, land has its value. Land in the territory belongs to the people as natural resources. It requires human labour to derive economic value from land. The Hong Kong Federation of Trade Unions always

claims of taking care of workers. Of course we have to take care of workers. In this case, after the workers have worked hard to create value from natural lands for your profits, or securitizing the land for your speculation, what do they get in return? This is the fundamental purpose for our discussion about economics. We do not aim only for creating more wealth, but resources to be used by people.

What has the SAR Government done? Secretary Nicholas YANG, as a member of the innovation and technology trade, can you elaborate later any grand plan regarding the development of the Loop in the future? When it comes to the Loop, we mean land instead of high technology. We mean illegal occupation and enclosure of land. The same is true for Qianhai. We have to create value from land, especially the plots of land adjacent to Shenzhen, Deputy Chairman, that is, the lands facing North West and North East New Territories. Therefore, we have to construct a lot of "white elephants" mentioned just now by us, in which nine out of ten projects serve to connect the Mainland, with a view to creating mutual effects on one another. So, I want to ask how did they spend such an enormous amount of money? Deputy Chairman, do you know? This year, the Government earns another record level of revenues from land sale, which is higher than revenues from profits tax. After all, both of them are the same. Tax revenues from the stock market come largely from companies in the property sector, or companies mainly conducting property-related business, while land sale revenues drive up the prices of property shares. This is simple. Let us take the HNA Group as an example. Deputy Chairman, you must know that the HNA Group is such a mighty corporation which bids for lands in astronomical figures. WANG Qishan is rumoured to be one of the owners behind the company. Why does the HNA Group take part in land speculation? Land speculation pushes up the share prices of companies relying only on land-related business. Now that they tender for lands with bids of over \$30,000 per square foot, how can we know the exact amount of land plots purchased by HNA Group? Moreover, there is a wealth effect at work. By purchasing a plot of land at a price of \$20,000 per square foot, the entire market will respond when the price rises to \$30,000 per square foot as a result of speculative activities. This is how the economy works. Deputy Chairman, I am speaking on the economy. The economy enables the most wealthy group to procure necessities like lands and properties, or even supermarkets or other public utilities. For example, ZHANG Songqiao, who is known as Chongqing's LI Ka-shing, is really a tycoon as he holds shares in all sectors related to public transportation, such as tunnel, bus and driving school, and so on. This is the

way our economy operates. This is how the Hong Kong Government has turned assets or resources otherwise owned by the people into goods for speculation, thereby further turning them into capital, and finally into securities.

Deputy Chairman, Carrie LAM claims that she wishes to resolve the conflicts in society. However, the deep cause of social conflicts is disparity between the rich and the poor, which is itself a result of the disparity between those who have power and those who have not, or those having too much power and those having too less. The current discussion about economy focuses on prices of goods only, which deals with ways to generate more capital or money for someone to purchase goods needed by others, but not by his own. He will then sell such goods to others who are in need of those goods, thereby further accumulating his wealth. In the light of Greek philosophy or the thinking of caring for the people's well-being, the very origin of economy refers to all the people's collective effort to create wealth and resources for a relatively fair distribution. Is this what we are doing? Of course not. The banks in our city are all acquired by foreign owners. As for the Hang Seng Index, Mainland companies are having a larger share day by day, and they now account for almost 60% of the weight. Our entire economy is in fact a system under which the Government transfers Hong Kong's financial reserves to a Future Fund, as proposed by "Uncle Pringles" John TSANG. He claimed that Hong Kong people cannot survive if they are short of money for building more infrastructure when they grow old in the future. They start by adding the money from the Land Fund into the pool lest we will spend it on implementing universal retirement protection. This is how our economic system works, which surely is wrong.

Frankly, I can spend four hours speaking on this topic, but Deputy Chairman, I have to stop here as my speaking time is up. In my view, by introducing the Budget, if we really wish to realize the kind of economy which takes care of the people's welfare, we should allocate the funding for the "white elephants" on education, retirement protection (*The buzzer sounded*) ... and community development instead.

**DEPUTY CHAIRMAN** (in Cantonese): The Chairman has twice reminded Members that according to the debate arrangement, this debate will end at about 3:15 pm.

The Chairman has also reminded Members that he will call upon public officer to speak at about 1:15 pm today. Therefore, I will first call upon Mr Holden CHOW to speak, then I will call upon public officer to speak. After public officer has spoken, I will call Members who have proposed amendments to speak again. This debate will come to a close after the relevant Members have spoken.

**MR HOLDEN CHOW** (in Cantonese): Deputy Chairman, I was surprised when I heard for the first time that Mr CHAN Chi-chuen expressed disagreement with Mr Nathan LAW's amendment. This seldom happens. His criticism was roughly about the trivialities of the amendment moved by Mr Nathan LAW. As we all understand, I generally will not agree with those filibustering amendments put forward by Mr CHAN Chi-chuen. However, for the first time when I heard Mr CHAN Chi-chuen criticize some filibustering amendments for their trivialities, claiming that they should not have been proposed, I suddenly wonder if he no longer feels ease in conscience over filibustering for such a long time and deliberately proposing too many trivial and pretentious amendments aiming at delaying our work.

Let me get back to the main topic, I have heard many colleagues expressing their views about Hong Kong's economic development. On the whole, I heard just now Mr CHAN Chi-chuen has spent some time on the Hong Kong Disneyland ("HK Disneyland") and I think some other colleagues have also talked about the HK Disneyland project. I would also like to spend a little time on the HK Disneyland. I am in favour of the HK Disneyland expansion project and I wish to take this opportunity to explain the reasons for supporting this project. As we are aware, the Hong Kong Government sealed a deal with the Disneyland in 1999, an agreement which was overwhelmingly considered by us as unequal and utterly unfair. There were various objective factors behind the deal, including probably the poor economy that time. To put it most frankly, the simplest explanation was that we was the supplicant, pleading the Disneyland to build its theme park in Hong Kong. As a result, we were subjected to exploitation and had signed such an unequal agreement.

How did the HK Disneyland perform in the past eight to ten years? Let me try to give you some ideas. On the attendance of the theme park, the annual attendance had actually been on the rise between 2006 and 2013, with the number of guests growing from 4 million in 2006 to 7.5 million in 2013. In respect of its annual results in the 10-odd years, the theme park did have registered earnings

in each of the three years from 2001 to 2003, though it also had dipped into the red for some years. For the Government, it will definitely not wish to see the HK Disneyland losing money. As an investor of the theme park, the Government will lose money if the theme park goes into the red, and vice versa.

Alright, due to various reasons, we have really seen a downward trend in the attendance of the HK Disneyland over the past two years. Actually, to many people who are familiar with the tourism industry, they will understand that large amusement parks and tourist spots will gradually become less competitive if no new facilities are introduced. To be frank, if no new facilities will be introduced to the HK Disneyland while parks and tourist spots elsewhere in the world keep on enhancing their competitiveness, visitors will leave us for other places. As a Hong Kong people, I definitely hope that the city can attract visitors from all over the world, including Mainland visitors, to have fun and do shopping here, so as to give a boost to our tourism industry. I am reluctant to see the competitiveness of our theme park eroding bit by bit until it is "dried up".

Deputy Chairman, I would like to stress that it is necessary for an amusement park to invest more in new facilities to enhance its competitiveness in order to attract more visitors. This will in turn boost the entire tourism industry and stimulate employment. According to the Legislative Council paper, it is estimated that the HK Disneyland expansion plan can create more than 7 000 jobs and bring about economic benefits of as much as \$18 billion in 20 years.

Deputy Chairman, as I understand, it seems that to many colleagues, it is a must to bargain for the most favourable terms in the negotiation. However, I can only say it is always the case in this world that we can only make the best possible deal under the objective conditions and constraint. There are some frameworks which we cannot alter. For example, we cannot make changes to some of the conditions which were agreed in 1999. Hence, we have to strike a balance to safeguard the interest of the HKSAR Government or the general public, to give a boost to our tourism, and to reach a consensus between the two parties. Under the objective constraints and conditions, if we can bargain for the best possible deal for the time being and are able to strike such a balance, I think from the perspective of the entire society and on the basis of overall justifications, I will give my support. At the end of the day, I am reluctant to see the competitiveness of the Hong Kong tourism industry eroding or being "dried up". I do not want to see this scenario. So, a decision has to be made.

Deputy Chairman, during the course of this debate, I have heard many pan-democratic colleagues making criticisms. Basically, they share the same arguments that all works projects in Hong Kong are "white elephant" projects while investment in infrastructure is not preferable as it is a waste of money. I think this way of thought will seriously undermine the overall interest of the future of Hong Kong. Deputy Chairman, I recall when I studied Economics at the London School of Economics and Political Science, a professor had taught me a basic economic knowledge: the Government's investment in infrastructure was indeed one of the main drivers for boosting the overall needs of society and the economy. According to Economics 101, in particular, when the economy is not doing well, the Government has a more pressing need to take the lead in investing more in infrastructure, so as to boost demands and employment, and ultimately make all trades and industries to prosper.

Now I have heard that quite a number of pan-democratic colleagues liken all construction works to "white elephant" projects, which should not be taken forward as the commencement of these projects are tantamount to "dumping money into the sea". If so, I would like to ask in the future, how can we inject fresh impetus into the economy to boost domestic demand? Investment in infrastructure can not only boost employment in the construction industry, with its subsequent impact on other trades such as the catering and retail businesses, it can also stimulate employment in other trades and boost the economy. I have heard some colleagues say that the three-runway project should be scrapped. However, with the capacity of our airport reaching its saturation, if the three-runway project cannot go ahead, Hong Kong, which is originally the Asian aviation hub, can do nothing but wait passively to be taken over by the airports of our neighbouring cities. I am reluctant to see Hong Kong being "dried up", so I think these large-scale infrastructure works should be taken forward. Apart from maintaining the competitiveness of the Hong Kong airport and its status as the aviation hub, construction of the three-runway also aims to boost employment as the project can help create 140 000 new jobs. Or do you care little about the additional job opportunities? Besides, the Hong Kong-Zhuhai-Macao Bridge is another project which is preferably not to be taken forward. Construction of the bridge mainly seeks to enhance the connectivity of the city, so that people and goods can be moved more easily and the logistics can be further improved. Can this not be done?

Just now, I heard Mr CHAN Chi-chuen mentioning the issue of artificial islands. He is referring to the construction of an artificial island in the middle of waters near Lantau, or the East Lantau Metropolis, under "Hong Kong 2030+:

Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"). According to estimation, the artificial island can accommodate a population of 700 000. In respect of the shortage of land which has frequently been mentioned by some Members, Hong Kong 2030+ seeks to provide a long-term solution to the problem by large-scale reclamations. Everything can start all over again on the island as they are all brand new. New ideas flourish, so if you find the SAR Government is not doing a good job at particular areas, you can point them out and the same problems will not be occurred again there. Under a new planning, you can tell the Government the desirable extent of greening. Most importantly, with the capacity to house 700 000 people, the island provides land areas and accommodations for our next generation.

It has also been argued that the Government should not engage in large-scale reclamation works as it is a waste of public money. Then, may I ask is it their wish to leave the problem of the inadequate supply of housing under discussion to the next generation, so that after 20 years or 30 years when our children have grown up, they have to return to this Chamber to discuss such problem again. Do we wish to see that after 20 years, our next generation have to stand up in this Chamber to raise the old issue? At that time, they will say the construction of the artificial island was once discussed but was objected by some Members. It is their refusal to implement the project that leads to the unavailability of land supply. Do we want to see this scenario after 20 years?

I think we have to be fair to all people of Hong Kong and we have to consider the issue from the perspective of the overall interest of Hong Kong. While we all hope to solve problems, sometimes we will need to look at them from the angle of the long-term interest of Hong Kong. The launch of Hong Kong 2030+ is not for this generation, it is implemented for the next generation, so we have to examine the issue in a responsible manner.

Lastly, Deputy Chairman, I would like to give some views on the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"), a project which the country has accorded top priority. It is also the fourth world-class bay area after Tokyo Bay, the San Francisco Bay Area and New York Bay Area which the country is keen to develop. Let me give some background information. As we can imagine, coastal areas are generally the choices in the design of bay area. The availability of port, logistics, and transportation facilities makes it convenient to develop entrepôt trade and easy for the economy to bloom. It has been a fact since time immemorial. I am eager to see that Hong Kong people capitalize on

the opportunity of the implementation of the Bay Area plan. The key is in the eyes of Hong Kong, what is its positioning and role in the Bay Area plan. We need to clarify and discuss these with the Central Government. The reason is simple. Without a clear positioning, Hong Kong may engage in everything, but ultimately it is likely to have achieved nothing. We should never do so. Instead, Hong Kong should pick one to two items it really wants to develop, either the development of industry or economy, chose the one which is most favourable to the city while also in line with the country's development. Then, we have to persuade the Central Authorities to give us the industry positioning.

Let me give an illustrative example. Nobody could imagine eight to ten years ago that today's Shenzhen can attract innovation and technology companies all over the country, including the world-class IT companies Huawei and Tencent to establish their presence and set up headquarters there. As the leader in the innovation and technology industry, Shenzhen also capitalizes on the momentum to boost its economy and support the living of many people. Given that Hong Kong has just established its Innovation and Technology Bureau, we would like to ask if our innovation and technology industry can develop in the Bay Area. Can we make it clear to the country that it is our development direction and positioning?

If we can make this our positioning—apart from the financial industry which is well-developed in Hong Kong, we would also like to develop more industries—and if this is the positioning we have secured, I trust that all the supportive policies and resources from the country will pour in. Then, there will be a way out, enabling us to continue to develop this industry. Therefore, my first question is, in respect of the development of the Bay Area, the most important thing is to make clear of Hong Kong's positioning. Once we are clear of Hong Kong's positioning, we can bargain with the Central Government. With the policy and resources support, Hong Kong will have an edge for better development. Nevertheless, we should never engage in everything as we will end up achieving nothing if we do not have a positioning.

Thank you, Deputy Chairman.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy Chairman, the Government would like to respond to some of the amendments covered in the fifth joint debate session.

With regard to the amendment proposed by Mr CHAN Chi-chuen which seeks to reduce "Head 26—Census and Statistics Department" to deduct the estimated expenditure on the salaries under personal emoluments of the Census and Statistics Department, the Government opposes it. There are six programmes under the Census and Statistics Department, including Trade Statistics, Social Statistics, National Accounts and Balance of Payments Statistics, General Statistical Services and Price/Industry/Service Statistics. The Census and Statistics Department conducts various research surveys to generate reliable and timely statistics which are crucial to the Government's formulation of economic and social policies and help the Government as well as other social sectors to conduct study, discuss, conduct planning and make decision. The resources needed by the Census and Statistics Department this year are established by necessity. The salaries and allowances of civil servants are determined in accordance with a set of rigorous and objective procedures. In the scrutiny of the Appropriation Bill 2017, the Council proposes an amendment which seeks to deduct the annual estimated expenditure on the salaries under personal emoluments of the Census and Statistics Department. This will gravely affect the Department's performance of various responsibilities.

With regard to the amendments put forth by Mr Jeremy TAM and Mr CHAN Chi-chuen which seek to reduce head 28 to deduct an amount roughly equivalent to the annual estimated expenditure on the emoluments for the Director-General of Civil Aviation, the Government opposes these two amendments. The Civil Aviation Department is responsible for the provision of air traffic control services, the certification of Hong Kong registered aircraft, monitoring airlines on their compliance with bilateral air services agreements, the regulation of general civil aviation activities in Hong Kong, overseeing the safety and security of airport operations and promoting the development of aviation industry in Hong Kong. The amendments concerned will prevent the Director-General of Civil Aviation from leading the Department in fulfilling such responsibilities as those concerning the development of aviation, air traffic control services and monitoring of aviation industry, gravely affecting the functioning of the Department.

Mr CHAN Chi-chuen proposes amendments which seek to reduce head 47 and head 135 to deduct the estimated expenditure on the emoluments of the Office of the Government Chief Information Officer ("OGCIO") and the Innovation and Technology Bureau. The Government opposes the amendments concerned. The Innovation and Technology Bureau, which was established in November 2015, is responsible for formulating comprehensive policy on

innovation and technology, so as to drive the transformation of our economy, develop high value-added industries, create diversified employment opportunities, and improve people's quality of living. OGCIO has been providing support for bureaux and departments in leveraging information and communication technology to enhance operational efficiency and public service quality. OGCIO provides citizen-centric e-Government services on the "GovHK" portal. It further promotes the development of smart city actively and formulates development blueprint which allows public and private organizations to adopt the latest technology extensively and securely.

To implement the measures above, a certain amount of resources and manpower are needed to coordinate the work of various stakeholders. With only 43 civil service positions, the Innovation and Technology Bureau is now the bureau with the smallest establishment size. However, it carries a heavy workload in promoting the development of innovation and technology. Among its responsibilities, the promotion of re-industrialization, smart city, development of the Lok Ma Chau Loop, and the Hong Kong/Shenzhen Innovation and Technology Park are all crucial and complicated projects which involve coordination among different bureaux and departments.

Deputy Chairman, since the establishment of the Innovation and Technology Bureau, people have acquired a growing understanding and concern towards the Bureau and the innovative and technological milieu is getting increasingly well-developed in the community. These are signs that we are moving towards the right direction. If the estimated expenditures of the Innovation and Technology Bureau and OGCIO in 2017-2018 are deducted, our performance in these areas will be severely affected. Hong Kong will then see negative development in innovation and technology which will be detrimental to its long-term economic development.

Mr CHAN Chi-chuen and Mr LEUNG Kwok-hung propose amendments which seek to reduce head 51 to deduct the estimated expenditure on the personal emoluments of the Government Property Agency. The Government opposes the amendments concerned. The Government Property Agency is responsible for providing suitable government properties for various government departments, and for managing and modernizing government properties through cost-effective means for the efficient delivery of public services. The amendments which seek to deduct the estimated expenditure on the personnel emoluments of the Government Property Agency will certainly give rise to a serious impact onto their work and the services they provide to the other government departments.

Mr CHAN Chi-chuen proposes to reduce head 55 to deduct an amount approximately equivalent to the annual estimated expenditure on salaries under personal emoluments for the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau. The Government opposes the relevant amendment. As at 31 March 2017, the Communications and Creative Industries Branch has 120 permanent posts in its establishment. Its major responsibilities include monitoring the implementation of digital terrestrial television broadcasting services; assisting in the licensing and regulatory matters in relation to the domestic free television programme services, domestic pay television programme services and analogue sound broadcasting services; supervising Radio Television Hong Kong for the implementation of various development initiatives to fulfil its mission as a public service broadcaster; completing the review on the development of digital audio broadcasting services in Hong Kong and formulating the direction of development; reforming and improving the Control of Obscene and Indecent Articles Ordinance regime; promoting Hong Kong as Asia's creative capital; managing various funding schemes under CreateHK; conducting a comprehensive review of the Broadcasting Ordinance and the Telecommunications Ordinance; and overseeing the implementation of interconnection arrangements between telecommunications operators. If the annual estimated expenditure (that is \$84,016,000) on salaries under personal emoluments for the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau is deducted, all the work mentioned above cannot be carried out. This will deal a severe blow to the Government's performance in promoting the growth of broadcasting, creative industries and telecommunications industry, and in enhancing Hong Kong's position as a broadcasting, creative and telecommunications hub.

With regard to Mr CHAN Chi-chuen's proposal to reduce "Head 76—Inland Revenue Department" in respect of subhead 000 to deduct an amount approximately equivalent to the annual estimated expenditure of salaries under personal emoluments for the Inland Revenue Department, the Government opposes this amendment. The Inland Revenue Department is responsible for administering the Inland Revenue Ordinance, the Stamp Duty Ordinance, the Business Registration Ordinance, the Betting Duty Ordinance, the Estate Duty Ordinance, the Tax Reserve Certificate Ordinance, the Hotel Accommodation Tax Ordinance, and the rules and regulations made under these ordinances.

We are committed to collecting revenue efficiently and cost-effectively, promoting compliance through rigorous enforcement of law, education and publicity programmes, and administering the above ordinances to safeguard the

tax revenues of the Government which is an important foundation of Hong Kong's prosperity and stability. We hope Members will not support the relevant cutback proposal.

The provision of \$100 million under subhead 251 Additional Commitments, head 106 aims at setting aside funding for initiatives under planning and also for any unavoidable recurrent expenditure that may arise during the year in excess of the amounts provided under other heads and subheads of the estimates. These include the additional expenditure that may arise from adjusting payments under the Comprehensive Social Security Assistance Scheme and Social Security Allowance Scheme with reference to relevant price indices. This is an established budgetary practice and the provision should not be reduced.

The provision of \$592.5 million under subhead 284 Compensation, head 106 is for the settlement of claims made by external parties against the Government (other than compensation connected with land, public works and mail, and for civil servants) and for certain ex-gratia payments. It is necessary for us to maintain sufficient provision under this subhead.

Mr CHAN Chi-chuen proposes to reduce "Head 147—Government Secretariat: Financial Services and Treasury Bureau (The Treasury Branch)" in respect of subhead 000 to deduct an amount equivalent to the estimated manpower expenditure involved in the addition of four non-directorate grade posts for the establishment of the Tax Policy Unit. The Government opposes this amendment.

The Financial Secretary has announced in the 2017-2018 Budget that the plan to set up a Tax Policy Unit in the Financial Services and Treasury Bureau. On the one hand, the Unit will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures, including enhancing the deductions for expenditure on scientific research, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax structure and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

To this end, we have earmarked approximately \$3.5 million in the estimated expenditure for the Financial Services and Treasury Bureau (The Treasury Branch) to meet the manpower expenses arising from the creation of

four non-directorate grade posts. The work of the Tax Policy Unit is crucial to enhancing the tax structure of Hong Kong to maintain our international competitiveness. We hope Members will not support the relevant cutback proposal.

With regard to Mr CHAN Chi-chuen's amendment which seeks to deduct the annual estimated expenditure on the salaries and allowances of non-directorate grade personnel in the secretariat of the Financial Services Development Council ("FSDC"), the Government opposes it. FSDC is a high-level cross-sector advisory body set up to support the sustained development of the sector. It also consults the sector and formulates proposals with regard to promoting the development of the financial services sector in Hong Kong and on the strategic direction for the development of the financial sector.

The estimated expenditure of FSDC in 2017-2018 is \$9.9 million approximately. The secretariat expects to have four executive officer grade and clerical grade civil servants, two Government contract staff and three employees seconded from the Hong Kong Monetary Authority, the Hong Kong Trade Development Council ("HKTDC") as well as the Securities and Futures Commission to provide support for FSDC. The salaries of the secondees are borne by the borrowing organization. A deduction of the annual expenditure on salaries and allowances of the non-directorate grade personnel of the FSDC secretariat will seriously hamper the daily operation of the FSDC secretariat. It is inappropriate and unreasonable for the Council, in the scrutiny of the Appropriation Bill 2017, to propose amendment which seeks to deduct the salaries and allowances of the relevant personnel.

The Government also opposes Mr CHAN Chi-chuen's amendment which seek to reduce head 152 to deduct the provision for HKTDC. HKTDC is a statutory non-profit making body responsible for promoting, aiding and developing trade between Hong Kong and the other parts of the world. HKTDC aids traders, manufacturers, service providers in Hong Kong to market their businesses to the world and promotes Hong Kong as a business and trade platform connecting the Mainland, Asia and the rest of the world.

Moreover, HKTDC also shoulders social responsibilities to take forward various public policies and services for the promotion of trade development, the rendering of support for the development of small- and medium-sized enterprises

("SMEs") and emergent industries and the provision of all-round development and training programmes to help Hong Kong firms explore emergent markets and featured industries.

The annual subvention from the Government makes up about 15% of the total revenue of HKTDC and hence is an important component of its revenue structure. If without the subvention from the Government, HKTDC will inevitably have to reduce the support it provides for SMEs or increase the fees of its services provided for SMEs, bringing about a direct impact to the development of SMEs and trade in Hong Kong. Therefore, it is essential for the Government to continue granting provision to HKTDC as a stable source of income, so that HKTDC can continue helping local SMEs in the promotion of trade development in Hong Kong.

Meanwhile, the Government opposes Dr KWOK Ka-ki's amendment which seeks to deduct the estimated expenditure on the salaries for the Secretary for Commerce and Economic Development from April to June 2017. The Secretary for Commerce and Economic Development is responsible for leading the Commerce and Economic Development Bureau to implement various policies, including those concerning the external trade ties of Hong Kong, the promotion of foreign investment, the protection of intellectual property rights, the provision of support for industry, commerce and tourism, the protection of consumer rights, the promotion of competition, the promotion of development in broadcasting, film and the telecommunications industries, and the control of obscene and indecent articles. If the estimated expenditure on the salaries for this post is deducted, the work of the Commerce and Economic Development Bureau will certainly be seriously affected.

The Government also opposes Mr Nathan LAW's amendment which seeks to deduct the provision for launching campaign of major tourism infrastructure projects. It is necessary to earmark this provision for the Tourism Commission to conduct publicity or public consultation with regard to various new tourism projects to be launched in 2017-2018, in order to dovetail with the policy direction of promoting the diversification of tourist products and attracting high-value added overnight visitors. The deduction of provision for this scheme will seriously affect the operation of this project.

The Government opposes Mr LEUNG Kwok-hung's amendment which seeks to deduct the operating expenses of the Office for Film, Newspaper and Article Administration ("OFNAA"). Operating under the Film Censorship

Ordinance, OFNAA classifies films with a film classification system which meets Hong Kong's needs and the standards of decency in the community. Together with the Hong Kong Police Force and the Hong Kong Customs and Excise Department, OFNAA enforces the provisions under the Control of Obscene and Indecent Articles Ordinance to regulate the publication of obscene and indecent articles, and registers local newspapers under the Registration of Local Newspapers Ordinance (Cap. 268). OFNAA cannot carry out the work mentioned above if its operating expenses are deducted. The Special Administrative Government will certainly be gravely affected in film classification, control of obscene and indecent articles as well as newspaper registration.

In respect of subhead 984 under head 184, the transfer of \$4.5 billion to the Capital Works Reserve Fund ("the Fund") aims to earmark extra funding for the Fund. The estimated expenditure of the Fund in 2017-2018 cannot be fully met by the existing balance in the Fund. Therefore, it is necessary to transfer the funding from the general revenue account to the Fund and no deduction should be made.

With these remarks, Deputy Chairman, I implore Members to vote against the amendments covered in the fifth joint debate.

**DEPUTY CHAIRMAN** (in Cantonese): Mr Nathan LAW, do you wish to speak again?

**MR NATHAN LAW** (in Cantonese): Yes, Deputy Chairman.

I was quite impressed by the earlier speech of your party member Mr Holden CHOW. Your party honestly has an eye for talents, as this worldly-wise Member in your party was able to rebut the speeches of many Members without much difficulty just now. At the beginning of his speech, he said that he had rarely heard any criticisms from Mr CHAN Chi-chuen against me. Well, I also think that I should be criticized because I have only proposed to cut some \$300,000 despite the large numbers of works projects. If I am lucky enough to stay in the legislature next year, I will put forth a few more amendments and speak more. This is the only way to live up to people's expectation of me.

Just now, he talked about the Hong Kong Disneyland Resort ("HKDL"). It is indeed a "masterpiece". Members may not remember that Mr Holden CHOW put forth a motion at a meeting of the Panel on Economic Development ("the Panel") some time ago. His proposal was quite similar to Mr Michael TIEN's proposal, and it sought to link the fees charged by HKDL (such as management fees and royalties) to its earnings after interest, taxes, depreciation and amortization. The existing practice is that such fees are linked to its earnings before amortization. His motion was very similar to Mr Michael TIEN's motion. For this reason, he should oppose the agreement now under negotiation between the Government and HKDL. But just now, he nonetheless said that we should take the broad picture in view and make concession, adding that he would "pocket it first" as he did not want to see the failure to expand HKDL. His remarks were really all things to all people.

Just now, he resorted to many language tricks in an attempt to cover up the existing benefits enjoyed by HKDL and the problems associated with the "unequal treaty" concerned. According to him just now, HKDL recorded profits without much deficit during the period from 2001 to 2003. But if we do an estimation based on HKDL's figures over the past seven years, we will find that HKDL has already received \$3 billion royalties and management fees. Over all these years, HKDL has made a profit of \$2.7 billion after deducting the \$300 million deficit shared out between HKDL and the Hong Kong Government upon account reconciliation. According to past figures, the Government has incurred a deficit of \$300 million while HKDL has made a profit of \$2.7 billion.

Just now, Mr Holden CHOW implied that the Government also enjoyed some benefits as it could make profits. But is this actually the reality after computation? Members know the answer very well. He should have raised opposition. But under Secretary Gregory SO's attempt to secure their voting support, together with the order of the Government, they can only get back into place. This is precisely the greatest problem faced by the Legislative Council. He was obviously discontented with the relevant agreement, so he put forth a motion at the Panel meeting, and the motion was passed. But now, he has nonetheless called upon Members to take the broad picture in view and pass the appropriation request without any delay. His swerving position shows that he knows which way the winds blow, to put it nicely. But bluntly put, I would rather call him a fence rider. Deputy Chairman, there are many talents in your party. But such worldly-wise people as him are really rare.

He said that we were highly critical of the Government's philosophy of developing Hong Kong, saying that in our perception, all works projects were "white elephant" projects and the Government had failed in the task of site identification. But as Members are aware, Hong Kong faces land shortage at present. But this is the second problem. The first problem that must be solved is land distribution. What lands can be used on a priority basis? The Government has opted for the approach of reclamation for the purpose of creating lands. But actually, many other approaches are likewise possible. For example, the Government may use "brownfield sites" and idle government lands. Besides, it may also use the golf course site near Wang Chau. Nevertheless, the Government has refused to use all these sites. Why? The reason is that if the Government uses these sites, the interests of certain powerful and influential people in society will be affected. People do not oppose the Government's attempts to find sites or build housing. They merely oppose the Government's approach of site identification which gives priority consideration to the business sector and its interests. The Government rather agrees to undertake reclamation instead of using the golf course site of some 100 hectares and brownfield sites of some 1 000 hectares. Animals and the environment are unable to voice their views. Even if the Government disturbs them, they will not intimidate the Government. This explain why the Government has disturbed them.

Deputy Chairman, this is the greatest problem at present. I wonder which of the two reasons can explain his unawareness of this problem: his deliberate disregard for this problem, or his low intellect. If the latter is the explanation, then I wish to recommend to him a book entitled *Choice • Future: A community alternative to "Hong Kong 2030+"*. Compiled by the Legislative Council Member Dr YIU Chung-yim, this book devotes much treatment to the kind of developmentalism I mentioned a moment ago and criticizes the authorities' blind faith in infrastructure development. Members and the Secretary may read this book if they have time.

Deputy Chairman, my present concluding speech actually wants to discuss the proposal to cut the expenditure relating to head 184 in respect of subhead 984. The amount is roughly equivalent to the sum for the Capital Works Reserve Fund ("CWRP").

At the beginning of the present legislative session, CWRP already aroused heated controversy, even before the Public Works Subcommittee held any discussion. We have noticed that the existing mechanism is very problematic.

Let me first discuss the background of setting up CWRP. CWRP was established on 20 January 1982 under a resolution passed by the then Legislative Council for the purpose of financing the Public Works Programme ("PWP") and land acquisition. CWRP's major source of income is land revenue (or the revenue from land sale), and the Financial Secretary is in charge of its management. By "management", it merely means that he is responsible for managing CWRP. But who is in charge of the vetting and approval of appropriation requests? It should be the Legislative Council. In 1983, the then Legislative Council approved the delegation of power to the Financial Secretary and in turn enabled him to approve the inclusion of Category D projects with a project estimate of less than \$1.5 million in PWP. And, section 8 of the Public Finance Ordinance provides that no changes shall be made to the approved Estimates of Expenditure except with the Finance Committee's approval. In 2012, the Legislative Council approved the proposal to raise the delegated authority limit from \$21 million to \$30 million. This is the background.

Back in the times when CWRP was set up (that is, the 1980s), the then Legislative Council was of course a "rubber stamp", and the executive and the legislature were completely ripped of the participation of any public opinion representatives back in those days. These days, the SAR Government has persistently sought to increase the power it received back then. The estimate limit of works projects requiring no independent scrutiny and voting already reaches \$30 million. As early as 2007 when the Legislative Council discussed the proposal to raise the delegated authority limit on Category D projects under CWRP from \$15 million to \$21 million, the Legislative Council Secretariat issued a paper to explain the Legislative Council's roles in scrutinizing and approving appropriation requests concerning public works projects. At the time, some Members already criticized the Administration's criteria for a lack of transparency and also any mechanism for determining the inclusion or otherwise of works projects put forth by Policy Bureaux in PWP, with the result that the Legislative Council and people were unable to monitor the expenditures and progress of approved public works projects.

Next is the splitting up of massive projects. The various minor works items under a works project should be regarded as components of the project rather than individual Category D projects as such. All along, we have criticized the Government for manipulating this loophole to split up its many works projects. An expenditure limit should also be imposed on land acquisition because the land acquisition proposals approved by the Government are ripped of

an expenditure limit. For this reason, the land acquisition proposals under the Yuen Long Wang Chau project can be mixed with other 10 000 or so proposals for bundled vetting and approval.

Putting the appropriation requests concerning minor works projects and those for non-recurrent expenditure under the same motion for submission to the Legislative Council was initially intended to enhance the efficiency of processing appropriation requests. For instance, we are not required to conduct independent scrutiny of appropriation requests concerning minor works items such as building a footbridge or a small infrastructure facility. Instead, we may allocate a lump sum to enable the expeditious conduct of such works projects. The original intention of imposing an expenditure limit on various works items back then was to prevent the Government from incorporating the appropriation requests concerning massive works projects (such as the Express Rail Link project and also the Hong Kong-Zhuhai-Macao Bridge project) into its appropriation request for block allocation to CWRF for the purpose of bundled voting. The intention was to ensure that the various appropriation requests concerning massive works projects could undergo thorough scrutiny in the Legislative Council, and to avoid the bundling up of appropriation requests for uncontroversial livelihood works projects and controversial works projects. As Members can see, the prerequisites for the inclusion of a works project into CWRF are that first, it must be a minor works project; and second, it is uncontroversial. Works projects must satisfy these two prerequisites before they can be incorporated into the appropriation request for block allocation to CWRF to enable expeditious scrutiny and passage by the Legislative Council.

This year, 9 400 works items have been included under CWRF, and the Government has requested the Legislative Council to approve a funding injection of \$12.4 billion into CWRF. But many of those works items are marked by controversy. Upon counting, we have found that there are at least 26 such works items. But the Government has refused to take out the appropriation requests concerning those 26 controversial works items for independent scrutiny and voting. In our view, the greatest absurdity of this mechanism is that even if we agree to 99% of the appropriation requests concerning those 9 400 works items and merely oppose to a handful of those appropriation requests, we are nonetheless forced to give overall support or otherwise to all the appropriation requests. As a result, we must show support in the end despite our obvious opposition, or vice versa.

In 2014, the Government included an appropriation request for some \$20 million for the purpose of taking forward the preliminary tasks concerning landfill expansion into its appropriation request for block allocation to CWRP. This led to criticisms from the democratic camp; and not only this, even the pro-establishment camp criticized that the Government's inclusion of this appropriation request would make it impossible to hold any effective discussions. In the end, Secretary for the Environment WONG Kam-sing withdrew that item after considering the broad picture. And Secretary for Financial Services and the Treasury Prof K C CHAN also said that a review of this mechanism would be conducted. But sadly, during our recent deliberation on the appropriation request for block allocation to CWRP, the Government refused to withdraw the funding proposals concerning many works items with obvious controversy (such as those for conducting studies on land acquisition in Wang Chau). In the end, we were forced to pass the funding proposals on those works items. This was very unfair.

After this controversy, we have reviewed the entire mechanism to ascertain the presence of major problems in the existing mechanism. Can the Legislative Council effectively exercise its power of approving the Financial Secretary's appropriation requests? The Sino-British Joint Declaration already provided for CWRP's roles and its source of income. After deducting the land development cost, the land revenue obtained by the Hong Kong Government in land transactions was to be evenly distributed between the Hong Kong Government and the future SAR Government. The land revenue obtained by the Hong Kong Government was to be transferred to CWRP and spent on public works projects and land development in Hong Kong. I will discuss this mechanism later on. But from CWRP's source of income, we can see that Hong Kong's land revenue will not be spent on areas such as health care and education after transferring to CWRP. Land revenue (meaning land sale revenue under the high land price policy) will be transferred to CWRP. But CWRP will not spend any money on areas beneficial to people's livelihood.

Why do I discuss the mechanism governing CWRP's source of income at this point of my speech? The Government's incorporation of those highly controversial "white elephant" projects which are beneficial to leading developers into its appropriation request for block allocation to CWRP actually means that the Government can first sell our precious lands to such developers for development purposes and then use the money paid by such developers in land sale to develop more "white elephant" projects. The contractors of such projects

can possibly be these leading developers. The monetary income and contribution involved in the process can actually be seen as indirect funnelling of benefits. This explains why we do not think that the appropriation request for block allocation to CWRF should include controversial items because of the query about funnelling of benefits.

As I said just now, the mechanism concerned has likewise deprived Members of their right to exercise effective monitoring. Therefore, we have proposed a new mechanism. This is also a reason why I put forth this amendment with the proposal to cut the relevant estimated expenditure. As the new mechanism has not been established, I think I need to put forth strong opposition under this circumstance. Speaking of this item, we have to equip the Legislative Council with more power and a better mechanism for determining what items should be included in the appropriation request for block allocation to CWRF.

Not long ago, Mr CHU Hoi-dick and Dr YIU Chung-yim put forth an "unbundling mechanism". It stipulates that "[i]f no less than 20 Legislative Council Members put forth a written request during the Finance Committee's scrutiny of the appropriation request for block allocation to the Capital Works Reserve Fund, the Government must withdraw the relevant items from its proposed appropriation request and table such items before the Finance Committee for separate vetting and approval". As I said a moment ago, a works project must at least fulfil two criteria for incorporation into the appropriation request for block allocation to CWRF. First, the cost must be lower than a certain sum; and second, the works project is not controversial.

Nevertheless, the Government has already raised express opposition to this idea. And, Mr CHAN Kin-por likewise has strong resentment to this proposal, saying that it will give rise to a new mechanism for filibuster. But in my view, "20 Members" is already a large enough number. If they agree that a certain item is controversial, then the item concerned is actually controversial. His thinking that this mechanism with such a high threshold will still degenerate into a mechanism for filibuster actually reflects his mindset of "trimming the feet to fit the shoes". It will not be possible to ameliorate the tense relationship between the executive and the legislature at present.

In gist, the incorporation of an item into the appropriation request for block allocation to CWRF should be a power of the Legislative Council. We should not let the Government have all the say and determine the withdrawal or

otherwise of a certain item to its liking. The Legislative Council (especially the Finance Committee) should put in place a mechanism for exercising its power to healthily monitor the Government's incorporation of a certain item into its appropriation request for block allocation to CWRF.

With these remarks, Deputy Chairman, I put forth the amendment.

**DEPUTY CHAIRMAN** (in Cantonese): Dr YIU Chung-yim, do you wish to speak again?

**DR YIU CHUNG-YIM** (in Cantonese): First, I would like to thank the Secretary for replying to Amendment No. 178 proposed by me just now. Indeed, the validity of my argument is recognized by the Secretary. In his reply, he has at least pointed out a mutually-agreed fact. As he has admitted it personally, there is a need to transfer the \$4.5 billion surplus in current account to the Capital Works Reserve Fund ("CWRF") because the estimated expenditure of CWRF for 2017-2018 cannot be fully covered by the proceeds from land sales. In other words, he has admitted himself that the account of CWRF will run into a deficit, which is a breach of the principle of keeping expenditure within the limits of revenues and the exercise of fiscal prudence under Article 107 of the Basic Law.

(THE CHAIRMAN resumed the Chair)

While the Secretary has personally admitted such fact, I still call on Members to more carefully study Amendment No. 178 as proposed by me. A detailed review of the three Resolutions in 1982 and 1983 relating to the setting up of CWRF reveals that among various proceeds to be injected into CWRF, only two of them require approval from the Legislative Council. For the rest, such as the land sales proceeds, will be automatically injected into CWRF without the need to go to the Legislative Council. Still, the transfer of current account surplus to CWRF is one of the two items requires Legislative Council approval under the Resolutions. In the light of this, I hope that Members can treasure their votes to guard the gate for the people. This time, Members can see clearly that the account of CWRF will run into a deficit, a fact which the Secretary has admitted personally. It is why the Secretary needs authorization from the

Legislative Council to make the transfer again, and to transfer the \$4.5 billion surplus in current account to CWRP to make up for the expenditure shortfall which they think cannot be covered by the proceeds from land sales in the next few years.

Mr Holden CHOW has just talked about the importance of infrastructure spending. He can still recall when he studied in the United Kingdom, his teacher taught him that infrastructure spending could boost the economy. Perhaps this can exactly prove that Mr Holden CHOW has already left college for a long period of time. Indeed, a number of recent studies have pointed out and confirmed that in Economics, the Keynesian Theory of boosting the economy through the increase in government spending is less effective. There are a lot of empirical evidence and scientific studies to prove this.

Perhaps let me cite two relatively important papers. The first one is "The Impact of Government Spending on Economic Growth" by the Heritage Foundation, written by MITCHELL D. J. in 2005. In the paper, a number of recent literature and empirical scientific studies are highlighted to draw a clear conclusion that in deploying their resources, governments are actually competing with the private market for the same resource. As a result, the less efficient investment behaviour of governments will render the private market impossible to bolster the economy in a higher efficient way. Actually, this analysis does not come from me. The Government has admitted itself. It came to the Legislative Council yesterday, telling us that the Kai Tak Sports Park should be delivered in the Design-Build-and-Operate ("DBO") approach. Why? The Government has admitted that the project is unable to make money if it is taking forward by the Government. So, it has to rely on the private market to generate economic benefits. The Government has admitted its less effective way of operation, a rebuttal of the Keynesian Theory that governments' commitment in public works projects is more effective than the private market in boosting the economy.

A more recent paper is the "Economic Growth and Government Spending Nexus: Empirical Evidence from Lesotho", written by THABANE K. and LEBINA S. in 2016.

Unlike previous studies which mainly look into the effectiveness of governments' public works spending in boosting the economy in the short-run, this paper applies an Autoregressive Distribution Lag approach to examine the

long-run and causal relationship through an empirical quantitative analysis. The conclusion is governments' spending on public works cannot prove to be effective in boosting the economy.

Actually, I wrote an article entitled "Keynesian Economic Policies: From Grey to Green" in *Ming Pao* on 31 January 2016. In the article, I called attention to the fact that the starting point of the Keynesian Theory was the 30s of the last century when the world economy was hard hit by the Great Depression. The Theory was applicable when the economy was at its lowest ebb with no other way out. Hence, by the application of the Keynesian Theory, governments allocated funds to stimulate the economy, including the development of infrastructure through loans, in a bid to directly increase the economic growth rate.

However, the Hong Kong economy is overheated now, with the city under the negative real interest rates for 10 years. Surprisingly, some Members have suggested at this time that the Government should increase its infrastructure investment to boost the economy. This is a complete violation of the Keynesian Theory.

Indeed, I have clearly shown you the relevant figures. In 1997, the amount of CWRP was less than HK\$30 billion per year. The amount is set to exceed HK\$130 billion annually in the future. Please take a look at the magnitude of increase. If Hong Kong really needs to substantially and incessantly increase its CWRP expenditure in order to maintain its economy, it can be easy to imagine that such growth is not sustainable.

A look back at China's economy will find that there are now numerous "ghost towns" in the country due to over-investment in railways, industries, and mechanical devices. This phenomenon exactly demonstrates governments' indiscriminate investment in infrastructure is less efficient, generating low returns. Such investment, which is a waste of resources and a ruin of the environment, is way inferior to the investment by the private market in the highly-efficient economy. For example, we can instead invest in the green Keynesian, such as a switch to renewable energy consumption which can improve the environment and also bring about new job opportunities. Besides, a "brownfield first" policy can be introduced to accord priority to the development of the environmental-unfriendly brownfield sites for the building of residential

housing and public housing. This is a three-win solution, which gives our society sufficient and renewed economic impetus, help restore the degraded environment, and prevent the further rising of the cost of infrastructure works.

In the article, I mentioned that the Hong Kong Government has all along been applying the Keynesian mode of infrastructure development. As a result, infrastructure works has the highest share of public spending. To sustain the ever-increasing infrastructure expenditure, land sales proceeds are directly injected into CWRP. In the words of the Government, this is conducive to society and the creation of job opportunities.

However, I would like to ask how can the incessant increase in expenditure, from an annual \$30 billion to \$130 billion, be sustainable? Until how many hundreds of billions of dollars are spent will we consider such expenditure increase should come to an end? Is it possible for the land sales proceeds to catch up with the non-stop rapid growth in CWRP expenditure. This year, it is only through the use of the green belt areas and the sale of prime land sites that we manage to meet the less than \$100 billion CWRP expenditure. I would like to ask if we have to carry out full-scale reclamation and utilize all the country parks in order to chase after such never-ending expenditure increase.

Yesterday, we experienced serious air pollution at a magnitude that we could no longer afford to ignore. Under the imminent threat of global warming and adverse weather condition, if we continue to embrace the Keynesian form of construction spree by destroying mountains and forests ... indeed, in the United States and Europe, realizing the overwhelmingly concrete construction inadapted to the present circumstances, the countries have made a U-turn, retreating from the grey development mode for the green, renewable and sustainable development mode of the future. Hong Kong is left to be the only place which still worships the grey Keynesian. The ever-lasting expansion and the dumping of concrete and gravel into the sea is an attempt to "quench a thirst with poison", pushing all human beings into extinction.

Actually, only when the economy is declining and the private market is fretting by a complete pessimism, governments will have no alternative but to provide funding itself. It was what had happened during the Great Depression in the 30s of the last century. Even though governments clearly realized that the

direct injection of funds would be less efficient and would not be as effective as investments by the private market, they still had to take the lead to do so as the global economic depression had caused private investment to halt.

For Hong Kong, it would still be conceivable if we requested the Government to take the lead in the provision of funding during the SARS outbreak. However, in today's Hong Kong, the infrastructure expenditure has already reached \$100 billion. Regarding the employment figure, the Government has already claimed credit for almost reaching the natural unemployment rate. What's more, the construction industry has been complaining for the shortage of labour. The insufficient supply of marine sand has forced the industry to switch to mechanical sand. From these we can see that instead of continuing with the expansion indiscriminately, it is time for us to reduce or adjust the volume of and spending on construction works.

Therefore, in my speech yesterday, I already pointed out that instead of continuing to request us to transfer the \$4.5 billion surplus in the meagre current account to fund these works projects, it was indeed necessary for the Government to get back to the practice of keeping expenditure within the limits of revenues and achieving a fiscal balance in respect of CWRP. Therefore, I hope that today, Members can prudently use your votes. The Secretary has already recognized the validity of my argument, so I call on all of you to seriously (*The buzzer sounded*) use your vote. Thank you.

**CHAIRMAN** (in Cantonese): DR YIU, please stop speaking immediately. Mr LEUNG Kwok-hung, do you wish to speak again?

**MR LEUNG KWOK-HUNG** (in Cantonese): Yes, Chairman. It sounds very funny to me when Dr YIU Chung-yim keeps talking about the Keynesian Theory. The Keynesian Theory emerged at a time when there was insufficient demand, and there were capital traps in the market. As people did not know where the money has gone, a credit crisis was triggered and people dared not borrow money. In fact, this is a phenomenon which will certainly arise in a capitalist society.

The capital traps we are having now are just the opposite. People in the past were scared because they did not know where the money has gone, and did not know if people would spend money. However, capital expansion is the new status now and hence, there is no need for us to apply the principles of currency

trap and capital trap under the Keynesian Theory in our discussions today, since we have too much money. The problem with us now is that we have too much money and do not know where it should be spent, and I have already spoken on this problem when discussions were held on the economic impetus of Hong Kong. Our economic impetus is in fact very simple: after China's accession to the World Trade Organization, its share in the capitalist world market is getting bigger and bigger. Judging from the perspective of business operations, we can of course put it more frankly and admit that this is tantamount to getting the money needed for joining the contest by pawning off all our personal belongings.

China is a model example of pushing up GDP figures with infrastructure projects, meaning that it has been striving for development through the issuance of a large amount of currency notes. This aside, latest figures reveal that its debt rate has already exceeded that of the United States and ranks first in the world. As far as China's economy is concerned, a situation of stagflation has indeed technically emerged, because while it has shown double-digit growth in the past, the rate has subsequently dropped to 8%, and further to 6.5% later. On the other hand, with an ever increasing currency circulation, the amount of loans taken out by the Central Government as well as local governments is increasing also. What I am saying is that when the debt rate of a society, a country in particular, is increasing on the whole, a price has to be paid and it will be reflected in a declining growth rate. Although China does not have a typical situation of stagflation caused by inflation plus a stagnant economy and even a negative growth, a decelerated growth like this is also an indication of stagflation.

Under such circumstances, the overall economic situation requires us to follow the leadership of Mainland China, and no matter how LEUNG Chun-ying puts it, be it the super-connector or leveraging on the Mainland, the underlying meaning is the same. The Government has initially encouraged us to seek development opportunities in the Mainland, but no one was willing to do so. A proposal has once been put forward by Donald TSANG to invest in Northwest China, but has anyone responded to his call? The one surnamed TANG who was willing to do so has already been rewarded for this, but no one was actually willing to respond to the call.

The problem now is that they are coming to Hong Kong when we are not willing to go back to China, and the launching of the Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect is nothing more than an attempt to make a big fortune together, because only those who are out of their mind would be willing to go seek development opportunities in the Mainland. A national team of players is participating in our financial market and within this

team, there is a corruption group which can cause a suspension of trading due to drastic fluctuations of stock prices, and also blame everything on malicious speculation on stock index futures. Should all these acts that are allowed in Hong Kong be committed in the Mainland, the persons concerned would surely be arrested, and this can explain why no one is willing to go seek similar opportunities in the Mainland. Therefore, the aim of launching the Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect is to let these people come and spend their money in Hong Kong, so that our Renminbi ("RMB") pool can be enlarged. The whole design is to let them bring along RMB that cannot be used in the Mainland to Hong Kong, so as to spend the money in this place where RMB is not used, thereby creating a demand for RMB.

Hence, we should formulate our policies in this way. First of all, there should be an inflow of Mainland capital, and whether this is for money laundering or genuinely for the sake of making money, something should be available for sale to these investors. What is the best choice then? Investing in the stock market is not a way that can secure only gain but no lose because there are so many "financial predators", although all of them have now been put under control. Therefore, Chairman, the best way is to invest in some commodities which are said to be in acute short supply, and they are land and property.

It is thus a waste of time talking about economic restructure here. Let us take a look at the capital inflow from the Mainland, and what are the targets of such capital? The targets of investment are land, and property during the initial period, but investment on property has become less effective later due to the introduction of the "double harsh measures". It is true that at the beginning, investors may migrate to Hong Kong through acquisition of property here, but the property in Hong Kong has subsequently become their temporary residence for short stays, since their targets have switched to the United States or other countries. Hence, they have now opted to purchase land.

Chairman, there are two options in the purchase of land, the first option is to practically acquire a land site, while the second option is to acquire a company, thereby purchasing indirectly a land site held by that company. I have pointed out many times here that wealthy people in Hong Kong who wish to make a big fortune may try to ramp up the land price. According to statistics, the number of private residential units alone in our overall housing supply is already enough to accommodate all people living here. The problem actually lies in the very expensive property prices, and the fact that the economy is too much overheated, so that although property prices are well beyond the affordability of the general public, people still ramp up the prices as in the case of taxi licence premium.

Never have I heard of a place where people can engage in speculation activities on the tender premium of a taxi licence, and the licence premium can be so much higher than the price of a taxi. Can this be regarded a normal phenomenon?

The same thing happens to the current property prices, which have actually started to disjoint from construction costs and land price. Although the current land price is very high, speculation activities in this respect will never cease if there is the motivating force for investing on land and securing gain from the price appreciation. Investors will only stop when a huge loss is incurred, but I wonder if this will really happen. This is the reason why LEUNG Chun-ying has been indulging in empty talks, proposing the policy of "Hong Kong property for Hong Kong residents" until it has ceased to exist except in name only, and then introducing the "double harsh measures" to tackle the problem of exorbitant property prices. Would it be possible then to introduce "double harsh measures" to curb the rising land price? How come "double harsh measures" have only been introduced for property transactions, but not for the buying and selling of commercial units and parking spaces? There are also speculation activities on such commodities, and the activities are very rampant too, but what has exactly been done?

Fellow colleagues in this Council, as property prices are so expensive, I do not think you have the intention to achieve home ownership, unless you are already a property owner. It does not matter if you find the existing property prices unaffordable, because there are still other choices, and you can invest in property shares or other shares which have connection with property shares, since they are all available in the market now. As I have mentioned many times today, when resources which are in the shortest supply in Hong Kong have turned into the means of rent-seeking activities, and such activities are allowed to continue, we would then be able to understand why a lot of efforts have been made to take forward infrastructure projects. Apart from the early implementation of the Belt and Road Initiatives, and acquiring excess capacity and other excess materials from other places with hard cash, the price of land is also definitely connected with the convenience in using the land. When such concepts as the integration of Shenzhen and Hong Kong, the integration of Guangdong and Hong Kong, "one-hour living circle" are introduced, the meaning behind is that land resources here in Hong Kong, on which speculation activities will become impossible even with the participation of the HNA Group, should be made available for sale in the Mainland.

What is the reason for identifying such a vast area of land in North East New Territories for development? How come new regulations are introduced for no reason at all to specify a threshold of 40 000 sq ft in this respect? It is because land sites with an area of 40 000 sq ft or below will surely be acquired for merging, while only land sites with an area of over 40 000 sq ft will bring profits to their owner ...

**CHAIRMAN** (in Cantonese): Mr LEUNG Kwok-hung, you are digressing from the subject.

**MR LEUNG KWOK-HUNG** (in Cantonese): This is what we call economy.

**CHAIRMAN** (in Cantonese): The theme of this debate session is economic development, and you are now speaking on land development, which is one of the areas involved in the previous debate session. Please speak on the areas related to the heads involved in this debate session.

**MR LEUNG KWOK-HUNG** (in Cantonese): You mean land development is an area involved in the previous debate session? Chairman, in this connection, I would really want to seek your guidance. I agree that discussions on the ways to identify land sites may fall under the scope of areas involved in the previous debate session, but when it comes to the impact of land development on the economy of Hong Kong, what I am speaking is within the areas involved in this debate session.

**CHAIRMAN** (in Cantonese): Mr LEUNG Kwok-hung, this debate session involves the area on economic development, while land development is an area involved in the previous debate session. Please speak on the areas related to the heads involved in this debate session.

**MR LEUNG KWOK-HUNG** (in Cantonese): This is not right. How can land development be an area involved in the previous debate session?

**CHAIRMAN** (in Cantonese): Please speak on the amendments you propose.

**MR LEUNG KWOK-HUNG** (in Cantonese): Alright. The whole problem now, therefore, is that the overall economic layout requires us to contribute a lot of money, and as pointed out by Dr YIU Chung-yim, it will first of all lead to the creation of the maximum demand by the Government as if we are crazy when the economic situation is most heated, thus pushing up the costs of taking forward "white elephant" projects. Secondly, the effectiveness of "white elephant" projects will hence be open to question.

However, with regards to the functions of "white elephant" projects, there is one that I can think of. This may not be very meaningful to us, but it is possible that such projects may economically turn into assets in the future because of their land value, and they may then be used for securitization and speculation, or even become structured products. The money contributed is actually used for such purposes. Therefore, I of course share some of the views of Dr YIU, but we also hold different views. He put forward the concept of green economy, but why is it necessary? Human beings are a part of the environment, and there is a very close relationship between human beings and the environment. They will be affected by the environment, but will also create impact on the environment.

Chairman, I concur that with regards to services not available in the market, for example, when there is a problem of industrial imbalance in services for the elderly, education and health care services, thus depriving ordinary citizens of the treatments they generally deserve in a society, the Hong Kong Government should interfere immediately and turn effective demand into effective supply. This is the reason why I oppose to "white elephant" projects. While hundreds of billions of dollars in the public coffers have been used to take forward infrastructure projects, it is my opinion that the money should instead be spent on the areas mentioned above, so that we can resolve various livelihood problems. Chairman, I do not have to say very much about this, since this is the common aspiration of all political parties from the Business and Professionals Alliance for Hong Kong to the League of Social Democrats. Problems on people's livelihood can be resolved if money spent on "white elephant" projects now is used to tackle such problems, and the whole debate on the Budget will also become more meaningful. Yet, what the Government has done is just the opposite, and such actions have never been taken.

As my speech is drawing to a close, I would also like to say a few words about the problem of land use, which Dr YIU and Mr Nathan LAW have mentioned just now. If we give the issue some deeper thoughts, we would realize that the whole thing is quite ironical. In 1984, during the drafting and

signing of the Sino-British Joint Declaration, the Chinese Communist Government was concerned that the British colonial government would use up every penny of our public money, and has therefore requested that the British colonial government should not squander land revenue without any control. It was said that a pension scheme which would "end up in a fatal car crash" should not be implemented, and the revenue should be used on infrastructure projects. The British colonial government could use the money for infrastructural development if it had any plan to do so, since infrastructural facilities thus provided would be handed over to the future SAR Government. However, if the money was used by the British colonial government for undertaking a reform, the Central Government would have no knowledge about where the money has been spent.

Conversely, things should be just the opposite now as the national flag has already been changed. We should no longer avoid making social welfare reform by undertaking infrastructural development as far as possible. Chairman, Hong Kong has already returned to the Motherland, money spent by Chinese people will benefit fellow Chinese people only, and there is no need to worry that too many policies would be introduced as in the case of the British colonial government back in those years. There should not be recurrence today of the incident in which KWONG Ki-chi was criticized by CHEN Zuoer for "causing a fatal car crash" by increasing expenditure on social welfare.

Therefore, Chairman, as I see it, the rationale behind is the same, and it all depends on the standpoint from which you express your views. I insist on speaking for general workers earning a monthly salary of \$14,000 or below, and my economic theory and concepts are therefore somewhat different. I suggest making investment on education, so that Hong Kong's competitiveness could be enhanced; on services for the elderly and retirement protection, so that people in the last generation could have a better life, and there would be no need for people in the next generation to worry about them; on health care services, so that the sick could be provided with the necessary support; on the provision of niches, so that the dead would have their place. I will speak on education problems in the next debate session, and my speech for this debate session will end here. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen, do you wish to speak again?

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, let me advise Members that after I have finished speaking, the Committee will proceed to the sixth debate which is also the last joint debate. In that debate, there are amendments proposed by 11 Members. I remind Members that they should return to the Chamber as soon as possible to prepare for delivering their speeches. Because when I went to the lavatory earlier, I noticed a "classical" scene in this Chamber when there were only Chairman and "Long Hair" talking to each other. In this vast Chamber, there are only three persons at present, namely "Long Hair", Chairman and I. I would ask Members to prepare for the next debate relating to education, sport, manpower and youth, and be active in delivering their speeches.

Chairman, Secretary Gregory SO gave an overall response earlier. In these two years, due to the strategic arrangement of Chairman, public officers can have a clear idea of the time that will be spent on each debate session. Regarding the themes of each session, respective Bureaux Secretaries can be sent to attend the meeting in order to listen to Members speeches. I have no idea whether it will be Secretary Eddie NG's turn to attend the next debate session in order to listen to Members speeches. As we can notice, the Bureaux Secretaries sent by the Government actually only responded to the amendments already put forward by Members before the meeting. They have their speeches prepared and simply asked other Legislative Council Members to veto our amendments, without seriously responding to or even refuting Members' points or arguments raised in the speeches.

Of course, I also understand that the Secretaries may not be so quick-witted. Besides, a Secretary only speaks on behalf of his Policy Bureau and it is difficult to speak on behalf of other Policy Bureaux. Nonetheless, it is still desirable to have Bureaux Secretaries present in the Chamber as they can at least listen to the questions raised by Members. Leaving aside the question of whether the amendments seeking to cut the expenditures will finally be passed or not, but why would Members propose amendments to point out the shortcomings of these Policy Bureaux and departments in their usage of public money during the past year or a period of time in the past? I also hope that the various Policy Bureaux will treasure and attach importance to these opportunities.

This time, I will speak on a few amendments and give some explanations. They include Amendment No. 147 which seeks to cut the annual expenditure for the personal emoluments of non-directorate officers in the Secretariat of the

Financial Services Development Council ("FSDC"), Amendment No. 146 which seeks to cut the expenditure for the manpower of non-directorate officers of the Tax Policy Unit ("TPU"), Amendment No. 150 which seeks to cut the subvention of the Hong Kong Trade Development Council ("TDC"), and Amendment No. 68 which seeks to cut the annual expenditure for the personal emoluments of the Inland Revenue Department ("IRD").

First of all, I will speak on FSDC. Members may remember that in early January, the Establishment Subcommittee discussed the application proposal of creating a position of Executive Director in FSDC. Members put forward some questions back then: Did FSDC have any value of existence? Did it deserve any additional funding to create a position of Executive Director with public money? Because at present, FSDC only has a Secretariat and the personal emoluments of the staff are funded with public money. However, our discussion on this item was suspended after a while, as we have not seen this item of creating a position of Executive Director in FSDC on the agenda afterwards. I am not sure about the reason. After listening to Members' views, did the authorities think that there should have full justifications before submitting this item for our discussion?

In fact, when FSDC was first set up in 2013, it was very ambitious and wanted to play a bigger role than only as a so-called advisory body just like what it is at present. If it was meant to be an advisory body, it would not be called a "Council" but would simply be called a "Group". We think that it wished to become a statutory organization similar to TDC at the end and could lead the development of the monetary sector in Hong Kong. Nevertheless, when FSDC was first established, LEUNG Chun-ying arranged quite a number of people with Mainland or Communist background to fill the senior positions of FSDC. Among 20 non-official members, five of them have Communist background. They have close relations with state-owned enterprises and securities dealers. But the problem is that they are very resistant to declaration of interests, and this has aroused public concern. FSDC is still an advisory body hitherto and one of the reasons may be their resistance to declaration of interests.

Although FSDC as an advisory body has no actual power, it has conducted a lot of studies for LEUNG Chun-ying on financial integration between China and Hong Kong, and has become a machine, at least a propaganda machine, in

the promotion of integration between China and Hong Kong. Even though FSDC is making use of the secretariat services provided by the Government and is spending public money in conducting the studies which impose influence on government policies, over the past four years, its members have been spared from submitting forms to declare their interests. According to media coverage, these people do not declare their interests because some of them come from Chinese-funded organizations and the Chinese Government does not want them to declare interests. Therefore, these members are not required to declare interests.

Although FSDC is an advisory body, it is highly influential and its members do not need to declare interests at all. Since what it has been doing may be closely related to the interests of the original businesses of its members, how can the public allay their concerns about any conflict or affiliation of interests on the part of FSDC? And I am not directly saying that it may be conflict of monetary interests.

The original strategy of LEUNG Chun-ying was to have FSDC domineering over other financial regulatory bodies. How will it turn out after Mrs Carrie LAM has assumed office? At present, FSDC is not sharing equal status with the Hong Kong Monetary Authority and the Securities and Futures Commission, as it belongs to a different world and is unable to directly influence government policies. However, let us look at the election manifesto of Carrie LAM. She wants to "set up a 'Financial Leaders Forum' to be chaired by the Financial Secretary. The forum will bring together key officials, Policy Bureaux, financial regulatory bodies and the Financial Services Development Council. It will set up a mechanism through which the strategic and forward looking proposals ... will be tabled and followed up by the designated government departments. Besides, we shall allocate sufficient resources to the Financial Services Development Council to increase Hong Kong's competitiveness in the international market, strengthen our capacity for market expansion, promote market development and cultivate professionals." I suddenly feel that FSDC has changed from merely an advisory body to an organization with actual power. I have previously asked whether FSDC will only last for one term of the Government or will last forever. The answer is written in the election manifesto of Carrie LAM. Due to her frequent soliciting of votes from the financial sector, FSDC will continue to operate and its members

will continue not to declare interests, and this implies the interwoven interests being masked by FSDC. The recommendations from FSDC will not only affect the Government's policies, but will also affect the development of the entire financial sector of Hong Kong. I am highly doubtful about this organization.

Due to limited speaking time, I have to switch to another amendment, which is about cutting the expenditure of \$3.5 million for TPU. I propose this amendment because I can foresee that TPU will be striving for its ultimate goal of reducing tax for the rich, which in turn will weaken the effect of wealth redistribution and widen the wealth gap.

In paragraph 54 of the Budget, the Financial Secretary says, "We have to examine the international competitiveness of our tax regime and address the problem of a narrow tax base. I plan to set up a tax policy unit in the Financial Services and the Treasury Bureau to comprehensively examine these tax issues from a macro perspective. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of pillar industries, industries over which we have advantages and emerging industries through tax measures including enhanced deductions for I&T expenditure".

From the above, we can see that the main reason for setting up this TPU is to provide tax deductions for enterprises. Although he says that the tax base will be widened through an increase of various taxes, I am highly doubtful about this. If the tax base can really be widened, the effect of wealth redistribution can be further improved, and this will not be opposed by me, People Power or many political organizations.

However, the Government does not accept the many proposals that we have been putting forward in the past, like the introduction of capital gains tax and vacant property tax. What is the reason? It is because these taxes will add to the taxation burden of property developers and will directly affect their interests. We can thus deduce that the Government has many scruples about increasing taxes as it cannot do any harm to interests of the rich people of both Hong Kong and the Mainland. Hence, let me speak on behalf of the authorities that the most creative proposal drawn from the result of the study is likely to be the reintroduction of sales tax so as to add to the burden of the general public and receive more tax income from ordinary people.

Besides, I propose to reduce the expenditure of \$385 million for TDC's subvention. In regard to my motive of proposing this reduction, as also mentioned by Ms Tanya CHAN in her speech earlier, we are very worried about the redevelopment of Wan Chai Sports Ground, but we are unable to propose reducing the study fees for this redevelopment as there is no such a figure.

In the Policy Address this year, the Government suggests redeveloping Wan Chai Sports Ground into an exhibition venue and TDC is entrusted to conduct a feasibility study. We feel very perplexed after hearing this suggestion. TDC of course finds it absolutely feasible and thinks that this project should commence as soon as possible. Nevertheless, I have started to study how to prevent TDC from conducting this study which is only advantageous to it but not particularly beneficial to the sports sector, the Hong Kong people and the residents of Hong Kong Island. After the Budget was published, I raised some questions to TDC concerning the expenditure on the feasibility study, but it said that since the study had not started yet, there was no related budget. What worries me more is that if TDC commences the feasibility study during the next financial year, how can we stop it? As I find out from the financial reports of TDC, although TDC is drawing an income of over \$1 billion per year, due to massive administrative expenditure, TDC has to be subsidized by the Government through its income from trade declaration charges in order to barely maintain a break even position. Without government subvention, TDC will have to suffer a loss of \$300 million to \$400 million each year. In order to prevent TDC from conducting the study to "destroy" the Wan Chai Sports Ground, I come up with this amendment to slash the subvention provided by the Government to TDC. If Members have strong opinions against the proposal to redevelop or "destroy" the Wan Chai Sports Ground, they can consider supporting my amendment.

I am strongly against the proposal of designating the site of the Wan Chai Sports Ground to TDC for the development of an exhibition venue. We have explained the reasons on many occasions and have conducted a number of opinion polls. The academic sector, the sports sector and some elite athletes of Hong Kong who grew up in this Sports Ground share the same view that this proposal will be highly detrimental to the athletics field, and the general public also express their opposition to this proposal. Although I know that some Members are very creative as to suggest building a new Wan Chai Sports Ground either in the basement or on the rooftop after the construction of an exhibition

venue on the site, I would ask them to conduct a feasibility study on this as soon as possible to see whether it is so easy to redevelop the Wan Chai Sports Ground according to their suggestion.

Finally, in the remaining one-odd minute, I would like to highlight that I seek to cut the annual expenditure for the personal emoluments of IRD. People may think: Will it be unnecessary for us to pay tax after that amount of expenditure is cut? I think every taxpayer already received the tax return from the Government in this month. Please remember to fill it in as there will be penalty for being late in tax filing. However, when we receive this green envelope, we really have mixed feelings and feel very helpless, as we are on time in our tax filing and tax payment to the Government every year but the Government is paying salaries to a group of detestable high officials who disregard public sentiments, and to some departments or disciplinary forces who are standing against the people. I think a lot of citizens also feel the same. It seems to be a crazy idea of cutting the annual expenditure for IRD so that we do not need to pay tax for a year. But in fact, this is not beyond our consideration. Nevertheless, since my speaking time is up, I cannot explain in detail the advantages that can be brought to the Hong Kong society if we do not need to pay tax for a year. I so submit.

**CHAIRMAN** (in Cantonese): Mr Jeremy TAM, do you wish to speak again?

**MR JEREMY TAM** (in Cantonese): My amendment seeks to reduce head 28 by \$2,950,200 in respect of subhead 000, and the amount to be reduced is roughly equivalent to the annual estimated expenditure of the emolument of the Director-General of Civil Aviation ("Director-General"). My previous two speeches both focused on the Air Traffic Management System ("ATMS"). Why do I want to cut the salary of the Director-General? From one simple incident we can see that the past problems are management issues rather than technical issues.

Why do I say so? Problems appeared long since the conduct of the staff survey on the ATMS. We have evidence to support my point. In the upcoming investigation on the Civil Aviation Department ("CAD"), some people may testify on the authenticity of the incident. The incident concerns frontline

air traffic control officers ("ATCOs") being intimidated to alter their grading on the ATMS. I thus would like to take this opportunity to urge CAD to conduct a just and thorough investigation. I very much hope the incident is caused by individual staff members, or some mid-level officers. I truly hope that the order was not made by the Director-General.

Many frontline officers and ATCOs are indignant about the incident but dare not speak out. This could be the reason why the media or I got the leaks. In fact, the incident is a management issue. If the management is liberal and open, I believe frontline staff is more than willing to tell senior management what they think and the problems they have encountered. But regrettably, incidents of people making anonymous reports to the Police show that the problem with the management has discouraged them to speak out the problems. But Chairman, this is not only a management issue. It is also about aviation safety.

There is a culture in the aviation industry. I do not know how to say it in Chinese, but in English, we call it the just culture. It means that if you encounter any problem, even if you make a mistake, you will not be penalized for speaking out. This is the just culture that we often talk about in the aviation industry. This culture encourages people to speak out even if they err and they will not be penalized, demoted or subject to summary dismissal for the mistake. In principle, we will not do so under the just culture. The purpose is to encourage them to be brave and speak out immediately if they spot a problem and they will not be penalized afterwards. This culture has been well respected in the industry. Even the International Civil Aviation Organization ("ICAO") requests all airline companies to establish this culture. But why has CAD not done the same?

The management problem, which I just mentioned, is not only seen in the commissioning of the new ATMS developed by Raytheon. Undeniably, CAD has been seriously understaffed and the frontline ATCOs have been working overtime. Perhaps you may say that officers in other disciplined services or in the civil service also have to work overtime frequently. Please do not forget that the work of frontline ATCOs concerns the lives of numerous people. If a passenger aircraft, or even a cargo aircraft, crashes on landing, the casualties would be unimaginable. Hence, it is simply infeasible to ask the ATCOs to work overtime indefinitely.

It takes quite some time, often years, to train an ATCO. The training lasts from a few years to about seven or eight years depending on their posts. Has CAD properly conducted work training for its ATCOs? As I said in my first speech, I do not want to criticize the former Director-General, given that he has already passed away. The incumbent Director-General was the Deputy Director-General in the past. Regarding staff deployment, could he be totally immune from taking responsibility? The third runway is now under discussion, and the project will need more ATCOs. In this regard, what will CAD do?

Moreover, information about this ATMS were only released when Members of this Council or the media made enquiries at CAD. This is not desirable. The longer the Government postpones announcement on incidents about the ATMS, the more suspicious the public feel. This makes the public wonder whether the Government is trying to cover up the truth. The public or even the CAD staff will have the impression that the Government is trying to hide something. This is absolutely not something CAD, or any government department, should do.

Even if CAD has made a blunder, it is fine as long as CAD announces the matter or explains why such a blunder has been made. I believe the public, including all Members of this Council, will understand and accept it. I believe we are all sensible people. No one wants to make any blunder. But CAD should at least acknowledge the blunder and face it squarely, and then propose a solution to it. This is the attitude I want government departments to adopt.

As I just said, the Director-General has the duty to carry out liberal and open management. Unlike other government departments, CAD has rarely been challenged in the past years. This could be due to the professional nature of aviation and the fact that CAD had very few glitches in the past. I am only a member of the aviation industry and I am no expert. There are many experts in CAD and many external experts have been invited to assist the work of CAD. I may be in a better position to explain the problem from the perspective of an industry player. I may know more about the jargons used by CAD and the problems it has encountered than the general public or Members of this Council do. But this is the only role I can play. And this bureaucratic system guarded by the Iron Curtain will have to be dismantled by CAD or the Bureau. In this regard, we have to be fair. The culture of hesitation to challenge their superior

for fear of subsequent consequences may not be caused by the incumbent Director-General. It is a culture built up over time.

In order to acknowledge the acceptance of the AutoTrac3 ("AT3"), which is the new ATMS provided by Raytheon, five to six CAD officers have to unanimously agree on the acceptance before CAD can sign off on the new ATMS. Have they been subject to any pressure in accepting the new ATMS? Chairman, I wish to stress that there was a CAD colleague who refused to sign off on the AT3 on that day and the colleague was subsequently transferred to another post. Whether the transfer is just a coincidence or there are other reasons, it is hard not to suspect that the colleague was punished for his refusal to sign off on the AT3, given the two incidents took place so closely.

I very much hope that CAD can safely and effectively use the AT3 provided by Raytheon. After all, so much time, effort and money have been spent on this system. But I think no one will object that we cannot give in when it comes to safety. When we review whether a system is safe, we should not look only at whether it has any past record of indicating any plane crash or dangerous incident. We should not evaluate the reliability of the system from the result.

This is not said by me, Jeremy TAM. Members can find this in many documents and even ICAO upholds this view. In fact, any accident is like a piece of cheese. There are holes in cheese and these holes can be of different sizes. These pieces of cheese are equivalent to the ATCOs, the pilots, the climate, the ATMS, the neighbouring aircraft, whether the staff are tired, the procedure of CAD, the procedure of airline companies, etc. Generally speaking, if a serious accident happens, it will not be or rarely is the problem of a single piece of cheese. The accident usually takes place at a particular moment when the holes in all the pieces of cheese align together. Hence, we should first try our best to prevent holes from forming in the cheese, no matter the holes are big, small or at different part of the cheese.

But CAD is of the view that as long as there is no accident, the new ATMS is problem-free. We should not support this view. We have to ensure that every level is working properly. I earnestly hope that CAD will seriously consider all aspects of its work. As I said before, the problem is not caused by

the system alone. It is caused by the whole management mode and how they communicate with their staff.

I have suggested that a staff meeting be held in CAD, so that the Director-General can directly, rather than indirectly through others, listen to the views of frontline ATCOs. This is not a suggestion I propose today. I put forth this suggestion when I first became a Legislative Council Member. But this has never been adopted because there is a bureaucratic thinking which upholds the middle management and encourages us to trust them. This thinking has prevented the Director-General from directly knowing what is going on, and on the other hand, prevented frontline officers from directly reflecting their views to him.

This is not a new situation that appeared today. It has been like this in the past. Thus, we now often talk about a practice adopted by many management companies, which is to streamline their organizational structure to remove cumbersome hierarchy and put in place a channel for frontline staff to reflect their views directly to the senior management. This applies not only to CAD, but also the Marine Department. We had a similar discussion on the Marine Department earlier. The two departments are in fact very similar in many aspects and they should draw reference from each other.

I hope that this amendment can be passed, so that CAD or the Transport and Housing Bureau can take an in-depth review on the current operation of CAD. I do not mean to target at any public officer. This is not the reason I rise to speak. I just want to spell out the problems with the Raytheon's system that I have noticed over the years. These problems have been covered up and no one knows about them. I say so not because I am trying to disclose anything or I wish to target at any public officers. I just want to take this opportunity to make the Government or CAD aware of the problems I mentioned.

Regarding the survey on the management issue concerning the survey I just mentioned, I am still pending the reply from the Transport and Housing Bureau. I requested the Authorities concerned in last December to conduct an investigation. I have also written to the Transport and Housing Bureau to follow up on the matter, but to date, I still have not received any reply. I believe there must be a completion date for the investigation. I hope that the investigation is

fair and just and it can let frontline ATCOs to speak out to the management the problems they have encountered without hesitation.

I so submit.

**CHAIRMAN** (in Cantonese): Dr KWOK Ka-ki, do you wish to speak again?

**DR KWOK KA-KI** (in Cantonese): Yes, Chairman.

I would like to speak again on Amendment No. 59 which seeks to cut the estimated expenditure on salaries under personal emoluments incurred by the Commerce and Economic Development Bureau (Communications and Creative Industries Branch), and the estimated expenditure on emoluments for the Secretary for Innovation and Technology.

Secretary, I am not sure if you notice that innovation and technology ("I&T") has become a handy weapon used by the Government. The Government announced yesterday that the Civil Human Rights Front ("CHRF"), the organizer of the annual 1 July march, would be barred from using the six football pitches as the starting point for the march this year, as the Hong Kong Celebrations Association ("HKCA") had applied, as a charity organization, for holding an I&T exhibition at the football pitches. There is only one purpose for holding such an exhibition under the scorching hot weather in July at the Victory Park. They aim solely to drive out the march organized by CHRF. How come I&T has become a magic stick? The Government can cast a spell as a tool of political suppression in the name of promoting I&T. This is why we worried so much when the Secretary came into office that I&T might merely be an empty slogan, or might exist in name only.

In fact, I&T in Hong Kong is bound to fail if we rely only on the government departments in this respect. Based on our observation, it is really fortunate that the bill proposed by the current Government in relation to I&T was not passed. I am talking about the Copyright (Amendment) Bill 2014. Not only has the Government not done anything to support practitioners in the creative sector or those taking part in new economic activities through I&T, it has

even suppressed them. This is all I can see. On top of the Government's transfer of favours to its advocates under the pretence of I&T, Members may notice the alleged cases of electoral malpractice during the previous Legislative Council Election involving some doubtful elector registration in the information technology functional constituency.

So, what is I&T? It is indeed a slogan invented, or a practice adopted, by the Government. This is so fine as they can just respond to any queries by using I&T as the shield. But what have they put forward actually? So, now we understand how useful it is on the occasion of the 1 July march. They can go so far as to occupy all six football pitches in the Victoria Park, using the I&T exhibition as an excuse. Secretary, your boss "689" is one of the honorary sponsors of this HKCA, and "777" is a sponsor too. They then incessantly advertise the importance of I&T to the celebrations for reunification. Sometimes I find their logic funny. By combing I&T with celebrations for reunification, together with HKCA's status as a charity organization, they believe that this will readily get rid of Hong Kong people's 1 July march.

Since 2003, 1 July has been the day on which Hong Kong people have the only chance to vote with their feet via the Victoria Park against these so-called celebrations for reunification, denial of universal suffrage, poor governance, as well as failure and ineffectiveness in policy implementation. Yet the Government even wants to constrain this too. I would like to ask if the Secretary has played a part in organizing this high-profile I&T exhibition held by charity group HKCA? Have you provided any input? I hope you have not, so you can at least maintain a bit of innocence as it will imply that you are really working on I&T, but not political suppression. Otherwise, you are somehow colluding with them.

Nobody could have imaged organizing an I&T exhibition at the football pitches in the Victoria Park. In my opinion, there are only two kinds of people in this respect: those who have I&T knowledge, and those who have not. The former group will certainly not attend this exhibition as I&T does not run like this. I&T is found on the Internet. In this era of mobile network, the people will share any news or latest information on I&T via this hi-tech channel. Do you still believe that they will get updated by attending exhibition? OK, who will actually go to the exhibition? Uncles and aunts will surely arrive in

coaches, earning \$500 per head, with lunch included. They will certainly come and celebrate, cheering for 1 July in the name of I&T. Why has I&T in Hong Kong degenerated into such political tool? Have you ever thought about this?

And, we notice that all the new development areas will set up its own I&T park, regardless of whether it is the Hung Shui Kiu, the Liantang area or the North East New Territory development. If we ask those I&T practitioners whether they would like to work in such places as the Loop, Qianhai or Hung Shui Kiu, they will find it unimaginable, claiming that I&T cannot possibly be practiced there.

First, I&T development relies on Internet connection. Any venues charging low rent with a convenient location is fine. However, the Government's high land premium policy has affected virtually every affordable site in the city. Its plan to revitalize industrial buildings in the South District, Fo Tan and Aberdeen has caused even more problems as rents only go further upward. The I&T trade cannot even identify a site with relatively low rents. Of course, they can join the queue for a place in the Science Park or the Cyberport. But frankly speaking, how many spaces are available there? Moreover, any land that is available in the Science Park will be used for housing. Members may have noticed that the Government has opted for housing construction in the latest phrase of development, and I&T practitioners are then asked to set up technology parks in more remote regions. This is how our I&T sector works. How can the Government convince Hong Kong people that this policy purview or this Policy Bureau can help them?

I want to point out an absolutely inconvenient truth. A scandal broke out in the United Christian Hospital two days ago, involving Ms TANG Kwai-sze who is still fighting for her life in the Queen Mary Hospital. During a medical consultation in the United Christian Hospital back in January, two doctors diagnosed her condition with the help of computers. True, these two doctors have to be held accountable. I cannot, and should not, protect and defend them. That said, according to the Chief Executive of the Hospital Authority ("HA"), all these so-called pop-ups in the computer are in fact not truly automatic, as a substantial amount of human effort is needed to enter the relevant data. Furthermore, the system involves many pop-up windows. Probably a score of windows may pop up if the patient concerned has years of medical history.

The Government then claims that technology is in use. This is true, but they have in fact applied some outdated, non-user-friendly technologies only, which are not beneficial to users and patients. Doctors in Hong Kong have to examine a patient in five to seven minutes, and they are even required to check the pop-ups. Is this what we mean by I&T? If Members would like to know how patients are treated, they can look at the so-called I&T applied by HA. The technology is indeed most obsolete in the sense that human input is needed. Yet we are talking about a question involving human lives.

Of course, doctors at fault cannot use I&T as an excuse. They absolutely have no right to do so. However, we may also consider how they are treated by the Government. Healthcare spending only accounts for 2.5% to 2.8% of the Gross Domestic Product. As the Secretary is from Taiwan, he should know that Taiwan spends over 4% of its Gross Domestic Product on health care. The percentage in South Korea is higher, while the figure in Japan is 6%, and even the Mainland will distribute 3.1% of its income on public health care. So, where on earth can we get the money? The health care system in Hong Kong cannot even afford the cost of medicine, not to mention I&T.

Therefore, I believe I&T is rather helpful for the Government as it can fit in almost every occasions like Transformers. Each time when the Government proposes a certain programme involving I&T, it can just brag about any achievements in terms of effectiveness and number of projects introduced. These projects are the best way to channel benefits, and many people are eager to get a share. However, is there really the right soil for promoting I&T? Education is the means to cultivate the soil we need. I will leave this to the next session. By the way, the education system in Hong Kong has destroyed generations of young people, but it is not the right time to discuss this issue during this debate.

We have to offer them a way to survive. It is needless to say that they are driven out of industrial buildings, effectively denying them the last venues they can afford. As for the room for creativity, the Secretary of course has nothing to do with this, but I have to point out that content is the essence of creativity. As far as local I&T products are concerned, we are not referring to those I&T products made in the Mainland where all the contents are restricted and are subject to censorship. They merely have fine technology, but not the soil. In

fact, Mainlanders do not watch their own movies, as products made in the Mainland are vacuous after going through a series of political censorship in which the authorities can just delete anything deemed inappropriate. People in the Mainland therefore opt for products from Korea, Japan, Hong Kong and Western countries. In the light of developments these days, we are not far from this though.

An incident happened recently in East Kowloon concerning an indie music venue called Hidden Agenda, which is a venue incapable of making profits and affording high rent. The title of the venue does sound like what the Policy Bureaux are doing, as the Development Bureau has a whole lot of hidden agendas in itself, that is, to distribute benefits to certain people. However, this venue called Hidden Agenda is not related to the Government's hidden agendas, so the authorities have dealt with it really seriously, mobilizing a few dozen police officers, even bringing the police dogs, to arrest an English band comprising not more than a few young musicians, as if a riot has taken place there. I do not know how to explain this to the English people. The incident has been in the news internationally, as issues in Hong Kong sometimes make the news. While Hong Kong vows to realize the "Nylonkong" concept and develop I&T, the very first action taken is to regard a Band as illegal workers. This is just absurd. We even sent an army of policemen to get them. Secretary, you can watch the video describing the whole thing on BBC's website. Witnessing how we treated the musicians, I feel ashamed to admit that I come from Hong Kong.

In the face of suppression, I&T products delivered locally are hollow with no meaning at all. Secretary Gregory SO is not present now, yet we have mentioned earlier the shortage of channels for creation, because many of our television stations or newspapers have been acquired by red capitalists. Now that Alibaba has bought the *South China Morning Post*, I wonder what are these "Seventy Thieves" going to steal next. We can realize that there is not much room left for the people to develop their creativity. I&T does not mean programs and hardware only. It needs the soil to thrive. As the Secretary claimed that he spent a long time in the United States, did he witness any similar political suppression there? Did he realize any restrictions which suffocated creativity and strangled the soil there? Did he notice how they dealt with investments in innovation and offered opportunities to young people?

We are imitating others poorly. Trying to partially copy others' practices, we have learnt badly, even ending up leaving such a mess instead. It is hardly surprising that practitioners with real ambition may not choose to base in Hong Kong. At present, even the people taking part in the software, by this I mean creative culture, will choose to move away.

Everyone knows that Hong Kong has no more room for publication these days. Mr LAM Wing-kee has lately planned to reopen the Causeway Bay Books in Taiwan. In fact, the incident was just a tip of the iceberg. Hong Kong is devoid of creativity and technology, without an emerging industry, yet we have some flamboyant hardware though, such as the lifeless Science Park. That said, the Science Park is not intended for our use. Look at those areas as the Loop and we can predict a queue of Mainland companies like Xiaomi, ZTE and Huawei lining up for a place when the construction projects complete then. Considering their proximity, it is just natural that they are allocated a place in the new facility. How great it is to have them filling all the spaces there! So, Hong Kong people are asked to spend tens of billions of dollars only for establishing these venues for the Mainland companies, which then open up an access for their staff members to come and work in Hong Kong, and eventually they will stay in our city. I&T has truly become an easy channel for transferring benefits under different names.

It sometimes pain me that not only has the Government not taken the chance to improve the situation, it has also acted in contradiction to its words. With regard to many issues, the Government has actually not done anything to encourage young people's participation in the I&T sector. Actually, the young people cannot help but feel astonished at this I&T exhibition as a celebration for reunification. This is a combination of politics and I&T, and the future direction of Hong Kong.

I so submit.

**CHAIRMAN** (in Cantonese): This debate has now come to a close.

**CLERK** (in Cantonese): Heads 53, 90, 95, 156 and 190.

**CHAIRMAN** (in Cantonese): Committee now proceeds to the sixth debate. The themes are "Education, Manpower, Youth, Arts and Culture and Sport". The policy areas covered by the relevant heads are: Education; Manpower; Youth; Arts and Culture; and Sport.

Eleven Members, namely Mr CHAN Chi-chuen, Dr LAU Siu-lai, Mr SHIU Ka-chun, Mr Nathan LAW, Mr KWONG Chun-yu, Dr Fernando CHEUNG, Mr LEUNG Kwok-hung, Mr HUI Chi-fung, Mr IP Kin-yuen, Dr KWOK Ka-ki and Dr CHENG Chung-tai have respectively given notice to move a total of 27 amendments to reduce the various sums for five heads read out by the Clerk just now. Details of the amendments are set out in Appendix 1E to the Script.

**CHAIRMAN** (in Cantonese): Members may now proceed to a joint debate on the amendments to the five heads. Members have been informed that there are about seven hours for the committee to conduct this debate.

I will first call upon Mr CHAN Chi-chuen to speak and move Amendment No. 52 as set out in Appendix 1E to the Script, to be followed by other amendment proposers in sequence; but they may not move amendments at this stage.

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, I move Amendment No. 52 as set out in Appendix 1E to the Script, seeking to reduce an amount roughly equivalent to the estimated expenditure earmarked by the Home Affairs Bureau for celebration activities for the 20<sup>th</sup> anniversary of the establishment of the Hong Kong Special Administrative Region. Hong Kong celebrates the 20<sup>th</sup> anniversary of its handover to China this year and the Government has earmarked \$640 million for reunification celebration activities; we certainly do not think that there is anything worth celebrating and hence intend to reduce the expenditure. However, it is very difficult to slash all expenditures because we have to find the corresponding provision for each item; yet some provisions cannot be found and our questions put to the Government are unanswered.

I found two provisions, one of which is the allocation of \$76 million to the Home Affairs Bureau and the other is the allocation of \$194 million to the Leisure and Cultural Services Department. Even if these two provisions are slashed, we still cannot slash all expenditures allocated for the celebration activities. I believe many Members have different views on allocating \$604 million for reunification celebration, and I hope they would speak enthusiastically and consider supporting my amendment.

Some Members think that there is nothing worth celebrating and they are simply infuriated. Some Members, including pro-establishment Members, think that some activities are concocted under the name of reunification celebration to make up the number. Activities which are held annually can apply for special funding with the words "reunification celebration" added to them. I would like to take this opportunity to raise my criticisms once again.

Chairman, due to the time constraint and the fact that 11 Members have proposed amendments in this debate session, I do not know how many times I can speak again in this session. Among the many amendments that I have proposed, if pro-establishment Members will only support one amendment, I hope that they will support the following amendment.

I wish Members will support Amendment No. 159, which seeks to reduce an amount roughly equivalent to the estimated expenditure for printing assessment papers for the Primary Three Basic Competency Assessment Research Study ("BCA") under "Head 156—Government Secretariat: Education Bureau". The amount involved is \$1.68 million, a very small sum indeed. This year, I have really given much thought to propose this amendment. I really want to reduce the Secretary for Education's emoluments, but if I propose an amendment to reduce his emoluments, the President will not allow me to move this amendment as only one amendment is allowed under each head; thus, I have not proposed an amendment to reduce the Secretary's emoluments.

Never mind, it is the wish of all people that the Secretary should go. Many Members including Dr CHENG Chung-tai, Mr IP Kin-yuen, Mr HUI Chi-fung, Dr Fernando CHEUNG, Dr KWOK Ka-ki and Dr LAU Siu-lai have coincidentally proposed amendments seeking to reduce the emoluments of Secretary Eddie NG. Dr CHENG Chung-tai has proposed to reduce the emoluments of the Secretary for the whole year which will implicate the next Secretary while most Members have proposed to reduce the Secretary's

emoluments from April to June (a total of three months). I do not know why Dr LAU Siu-lai is so kind to the Secretary as she has only proposed to reduce his emoluments for one month; maybe she wants to propose a not too harsh amendment so that pro-establishment Members may take it into consideration.

As we all know, a lot of pro-establishment Members dare not voice their anger; I hope they can take this opportunity to rule out all excuses concerning whether we are staging a filibuster or whether speaking out is tantamount to supporting the filibustering. In fact, this has nothing to do with filibustering, and we have not requested a headcount. Only two Members were present just now but we did not request a headcount so that we can have more time to express our views. Therefore, I hope that Members of the democratic camp will press the "request to speak" button quickly and express their views.

I would also like to discuss the reduction of the emoluments of Secretary Eddie NG, but I have to restrain myself. Last Monday, the Secretary left the public hearing held by the Panel on Education early to attend a dinner hosted by the Hong Kong Swatow Merchants Association Limited to celebrate the reunification, leaving dozens of representatives of BCA parents expressing their views to no avail. When I think of his act, I really want to say four-letter words. I certainly will not do so in this Council.

I really hope that pro-establishment Members will support this amendment. Let me first quote two remarks. First, "[b]efore the comprehensive review is completed, I shall suspend the Primary Three Territory-wide System Assessment component of the Basic Competency Assessment (TSA/BCA) to reduce pressure on students and parents". Second, "I am very worried about excessive drilling. My idea of education is to create a caring learning environment for students. My vision is that our children will grow up happily. Therefore, I would discuss with the current Government as soon as possible whether Primary Three TSA/BCA can be shelved".

Do these two remarks sound familiar to Honourable colleagues? The first remark is from Carrie LAM's manifesto and the second remark is made when she attended a radio programme on 28 March. Many Honourable colleagues have proposed to reduce the expenditures on BCA, but we could hardly obtain the amount of expenditure by putting questions to the Government. At a special meeting of the Finance Committee, we asked the Secretary for the amount involved, but he said that he did not have a breakdown of the expenditure on

Primary Three TSA this year. Over the years, they only had a total amount of expenditure on Primary Three and Primary Six TSA; thus, it is not possible to have a breakdown of the expenditure on Primary Three TSA and Primary Three BCA.

Nevertheless, my office has made great efforts and raised very detailed questions, such as the expenditure on printing assessment papers. Initially, the Secretary did not want to answer the question, but how could the printing of assessment papers incur no expenses? Finally, we got an answer that \$1.68 million was incurred. I hope that pro-establishment Members would seriously consider whether the amount should be slashed. Now that the oral assessment has been completed, the written assessment will be held next month.

I am aware that more than 30 Members, including pro-establishment Members, have jointly signed a letter asking the Government to suspend Primary Three TSA or BCA this year. To a certain extent, we are helping Carrie LAM, but in fact, we are helping all members of the public. We hope that her election pledge will be honoured expeditiously, so as to return a happy childhood to students and return basic dignity to schools.

Suspending Primary Three BCA is not only the manifesto of Carrie LAM, but also the common aspiration of the five major candidates in the current Chief Executive election, including Mrs Regina IP and Mr LEUNG Kwok-hung who were not nominated to stand for the election; they all supported suspending Primary Three TSA this year. As the three candidates nominated to stand for the election were supported by a total of 1 100 Election Committee ("EC") members, suspending BCA was the common aspiration of all EC members. It is also the first election pledge that Carrie LAM wanted to honour after being elected, as well as an important indicator of whether she could honour her election pledges. Unfortunately, after LEUNG Chun-ying flatly declined to suspend Primary Three BCA, Carrie LAM did not continue to pursue.

We understand the difficulties of Carrie LAM; she has no reason to rebuke LEUNG Chun-ying and Eddie NG like us. The Legislative Council has real power and we passed a non-binding motion at a meeting of the Panel on Education. Of course, the Government will not bother but we are now very seriously discussing this amendment targeting the written assessment of Primary Three BCA to be held next month. Hence, I hope that supporters of Carrie LAM and John TSANG, as well as the opposition camp will support this

amendment so as to achieve the objective mentioned in Carrie LAM's manifesto: "Before the comprehensive review is completed, I shall suspend the Primary Three Territory-wide System Assessment component of the Basic Competency Assessment (TSA/BCA) to reduce pressure on students and parents."

This is the last chance because the oral assessment has been completed but the written assessment has yet to start. If my amendment is passed and the Government respects the decision of this Council, the authorities will most probably suspend the written assessment to be held next month, to the satisfaction of everyone. With the exception of Secretary Eddie NG and LEUNG Chun-ying, I think we will all hold parties to celebrate. Carrie LAM should also put up a banner to state that she had joined hands with the Legislative Council to successfully suspend Primary Three BCA before a comprehensive review is completed.

On the contrary, if the Government insists on implementing BCA, Carrie LAM will not be able to honour her first election pledge. Therefore, I hope Honourable colleagues will not reject an opinion on account of the speaker. I hope they will not oppose all my proposed amendments because I am "Slow Beat", "a filibuster freak" or a member of the opposition camp. At that time, they even made a cardboard to cover another button for fear that they might press the wrong button; thus, there was only a hole uncovered for them to press to vote in opposition. Even if they have also made a cardboard this time, I ask them to take it away. I would remind Honourable colleagues again when we are about to vote on this amendment later. Amendment No. 159 is a targeted amendment, which can also actualize reconciliation. The suggestion that Members of the pro-establishment and pan-democratic camps should to have a meal together serves no purpose. It gives people an impression that the two camps are in deep animosity and a conciliatory feast is needed.

In respect of such a social policy, shouldn't EC members be considered as broadly representative? Beijing has also said that 1 200 EC members are broadly representative. Among these 1 200 members, 1 100 members also supported the manifestoes of the three candidates who called for the abolition of Primary Three TSA this year. Is this a now-or-never valuable opportunity? We can cast a vote to pass this amendment to reduce \$1.68 million, such that the Government will no longer ignore this Council and our society, and it will also not ignore the Chief Executive-elect.

The problems with BCA are legion. I am not going to repeat again the arguments of the democratic camp, but I have deliberately extracted some arguments made by people of the pro-establishment camp. They also oppose BCA and have pointed out the shortcomings of BCA. I would like to quote the interview of LEUNG Kee-cheong, Governor of Our Hong Kong Foundation. The school of which he serves as a member of the school management committee has decided to allow parents to decide on their own whether their children should participate in BCA. At an interview by HK 01, he pointed out that the school management committee opined that as Primary Three students were still very young, they would be under immense pressure to participate in BCA, an examination in their eyes, even though the Education Bureau stressed that BCA was merely an assessment. On the other hand, although BCA could provide schools with reference standards on the competencies of students, it was not necessary to conduct an annual assessment which would incur a waste of money and manpower. Mr LEUNG also cited examples that the Programme for International Student Assessment (PISA) was conducted on a three-year cycle and the external assessment of the Education Bureau was conducted once every six years. He questioned the importance of annual assessment which reflected that the Education Bureau did not trust schools. He counter proposed that BCA could be conducted in the mode of population census: a territory-wide assessment once every 10 years and a sampling assessment once every 5 years, as the standard of a school would not fluctuate greatly in a year or two.

In fact, some pro-establishment Members, pro-establishment representatives or representatives of educational groups also believe that under the present circumstances, no serious problems will be resulted if BCA is not conducted this year. Nonetheless, the Secretary is obstinate and he even frequently says that "A small effort a day makes learning easier and drills are unnecessary". In fact, whenever he makes such a remarks, we can feel the hardship of students. While he claims that the assessment will not lead to excessive drilling, the views expressed by parents and students at the public hearing have presented another picture. The Secretary has also said that he would personally handle the relevant cases. Yet, those are not isolated cases but a common phenomenon; how many cases can he handle? LEUNG Kee-cheong also thinks that BCA will not lead to drilling but he has repeatedly emphasized that the improved version of BCA is not re-conducting TSA and there is no incentive for students to have drills. This is his opinion based on his own theories but many people do not agree. They believe this is a grey area for schools; students do not need to buy supplementary exercises but teachers have downloaded exercises for students to have drills.

I hope that I will have time to speak again later and continue to persuade Honourable colleagues to support this amendment.

**Mr CHAN Chi-chuen moved the following motion:**

"RESOLVED that head 53 be reduced by \$76,000,000 in respect of subhead 000."

**DR LAU SIU-LAI** (in Cantonese): Chairman, first of all I declare that I will definitely support Mr CHAN Chi-chuen's amendment that calls for the reduction of the printing expenses of the Territory-wide System Assessment ("TSA") assessment papers. Now I will speak on Amendment Nos. 158, 164, 165 and 166. These amendments seek to reduce the expenditure on subhead 000 under head 156, so as to reduce respectively the expenditure on approximately one month's remuneration of the Secretary for Education, Under Secretary for Education and Political Assistant to the Secretary for Education, and also to reduce the estimated expenditure on the annual remuneration of the Deputy Secretary for Education (5).

Let me first explain why I seek to reduce one month's remuneration of these officials. Even though I find that many Policy Bureaux are rife with problems, I only request for a nominal reduction of their remunerations in a value-for-money spirit. If we are to hold a certain Director of Bureau or Political Assistant accountable for the calamity they have caused to Hong Kong society, I am afraid the harm is so great that they have to commit hara-kiri in order to pay for their wrong-doings. Therefore, my request for reducing one month of their remunerations is only a manifestation of the value-for-money spirit.

As regards why I seek to reduce the estimated expenditure on the annual remuneration of the Deputy Secretary for Education (5), I wish to make a point clear: I am only concerned with facts but not with individuals. As the official is responsible for implementing TSA, I thus propose to reduce his remuneration. I learn that the officer concerned is very competent with outstanding performance, and I have nothing against him personally. If his post is cancelled, I hope that the Government will deploy him to a better post. I seek to cancel the post solely because I disapprove TSA. Hence, apart from the printing cost of assessment papers, I also request to reduce the remunerations of all officials responsible for the implementation of TSA.

Why do I propose a series of amendments to reduce the expenditure on the remunerations of Education Bureau officials? First, it is a well-known fact that according to the findings of the opinion poll conducted by the University of Hong Kong published on 14 March 2017, the popularity rating of Secretary Eddie NG once again ranked the lowest among all principal officials. Hence, if we seek to reduce the remunerations of all Directors of Bureaux, Eddie NG will surely be on the list. However, as I have said, I am only concerned with facts rather than with individuals when I proposed this amendment. If I am concerned with individuals, Eddie NG could not repay his debts even if he committed hara-kiri. I am only concerned with facts.

The wrongdoings of Secretary Eddie NG include reading 30 not worth mentioning books every month, or going to Japan for viewing sakura or attending anniversary dinner of a certain chamber of commerce instead of attending public hearings. As a matter of fact, the problem with Hong Kong's education system is definitely not merely caused by such an inept Secretary, but originated from the education policy of the Government as a whole. Our education policy has always been regressive and perverse, and has deviated further and further away from the proper and genuine objectives of education. Teachers, parents and students are all in great distress. The entire education system in Hong Kong is defective.

As a matter of fact, from the colonial era to the post-reunification era, Hong Kong's education system has never been particularly sound. It lays far too much emphasis on competition and competition alone. The situation has deteriorated even more after the reunification. The system not only stresses the importance of competition but also class distinction. The situation of intergenerational poverty has worsened after the reunification. However, I wish to focus on discussing how an examination system that advocates competition and how the implementation of TSA in Primary Three has caused harm to the education system of Hong Kong.

In Hong Kong, the education system has all along emphasized on competition. As a teacher, I am deeply grieved. When I was studying educational sociology, my professor always told us that the objective of education was to help the new generation learn to cherish their lives; learn to cherish their individual values, affirm oneself and develop their talents in times of crises and difficulties; as well as advance bravely in all circumstances. However, the education system of Hong Kong only lays emphasis on competition. From

kindergarten to primary school, children have to undergo drilling and further drilling. Schools only provide training to improve students' skills in reading, writing, listening, speaking and memorizing, turning them into machines. In the eyes of the Government, children are just screws in the so-called future human resources. The Government has never nurtured children to develop a well-rounded personality. What will these students become when they grow up?

From childhood to adolescence, students have to face examination and competition incessantly. They assess their own value in terms of success or failure, and they lack self-affirmation. When others berate them for not having properties or not earning an annual income of \$1 million, they can only assess themselves by fame and wealth. Actually, everyone has his value and capability, but does our education system allow people to give full play to their strengths and gain self-assurance? Is the Government destroying them by being over-anxious for results or is it helping them?

I am particularly dissatisfied that TSA, since its implementation in 2004, has gradually become a tool of the Government to administer schools. TSA was originally designed to test students' basic proficiency in Chinese, English and mathematics, but the Government has exploited the data collected to suppress schools and turned TSA into a tool for school closure. Being alarmed, schools exert great pressure on students and drill them constantly. Consequently, parents are even more frightened.

According to a survey conducted by the Hong Kong Professional Teachers' Union since 2015, 97% of schools have requested students to buy supplementary exercises and the drilling culture has started since Primary One. 73% of teachers have admitted that TSA has put children under undue pressure and has distorted the education objectives. The Secretary is deceitfully flattering and talking nonsense by claiming that the problem is resolved after changing TSA to BCA because the examination contents are easier. In fact, the problem is not whether the examination contents are easy or difficult. It is of course a problem if the examination questions are very difficult, but the biggest problem is the incessant drilling of students to prepare them for TSA, turning them into memorizing machine. As this mandatory assessment records the name of schools and students, the Government can use the data to assess the performance of schools, exposing them to the risk of closure.

Therefore, disregarding whether the examination contents are easy or difficult, as long as the assessment is mandatory and records the names of schools and students, it will stifle the development of children. The Bureau keeps saying that similar tests are conducted in many other places, but the point is that the culture of drilling is non-existent in foreign countries. In Hong Kong, each education reform lays more emphasis on competition. The culture of drilling is now deeply rooted. With one more straw, it will likely break the camel's back. These problems have been manifested in our students. Many school children had used their lives to tell us that they saw no hope and could no longer bear the pressure. But the Secretary has still turned a deaf ear. Just now, Mr CHAN Chi-chuen tried hard to recount the harm caused by this education policy, but I reckon the Secretary just refused to hear.

Should education be like that? Is the situation in Hong Kong acceptable? Finland provides us with a good example as its education system is regarded by the world as the best. In Finland, each student is equally important, and through a cross-subject mode and teaching by topics, it is hoped that students can learn in a lively manner and acquire various kinds of knowledge linked up by a topic. Hence, though some students learn faster and some slower, no one will give up learning. For students whose performances are not up to par, more resources and attention will be given to nurture them. Each student receives the same respect. Those who perform better will not despise the slow learners, while the slow learners, feeling the care given to them by society, will try to explore their own talents and cherish their lives. This is genuine fair play. All students have their own values, and we have to help them face society, adapt to the environment of society and discover their potentials.

How about the situation in Hong Kong? While there are many different kinds of schools, including government and aided schools, Direct Subsidy Scheme schools and schools funded by foreign capital, they all follow one single curriculum. Apart from a unitary curriculum, the spirit behind is all the same, which is, "the victor becomes king and the vanquished becomes bandit", and "success hinges on father's help". In other words, if I have a rich father, I can go to a school with better teachers and more resources, but the children of the poor will still be poor and they cannot break the cycle of intergenerational poverty. The school curriculum is unitary, and not much choice is available. We instill into students since their early childhood that should they fail, society will consider them worthless. How can the next generation find hope in this kind of society? Is this society still people-oriented? Do we teach children since their

early childhood that they should regard other members of the community as people of the same group and cherish each other, or do we teach children that other members of the community are their enemies and they should trample on one another? I really hope that practitioners in the education sector will see clearly the true meaning and nature of education.

Let us look at the situation in Germany. Germany lays emphasis on diversity in education. Other than grammar schools, students can choose to study in specialized or vocational institutions. In the last school year, students receive in-service training in enterprises to experience the real workplace. Having a diversified path in their life, many students will return to the university when they find that their knowledge is insufficient after working a few years in the industrial sector. There are many choices offered to them on the path of their lives. Germany emphasizes that one should lead an independent life and make his own choice, what about Hong Kong? Hong Kong has always emphasized the philosophy of "the many must labour for the one" and "success hinges on father's help". That is the evil philosophy we bitterly detest for destroying our education system.

In Finland, students have self-affirmation, they know their own value worth and are respected. In Germany, students are given the chance to develop their own unique personality and have control over their own life. Nevertheless, our education system only regards students as screws which may be inserted in the Hong Kong-Zhuhai-Macao Bridge. In future, students may engage in hard labour or may have the longest working hours in the world, being sucked dry by the capitalists. We have not taught students to cherish themselves; we have not given them the chance to choose another path; and we have not taught them to have critical thinking about how to improve their society. This is the calamity brought single-handedly by those in power and they are destroying our next generation.

Educators should understand that academic knowledge may not be the most important. Honestly speaking, who would still remember what Tangent, Sine and Cosine are? The most important function of education is to cultivate students' empathy and spirit of self-cherishing, so that they have the will to develop their talents. People develop their empathy between the age of 0 and 10. After this stage, if one does not have a happy childhood and a pleasant social life, he can hardly cultivate the spirit of empathy. However, those in power incessantly drill students in this stage on the pretext that this is their prime

learning time, hence turning students into machines and depriving them of empathy and a sense of self-love. This is the biggest abomination in the whole world as it totally ruins the life of the next generation. I really hope that those in power will understand, the evil consequences and harm resulted from destroying the sense of empathy and self-worth of the next generation will not only affect other people, but also cause harm to them because if the next generation grow up in such a society, people in power will also live in a community without empathy, which is a hell on earth, and this hell is created by them.

Educators have criticized that the education reforms over the last 10-odd years have gone from bad to worse. They bitterly detest that after each reform, the element of human nature has been reduced and the spirit of humanism disrupted. I only propose to reduce one month's remuneration of officials, absolutely not because I want to be nice to them. To me, if they do not commit hara-kiri, they simply could not atone for their sins committed against the people of Hong Kong.

I so submit.

**CHAIRMAN** (in Cantonese): Does any Member wish to speak on these amendments?

(Dr Fernando CHEUNG indicated his request to speak)

**CHAIRMAN** (in Cantonese): Will staff members please remove the displays brought in by Mr LEUNG Kwok-hung. They are blocking my line of sight.

Dr Fernando CHEUNG, please speak.

**DR FERNANDO CHEUNG** (in Cantonese): I would like to speak on the amendment proposed for this debate session, which seeks to reduce the estimated expenditure on the emoluments for the remainder term of the Secretary for Education. As Members, we generally should not propose to reduce the emoluments of principal officials. And yet, as explained by a number of Members, there is basically nothing we can do apart from reducing expenditure; increasing expenditure is out of the question. If we can increase the expenditure

on education, or in areas under discussion in this debate session, such as manpower, youth, arts and culture as well as sport, we can certainly identify a number of areas that are worth increasing the provision. Surely, we will not be as inept as the Government in using tax revenue, resulting in having tens of billions of dollars of surplus, and even granting tax refunds to consortium and taxpayers. This sum of money is actually precious public resources. If the Government has no idea how to spend the money, it should step down.

With regard to education, Chairman, unfortunately, the Panel on Education passed two motions a few days ago and the one proposed by me sought to reprimand the Secretary for Education. The Panel held a public hearing on the Basic Competency Assessments ("BCA") and the Territory-wide System Assessment ("TSA"). The issue has indeed dragged on for a period of time and the voice of members of the public is loud and clear. On the question of whether TSA, especially Primary Three TSA, should continue to be conducted in Hong Kong, the most neutral remark is that the issue is extremely controversial. Many parents, members of the public and students requested the Government to abolish Primary Three TSA in the first place. As for Primary Six and Secondary Three TSAs, they may be subject to further discussion. In fact, we totally fail to see the need to conduct TSA, and even if assessments are required, they should not be conducted in that way. However, the Government has been very stubborn. Even when Chief Executive-elect Carrie LAM indicated that TSA should be shelved, the current-term Government remained adamant and continued to implement the assessment but under a different name. The Panel on Education held a public hearing on this subject, but the Secretary attended one session only. The media later disclosed that he left early in order to attend the reunification celebration event held by the Hong Kong Swatow Merchant Association Limited ("the Association"). I have no idea how important this event organized by the Association is and whether it is more important than the assessments affecting thousands and even tens of thousands of students. I really cannot figure out how the Secretary prioritizes his work.

Chairman, when I discuss public policies in this Council, I tend not to put the blame on a particular person, or comment in detail the words and deeds of individual government officials. Rather, I prefer to target issues not individuals. As Members may be aware, I rarely pointed my finger at any particular official in the past. And yet, Secretary Eddie NG is utterly disappointing. After his assumption of office, there have been repeated calls for him to step down. His implementation of national education turned out to be a fiasco, and the strong

opposition had evolved into a social movement. Finally, it was the "nanny" who cleaned up the mess for him. Chairman, our children have to deal with a lot of adversities and if the Secretary for Education—and his two predecessors—had made extra effort to consider from the perspective of students, we would not have to come to this pass.

As a matter of fact, the amount of resources allocated for education is not small at all and education has remained in the top position for an extended period of time, meaning that it accounts for the largest share of public expenditure of various government departments. Notwithstanding that, many parents have arranged their children to study in international schools or Direct Subsidy Scheme schools, and the more well-off ones have even sent their children to study abroad. For many senior officials now present at the meeting or currently working at the Central Government Offices, I believe most of their children are studying in these kinds of schools. How come government officials overseeing education policies do not have faith in the mainstream subsidized education? This is no different from Mainland officials who hold foreign passports on the one hand, but call on people to be patriotic on the other.

How come local education has developed to this state? Is it true that, as described by Dr LAU Siu-lai, the Government makes use of a modern imperial examination system to select elite students through one examination after another and incessant drillings? Chairman, "learning is more than scoring" is the biggest lie ever, a lie that even a kid can tell its falsity. And yet, we still keep reiterating that education is a means to an end to nurture the next generation. What kind of nurturing is this? Students who fail to score high marks will be neglected and will never stand out among others; they will always run into bad luck and their life will be miserable. This is a well-known fact, and parents are aware of this situation. Hence, their only hope is that their children will get good marks in examinations, or else they cannot secure a university place; if they cannot receive university education, they will always run into bad luck. This is the path that the entire society is forcing our children to follow. No deviation is allowed and the less capable students will naturally run into bad luck.

In that case, any attempt to introduce integrated education under an examination-led system which emphasizes "scoring more than learning" will inevitably lead to disastrous consequences. A subcommittee was set up in the last term of the Legislative Council to study integrated education. We do not want empty talks from the Government, nor are we launching a mass steel

campaign, under which problems relating to the admission of students with special educational needs ("SEN") would be resolved overnight. The Government thought that by granting \$10,000 (now increased to \$13,000) to each SEN student every year, it could then pass the burden to schools, leaving them on their own to tackle the problem in a flexible way. This nonetheless obviously does not work.

It has been our wish that the Secretary would adopt a student-centered approach and work jointly with schools, parents and students, as well as professionals. However, has concerted effort been made in the past? According to previous studies conducted by community organizations, parents did not have any chance to establish good communication with schools, and schools, parents and students were not on an equal footing in terms of power. Schools need to consider the question of survival, so they require students to achieve good academic results. What they fear most is demoting from Band Two to Band Three, having problems in recruiting students, parents fearing to enrol their children after learning that the school has accepted SEN students, resulting in insufficient students and eventually leading to class reduction or even school closure. This is the ecology of the local education at present. People only care about the question of survival, including the survival of teachers or schools, so when will the well-being of students be considered? Under such circumstances, all SEN students will definitely run into bad luck.

We suggest that the examination-led approach should no longer be adopted and that schools should not be classified into different bands. An integrated education system allows people of different capabilities to give play to their strengths, and as we can see—the Research Division of the Legislative Council Secretariat has also published a relevant report—overseas countries had, through the enactment of legislation, established a legal framework to protect SEN students. The core element is the formulation of individual learning programmes by students, teachers, professionals and parents altogether. The various parties will first examine the difficulties faced by students as well as their obstacles and needs, then they will consider what can be done to help students achieve their goals. The goals must be specific and measurable with a timetable. This serves as the students' learning programmes, which will be reviewed on a half-yearly basis. All stakeholders of these learning programmes, including students, parents, teachers as well as relevant professionals, such as educational psychologists or other therapists, such as occupation therapists and speech therapists, have a part to play. This forms a contract, under which all

stakeholders are bound to contribute some efforts. The authorities will conduct reviews on a half-yearly basis to see if the students can achieve their goals; if not, the relevant stakeholders will be held accountable. Subsequently, adjustments will be made to the goals and learning progress of students, and the programme will become a communication platform.

This is my personal experience as my daughter had benefited from such a system when she studied in the United States. We propose to establish such a system and, through the enactment of legislation, require all schools to recruit an officer for SEN students for coordination work. Four years have passed but the Government still refuses to take action. Finally, money was allocated from the Community Care Fund to provide financial assistance to more than 100 schools. What requirements must these schools meet for receiving the subsidy? Only schools with half of the students coming from poor families, that is, recipients of student financial assistance or Comprehensive Social Security Assistance, and accepting 55 or more SEN students are eligible for funding. This is really very ridiculous.

I hope that the next-term Government will regularize the funding arrangement and avoid using students' family income or financial means to determine the provision of assistance. SEN students have nothing to do with financial means and they may come from any families with problems of attention deficit, hyperactivity disorder, autism and learning or other impairments. If we want to place SEN students in the mainstream environment, why don't we provide the same support to all schools admitting these students? The present approach of the Government is indeed puzzling.

Very regrettably, with only two months left in the tenure of Secretary Eddie NG, these initiatives should have been implemented long ago. Mr Dennis KWOK and I had even drafted a bill for the Government. We started from scratch, and Chairman should know very well that subject to the limitation of Article 74 of the Basic Law, it is basically impossible for Members to draft any bill. We submitted the draft bill to former President of the Legislative Council Jasper TSANG, who then passed it to the Government. In response, Eddie NG said that if the bill was passed, the Government would have to increase its annual expenditure by \$2.5 billion. He is actually bluffing. Why would \$2.5 billion be needed? And yet, even if this initiative would increase the expenditure by \$2.5 billion, the money is worth spending because 40 000 SEN students will benefit. They will then believe that they will become useful persons one day

and contribute to society. The existing system, however, will only turn them into losers. If \$2.5 billion can save the lives of 40 000 people, it is absolutely a worthwhile social investment.

As Members, we have tried to relay problems that we have seen to the Government. When the Government refused to take action, we then formulated plans and drafted a bill for it. It nonetheless did not appreciate but kept creating obstructions instead. What kind of government is this? There are suggestions that we should conduct rational analysis and provide evidence, but this Government refused to carry out scientific research and initiate any change to the system. When someone put forth a proposal, it ended up like the proposed universal retirement protection which could not be implemented due to the Government's obstruction. What is the point of doing so?

However, not much time is left in the tenure of the Secretary. We can only hope that the next-term Government will be more reasonable, otherwise I fail to see (*The buzzer sounded*) ...

**CHAIRMAN** (in Cantonese): Dr CHEUNG, please stop speaking.

**DR FERNANDO CHEUNG** (in Cantonese): ... how we can improve the executive-legislature relationship.

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, since the Secretary for Education is attending this debate session, I must direct my speech at him. Originally I intended to speak on my proposed Committee stage amendment concerning the Labour Department, but as the Secretary is here today, I have to target him because we really do not see him very often. I will speak on Dr CHENG Chung-tai's amendment which seeks to reduce the estimated expenditure roughly equivalent to the annual remuneration of the Secretary for Education. Of course, Dr Fernando CHEUNG has also proposed an amendment to reduce the estimated expenditure roughly equivalent to the Secretary's remuneration for three months. But Dr CHEUNG may not know that as Carrie LAM is having problems in forming her governing team, the Secretary may have a chance to stay, which will make our lives very miserable. That is why I think

we should reduce the estimated expenditure on his annual remuneration in advance. Otherwise, it would suffice to reduce the estimated expenditure on his three months' remuneration.

As an accountability official, to whom should the Secretary be accountable? He should be accountable to us because it is stipulated in the Basic Law that the Government must, from time to time or as appropriate, designate officials to sit in on the meetings of the Legislative Council for the purposes of receiving our views, answering our questions or seeking our consent to pass the legislation or the Budget (which is a special legislation). Hence, as far as the Basic Law is concerned, there is nothing more important for the Secretary than attending meetings of the Legislative Council because it is, firstly, a constitutional requirement and secondly, it is his most important duty given the efficacy of the work.

Imagine what would happen if Members reject the Government's funding proposals. In that case, nothing can be done by the Government. What if Members do not approve the bills presented by the Government? The Government will have no basis for its work. But Secretary Eddie NG has time and again failed to attend meetings of this Council at critical junctures, say, when the Administration is set to brief the Council on the implementation of certain policies prior to seeking funding approval from the Finance Committee or prior to seeking the Establishment Subcommittee's approval for the creation of posts. Sometimes he would attend a meeting for a while and then left. I am a frank person, so I have asked the Secretary directly a few times as to his whereabouts or whether he could stay longer for the meeting. But he never answered me.

Chairman, an incident happened last week, not it should be this Monday, that is three days ago. The Territory-wide System Assessment ("TSA") implemented by the Education Bureau has all along been sharply criticized. The Education Bureau then proposes to replace TSA with another system of assessment and intends to implement the new system at all costs. While the incoming Chief Executive or the Chief Executive-elect has said that she would abolish TSA and hoped that the current Government would no longer implement TSA, the current Government is still determined to go ahead with the assessment. Of course, LEUNG Chun-ying has not handled the matter properly, but the Secretary should have come forward to make a few fair comments, right? As an accountability Secretary, he is duty-bound to explain to the public the policies or measures under his purview or state his own views clearly. The worst-case

scenario is that he would be dismissed by the Chief Executive. Secretary, former Secretary for Home Affairs TSANG Tak-sing who used to sit next to you had also been "informed" that he must resign due to family reasons. Really, that is the worst case.

When Secretary Eddie NG attended a meeting of the Council this Monday, he explained that it was indeed necessary to implement the Basic Competency Assessment ("BCA"). Actually, that meeting started sometime after 4:00 pm, and many Members had already been working for most of the day. Some parents also attended the public hearing after work. The Secretary should also have been working for most of the day, but why did he leave soon afterwards? When I put the question to him, he refused to answer because he did not think it was necessary to do so. I told the Secretary that according to the Basic Law, he should sit in on the meeting. If he could not attend the meeting, he must give us a valid reason, that is, he left the meeting because he must perform another more important function. Afterwards, I of course asked the Under Secretary, Mr YEUNG, about the Secretary's whereabouts. But Mr YEUNG said that he knew nothing about it, which is clearly a lie. How come the Under Secretary knew nothing about it? He was just too embarrassed to tell the truth.

Mr SHIU Ka-fai, do you know how I found out the Secretary's whereabouts? I can only say that it is a case of the mills of God grinding slowly, but surely. I was going out to buy coffee the other day and picked up a copy of *Ming Pao Daily News*. Then I saw that on that day, Secretary Eddie NG attended an event organized by Swatow Natives Association or Swatow Merchants Association—I cannot remember the name exactly—to celebrate Hong Kong's reunification. Chairman, shouldn't I feel indignant? Had you not been here today presiding over our meeting, but instead attended an event organized by Enping Natives Association to celebrate Hong Kong's reunification, shouldn't I have felt indignant? Of course I would have felt indignant because you are the President of the Legislative Council, and you must preside over meetings of the Legislative Council. That is why you receive a higher remuneration than other Members of the Council—I am not saying that you are greedy, but the remuneration you received requires you to do better than the rest of us, and you must also preside over meetings of the Council. When a meeting of the Legislative Council is held, you have no reason not to preside over it unless due to some family matters or incidents with irreversible consequences. The Secretary's situation is similar to yours. You will not suddenly leave a meeting even if you feel unwell; you will only leave until you cannot hold on anymore.

I cannot remember whether the reunification celebration event was organized by Swatow Natives Association or Swatow Merchants Association. As a matter of fact, in the entire Chaoshan district, there are countless cities and towns in the neighbourhood of Swatow alone. Buddy, how many events can he attend? That is the first point. Secondly, the event was held by Swatow Natives Association not to commemorate the birth of Confucius or HAN Yu's tenure in Chaozhou. Had Secretary Eddie NG attended the event for these reasons, he could at least say that the event was related to education, which can be regarded as a plausible reason. But as the event was only held to celebrate Hong Kong's reunification, why can't other public officials attend on his behalf?

Chairman, in fact, other government officials did attend the same event on that day, and one of them had all the reason to attend. I am referring to Chief Secretary for Administration Matthew CHEUNG who was the officiating guest. In that case, the attendance of other public officials was more or less optional, wasn't it? Even if the attendance of other public officials was required, other officials from the Home Affairs Bureau could attend since they have already established a working relationship with the organizer; or representatives from the Constitutional and Mainland Affairs Bureau could attend the event. What does it have anything to do with Secretary Eddie NG? His attendance is totally unjustified, and he is simply idling. How can we not feel indignant? Let me draw an analogy. The Secretary claims to be a fireman, but when a fire actually breaks out, he says that he is a member of the swimming team. Though water is involved in both cases, he only knows how to play with water, but he does not know how to put out fire with water. Moreover, this incident is not an isolated case. I do not know if there is any grudge between the Secretary and *Ming Pao Daily News*, but the newspaper published his photo this time. Secretary, perhaps you can also respond to this point later.

Chairman, the Secretary is provided with a dedicated official car. You are also provided with an official car, right? You have your own official car because of your important status as the President of the Legislative Council, and you are required to travel a lot. On that day, the Secretary chose to attend the dinner party organized by Swatow Merchants Association to fill his belly—I do not know if dinner was actually served—but if the event was simply what we called a "face-giving party", he could just show up, say some hellos, shake some hands, praise the organizer for loving the country and loving Hong Kong, tell the guests how nice it was that Hong Kong has returned to the Mainland for 20 years, and so on, and then took leave immediately and hurried back to the Legislative

Council to rejoin the public hearing and listen to the views expressed by Members and the attendees. Isn't it right? Let us not forget that unlike me, he can travel around with his dedicated official car. As for me, the best I can do is to take a taxi, and I have no idea how long I have to wait for one.

The Secretary is provided with a dedicated official car so that he can better utilize his working time by spending less time on travelling. At what time did he leave the meeting of the Council on that day? As I recall, it was probably at around 6:00 pm. Buddy, one can even stage a coup within an hour, let alone do some socializing in a reunification celebration event. Actually all he needed to do was to take some pictures, have a cup of tea and take some food. What took him so long? I am a fair person, so my guess is that he might need to attend another event organized by another merchants' association, only that no pictures had been taken. For that reason, I invite the Secretary to give us an account later.

Let us assume that the Secretary left the Legislative Council at 6:45 pm and was driven to the venue in his dedicated official car. After he arrived, he socialized with the guests, shook hands, took pictures, had a cup of tea and took some food, and so on, he could have returned to the Legislative Council in an hour or so if he was really concerned with the public hearing. Isn't it right? At that time, the second session of our public hearing had just started. Isn't that right, Mr IP Kin-yuen? We were still having the second session, and three sessions of public hearing were scheduled for that day. Had the Secretary returned, he would have received many views from the attendees. But he chose to leave for good. He was like a soldier in the battlefield who, upon hearing the firing of gunshots, fled immediately while claiming that he missed his parents at home. Isn't it just ridiculous? Buddy, how can a public official act like this?

Chairman, "he who teaches, also learns", there should be interaction between teachers and students. Though the impartation of knowledge is essentially a one-way process, a teacher's demeanor and integrity are also very important. What example has been set by the Secretary? Can a student, who is on his way to attend an examination, suddenly turns back when he is about to reach the examination hall for the reason that today is his mother's birthday, and he must go home instead of taking the examination? Can he do something like that? Of course not. Even students who are victims of BCA or TSA cannot do so. Can students refuse to take the examination for any reasons? That is not allowed.

Regarding the Secretary's act on that day or his other alleged acts previously, that is, whenever public hearings were held by the Legislative Council, he left after a short stay or he simply refused to attend. Honestly, from the perspective of holding him accountable, we should be checking his diary to ascertain his whereabouts. I have exercised my due diligence by raising this question in Council many times before, but nobody would answer me.

Does the Secretary owe us an apology for what happened on Monday? He should at least say something to the effect that, "I am very sorry. I shouldn't have attended the event organized by Swatow Natives Association or stayed there for so long. I am really very sorry about it. I really want to hear your views. Can we arrange another meeting to discuss the matter again?" It is the reasonable action to be taken, isn't it? As the Chinese sayings go, "There is nothing greater than realizing one's mistake and rectifying it" and "It is never too late to mend the fold after a sheep is lost". When I was young, my teacher used to say to me: it was alright for you to be naughty now, but you should not be naughty when you grew up. Then I would tell my teacher, "Yes, I got it", or else I would be made to copy 500 sentences as punishment. If the Secretary does not admit his wrongdoing, he should be made to copy 500 sentences as punishment. If I say to the Secretary, "You are being very naughty and stubborn", and the Secretary apologized and admitted that he was negligent, the matter would be settled. Honestly, the relevant amendment is just like requiring the Secretary to copy 500 sentences as punishment because he will soon leave office. Even if the amendment seeks to deduct his annual remuneration, the actual effect is that only his remuneration for one month or so will be deducted.

Chairman, although you may think that my speech today has slightly deviated from the subject, I hope it can still serve as a reminder. When the Government wants to implement certain policies, such as TSA or national education, which are already quite controversial per se, it should lobby for public support in an even more sensitive manner and reach out to the masses. Secretary Eddie NG, I want to give you six words as advice: "From the masses, to the masses." I think you also come from the masses because we went to the same school. Even after you became a public official, you should still go to the masses with open eyes and ears. Everyone is up against your policies, but you do not even care to listen to their views. How then can you improve such policies?

It is difficult to implement TSA or BCA because, apart from their inherent problems, there are other problems. As many Members have mentioned before, the assessment is actually an examination though it is presented as an aptitude test, and as a result, students are made to compete against each other constantly and unnecessarily, while schools are also drilling students unnecessarily. The Secretary is treating parents, students and even Hong Kong people like fools. That is why I seek to reduce the estimated expenditure on his remuneration and order him to copy 500 sentences as punishment. Secretary, please explain your whereabouts on Monday in your reply later.

**MR IP KIN-YUEN** (in Cantonese): Chairman, I propose that head 156 be reduced by \$73 million in respect of subhead 000, which is equivalent to the average annual expenditure on the Basic Competency Assessment, comprising the Student Assessment, the Territory-wide System Assessment ("TSA") and related studies, to be administered by the Hong Kong Examinations and Assessment Authority ("HKEAA") as commissioned by the Education Bureau.

Chairman, many Members (including Mr LEUNG Kwok-hung) have talked about the issue of TSA earlier. Last Monday, the Legislative Council held a three-session public hearing on TSA, but the Secretary for Education left after attending the first session for an event organized by the Hong Kong Swatow Merchants Association Limited. The Secretary's non-attendance of the second and third sessions of the public hearing on TSA well illustrates his total disregard of members of the public who came to the Legislative Council to express their views. We found the Secretary's behaviour incomprehensible. As a public official, the Secretary is very often invited to various activities held at the same time and he has to decide which activities he has to attend. How does he determine the urgency or importance of events in making the decision? Is attending a ceremony held by a merchants' association more important than hearing the public views on TSA in the Legislative Council? Many members of the public were very enthusiastic to express their views in the Legislative Council, why did the Secretary consider the public hearing insignificant? I think Secretary Eddie NG has to explain and apologize in this regard and I hope that he will not be evasive any more.

Chairman, the expenditure of \$73 million under discussion is related to TSA, including item setting, printing of assessment papers, administration fees on administering schools' participation in the assessment, as well as the Education

Bureau's commissioning of other independent bodies to conduct related studies using TSA data. However, Members should note that the above mentioned amount is only the expenditure required for HKEAA to administer the assessment under the contract. Does it include all items of expenditures in implementing TSA? No. In order to implement TSA, the Government has to conduct promotion activities. The expenditure on promotion is not included in the \$73 million mentioned by me earlier. Regarding the expenditure on promoting TSA, in the past three years, \$2,300,000 had been spent on playing promotional videos on public vehicles and \$90,000 on advertisements on the Internet, making a total of \$2,390,000. If TSA was effective and successful, why should promotion activities be conducted? All the Government needed to do was to inform people of the benefits of TSA, and there was simply no need to conduct so many promotion activities? What is the result of spending so much money?

TSA is administered in Primary Three, Primary Six and Secondary Three. How much has been spent on administering TSA in Primary Three alone? Hong Kong people have to spend \$24 million a year on average. What do we get after spending so much money? That is a question which we must ask.

According to the Government, TSA seeks to achieve two main purposes. First, to improve learning and teaching in schools; and second, to conduct system monitoring. Schools can use the information feedback in TSA to raise their standards of learning and teaching, and timely support and guidance will be provided to students who fail to attain the standards. In addition, the Government can provide support to schools in need and monitor the effectiveness of implementing its education policies. These are the functions of TSA claimed by the Government, but what is the reality? The reality is that the Government has failed to provide specific and substantial evidence to show that TSA has significantly helped schools in raising their standards of learning and teaching.

TSA is designed as a quantitative assessment. If it is an effective tool, it should be able to tell us the actual fractional or percentage changes. I have asked time and again for the relevant information at meetings of the Legislative Council, but so far, I still have not obtained any substantial evidence. Although the Education Bureau said that TSA had the function of providing feedbacks on learning and teaching, I raised great doubts about this remark a long time ago. I put questions to the officials concerned at meetings of the Panel on Education, hoping to get specific information on the extent which TSA could assist schools in improving their results. I asked the question again at the meeting of the Panel

on Education on 22 March 2016. The official attending the meeting, Dr Catherine CHAN, only briefly said that the results in English Language of one school had improved after making good use of TSA data, and that was all. I asked a further question, but did not receive any supplementary answer. As TSA has been implemented for more than 10 years and many schools are involved, how come the Policy Bureau could only mention the results in the English Language subject of one school? That is ridiculous. We have to find out clearly why the information feedback in TSA has not achieved its expected effectiveness. In fact, there are a number of reasons for that.

Simply put, the information feedback in TSA is delayed. What do I mean by that? Suppose we are administering TSA and the written examination will be held next month, the results will only be released in the next academic year instead of this academic year. By then, the current Primary Six students will be promoted to Secondary One; how can teachers who have obtained the results help the students concerned? The Primary Three students will be promoted to Primary Four and they will be taught by different teachers. How should the problem be handled? That is what I mean by the problem of delay.

Second, TSA is actually a summative assessment, instead of a formative assessment which is most effective in helping students. TSA is, by its nature, not intended to perform such a function. Let me use an analogy. We use a fruit knife to cut apples. If we give someone a letter opener to cut apples, he can still get the work done, but the apple is coarsely cut and he may even break the letter opener. TSA is not the most effective tool for improving teaching and learning; it is a kind of forced assessment. Despite the justifications put forward by the Policy Bureau to support TSA, many studies have shown that TSA cannot be used as a genuine assessment. Furthermore, a fundamental problem is that as TSA does not show the results obtained by individual students, the Secretary's saying that TSA would help individual students was totally irrelevant. TSA has completely failed to meet the expected effectiveness. After spending so much money, can genuine help be provided to students to make improvements? If no effects have been achieved, is it worthy for us to spend further money on it?

In fact, if the nature of TSA remains unchanged, the crux of the problem remains unsolved even if more technical improvements are made. For example, the questions of TSA are made easier now, but will it solve the problem? Since 2011, the Hong Kong Professional Teachers' Union ("HKPTU") has issued questionnaires to collect the views of teachers every two years. We have so far

conducted three questionnaire surveys to collect the views of school principals and published a collection of articles on TSA. In addition, we have conducted an in-depth study. Our conclusions are that the design of TSA is problematic and TSA has undergone many changes in the process of its implementation. These problems have to be seriously resolved.

According to the records, I asked a written question at a meeting of the Legislative Council in May 2015 on the pressure on primary education created by TSA. In 2015, i.e. two years ago, many members of the public actually did not really understand what TSA was. TSA has only become a hot topic of discussion in the recent two years or so. Subsequently, the Government provided us with the membership list of the steering committee on TSA. An official of the Education Bureau is appointed Chairperson of the committee and the membership does not include representatives of the union of teachers (i.e. HKPTU) which is very concerned about the issue. We have repeatedly asked why the committee does not include representatives of groups holding different views and parents who are very concerned about the issue. Without the participation of these people, the committee cannot take on board various views. Thus, no resolution can be reached unanimously after the review. Since the Government has indicated that TSA would be comprehensively implemented, it has stirred up even greater controversy.

In fact, 36 Members, including myself, have jointly signed a letter to relay two requests to the Government. First, can TSA be shelved this year? If it cannot be shelved, our second request is to give schools and parents the autonomy to decide whether they will participate in TSA. The idea is that if parents and schools are given autonomy, the Government can still proceed with the assessment this year. However, up till now, the Government is still not willing to give a very clear answer as regards whether schools and parents will have the right to decide their participation or otherwise in TSA. Under the circumstances, the Government is, in effect, hijacking every student and school to participate in TSA, leading to incessant confrontations in society at present.

At a public hearing held a few days ago, I pointed out in my last speech that the current conflicts and confrontations about TSA could have been avoided. TSA is not the most important policy in respect of the education policy as a whole, its role is insignificant. Why then is the Government not willing to listen to public views on such a small matter? Why is it not willing to adopt our different proposal in a rational manner? How can the Government completely

ignore the dissenting views of a number of professors in the education sector, but adopt the views of a couple of other people? Selective listening and the obstinate approach of the Government have created very serious problems in the education sector in Hong Kong.

Today, an article entitled "A Way Out for TSA" written by Prof TSANG Wing-kwong of The Chinese University of Hong Kong was published in a newspaper. The article said, "TSA must strictly perform its functions as initially designed. It should only be used for monitoring purposes at the territory-wide system level, and should not become a tool for monitoring the performances of individual schools, still less holding them accountable. Thus, it is not necessary to record the names"—of schools and students—"and the assessment should be conducted randomly. That is the only way to fundamentally relieve the pressure on schools and remove the incentive for drilling." Nevertheless, the Secretary has all along said that the names of schools could not be removed from the record. Thus, the stalemate remains.

Prof TSANG's opinion is definitely not his personal view. I put forward the same view in my study conducted last year. Prof CHENG Kai-ming of the University of Hong Kong, a number of professors of The Chinese University of Hong Kong such as Prof Esther HO and Prof WONG Hin-wah and a number of professors of The Education University of Hong Kong have also expressed similar views. Is the Education Bureau willing to listen? Members of the public very much hope that students will be provided with a balanced curriculum and a normal learning environment. The Government should conduct an in-depth review on TSA before drawing up a completely updated proposal. Regarding the forthcoming TSA this year, I hope the Government will change its mind at the last minute instead of forcing schools to conduct the assessment.

**MR NATHAN LAW** (in Cantonese): Mr LEUNG, I will speak on the amount of some \$50 million under subhead 000 of head 190, which is roughly equivalent to the annual estimated expenditure on emoluments of the University Grants Committee ("UGC"), and another amount of some \$29 million under the same subhead, which is roughly equivalent to the annual estimated expenditure on meeting expenses of UGC, the Research Grants Council ("RGC") and the Quality Assurance Council ("QAC").

Before joining the Legislative Council, I had been working with a students' organization, and tertiary education was one of the areas I studied. I believe that in the past, few people talked about the structure of UGC, and thus few arrows were shot toward grey-haired Secretary Eddie NG concerning this subject. However, this subject is actually very important, especially after the Umbrella Movement, LEUNG Chun-ying has vowed solemnly to attack and denounce the tertiary education sector. He has arranged many people to join the councils of universities, with an attempt to put the management of universities under his control, and make decisions that undermine academic freedom and institutional autonomy. Regrettably, we cannot talk about problems concerning institutional autonomy and the councils of tertiary institutions at this debate. Another organization that is under the control of the Government which can exert pressure on the tertiary education sector is UGC.

Established as a non-statutory advisory body in 1965, UGC has all along been responsible for advising the Government on the funding of various tertiary institutions, and for allocating public money for research. Under the aegis of UGC, RGC is responsible for approving and monitoring applications for research grants, studentships and post-doctoral fellowships, and QAC is responsible for the conduct of quality audits of universities, thus having a bearing on the academic quality of universities and the upgrading of tertiary institutions. Apart from the two aforementioned bodies, UGC also provides funding to institutions other than the eight major institutions through other channels, such as matching grant for universities. Evidently, the influence of UGC is not limited to publicly-funded institutions.

As a body that determines funding allocations to tertiary institutions, UGC's ideology naturally affects the direction of universities for they will adjust their direction of development to comply with the requirements imposed by UGC. As university plays an important role in nurturing talent for society, its pedagogical approaches and research directions will affect the development of society as a whole. For example, if universities uphold scientific research and place emphasis on nurturing scientific talent, scientific research in Hong Kong society will have momentous growth. Universities and society are so closely linked that they are able to cultivate the backbone and pillars of society.

Meanwhile, owing to the structure of UGC, it maintains a close relationship with the Government and is immensely affected by the Government, and in turn it exerts influence on tertiary institutions. Next I will, in the light of

the ideology of UGC on funding allocations for pedagogical studies and the problems concerning its overall structure, explain why I think that UGC has to undergo drastic reforms, and why Members should support my amendments to reduce its expenditure.

In Report No. 67 of the Director of Audit ("the Report") published in late October last year, the Audit Commission reprimanded UGC for its black-box operation and waste of public money in Chapter 2 "Funding of universities by University Grants Committee" and Chapter 6 "Funding of academic research projects by Research Grants Council". The existing system of UGC warrants improvement in respect of its lack of transparency and accountability. As a non-statutory advisory body that manages an enormous amount of public money and receives substantial provision, UGC should have a higher degree of transparency and accountability.

According to the Report, as the UGC Secretariat has never promulgated rules of procedure governing the conduct of meetings of UGC, students and members of the public are thus unable to know the quorum of meetings and voting requirements, let alone monitor its operation. Of the 20 members of UGC, namely the Chairman and 19 other members, all are appointed by the Chief Executive. As the Chief Executive has never made public the criteria for appointment, we are unable to ascertain why these members are appointed by the Chief Executive on the basis of their qualifications.

The Report further pointed out that 26 Register of Interests forms of UGC members were missing, and four principal investigators of certain publicly-funded projects were RGC members, who had failed to make any declarations, thus giving rise to conflicts of interest and secret dealings. Evidently, UGC lacks transparency and accountability, various conflicts of interest are involved and the appointments of members are likewise controversial. The various problems as exposed by the Report have exactly reflected the essence of UGC, that is, as UGC members are appointed through an undemocratic procedure by a Chief Executive elected undemocratically, UGC is not subject to any monitoring and accountability, thus giving rise to the situation as mentioned above.

The Report also mentioned that the UGC Secretariat spent a lot of public money on inviting foreign academics to visit Hong Kong, and the expenses on Business Class air tickets and upmarket hotels have surged from \$3.9 million to

\$16.2 million over the past 10 years. How much is \$16.2 million? This amount represents the annual tuition fees for 360 university students, which is a very large sum of public money. As a body that conducts value-for-money audits on funding for universities, UGC does not behave properly, and is alleged of using public money indiscriminately. This is really ridiculous. Certainly, "when those above behave unworthily, those below will do the same." Probably due to frequent duty visits made by Secretary Eddie NG, such a practice has thus been developed.

As reflected from the above mentioned situation, UGC's administration is chaotic; there are serious problems in each and every aspect, such as the conduct of meetings, expenditure criteria and declaration of interest; and the lack of transparency and accountability is also involved. Apart from these administrative problems, the specific function of UGC, namely the approval of funding, still warrants criticism in many aspects. The funding strategy of UGC is based on several major criteria; the first is internationalization, which tallies with the ranking game adopted in the Mainland and foreign countries. Each year, the announcement of university ranking, such as the QS World University Rankings, will be reported in all newspapers. Tertiary education in Hong Kong has been moulded by the idea of vying for higher rankings, and one indicator is internationalization. Among various assessments, one indicator is the level of internationalization of universities. A university that is more internationalized tends to get a higher score and a higher ranking. For this reason, the phenomenon of blindly pursuing internationalization has occurred in universities over the years.

However, internationalization in the context of Hong Kong is highly laughable in the sense that it actually means Mainlandization. Universities that admit Mainland students will be awarded points in respect of internationalization. According to the report of the Audit Commission, among the 15 730 non-local students of the eight major institutions last year, around 12 000 were Mainland students, representing some 76% of the total. Evidently, internationalization means Mainlandization. Universities in Hong Kong have exploited the ranking assessment criteria and claim that they have admitted many international students. In fact, these students come from the Mainland, though points will be given in the ranking assessment, this not conducive to promoting diversification in universities.

On the contrary, Members can well imagine the apparent conflicts that may arise with so many Mainland students coming to study in Hong Kong. As such, the strategy of internationalization of universities has put the cart before the horse in seeking for higher ranking. Universities have not become diversified, and a more diversified cultural atmosphere has not been developed in the campus, thus enabling students to broaden their horizons and communicate with more people of different nationalities. Instead, owing to the problem of resources, a specific kind of China-Hong Kong conflict has emerged in the campus. This is the side effect of the internationalization strategy introduced by UGC and pursued by universities.

In addition, internationalization has given rise to serious problems concerning research funds. If there are professors present at the meeting, they must know that for every paper published by a university, there is a column stating the paper's geographical influence, which is categorized into three levels, namely international, regional and local. Each of the three categories will be denoted by a different score, and a higher score will be given to a paper that is more international. For this reason, many professors would rather study the democratic system in a small town in Europe than study the democratic system of Hong Kong, for the highest score of 3 points in terms of geographical influence will thus be obtained. This exactly reflects the problems faced by Hong Kong when it focuses on the ranking or internationalization of universities. As such, there is no room for local academic studies. Academics have the incentive to conduct studies on issues pertaining to neighbouring countries and European countries rather than focus on studies on local issues. Hence, a lot of provision is not used for conducting studies on local issues.

For example, the applications submitted by Liber Research Community to universities for conducting a study on brownfield sites or a study on the future of Hong Kong are rejected in most cases, for universities hope that research studies will get higher scores, and hence higher rankings. This not only smothers studies on local issues, but also inhibits the publication of research in Chinese. The reason is that English is the language of most international periodicals, and papers written in Chinese will have fewer chances of being published and in turn being awarded points for publication in international periodicals. This is one of the problems with UGC.

Another problem is that universities are money-oriented and they compete for resources. In order to be more competitive in attracting students, some courses that should be offered by universities have been abolished, and certain

values that should be upheld by universities have been lost. The University of Hong Kong's ditching of the astronomy course as reported recently is originated from the same line of reasoning. Over the past several years, UGC has implemented the "competitive allocation" mechanism, under which each institution has to set aside a certain percentage, such as 4%, of its degree places to a broader pool, to be reallocated among institutions by UGC in the light of the competitive merits assessed on the basis of the Academic Development Proposals ("ADPs") submitted by institutions. Institutions with higher competitive merits will be reallocated with more degree places; yet the so-called assessment criteria are determined by UGC. When ADPs formulated by institutions are not competitive enough, certain courses that few Hong Kong students intend to enrol in, such as physics, will be scrapped. Given the contribution of such courses to the diversification of institutions and society, their abolition is very saddening. As such, there are serious problems with the allocation of research funds by UGC.

(THE CHAIRMAN'S DEPUTY, MS STARRY LEE, took the Chair)

Problems with research funds aside, the structure of UGC is also rather obsolete. Modelled on the University Grants Committee of the United Kingdom, UGC is a semi-official body and its Secretariat is a government agency. That said, in the United Kingdom, such a structure was abolished as early as late 1980s, and replaced by another funding structure to be accountable to the British Parliament. That structure is accountable to an organization of public opinion, instead of being accountable to an undemocratic government as in our case. As we all clearly know, as UGC is in control of the funding allocation to universities, universities are under its yoke. Only when a body having control of universities is monitored by an organization of public opinion can we ensure that funding allocation to universities will not be manipulated by the regime to threaten universities.

UGC is fraught with problems in terms of research funds or its own structure, and drastic reforms are required. For this reason, I have proposed two amendments for this debate session with the hope that Members will face up to problems with the existing structure of UGC.

I so submit.

**DR KWOK KA-KI** (in Cantonese): Deputy Chairman, as the Secretary for Education Eddie NG is now present, I would like to respond briefly. Many people have been naming Secretary Eddie NG as the culprit for the failure of the education system as a whole, and his performance is definitely unsatisfactory in the eyes of the public or Members. It was found that he, after attending the first session of the public hearing on the Territory-wide System Assessment ("TSA") held recently, left to attend an event of the Hong Kong Swatow Merchants Association Limited. His act was really unacceptable. However, the entire education system is not dictated by one person. I consider it inappropriate to examine the education issue from a single perspective. Indeed, the entire education system of Hong Kong is similar to a rotten orange, which rots through and through.

Mr Nathan LAW has commented on university education just now. I would also like to share my views with Members. Many friends of mine are teaching in universities. One of them is employed with the Department of Physical Education of a well-known local university. According to him, his university has attached great importance to academic ranking and the ratings of academic articles in recent years. In those peer-reviewed journals, academic articles are being rated among peer institutions. The ranking of universities will be determined by the ratings of the academic articles they published. Should the situation remain unchanged, the rating of his university may leave people not knowing whether to laugh or cry.

The university in which he is teaching is highly internationalized. Some professors are Mainland scholars who had returned after studying in the United States. There are also scholars from South Korea, Japan and Western countries. On one occasion scholars from various places had a discussion. My friend mentioned the Hong Kong Sports Institute ("the Institute"), which was formerly known as the Jubilee Sports Centre. These scholars, surprisingly, had never heard of the Institute. It turns out that professors teaching in the physical education department may know nothing about the Institute or the Jubilee Sports Centre. In fact, their lack of knowledge about the Institute is insignificant because all the academic articles they write are irrelevant to Hong Kong. The subjects discussed in the articles published in journals include improving the standards of sports performance across Asia, improving sports education around the world, the relationship between changes in the physique of human beings and the performance of athletes, and the association between sports funding and the performance of athletes. The above are real-life incidents.

When Hong Kong implemented the education reform back then—the Secretary should not take the blame as he was not in office at that time, Mr Antony LEUNG, the top aide of former Chief Executive "Old TUNG", was appointed the Chairman of the University Grants Committee ("UGC"). The education system has changed since then. At present, UGC has a formula in place to facilitate the calculation of scores of institutions. The scores of universities depend on the number of articles published in journals. As a result, the focus of attention has been shifted to this aspect. How is teaching done? I am surprised to learn that teaching of knowledge is not that important, what matters most is to avoid receiving complaints. As students will rate their professors, it does not matter whether their teaching is good or bad. Some professors even do not pay much attention to teaching. Nothing can be done about them because all of their articles have been published in journals.

I consider the current education system extremely corrupt. Universities in general are only going after superficial achievements, which can be attained easily. At present, it is common for universities to attract top-notch Mainland students to study in Hong Kong by means of scholarship. After they have a "stopover" in Hong Kong, they will go to European countries or the United States for further studies. A number of universities currently offer such students a handsome amount of scholarship. As long as students have outstanding academic results, they can be awarded a scholarship which will guarantee their access to universities in Hong Kong. Behind the glamour, everyone is cooking the books—the Government is "cooking the books", UGC is "cooking the books", and the eight major universities are "cooking the books". As we all know, the so-called internationalization are in effect Mainlandization. At present, scholars, undergraduate and postgraduate students from the Mainland have flooded all the tertiary institutions of Hong Kong.

The Government is completely myopic. However, nothing can be done because two criteria are currently used in appointing members to councils of tertiary institutions. The first criterion is cronyism, and only friends of "689" LEUNG Chun-ying will be considered. The second criterion is political background. Appointees must have a communist background. One of the examples is the appointment of the President of The Open University of Hong Kong Prof WONG Yuk-shan. As we all know, it has been claimed in the book *My Time in Hong Kong's Underground Communist Party* that Prof WONG used to be an underground Communist Party member. The veracity of this claim should of course be verified by him. In addition, Mr Arthur LI was appointed the Chairman of the Council of my alma mater, the University of Hong Kong.

He is all-powerful. His main objective is to get rid of Johannes CHAN. In addition, he also managed to frustrate Prof Peter William MATHIESON, the outgoing President and Vice-Chancellor of the University of Hong Kong, who has no alternative but to return to teach in the University of Edinburgh. After all, will he care about losing a teaching job in a university which has lost people's respect after being "turned red", politicized and quantitatively assessed by the SAR Government?

Deriving its self-satisfaction from rankings, the Government is dedicated to striving for higher positions in various Asian and world rankings. However, we may ask students how many professors have really regarded teaching as their own responsibility. In fact, many professors are only concerned about themselves. They try to publish more articles in order to make their way into more ranking lists and get more research funds. Most of the scholars are concerned about their personal interests. However, the Government has all along connived at them. In contrast, discussion is currently underway in the United Kingdom to include impact evaluation in assessing education institutions. In other words, institutions will be assessed in terms of the benefits of their researches to the local community. Other people have already discerned the problems arising from an over-emphasis of research on globalization, which has turned out to do more harm than good. It would be utterly absurd if we cannot even do a proper job in researching our own policies but instead have to spend billions of dollars on researching global health care, sports and economy.

However, the Government as a whole is working in such a way that officials in charge of education do not have an understanding about education. The bureaucrats in the Education Bureau are in fact hiding behind Eddie NG. Secretary Eddie NG is definitely not the only senior official of the Education Bureau who has done all kinds of evil. While some people said that Secretary Eddie NG may be able to manipulate the situation, I do not believe that he can do so on his own. How many mediocre officials are there in the Education Bureau who are currently harming our children? Instances of senior officials of the Education Bureau sending their children to Direct Subsidy Scheme ("DSS") schools, international schools or well-known boarding schools in the United Kingdom or the United States are all too common.

A Taiwanese woman who once lived in Finland has written a book stating that education can be a very happy learning experience. As a Taiwanese, she had followed her husband to live in Finland for a period of time, and had

hands-on experience about the different education system in Northern Europe. The local education system will neither rank students nor assess them by Basic Competency Assessment or TSA. In my view, had TSA been conducted on an anonymous basis by blinding the names of schools, with a view to identifying the problems of students in Hong Kong so as to offer them assistance, it would not have met with such a strong opposition. However, as we all know, any school principal we randomly ask will tell you that the Education Bureau definitely uses TSA as a criterion for criticizing a school. "What's wrong with your school to perform so badly in the assessment?" Such cases are commonly seen. I recently had a chat with a retired primary school principal. He cautioned against placing any trust on the Education Bureau. According to him, while the Bureau claimed that it would not make reference to the results of TSA, the first question asked by Bureau officials after they sat down for a discussion was why your school performed badly. It is a fact which Secretary Eddie NG has no reason to be unaware of. Had TSA really been helpful to students, they will conceivably take an active part in it, with the consensus that it is something good. However, this is not actually the case. The tertiary, secondary and primary schools under the entire education system are all striving for higher scores.

More ridiculous still, a Taiwanese author recently felt very honoured that the Hong Kong Examinations and Assessment Authority used one of his articles as a question in the Chinese Language examination. The author has frankly admitted that he might not know how to answer the question asked, and he might not get any score. His article is about how to remove the burden and shackles in society. It is indeed rather ironical as students are now being shackled by the Hong Kong Diploma of Secondary Education Examination, subject to its assessment and labelling. Frankly speaking, I am a beneficiary of this failed education system because I had managed to work my way up to the university. However, not every child is so fortunate. My son has special educational needs ("SEN"). I therefore know how hurtful it can be. In fact nobody can offer us any assistance, and resources are lacking too. The authorities have never shown any empathy either. I once asked a teacher why it was impossible to step up training on taking care of SEN students. The teacher told me that he was already tied up at work and simply had no spare time for further training.

I certainly understand that teachers have a rather heavy workload and they are barely protected under the current system. In many countries, SEN students are taught in small classes or they receive "pull-out teaching", meaning that they are pulled out of classes for special teaching. However, in the absence of such

an arrangement in Hong Kong, SEN students are forced to take classes together with other students. In handling a class of 30 to 40 students, teachers already have a very heavy workload. That teacher told me that he would get crazy if he was required to study on teaching SEN students. Who on earth should be blamed—teachers, the system or our society? In fact, SEN students account for as high as 10% of students. Given the direction of all the existing education policies, only losers will be created in the end.

A tragedy happened today. As you may be aware, the suspect of a sex crime ended his life by committing suicide. According to media reports, he started committing crimes since the age of nine. After a nine-year-old child had committed a crime, his school failed to provide any timely assistance. He had not been given any chance from the age of 9 to 48 before he ended his life. Why is our society like this? Have the Education Bureau officials in charge of education policies ever considered the needs of students? Can the current kindergarten, secondary and tertiary education help these people?

The pursuit of figures and funding does not make any sense indeed. It has been suggested that more university places should be provided. While I do not oppose an increase in the number of university places, this in fact will not remedy the situation. Owing to distorted social values, all the concepts of vocational education, technical education and educational equity have failed to materialize. To parents, the only way of upward mobility for their children, if any, is to obtain a university degree. As such, they have to enrol their children in associate degree programmes despite being deceived over \$100,000 to \$200,000.

The education system as a whole has all along made it impossible for Hong Kong to forge ahead. We certainly should not put all the blame on the Secretary alone. However, all officials, from the top to the bottom, are so incapable. As we all know, senior officials have been sending their children to study abroad or to international schools and DSS schools, whereas children of poor families can only wait for an opportunity to be selected. If fortunate enough, some students from schools in Tung Chung and Tin Shui Wai may be admitted to university, which may give them an opportunity to get out of poverty. However, a majority of students who have failed to make their way to university will only suffer setback after setback. There is not a way out for them. Even if they want to enrol for vocational training programmes, the school fees are rather high.

The authorities should provide proper vocational training and go all-out to help those students in need of vocational training. These students should be charged nominal school fees or even have their fees waived. Given a way out, these students do not have to save money to enrol for a vocational training programme as they are doing now. The discussion on the various problems plaguing the education system can carry on for over 10 days. No wonder some Members have proposed to reduce the remuneration of the Secretary for Education. While the Secretary should not take all the blame, both the Education Bureau as a whole and its education policies have absolutely failed.

I so submit.

**DR CHENG CHUNG-TAI** (in Cantonese): I move that head 156 be reduced by \$3,580,000 in respect of subhead 000, which is equivalent to the full-year estimated expenditure on emoluments of Secretary Eddie NG.

Given that the Secretary is retiring soon or, using an inappropriate description, "approaching his coffin", I think it no longer serves any purpose for us to level major criticisms at him or become furious. After all, Secretary Eddie NG has already received an awful lot of criticisms from colleagues of the pro-establishment and opposition camps as well as members of the public. Just now, many colleagues have made various criticisms against his policies, deeds and attitudes during his tenure. I nonetheless wish to highlight one point. With regard to today's amendment to reduce the estimated expenditure on the Territory-wide System Assessment ("TSA"), I think there are several things that we must be alert.

Firstly, Chief Executive-elect Carrie LAM, who will soon take office, also agrees to abolish TSA. Such a view is shared by most Members of the pro-establishment and a number of other colleagues as well. And yet, I have never seen such an adamant Secretary who, despite this situation, still insisted on implementing TSA this year as scheduled within his tenure. On this point, I think Members who, upon rational analysis, will conclude that this is indeed not quite the style of Secretary Eddie NG. He introduced national education soon after he took office, apparently to flatter the communist regime or curry favour with his boss. He only abolished national education when compelled by circumstances, but he continued to use the relevant guide. When faced with an assembly of tens of thousands of people for days, he stood firm and turned a blind

eye to public views. Today, when almost all Members of this Council and the Chief Executive-elect, who is not going to be his supervisor, unanimously agree that TSA should be abolished, he still insists to conduct TSA. This has prompted me to find out the reason behind.

Today, I am not speaking merely to explain why we proposed to reduce the full-year estimated expenditure on emoluments of Secretary Eddie NG; it goes far more than that. The relevant amendment has been discussed for quite some time, but the discussions are not constructive at all. I wish to point out that the major reason for reducing the estimated expenditure on emoluments of the Secretary is not his refusal to take heed of public views, but the fact that he let the last five years' golden opportunity to carry out reform slip by. What is meant by the last five years' golden opportunity to carry out reform in Hong Kong? If Members still remember, since 1997, the Education Bureau and the entire Hong Kong Government have initiated many reforms, from initially the mother tongue teaching, which is actually an official reform of the medium of instruction, to the recent large-scale institutional reform, that is, the "3+3+4" education reform.

Today, in the face of various problems, such as the disputes relating to TSA, student suicides and immense pressure on frontline teachers, it appears that TSA has aggravated the student suicide problem. As regards other factors, a study can be conducted using scientific methods. However, today, let me tell members of the public or co-workers who have great visions and missions of education, the major cause for student suicides is not TSA. Instead, it is the total collapse of the education system. What does this mean? In brief, the major cause is the "3+3+4" education reform. Secretary Eddie NG has not well performed his duty during his term of office, deceiving the general public and himself, as well as failing to understand or explore the harm caused by the "3+3+4" education reform. I believe the officials or the Under Secretary sitting next to Secretary Eddie NG or even educational specialists should be well aware that the existing education system is incurable. The reasons are: firstly, no one has the ability to remedy the situation; secondly, no one has the vigour to remedy the situation, and thirdly, the opportunity has passed. The past five years is indeed an opportune time for the Government to conduct a review of the harm brought about by the "3+3+4" education reform.

When the "3+3+4" academic structure was initially introduced, all educators from primary to tertiary levels condemned it. They criticized that—allow me to say in an academic way—"the problem did not lie with the

defects in the system, but the confusion in the dissemination of information caused by the defective system". What is meant by confusion in the dissemination of information? Deputy Chairman, I believe many colleagues present at the meeting received education during the colonial era before getting to the present position. In other words, we are elites of Hong Kong society. Undeniably, our personal capabilities have enabled us to get to the present position, but in fact, before the implementation of the "3+3+4" education reform, our education system was a funnel-like elitist system. It does not mean that such an education system had all the advantages, it also had shortcomings. Yet, the funnel-like education system did facilitate education officials, teachers and universities to select students with potentials to become elites or to identify undiscovered talents. Screening was made possible by establishing different thresholds, such as the Academic Aptitude Test, the streaming of students into arts or science classes at Form Three, the Hong Kong Certificate of Education Examination ("HKCEE") and the Hong Kong Advanced Level Examination ("HKALE"). With these screenings, we were able to teach students according to their needs and abilities without extra costs and information. This was the feature of the previous funnel-like education system.

Some people may ask whether there were problems with this mode of education. Surely, there were problems. Nonetheless, wisdom of the Hong Kong-British era had provided the solution of establishing relatively systematic safety nets at different checkpoints and turned these safety nets into career paths. For example, students who failed in HKCEE and could not pursue further studies might enrol in courses provided by the Vocational Training Council or the Hong Kong Institute of Vocational Education; Form Three graduates who could not pursue further studies might enrol in technical schools, and students who not pursue further studies after completion of HKALE curriculum might enrol in diploma or higher diploma courses.

However, soon after Secretary Eddie NG resumed office, he introduced the "3+3+4" academic structure. If he had been a Principal Official with foresight and vision, he would have asked himself at that moment whether all problems would be resolved with the implementation of the "3+3+4" academic structure. Is it due to the lack of information that universities fail to admit the best students? No, it is not. What is the reason then? The "3+3+4" education reform was launched under the pretext of changing the previous elite education into whole-person education, and turning the "by subject" arrangement into generalist

training. As a result, our education system had changed from a funnel into a river, and I assume Members are aware that the current "3+3+4" academic structure is a river. In other words, no student would be required to go through any filtering process until they sit the Hong Kong Diploma of Secondary Education in Secondary Six, and the argument presented by the Government is that there will be constant assessment of students during the interim. However, officials overseeing education subsequently found that they could not get hold of the relevant information, nor could they distinguish good schools from bad ones, not to mention grouping them into different bandings. While the Government's inability to classify schools into different bandings is the ideal situation in the eyes of Dr Fernando CHEUNG who thinks that schools should not be classified into different banding, it is unfortunately a culture of Hong Kong to attach great importance to efficiency, money and statistics. Therefore, before any cultural change takes effect, we must explore what can be done with the changing of the mode of education from a funnel to a river. It is not true that our education officials have not identified any solutions, but that the solutions can only address the symptoms rather than the problem at root. Worse still, more social problems have been created in the process. It was against this background that the Government implemented TSA.

With regard to TSA, it is seemingly not an assessment of schools. However, we are all aware that it is an internal indicator for schools to determine its position. The objective of TSA is positioning. Concerning the adverse consequences of TSA, firstly, parents may ask: While students sat examinations for promotion back then, what is the point of sitting examination nowadays? To address parents' grievances, the Bureau responded that TSA did not have much significance and had nothing to do with students' promotion or school closures. The only purpose is for schools to know their positions. This gives rise to the first problem, and that is, why would the supervisory power of parents and the education rights of educators lie in the hands of a group of technocrats? This is the crux of the problem. Today, we merely asked these people to release some of their powers, but they rejected on the consideration of cost-effectiveness. As the Government has already allocated a considerable sum of money to support various schools, it thus has no choice but to push through TSA or BCA.

Of course, no one but me would be so frank as to make an analysis of the system in front of the Secretary as this might immediately attract some unreasonable accusations, querying if this is tantamount to showing my support

for TSA or BCA. I support neither. Why did I say that a reduction of Secretary Eddie NG's emolument cannot make up for the hatred against him or the evil he has done? This is because the past five years is the opportune time to review the overall "3+3+4" education reform. He had nonetheless missed the opportunity and instead done something to deceive himself, his colleagues and Members. He deceived us by saying that TSA was implemented to place an intangible filter back to where the filter had been removed; hence people would think that different bandings still exist. The truth is, however, all educators know that the bandings are meaningless. They have no choice but force the students to participate in the game. In the past, it was the students who would blame schools for poor teaching, but nowadays, the schools are using this assessment to blame students for not being up to par. In the past, no schools put such blames on students, because some students would be screened out after HKCEE, Form Three and HKALE. Yet, what happens now is just the opposite.

How did the Secretary deceive himself? Originally, under the funnel design, the vocational and education systems were closely linked. When the Secretary realized that nowadays graduates of Associate Degree programmes failed to get a job and university graduates could only earn slightly more than \$10,000 a month, meaning that the value of a degree had been greatly depreciated, he was in panic. A question then popped up in his mind: When the previous career ladder no longer existed, what could be done to make up for the deficiency in the river? So he gathered some colleagues for brainstorming and finally came up with the idea of life planning.

During the colonial period, life planning was formulated by parents and students as that was their basic right and the Bureau had nothing to worry about. Nonetheless, after implementing the reform of the education system, no indicator was available for the educational ladder and screening process. Therefore, the Bureau developed the life planning education. What is the outcome? It has created even more problems. Frontline educators query that this will generate additional administrative work. Students may ask: I share the same aspiration with Mr Nathan LAW and want to be an eSports player, but can I write down I want to be an eSports player in my life-planning book? No. Mr Nathan LAW is lucky because with his hard work, he has not only become a Member, but also an eSports player. However, other students cannot be the same. Of the 40 000 to 50 000 students in Hong Kong, there is no one else like Nathan LAW. In that case, how can we reform?

Deputy Chairman, according to the above analysis, if there is a need to reform, I think we need someone having an IQ of 110. Unfortunately, I do not think the next Secretary—probably that would be Under Secretary Kevin YEUNG and I wish him good health—could address the deficiency of the system under such circumstances, and there is no turning back. I am not going to tell them what should be the next step. As for the way forward, my advice is parents and students should gradually accumulate their capital. They may feel disappointed at the end of the day, but to seek blessings ourselves is our motto. We should continue to seek self-strengthening sedately and self-learning. Education of Hong Kong is doomed.

Thank you, Deputy Chairman.

**MR KWONG CHUN-YU** (in Cantonese): Deputy Chairman, I propose an amendment to "Head 53—Government Secretariat: Home Affairs Bureau". The amendment reads "Resolved that head 53 be reduced by \$895,000 in respect of subhead 000", and the amount of the reduction is equivalent to the estimated expenditure on three months' emoluments of the Secretary for Home Affairs. To put it simply, it seeks to reduce LAU Kong-wah's emoluments.

We, Hongkongers, are very reluctant to remunerate several officials. One of them is Eddie NG, who is sitting in the Chamber right now—I am not going to deal with him today—and the others are LAU Kong-wah and Andrew FUNG.

First, I will talk about LAU Kong-wah. Why do I propose to reduce his emoluments? Members may say that as he rarely spoke but only sat on one side during meetings, he probably did not make many mistakes. His problem is precisely that he does not speak much. Regarding the recent incident involving Hidden Agenda, he did not say a word about the incident in his capacity as the Secretary for Home Affairs. What does the incident have to do with him? As the Secretary for Home Affairs, should he not assist in promoting cultural and arts activities? In the past, he did nothing good but committed all sorts of bad deeds. Take the Hidden Agenda incident for example. If there had been good cultural and arts policies in Hong Kong, those artists and music performers would not have had to move their performance venue into an industrial building. The authorities carried out an undercover and arrest operation against them, treating them as if they were terrorists. The authorities are oppressing these young people who have been trying hard to insist on cultural creation and music creation in Hong Kong.

I really do not know what role the Home Affairs Bureau is playing. How can the Secretary for Home Affairs have the cheek to ask us for emoluments? The Home Affairs Bureau has a wide-ranging policy portfolio that involves many areas of work, including those concerning youth hostels, culture, arts, and sports, but it has fared poorly in all these areas. The bad deeds committed by LAU Kong-wah are legion.

Let me talk about youth hostels first. The 2011 Policy Address touched on the issue of building youth hostels. In 2013, soon after LEUNG Chun-ying took office, he announced that youth hostel projects would be introduced on a pilot basis. The Government has proposed several youth hostel projects, but no hostel unit has been provided under these projects as yet. LAU Kong-wah once said at a Panel meeting that the authorities were awaiting the provision of sites by non-governmental organizations ("NGOs"), and that if no site was provided, the authorities would be unable to build youth hostels. If the Government considers the Youth Hostel Scheme feasible, it should set aside land on its own for building youth hostels, rather than await the provision of sites by NGOs and procrastinate when no site is available. It has procrastinated since 2011, and many people who were young then are no longer young now, as they have reached middle age. The Government thinks that it has solved the problem in this way.

Some people may say that the youth hostel problem has nothing to do with LAU Kong-wah; he just lacks the courage to suggest to LEUNG Chun-ying that more sites should be earmarked exclusively for building youth hostels. On the one hand, the Government says that no site is available for building youth hostels, but on the other hand, there are luxury clubs (such as golf clubs and private yacht clubs) constructed on land granted under private recreational leases ("PRLs"), which are administered by the Home Affairs Bureau headed by LAU Kong-wah, Deputy Chairman, under the existing policy, such clubs were granted land by the Government under its leases at nominal premiums. As one can imagine, golf clubs and yacht clubs are meeting places for people who are impeccably groomed and dressed, instead of facilities for use by the grass roots. Yet these clubs are only required to pay extremely low rents or premiums. For instance, there is a club in Sheung Shui which is only required to pay a premium of \$1,000.

LAU Kong-wah has stated in response that the Home Affairs Bureau set up an inter-departmental working group in June 2014 to review the policy on PRLs. It is now 2017; what are the findings of the review? We have no idea. The land lots in question are still being used by golf clubs and yacht clubs for giving

pleasure to the rich. It is a pity that in Hong Kong, 300 000 people are waiting for public rental housing, 200 000 people are living in subdivided units, and some musicians who insist on pursuing their music dreams have been forced to move into an industrial building—at first, they relocated their performance venue to satisfy the authorities' demand, but after they moved into the industrial building, they were "swept away" by the authorities. The authorities have never studied how to provide them with room for development through cultural policies.

As the Secretary for Home Affairs, LAU Kong-wah cannot excuse himself by saying that the aforesaid matters have nothing to do with him. I will use the Hidden Agenda incident as the main thread of my speech today. I am really furious. How can we remunerate him? The amendment currently proposed by me can save \$890,000 for taxpayers. Some people may say, "Mr KWONG, \$890,000 cannot help many people." I do not want to pay him even \$890,000! How can he have the cheek to receive it? The feeling of shame is essential to man. If he has the slightest conscience and the slightest feeling of shame, he should ask himself what he has done in his term of office so far.

Not a single hostel unit has been provided under the youth hostel projects. I do not blame LAU Kong-wah for that. However, an earlier news report about him has raised much concern among the Hong Kong community. Holding three posts, that is, Secretary for Home Affairs, Chairman of the Board of Management of the Chinese Permanent Cemeteries ("the Board"), and Honorary Adviser to the Hong Kong Army Cadets Association ("HKACA"), he was alleged to have "granted approval to himself" in approving an application submitted by HKACA.

Last year, HKACA, founded in 2015, was granted vacant school premises for use as its training venue with the support of the Home Affairs Bureau, prevailing over other long-established uniformed groups, and sought to renovate the premises at a cost of \$60 million, of which \$30 million came from the Board, which is under the Home Affairs Bureau. On the seventh day after receiving HKACA's donation application, the Board approved the donation application by way of a special approval. The amount of this donation is 10 times greater than that of a general donation approved by the Board, and the process of vetting and approving this donation was unprecedentedly quick. According to other groups that have applied for such donations, it took them at least a few months to have their past applications processed, and they were continually required to submit supplementary documents. The Board was swift to grant HKACA the donation, as if it were a finance company granting a high interest rate loan. What was the

rationale behind this move? There are doubts about whether LAU Kong-wah was involved in any conflict of interests and roles in this incident. He does not follow up the youth hostel projects or help those artists who have moved into industrial buildings, but only attends to matters directly related to him.

Everything that falls into the hands of this Secretary will degenerate. Sport is one of the areas within the purview of the Home Affairs Bureau. The Kai Tak Sports Park project, which has been under discussion recently, is a costly undertaking, but the more it is discussed, the more perplexing it becomes, and people are concerned about whether the authorities will actually transfer benefits under the guise of developing sports. Why? The latest bone of contention is that the authorities intend to shortlist a maximum of four tenderers (that is, there will be one successful tenderer and three unsuccessful tenderers in the end) and provide each unsuccessful tenderer with \$60 million as a subsidy from the public coffers. Is it a consolation prize? Has the Secretary for Home Affairs, LAU Kong-wah, given any explanation for this? Has he lobbied Members to support this proposal? For instance, he could have said that actually there should be nothing wrong with providing each unsuccessful tenderer with \$60 million as "consolation money", for this would attract more tenderers and encourage them to submit quality bids for the project. But he did not say so. None of the policies proposed by him could win the support of the community.

LAU Kong-wah said he supported the development of sports, but at the same time, he sat on his hands when the Government proposed to resume the site of Jockey Club Kitchee Centre ("JCKC"), a football training venue in Shek Mun, Sha Tin. The Government plans to develop public housing in two phases on the site of JCKC and its adjacent land. According to Kitchee Foundation Limited, the lease of the site of JCKC will expire in September 2017. If the Government really resumes the site without providing another football training venue, it will undoubtedly deal a blow to the development of football in Hong Kong. What has LAU Kong-wah done in respect of this matter? He did not do what he was supposed to do, but he was quick to grant land to an organization connected with him as if he was "granting approval to himself".

The masses are living in an abyss of suffering. Although it is not the duty of the Home Affairs Bureau to distribute welfare benefits, or to disburse subsidies to the "N have-nots" for saving their lives, the Bureau can perform much better if it is dedicated to its work. However, speaking of LAU Kong-wah, in view of his approval of HKACA's application in a way that can be described as "granting

approval to himself", the Hidden Agenda incident, his total silence on cultural and arts policies, the "disappearance" of the findings of the policy review on PRLs of clubs such as golf clubs, and his performance in carrying out a series of essential tasks, I must propose an amendment to reduce his emoluments. To be honest, the reduction proposed by me is not too big, because as we all know, many officials of the Hong Kong Government are remunerated at a "national treasure level", and they are as lazy as pandas, China's national treasure. They claim they have done a lot of work, but the fact is that much of their work has been done messily.

How should a good Secretary for Home Affairs work? The post of Secretary for Home Affairs is the most important post when it comes to the relations between members of the public and officials. If the Secretary had been down-to-earth, he should have lent a helping hand to Hidden Agenda, and tried to understand why there was a group of people who insisted on singing into a microphone, even at the cost of being arrested. It is not that they refused to comply with the Government's requirements; but that the Government did not remove barriers or lift restrictions in terms of policies. They were only singing and playing in a band at the venue in question, but they were arrested for that. Some people may say that there are currently many ways for them to apply for the relevant licences. It is not that they had not made such applications; they had applied for the relevant licences many times, but the person responsible for rationalizing the relevant policies was nowhere to be seen.

We always say that young people are the future pillars of society. As I have studied social work, I know why youth services sprang up in the olden days: a long time ago, probably because of a feeling of social instability, the Government set up youth centres in various districts to organize activities for young people to help them pursue their dreams and do genuine life planning—not the kind Secretary Eddie NG has been talking about. What about now? People who have dreams are unable to pursue their dreams and are being oppressed by the Government, but when officials are alleged to have used public money to do things for their buddies, the Government does not respond at all.

LAU Kong-wah is smarter than Eddie NG in that LAU Kong-wah does not speak much. He really does not speak much. Nine times out of ten, he does not answer questions. No matter how seriously he is rebuked, he still manages to keep his signature smile—Members, I believe all of you can imagine his smile in your minds. Also, netizens call him "rubbish bin". Why? You may recall

that both he and I stood as candidates in the 2012 Legislative Council Election. During his election campaign, it happened that a rubbish bin was placed in front of one of his banners, and when people looked through the opening of the rubbish bin, they saw the picture of his eyes on the banner. As netizens found that his eyes and the rubbish bin combined perfectly to form the face of "Bomberman", they gave him the nickname "rubbish bin". This nickname suits him very well, because he did not explain his own mistakes or inadequacies on many subsequent occasions. Eddie NG is different. Eddie NG intentionally chose not to dye his hair so as to give the impression of being a hard-working old man; even if it was all show, at least he was willing to make it. LAU Kong-wah is unacceptably thick-skinned. I am really worried that he may be able to comfortably retain his post in the next Government.

On the Internet, there is this aphorism: In order for Hong Kong to win, LAU Kong-wah must lose. In the past, LAU Kong-wah was smart in refraining as much as possible from speaking on many occasions. But he should not go on like this. Deputy Chairman, as I mentioned at the beginning of my speech, his problem is precisely that he does not speak much. When the Hidden Agenda incident occurred, where was he? I am now using these 15 minutes to question him regarding the Hidden Agenda incident. He must deal with it, and seek to understand what the people involved in this incident think—they want to have a venue for singing, and to perform lawfully and honourably. Where was he when the incident occurred? As he did nothing about it, his emoluments should be docked. It is as simple as that.

In fact, LAU Kong-wah has stimulated the emotions of many creators in society, and provided inspiration for them. The practice of using the song "喜氣洋洋" (Jubilation) to celebrate the defeats of certain candidates in Legislative Council elections was invented because of him. After he was defeated in the 2012 Legislative Council Election, a group of young people gathered and sang "Jubilation" loudly outside his ward office to celebrate. Back then, Paula TSUI, the original singer of the song, personally commented in response that these young people were naughty. This is LAU Kong-wah's function; other than this, I really cannot see his functions. That is why I propose an amendment to the Appropriation Bill 2017 to deduct his three months' emoluments. While the return of these three months' emoluments to the Treasury would not benefit many people, Hongkongers would find it gratifying. What makes him qualified to be remunerated at a "national treasure level"? Does he have a sense of shame? Is he competent? If he continues to be a mediocre official with the mentality of a

lazy panda, he is bound to bring disaster to Hong Kong. The feeling of shame is essential to man. I do not know where LAU Kong-wah is at the moment, but I believe that in the eyes of Hongkongers, he is certainly one of the officials who most deserve a reduction in emoluments.

Deputy Chairman, I so submit.

**DEPUTY CHAIRMAN** (in Cantonese): I remind Members that according to the debate arrangement, committee has about seven hours to conduct this debate. That is to say, this debate will not end before the adjournment of this meeting at 8:00 pm today, and will need to be continued at next Wednesday's meeting.

I will call upon the public officer to speak at about 6:45 pm today. After the public officer has spoken, I will call upon Members who have proposed amendments to speak again.

Other Members who wish to speak will please press the "Request to speak" button as early as possible.

Ms Claudia MO, please speak.

**MS CLAUDIA MO** (in Cantonese): Do we have to wait for Mr HUI Chi-fung to return and speak?

**DEPUTY CHAIRMAN** (in Cantonese): Mr HUI Chi-fung is not present.

**MS CLAUDIA MO** (in Cantonese): I will speak on head 156. As Mother's Day is coming, a foreign media reported yesterday on Mother's Day in Hong Kong and the situation of mothers in Hong Kong. According to the report, women in Hong Kong, especially working mothers, are under heavy pressure; apart from stresses due to gender difference, the major pressure comes from their children's education. Talking about education, we are all in tears. Mothers need to drill their children for the Territory-wide System Assessment or the Basic Competency Assessment, whatever name is adopted. Mothers have to help their children with loads of homework every day. A mother has even told me that the reason

for emigration is that they are tired of helping children with homework every day after work. Indeed, there are numerous problems with education in Hong Kong, but I still have to state the reasons why the Secretary for Education's emoluments should be reduced. Why is the Secretary for Education so displeasing and why his attitude so disgusting? He has made too many mistakes and has done nothing; he has not done what should be done, and what he has done should not be done. I will briefly point out his three blunders.

Education is the most sacred mission of the Government; we raise children to carry on the family line so that the human race will carry on. Children are not kittens or puppies, nor are they small animals; we must teach them. But we have not taught Chinese well, not to mention English. The Government has only acted perfunctorily for ethnic minorities and has failed to enhance their Chinese language skills.

Let me first talk about Chinese, the Administration is really asking for trouble; it advocates using Putonghua to teach the Chinese Language subject. Though it claims that this is not compulsory, many schools have responded positively and they are using Putonghua to teach the Chinese Language subject. Firstly, this is politically correct. Secondly, a high-sounding reason that children can learn another language can be given. Thirdly, this can please the authorities. The education sector is well aware that schools which respond positively will tend to get approval easier for their application of subsidies. Some may ask if there is any problem with learning another language. There is no problem but what is the original intent? Do we have to give up Cantonese? For example, when a child returns home and tells his mother that he likes to eat tomatoes, he uses the Putonghua term "西紅柿" instead of the Cantonese term "番茄", or when the child tells his mother that he likes to eat potato, he uses the Putonghua term "土豆" instead of the Cantonese term "薯仔". We are really frightened upon hearing that.

To eliminate a city, we must first eliminate its culture, and as language is the essence of culture, we must first eliminate its language. From now on, should we say "土豆" instead of "薯仔" when referring to potato? This is absolutely "Mainlandization" of Cantonese. More conventional or traditional Chinese teachers will say that Cantonese is a bit vulgar and we should use literary Chinese in writing. Hence, the Cantonese expression "幾時" (when) should be replaced by "甚麼時候" (what time) in writing. These teachers or those who make such remarks may not notice that the expression "幾時" is very refined as

expressed in the poem "明月幾時有" (Bright moon, when did you appear?). There is also a saying that should not use the Cantonese word "樽" (bottle) in, say "一樽汽水" (a bottle of soft drink) in a written text, because the word "樽" should only be used in spoken Cantonese. Has he ever heard of the Chinese poem "莫使金樽空對月" (Do not let the golden cask sit idle in the moonlight)? Can we replace "金樽" by "金瓶" in the expression "莫使金瓶空對月"? This is the classical elegance of Cantonese expressions.

Just now, I received a guest from The University of British Columbia in my office upstairs. The University of British Columbia is the second university in the world other than the University of Hong Kong that offers a Cantonese course. While an overseas university attaches so much importance to Cantonese, Hong Kong is anxious to eliminate Cantonese as soon as possible. The official languages in Hong Kong are Chinese and English, but it is not specifically defined whether Chinese means Shanghaiese, Cantonese, Hakkanese or Putonghua. We are really afraid that one day, out of our expectation the Standing Committee of the National People's Congress may suddenly interpret the Basic Law to define Chinese as Putonghua and specify that the Mainland style must be adopted, and using incorrect words will be criticized as using unofficial language.

In fact, 10 years of mother-tongue teaching can be described as a 10-year catastrophe. In 1997, the first Chief Executive TUNG Chee-hwa, in pleasing the Central authorities, hastily declared that mother-tongue teaching was the right way, and without consultation, he strongly advised that mother tongue education should be adopted, hence leading to the downgrading of many English secondary schools. To our sadness, in the 10 years that followed, the English standards of Hong Kong students were declining. Michael SUEN later found that the situation was undesirable; though he said that they were making gentle adjustments, the situation was retrogressing in Hong Kong. Why do people fear English? Isn't Hong Kong an international centre? Hong Kong is a financial centre or a logistics centre. Why must we say that English is secondary? They may say that it was not the original intent.

Just now, I said that I have to mention the three blunders of Eddie NG. Shortly after he assumed office, he invited me to dinner and I told him that Hong Kong students learnt a lot about classroom English and textbook English; as a result, all of them spoke like Shakespeare. After they learnt the classical English writings, they found that they could not communicate with others in

English. However, Eddie NG told me that the education reform had already made everyone exhausted, hence recuperation was needed in the next years and nothing should be done.

When we learn English, we mostly learn ancient English, for example, we study the works of CHAUCER. If anyone says, "I am not having it out with you", though the meaning of the expression "have something out with someone" is simple and we know every word, we may not instantly know the meaning of the expression and we have to look at the context. We are not learning how to speak English but we are learning English by means of drilling: A, B, C, and D, which one is correct? Which word should be used: out, in, on or above? We stop after doing the drilling,

However, language is a part of life and it is important to be interested in learning. Unfortunately, in Hong Kong, we cannot say that we are not interested in English, hence stop forcing us to learn. English is not the language of the British, it is an international language of the whole world. If someone does not like music, we may not force him to learn to play violin or piano. This is understandable because his daily life may not be greatly affected if he does not know how to play piano or violin. Nevertheless, if he does not master English well, he will really be at a disadvantage in this era of globalization. How can people study, work or travel abroad? They may sweat nervously when they communicate with others and communication may even break down.

Under our education system, young children have always been forced to learn. Certainly, there are some "monster parents", but is the number really that many? In the past, kindergarten and primary students learnt "A for apple" but children are now learning "A for astronaut". Buddy, it is really very difficult to spell that word. In the past, children learnt "T for tea" but children are now learning "T for television". When children learn how to spell the word, they do not know what "tele" means and they also do not know what "vision" means, so they do not know how to put the two parts together. Small children are hard-pressed to learn, and the authorities even say that they do so to accommodate the needs of parents. Kindergartens have deliberately taught difficult English words to convince parents that they are genuine English kindergartens with high standards. Parents will then think that these kindergartens are superb.

I do not rule out that there are really "monster parents", but how come the social atmosphere in Hong Kong is that people are afraid of English? Why do we always say "winning at the starting line"? Why does a three-and-a-half-year-old kid have to learn the spelling of "television" at home, and if he cannot spell the word, the parent will scold or even beat him, driving the kid to tears, and resulting in domestic crises. All in all, there will be no peace at home. Why are mothers so anxious? Where do their pressures come from? They fear that their children may be at a disadvantage, being incompetent in Chinese and English. The Secretary has even said that the English standard of ethnic minorities should be raised. How dare he say so? He dares not say that Chinese should be taught as the second language and he only talks about the learning structure. I have been making similar comments these two to three years, but he still refuses to rectify. Forget it. Anyway, he will depart soon. There is a saying that Under Secretary Kevin YEUNG will be the next Secretary for Education and I am relieved by the news.

The Race Discrimination Ordinance is binding on all government departments, does this mean that we can sue the Education Bureau under that Ordinance for not providing or refusing to provide ethnic minority children with good education on the Chinese language. However, after reading the Ordinance carefully, we find that the services and products provided by government department, including education, are protected and exempted; thus, we cannot sue the Education Bureau.

The Subcommittee on Rights of Ethnic Minorities of the Legislative Council has recently discussed matters such as education, health care, housing and transport. The biggest trouble encountered by ethnic minorities is that some of them are not competent in Chinese, while some cannot read Chinese though they can speak Cantonese, consequently they have difficulties in taking up transportation or delivery jobs. For example, if the boss asks them to deliver goods to a certain place in "上環" (Sheung Wan), they recognize the Chinese character "上" (Sheung) but not the character "環" (Wan). Some may say that they have learnt written Chinese at school, but they have never learnt Chinese well and the teachers have not taught them well. Very often, Secondary Two ethnic minority students are only learning Primary Two Chinese.

The situation in Hong Kong is really strange: while the policy on ethnic minorities is formulated by the Constitutional and Mainland Affairs Bureau, the Home Affairs Bureau is actually responsible for the welfare of ethnic minorities.

Unfortunately, the two Policy Bureaux lack coordination and exchanges, and the problem mainly lies with the Education Bureau. How come ethnic minority children are in the state of not even being able to speak Cantonese? It turns out that the Chinese Language subject is taught in Putonghua, and ethnic minority children have to recite Chinese poems in Putonghua. When we talk about the education problems of Hong Kong, many people will be in tears. Such a Secretary for Education should really depart.

**MR HUI CHI-FUNG** (in Cantonese): Deputy Chairman, I would like to speak on the three amendments I have proposed to the Appropriation Bill 2017, including the reduction of the printing and administrative costs for the Basic Competency Assessment ("BCA") by \$73 million under subhead 000 of head 156, and another amendment relating to the Education Bureau, namely the reduction of the estimated expenditure on three months' emoluments of Secretary for Education Eddie NG, which is equivalent to \$895,000, under subhead 000 of head 156.

A number of Members have already spoken on these two educational issues just now. Let me first talk about the estimated expenditure on the emoluments of the Secretary for Education. The Secretary has been criticized time and again in the past. I do not intend to make more sarcastic remarks against him today, jeering at his ridiculous remarks made in the past and his ineffective policies, and making fun of his performance. The reason is that my proposal today is very solemn and serious. Reducing the expenditure on three months' emoluments of the Secretary is no joke, but a serious expression of the strong indignation of members of the public at the ineffective education policies of the Secretary.

The Secretary for Education has often talked about free kindergarten education, considering it as one of his remarkable political achievements. I wonder for how long the Secretary and the Education Bureau have refrained from using the term "15-year free education". I doubt if they dare use it again because kindergarten education is not free after all. The Bureau has replaced the term with "Quality Kindergarten Education" for no reason at all. However, I have no idea since when the so-called quality kindergarten education is only limited to half-day schooling. Full-time students are either given less or even no subsidies at all. The Education Bureau has justified the totally unfounded arguments it has made at will. The Secretary has often boasted of free

kindergarten education as his political achievements. However, I think that his political achievements are only limited to the implementation of half-day, free kindergarten education.

In fact, in terms of schools, nearly 80% of kindergartens are not totally free. In terms of students, over 40 000 whole-day and long whole-day students in Hong Kong still have to pay school fees. These fee-paying students are actually not given 15-year free education. Hence, in my view, the authorities have deceived the public by concocting various terms. The Education Bureau has often indicated that, in the absence of any studies which have proven that whole-day schooling is better, half-day schooling is sufficient to meet the requirements of the curriculum. I consider all these arguments as empty talks at all. Despite our effort to strive for 15-year free education for years, the situation has ended up like this.

In addition, I also have to talk about the performance of the Secretary. His overseas duty visits have been repeatedly criticized. In 2012-2013, his four visits had expended \$560,000; in 2013-2014, his 10 visits had expended \$680,000; in 2014-2015, his 10 visits had expended \$720,000; in 2015-2016, his 13 visits had expended \$480,000; in 2016-2017, his 17 visits had expended \$696,000. Since his assumption of office, the Secretary has made a total of 54 overseas duty visits, the expenditure on which has amounted to \$3.16 million. In fact, there is nothing wrong for the Secretary to visit other countries. However, it is necessary for him to show the public that public funds have been properly used for those duty visits, which should have substantive meaning to local education. The Secretary has from time to time defended himself by pointing out the significance of his overseas visits, claiming his visits were not merely ceremonial and actual discussions had been conducted in seminars. However, the Secretary should at least tell the public what positive impacts and good experience his overseas visits have on issues regularly discussed in the Legislative Council and on future education policies. However, he has done nothing at all.

In addition, I would like to talk about the use of Putonghua to teach the Chinese Language subject. In the absence of any prior consultation, the use of Putonghua to teach the Chinese Language subject has suddenly become the long-term objective of Chinese Language teaching. The whole decision-making process is completely non-transparent.

Next I move on to talk about the attendance of the Secretary at meetings of the Legislative Council. The Secretary seldom attended the entire meeting of the Legislative Council Panel on Education ("the Panel"). Take his attendance at meetings of the Panel in the 2015-2016 session as an example. Of the 13 meetings held, the Secretary had only sat through 3 meetings. In most cases, he attended only a quarter, one third or one half of the sessions. At a Legislative Council public hearing on BCA held recently, the Secretary only attended one session. Hence, the Panel passed a motion to censure the Secretary, and a motion of no confidence in the Secretary moved by me was also passed. One can imagine how poor the Secretary had performed and how furious Members were such that they seized every opportunity in the Panel to move a motion of no confidence to censure him. The Secretary has given various reasons for not attending the meetings, such as pre-arranged travel, family reasons and the passing away of a family member. Apart from all such excuses, has the Secretary ever reflected on his numerous inadequacies? All the above problems are related to the performance of the Secretary.

In previous debates on the Appropriation Bill, Members would focus on some major policies, such as the Territory-wide System Assessment ("TSA"). So why do I propose to reduce the provision for the Hong Kong Examinations and Assessment Authority ("HKEAA") in relation to printing expenses and administrative costs for BCA? I believe that no Member has ever proposed to reduce the funding for HKEAA. I propose this amendment precisely because of the numerous opposition voices in the community during the discussion on TSA. Members of the public have also put forward their views based on intellectual theories. Many parents in the community have expressed the views that TSA has put primary students under tremendous drilling pressure, only to be fallen on the deaf ears of Secretary Eddie NG.

As a parent, I strongly hope to tell the Secretary—in fact I wanted to do so at the previous public hearing, but he left early. Today, I have to tell the Secretary in person. He may claim that parents are not education professionals to discuss TSA, and TSA should be rationally discussed in an academic setting by education professionals. In fact, I agree in principle that both TSA and BCA have their respective merits. However, the Secretary should know, parents are most heart-rending when seeing that their children no longer smile after they return home from school. Young pupils aged between 6 and 9 have lost their typical naive and innocent smiling face. They should be curious about the world, their life should be full of colours, and they should have a strong desire for

knowledge. However, when kids return home now, they do not have a sense of curiosity and they hate going to school due to the tremendous pressure exerted on them. To the Secretary, is the grief of parents a thing of the distant past? The time when the Secretary had to take care of his young children may long past, and hence he fails to understand the grief of parents nowadays.

The strong public outcry has in effect alerted the Secretary to the existing problems of the system. Notwithstanding the replacement of TSA by BCA, our confidence has also been lost. If BCA is better for students, as claimed by the Secretary, can consideration be given to shelving BCA for this year? After the discussion on TSA in the past two years, the community has lost confidence in the Education Bureau and the Secretary. If the Bureau still insists on conducting written assessment of BCA in mid-June this year, the remaining confidence of the parents and the community at large in the education system and the Secretary will vanish altogether. The confidence, once lost, can hardly be restored. Parents will no longer believe in the Secretary even if he pledges 10 000 times in the future to make such enhancements as providing anonymity to schools and students. Is the Secretary aware that the situation has reached such a serious state? Owing to the implementation of TSA by the authorities, as well as the practice of the Secretary and his lack of knowledge about the education system and education policies, no progress or concrete improvements have been made in the education system in recent years. The Secretary can hardly absolve himself of the blame.

I would like to seize the little time left to talk about the amendment I have proposed under subhead 000 of head 95 to reduce \$106.83 million, which is roughly equivalent to the estimated annual recurrent expenditure of the Antiquities and Monuments Office ("AMO"). The amendment is directed at AMO. Hong Kong's conservation policy is full of flaws and loopholes. In the past, many historic buildings across the territory are in dire need of repair. Some magnificent buildings with extremely high historical value have been declared a statutory monument, such as the former Central Police Station Compound and the Victoria Prison Compound. Unfortunately, the former Central Police Station Compound was unexpectedly collapsed just before its revitalization. The authorities have yet to release a report on the cause of the accident, and no one has claimed responsibility. According to source information, the Government intends to harbour an architect who is on very good terms with the Government. I truly hope that is not the truth. Otherwise, the Government should explain publicly as to why a report has yet to be released,

why AMO has not conducted any assessment and review on the loss of historical value, and why AMO has not sent any representative to the Legislative Council and district councils to offer any explanation.

In other cases, some historic buildings may not be the most magnificent, and they are neither government residences nor government buildings. Examples include the State Theatre, Hung Lau in Tuen Mun and Wing Wo Ho in Central. AMO is always the slowest in its response. When all sectors of the community are also calling for conservation of these buildings and discussing the historical value thereof, when non-government experts have been launching studies, and even international experts have issued alerts calling for heritage conservation, the Government has only indicated its willingness to conduct an assessment at the eleventh hour. However, the Government has refused to disclose any of the historical materials used or to confront non-government scholars. Its practice is extremely non-transparent. When the public have pointed out their mistakes, the authorities would simply go into hiding and refuse to discuss the problems at district councils or the Legislative Council. The relevant documents are not accessible on the Internet either. Subsequently, the authorities would hand over the so-called historical data files obtained internally to the Antiquities Advisory Board ("AAB"). AAB Members can only make recommendations based on the materials provided by AMO, sometimes rendering their job very difficult.

Lastly, the Government is again slow in its response. While some monuments such as the State Theatre Building have been preserved after being accorded a Grade 1 monument status, some other monuments can hardly escape the fate of being demolished despite their Grade 1 status, such as the Star Ferry Pier and the Queen's Pier in Central. We do not know how Hung Lau in Tuen Mun will be disposed of. Meanwhile, the attempt to safeguard the Ho Tung Gardens had also failed. Some other historic buildings, which are of great historical significance, are a strong reflection of the culture of a certain generation of people, for which Hong Kong people also have a strong affection and a sense of belonging. The Government, however, has turned a blind eye and refused to conduct any studies on their historical value.

I am actually referring to the General Post Office ("GPO") in Central. GPO was built around the same time as the Star Ferry Pier, the Queen's Pier and the City Hall in Central, which have all embraced the architectural style of modernism and reflected the colonial culture and background of a certain

generation of people and of Hong Kong. However, this may be precisely the reason why the Government is reluctant to preserve them. The Government has completely turned a blind eye and has never responded to the calls for conservation.

I would like to comment once again on redevelopment. Take the old house remains at Cochrane Street in Central as an example. We have been stressing that it should be preserved given its high cultural and historical value. However, I do not know why AMO has often issued joint statements and consolidated replies with the Development Bureau and the Urban Renewal Council, stating that the monument is dilapidated and incomplete. I do not know why AMO would give up its independence status by making such suggestions or comments in tandem with the Development Bureau and the Urban Renewal Council.

Hence, I have proposed an amendment to reduce the estimated expenditure of AMO. Based on my observation for a period of time in the past, the mechanism for grading antiquities in Hong Kong, AMO and AAB are all flawed. I hope that this amendment will prompt them to conduct profound and in-depth reforms, not to mention the reform of the existing role of the Secretary for Development as the Antiquities Authority. After all, are the authorities aiming at development or conservation? I hope that the Government will listen to the views of the public and the professionals and properly review the mechanism for assessing antiquities and monuments.

Deputy Chairman, I so submit.

**MR SHIU KA-CHUN** (in Cantonese): Deputy Chairman, as regards subhead 000 under head 156 of the Appropriation Bill 2017, I propose an amendment which seeks to reduce an amount roughly equivalent to the average annual expenditure of the Hong Kong Examination and Assessment Authority ("HKEAA") on conducting the Basic Competency Assessment ("BCA") and the related programme commissioned by the Education Bureau. I am the Member mentioned by Mr HUI Chi-fung just now who even seek to reduce the expenditure of HKEAA. By proposing this amendment, I wish to express my protest against Secretary Eddie NG, but more importantly, I wish to express my respect and appreciation for the efforts made by a group of parents who have strived hard to safeguard the rights of their children and to return a happy childhood to them.

In his works the *Huagai Collection*, Lu Xun wrote, "If there are people who really want to live on, they must first dare to speak, dare to laugh, dare to cry, dare to get angry, dare to rebuke, dare to fight and to beat back the condemnable times in this condemnable place!" I commend these parents and students for what they did. In this cold and indifferent world, they still speak courageously, laugh courageously, cry courageously, get angry courageously, rebuke courageously and fight courageously.

The Territory-wide System Assessment ("TSA") was implemented since 2004 and suspended for a year in 2016. Scholars from the education sector, teachers, parents and students demand for its abolition because TSA questions are so difficult that students cannot possibly answer without drilling. The pressure of drilling is excessive, some students cry while some are afraid of going to school. The data collected from TSA are destructive in the sense that they have been wrongly used for vicious comparison within school and among schools. The assessment has become an indicator, subjecting schools to high risk of closure; hence both teachers and students have been under tremendous pressure. As such, I do not understand why the Government has to make the tragedy happen again after shelving TSA for a year.

The nature of BCA is actually the same old stuff with a different name. The 2017 BCA Mathematics paper is very similar to the 2004 TSA Mathematics paper, and the Chinese paper in 2004 was exactly the same as the paper in 2017. Does the Government truly believe that schools will not drill their students for BCA?

Of course, many people said that the 2017 BCA questions are easier and more straight-forward. But can anyone guarantee that the questions will not become increasingly difficult in future? The biggest problem with TSA is drilling. Some parents have indicated that their children are still drilled for the assessment. Why doesn't the Education Bureau consider resolving this problem adequately and not obstinately sticks to a wrong course? Some committee members were greatly disappointed after their various proposals to improve the situation were turned down, and eventually they left. Should education aim to nurture students and develop their potentials, or to make comparison? Should education focus on life or ruin life and play with figures for comparison?

Last year, the Education Bureau introduced a suicide prevention scheme (Joyful@School), but the response was far from satisfactory. Subsequently, a programme "Together in adversity" was introduced this year with the

participation of schools and welfare organizations. It was later disclosed that a shortcut has been provided to schools and welfare organizations; all they have to do is to copy the sample application form and they will be granted a funding of \$200,000. The Community Alliance to Prevent Student Suicides, formed by me and certain teacher groups, parent groups, student groups and social worker groups, has all along demanded a review of the education system. We have organized activities to advocate "taking whole day rest" and have even proposed to set the "standard homework hours". We always hope that the Government will provide help to relieve some burdens of students. The economic activities in Hong Kong are too monotonous, our lives are too tiring and our children are too busy. No wonder someone has ironically set up a "Busy Children Choir".

We are just too busy. What our children need may be taking a rest, having time to play, having a sense of curiosity, or even having room for free thinking. We hope that TSA or BCA will be abolished, so that we can return a happy childhood to children. I believe many Members have spoken a great deal in this respect.

Deputy Chairman, concerning the Appropriation Bill 2017, I have proposed another amendment that seeks to reduce the operation expenses of the Home Affairs Bureau by \$58.7 million. The objective is to reduce the annual estimated expenditure of the Bureau on the promotion of national education.

In its answer to Legislative Council Members' questions concerning the Budget, the Home Affairs Bureau said that young people in Hong Kong have often been criticized for being ignorant about the national affairs and "one country, two systems", hence it was necessary to enhance the promotion of national education to young people. The Government would thus increase the subsidies for youth exchange programmes in the Mainland and provide plenty of resources to facilitate youth's study tours in the Mainland. For example, it is expected that the number of participants in the Funding Scheme for Youth Exchange in the Mainland will increase from 10 219 in 2014-2015 to 21 000 in 2017-2018, and subsequently, the expenditure will surge from \$20 million three years ago to the estimated \$41 million this year. The increase is quite alarming.

Meanwhile, apart from subsidizing youth exchange programmes in the Mainland, the Home Affairs Bureau also collaborates with the Committee on the Promotion of Civil Education and the Commission on Youth to organize various activities to promote national education. The expenditure in this regard has

greatly increased from \$34.8 million in 2014-2015 to the estimated \$58.7 million in 2017-2018. This amount has not included the \$710 million set aside for the Funding Scheme for Youth Internship in the Mainland. If the subsidies for all programmes under the Funding Scheme for Youth Internship in the Mainland are added together, it will amount to a total \$111.2 million, which is seven times the \$14.2 million set aside for youth exchange programmes in overseas countries. No wonder we sometimes ironically equate youth overseas exchange programmes to Mainland exchange programmes.

I object this funding allocation for I do not endorse the policy of the Home Affairs Bureau: (1) I doubt whether the Bureau can tell the difference between "national education" and "civic education"; (2) will the so-called "national education" present a full picture of national affairs, and will the 4 June Incident, and the incidents concerning LIU Xiaobo or LAM Wing-kee be included in the scope of discussion; and (3) will there be any underhand dealings given that the provision is tilted towards organizations with Mainland backgrounds; and (4) it would be better to provide proper civic education in Hong Kong than promoting biased national education.

Deputy Chairman, is the Government truly unable to tell the difference between national education and civic education or is it just deliberately confuses the two? During the colonial era before 1997, the Hong Kong Government evaded the concept of citizenship, and certainly it had its political considerations. The aim of civic education at that time was to maintain social stability and imbue people with a strong sense of social responsibility. The emphasis of civil education on social responsibility was no doubt a deliberate act to evade the issue about civil rights. In 1996, the British Hong Kong Government amended the Guidelines on Civic Education in Schools again, proposing for the first time to "develop in students critical thinking dispositions and encourage them to take the initiative to participate in public affairs ... exercise their civil rights and fulfil their social responsibility". The main points of the Guidelines included democracy, the rule of law, education on human rights, critical thinking, and so on. That was the first time the British Hong Kong Government aligned with the world in respect of the concept of citizenship.

In the early stage after the reunification, the SAR Government purposely watered down the concept of citizenship and weakened the concepts that were highly valued in civic education, such as participation in public affairs, democracy and civil rights into the moral and national education. In 2001, the

Education Bureau listed "to understand their national identity and be committed to contributing to the nation and society" as one of seven learning goals. In 2002, the Basic Education Curriculum Guide—Building on Strengths set "perseverance", "respect for others", "responsibility", "national identity" and "commitment" as the main points of moral and civic education, which obviously aimed at substituting moral and national education for civic education.

In the Policy Address of 2007, the SAR Government blatantly stated that "the HKSAR Government will make every effort to promote national education" so that young people would "aspire to win honour and make contributions for our country". In 2012, the Government updated the Moral and National Education Curriculum Guide and stated that national education would be introduced as an independent subject from Primary One to Secondary Three. While the Guide had incorporated the terms such as democracy, human rights, rule of law, enlightening students' all-rounded thinking, independent and critical thinking, the main theme still laid great emphasis on serving the Motherland and feeling of affiliation toward the Motherland. In the end, owing to the public's objection, assemblies, hunger strikes and protests, the Government finally backed off and shelved the plan of making national education an independent subject.

However, the spectre of national education never leaves us far. The SAR Government continues to, through various means, implement bias national education with Chinese characteristics. It only sings praises of China and attaches little importance to historical facts and does nothing to safeguard Hong Kong people's basic rights. It is evident to all that this is a kind of hypocritical national education.

Some scholars have pointed out there are "ordinary people", "ant people" or even "shareholders" in Hong Kong but there are no "Hong Kong citizens". After a brief review of history, we can see that from the colonial Government to the present SAR Government, the subject of citizenship has all along been evaded. People's civil rights or their basic rights have never been recognized. Hong Kong has never been able to be "decolonized". The Government has never given due consideration to basic human rights in formulating policies. Hong Kong people still cannot select a Chief Executive of their own choice. The SAR Government has deliberately confused civic education with national education. On the one hand, it disregards the importance of civic education on human rights, civil rights and obligations, but on the other hand it includes the implementation of national education in the terms of reference of the Committee

on the Promotion of Civic Education and the Commission on Youth, while eliminating their responsibility of promoting "civic education" and "empowerment of the youth".

I am also concerned about whether the national education now implemented by the Government can give us a full picture of the national affairs. In 2012, soon after Scholarism initiated the anti-national education movement, 120 000 people joined the processions and assemblies, and they besieged the civic square for 10 days. We have all along stressed our objection the brainwashing national education. Let me reiterate: the brainwashing national education. If the Home Affairs Bureau sincerely promotes national education and presents a full picture to young people about the situation in China; if it does not hide the wrongdoings and praise the good deeds by talking about China's economic take-off and at the same time expounding on how China's political system encourages corruption, the impact of the 4 June massacre on the aftermath developments of China and Hong Kong, the present human rights conditions and human rights issues in China, problems caused by the single party dictatorship of the Communist Party of China ("CPC"), and reasons why Hong Kong has yet to have universal suffrage, I will surely withdraw the above mentioned amendment. Genuine education is to teach people to become an honest person, rather than to engage in double talk and refuse to face the seamy side of society.

Some may ask why we still refuse to let go of certain old wounds, such as the 4 June Incident, which happened so many years ago, and what meaning does it have to the people of Hong Kong. Just think about the dissidents who are still in prison or under house arrest in China and the answer will be obvious. The 4 June Incident is a mirror. Under the law, today Hong Kong is part of China and who can guarantee that CPC will not treat the people of Hong Kong the way it treats the dissidents in China?

Those who go along with a regime that denies the massacre have no conscience and that is why I said the 4 June Incident is a mirror. Blind support of patriotism will only cultivate more royalists. They will change their minds anytime according to the thinking of those in power. Today, when people in power say that to rebel is justified, they echo the saying; tomorrow, when people in power say that to suppress is justified, they once again echo the saying, because they believe whatever Beijing says, they will have to agree. If our next generation or future generations receive this kind of education, what will become of them?

Third, I also worry that the organizations with Mainland backgrounds will be favoured in funding allocation which involves underhand dealings. My worries are not unfounded and I am not shooting at random. A case in point is that the Home Affairs Bureau speedily approved the application of Hong Kong Army Cadets Association ("HKAC") to use old school premises and the Board of Management of the Chinese Permanent Cemeteries granted \$30 million to HKAC for renovation of the school premises. Some uniformed organizations and I have written to the Bureau and so far we have not received a clear explanation. Secretary LAU Kong-wah just gave us a bureaucratic answer, saying that everything was done according to established procedures. If the established procedures are truly complied with, how come the applications of various subsidized organizations with proven experience in providing services have been turned down? Don't tell me their background, scale of operation, past performance and resources were all inferior to HKAC. The approval result was extremely unfair.

With this experience, I can hardly be convinced that the \$58.7 million will be used properly. I really hope that Secretary LAU Kong-wah will give all Hong Kong people a reasonable account concerning the speedy approval of the funding to HKAC.

Moreover, instead of implementing national education, why not provide quality civic education in Hong Kong? Education can open people's ears and enlighten their mind. I hope that the SAR Government will provide quality education, or it should educate itself and the Secretary first.

I so submit.

**MS YUNG HOI-YAN** (in Cantonese): Deputy Chairman, I am going to focus my speech on the amendments concerning "Head 53—Government Secretariat: Home Affairs Bureau" and "Head 95—Leisure and Cultural Services Department" in this debate session. To begin with, I would like to talk about sports. I trust many members of the public share my view that there was a lack of an overall strategy of sports development in the past: resources allocated by the Government for training athletes of different categories were inadequate; there were different levels of shortage in the software and hardware of various sports items, including sports venues and relevant personnel in sports science and physiotherapy, thus seriously affecting Hong Kong's sports development in the

past. The Home Affairs Bureau has indeed an unshirkable responsibility in this regard. However, I consider it futile even if the expenditure on the emoluments of the Secretary for Home Affairs is reduced; we should instead put forward more constructive proposals to urge the next Government to extensively support elite sports and promote sports in the community.

In the past, most of the local sports relied on government subsidies. For many sports items, government subsidy was their only means of funding. As the current mode of subsidy can hardly promote the sustainable development of the sports sector, I think the Government should establish a statutory sports development council by making reference to the model of the Hong Kong Arts Development Council. The sports development council can coordinate various sports organizations and improve the resource allocation mechanism; it can also undertake the duties of formulating policy, as well as advocating, promoting and organizing events.

In formulating sports development strategies, the Government may consider inviting the cooperation of business sector by providing incentives to encourage their investment, so that they will work with the Government to facilitate the commercialization of local sports. Surely, the Government should also allocate additional resources to train more professionals in sports science, sports medicine and physiotherapy, so as to enhance the training standards for athletes of various grades and categories, reduce chances of injuries and facilitate a better recovery of athletes to attain better performances.

Deputy Chairman, many Hong Kong elite athletes, including TSO Sing-yu, LEE Wai-sze and NG On-ye, brought glory home with their brilliant achievements in various international competitions in recent years and have thus become the idols of many people. With the development of the Internet, the general public have become more passionate in sports events. Sport has played the role of uniting the community amidst the increasingly divided and polarized social atmosphere in recent years. Therefore, the Government should seize this good opportunity to further promote sports in the community by studying the provision of additional sports venues in different communities, subsidizing various sports organizations to provide more training, etc., so as to enhance the public's knowledge and interests of various kinds of sports, increase their participation in various sports activities, thereby easing the polarized social atmosphere effectively.

The Government should sponsor student athletes for overseas tournaments and exchanges to enhance their level of sports skills. It should also provide young athletes with more flexible arrangement for further studies, so that they can strike a better balance between studies and sports career.

Moreover, it is also important for the Government to improve the current mechanism for providing financial support to athletes. The target of support should gradually extend from elite athletes at present to other athletes with outstanding performance, and the amount of subsidy should also be increased appropriately, so as to minimize the additional financial burden on athletes for taking part in competitions. Furthermore, the Government has to conduct a comprehensive review on the funding for various sports organizations and associations, so as to make good use of resources to strengthen the support.

Apart from conventional sports, a new kind of sport has become very popular among young people in many countries and regions around the world in recent years, and that is e-sports, which is also mentioned by the Chief Executive in his Policy Address this year. Regarding the development of e-sports, although Hong Kong currently lags far behind many countries and regions, such as the Mainland, the United States and Korea, I believe it has the capability and conditions to develop e-sports and the related industries.

Earlier, I attended an e-sports competition organized by a local gaming platform. There were over 100 people at the scene watching the games. Other than the audience, game enthusiasts will upload video clips of real gameplay for viewing by other people, or there will be live webcast of games to enable more people to join in. I have also looked into the development of e-sports in overseas countries. They do not merely train up e-sports athletes or organize a few game matches; instead, regular e-sports gatherings and competitions are held to enable the continuous participation of e-sports players, audience and enthusiasts, thereby enhancing the local e-sports standards as well as international competitiveness.

In fact, Hong Kong is not short of e-sports talent. Many local teams and players have attained pretty good results in international competitions. Regrettably, owing to factors such as social ambience and insufficient recognition and support, the development of the e-sports industry is impeded in Hong Kong. As the efforts made by e-sports players are not widely recognized, they cannot get sufficient support to advance ahead. On the contrary, in the United States, more

and more universities regard e-sports as a formal sport. Apart from providing designated e-sports scholarship to students with outstanding attainments, gaming teams will be formed to compete in joint school tournaments. In Korea, specialized courses in e-sports are offered in universities, and there are even specialty courses to target different type of games. Some outstanding professional players can also be guaranteed admission to universities, just like other conventional athletes.

While e-sports athletes are the leading roles in the e-sports industry, the economic benefits brought by e-sports are colossal. This is actually the development of a giant industry chain, which is also one of the pathways available for young people to move upward. Although not many people can actually become professional e-sports athletes, the industry chain of e-sports is a very huge market with major sources of revenue coming essentially from sponsorships, ticket sale, media copyrights and peripheral products. The integration of old and new industries in a new form is conducive to promoting the development of respective industries and the exploration of new markets.

According to the Global Esports Market Report released by Newzoo, an international e-sports company, in February 2017, the global economic growth of e-sports would amount to as much as US\$696 million in 2017, representing an increase of 40% over 2016. It is estimated that a further increase to US\$1,488 million will be reached in 2020. In 2017, advertisements account for US\$155 million, representing an increase of 21% over 2016; sponsorships account for US\$266 million, an increase of 57%. Accordingly, the global e-sports audience will also reach 385 million in 2017, amongst which almost 200 million are e-sports enthusiasts and half of them are from the Asia Pacific region. It is estimated that the number of enthusiasts will increase by 50% to nearly 300 million globally in 2020.

Deputy Chairman, in view of the data cited above, the development potential of e-sports is awesome. It expedites the combination of various trades and industries, and creates important business opportunities for different brands, media, and so on. With the development and popularization of online live broadcast platforms, more and more members of the public can take part in or watch e-sports games via online live broadcast, thus attracting many sports-related organizations and groups, enterprises and advertisers, etc, to actively participate and invest in e-sports events. This will further facilitate the formalization and popularization of e-sports in Hong Kong.

When the New People's Party met with the Chief Executive-elect a few days ago, I suggested that the SAR Government should provide more resources to support young people who wish to join the e-sports industry. The e-sports industry does not only involve professional players, but also other personnel, such as game analysts, expert commentators, live broadcasters, technical supporting staff, game operators and organizers, so on and so forth. Moreover the production of games would involve the participation of different professionals. Courses on e-sports related training can be incorporated into the vocational education system, so as to broaden the pathways for young people and enhance their competitive edges in e-sports, thereby further promoting the systematic and planned development of the e-sports industry in Hong Kong.

Deputy Chairman, I so submit.

**DEPUTY CHAIRMAN** (in Cantonese): I have reminded Members earlier that according to the debate arrangement, there are about seven hours for committee to conduct this debate.

I will call upon Members to speak in the following order: Mr LEUNG Yiu-chung, Dr YIU Chung-yim, Dr Helena WONG, Mr CHU Hoi-dick and Mr CHEUNG Kwok-kwan, and then call upon the public officers to speak. After the public officers have spoken, I will call upon Members who have proposed amendments to speak again. The debate will come to a close after the Members concerned have spoken. Mr LEUNG Yiu-chung, please speak.

**MR LEUNG YIU-CHUNG** (in Cantonese): Deputy Chairman, I speak in support of Amendment No. 71 proposed by Mr CHAN Chi-chuen regarding subhead 000 under head 90, so as to deduct an amount roughly equivalent to the annual estimated expenditure on salaries under personal emoluments of the Labour Department ("LD").

Deputy Chairman, why do I support this amendment? This amendment proposes to deduct not only the emoluments of the Commissioner for Labour, but also the personal emoluments of the staff of LD. Since the Commissioner for Labour has assumed office for not too long, he has to undertake some, but not great, responsibilities. All staff of LD should instead be held responsible. On the web page of LD, there is a resounding slogan, that is, "to enhance the

well-being of our workforce progressively and promote the safety and health of those at work". I would like to speak on this slogan, namely the aim of LD, and my speech will be divided into two parts.

I will first speak on "to enhance the well-being of our workforce progressively". Has LD succeeded in achieving this end? Over the years, I have actually failed to see LD doing any meaningful work to enhance the well-being of the workforce of Hong Kong. There are at least six major areas where LD has failed to enhance the well-being of workers. The first is paternity leave. Though the legislation on paternity leave has recently been passed, why do I still say that LD has failed to perform its duty? The major reason is that while civil servants enjoy seven days' paternity leave, ordinary wage earners can only enjoy three days' paternity leave. Why is there such a big difference? Is it that special treatment is accorded to civil servants but not to ordinary wage earners? Are ordinary wage earners being discriminated against, so that they can only enjoy three days' paternity leave? What has LD done for workers? LD only said: take it or leave it. As such, not even one day's paternity leave will be granted. I think this practice is highly undesirable, and I fail to see what LD has done to enhance the rights and interests of the working class.

Second, as we often pointed out, there is a disparity of five days between statutory labour holidays and public holidays, that is, there are 17 days of public holidays and 12 days of statutory labour holidays. How come such a situation will arise? It is very unfair that there is a disparity of five days between the 17 days of holiday enjoyed by certain clerical or middle and upper-level employees and the 12 days of holiday enjoyed by grass-roots workers. A case in point is that wage earners are not entitled to the Birthday of the Buddha holiday that has just passed. Is it because no wage earners are Buddhists so that they are not entitled to this holiday? This is so absurd. Given the disparity of five days between the two types of holidays, we have been constantly urging the Government to make amends. But the attitude of the Government remains unchanged and it fails to do anything for grass-roots workers, leaving the disparity unaddressed.

Apart from the disparity of five days between the two types of holidays, another issue that the working class or wage earners are most concerned about is salaries. As regards salaries, the first thing that comes to our mind is minimum wage. Over the years we have been demanding an annual review of the minimum wage level because the general public, including most of the people

present, basically get a pay rise each year, so do civil servants. While all others get an annual pay rise, why do workers at the very bottom of society get a pay rise once every two years? Is this justifiable? We have been constantly demanding LD to conduct an annual review once, but it merely tells us that the Government has put in place a mechanism to conduct an annual review, and it will only invoke the mechanism when necessary, that is, in a sluggish economic environment. Workers naturally need pay rises in a sluggish economic environment, but is it that no pay rises are needed when the economy fares not that badly?

Given the soaring commodity prices nowadays—the Secretary is present, but I wonder whether any staff of LD are present—the minimum wage level is now \$34.5 per hour, which has already been increased, but how much does one have to pay for lunch in a fast food restaurant? You basically do not have much choice if you spend \$34.5 on your lunch. It is very important that those who work hard should be properly compensated and accorded dignified treatment, but workers can hardly earn a lunch after toiling for one hour. Isn't that contemptible? We have been urging the Government to expeditiously implement the review once every year, but the Government has steadfastly refused to do so.

Minimum wage aside, ordinary wage earners hope that there will be reasonable levels of wage increase every year to keep up with commodity prices, so that they can maintain their standard of living. Regrettably, however, workers do not have the right to collective bargaining, which is a very important right that enables wage earners to negotiate, on an equal basis, with employers or the management on salaries as well as other employment benefits and conditions. Prior to the reunification of Hong Kong, a law was passed on the right to collective bargaining, but it was later repealed by the Provisional Legislative Council following the reunification. The repeal might not be that significant, but after so many years, can the Government reconsider the issue and further provide workers with certain rights? In the past, various labour disputes had arisen, for example, bar-bending workers and workers at container terminals demanded for pay rise, leading to labour disputes. Such labour disputes cannot be resolved if workers do not have the right to collective bargaining. The emergence of labour disputes reflects the need to put in place the right to collective bargaining, but the Labour Department has simply shown a nonchalant attitude to the problem, such that workers have no right or are not in a position to negotiate with employers or the management. This is very lamentable.

Apart from the right to collective bargaining, another important matter that women are concerned about is maternity leave. Recently, the Panel on Manpower invited the Research Office to conduct a study on the implementation of maternity leave in four places in Asia and four places in Europe. When compared with these eight places, Hong Kong ranks last in terms of the duration of maternity leave. Most of these places have introduced 12 weeks' maternity leave, while in the case of Hong Kong, the period of maternity leave is only 10 weeks, which lags behind the 12-week maternity leave as required by the international community. Despite repeated requests for change made by the labour sector, the Labour Department has never proposed any debate on this issue. The greatest step taken by LD is that some 10 years ago it abolished the requirement on taking maternity leave four weeks before the employee's expected date of confinement and six weeks after confinement, and instead required that the manner of taking 10 weeks' maternity leave would be negotiated between the employee and the employer. Deputy Chairman, the problem is whether 10 weeks' maternity leave is adequate. The answer is certainly not, but LD has been indifferent. In certain countries, the duration of maternity leave can be as long as some one year, for reasons that they attach great importance to the education of their next generation and parent-child relationship. Hence employees are allowed to take maternity leave together with parental leave, thus giving rise to the lengthy duration of maternity leave in certain places. Hong Kong has only provided for 10 weeks' maternity leave, and the employee is not entitled to full pay, but only four fifths of previous earnings. What employee benefits are we talking about for wage earners?

In these areas, I fail to see staff of LD actively striving to improve the welfare of workers. They claim that they have done so, only that no consensus can be reached in the Labour Advisory Board ("LAB"), and hence many arrangements have remained unchanged. This brings out a more important question that we have been talking about for years. LAB is an advisory board that simply should not exist, for it is comprised of six employee representatives and six employer representatives. Although the Commissioner for Labour is the Chairman of LAB, he will not state his stance or make any final decisions, allowing employee and employer representatives to contend against each other. That said, how can we expect employers to compromise on the rights and interests of employees? In all the cases I have just referred to, employers have invariably opposed all proposals to make relaxations or improvements. While employee representatives strives hard, employer representatives strongly opposes,

and LD merely stands on the sideline, watching the contention between the two parties. Only when a consensus is reached between the two parties will LD set about doing its work. As such, has LD performed a constructive role? No.

In many cases, including those pertaining to the right to reinstatement, which we will soon debate, we have demanded imposing severe punishment on employers. Yet, even if a proposal has already been approved by the Legislative Council, LD still refuses to implement it but instead refers the proposal to LAB. Only after the proposal has been debated and approved by LAB will it be submitted to the Legislative Council. The process is thus prolonged. Hence, it is the Government who engages in filibustering but not us, for the Government, by referring the proposal to LAB for debate before submitting it to the Legislative Council, will prolong the process by one year. As such, why does LAB still exist? Why not abolish LAB? Given the lack of representation on the part of LAB, why not allow this Council, the elected Members of which account for a majority, to make decisions? On the contrary, LAB constantly holds us back, hindering our progress and the rectification of various problems. For this reason, I hold the view that we should abolish LAB, but LD is simply indifferent to this proposal and allows the continued existence of LAB. We find this truly unacceptable.

Having criticized the Government for not doing enough for the welfare of workers, I would like to speak on another issue, that is, to enhance occupational safety and health. The problem is serious as the statistics on occupational accidents has not dropped, but at most remained stable, indicating that there is no significant improvement. Workers simply hope that they can go to work and return home safely. In 2015, the number of occupational injuries and deaths was some 35 000, the number of industrial accidents was some 11 400, and the accident rate per 1 000 workers was 18.4. In 2016, there was a slight improvement, as the number of occupational injuries and deaths was 35 768, and the number of industrial accidents was some 10 800, which were still on the high side. In addition, the number of industrial fatalities was 24 in 2015 and 18 last year, but as far as we are concerned, the figures were still high. According to LD, even one case is too many. Indeed, even one case involving fatality is unacceptable, but the number of fatalities is in the range of 10 or so to 20, isn't the problem very serious indeed?

From last year to this year, the Hong Kong-Zhuhai-Macao Bridge project has caused many casualties. So far, 10 workers died and 600 injured in this project, the figures are truly astonishing. In some of the fatal cases, the accidents were caused by working platforms. As problems with working platforms had already occurred on three occasions, how come LD has still failed to draw a lesson and give proper regard to the safety of workers on working platforms, thus the Hong Kong-Zhuhai-Macao Bridge is called the Bridge of No Return? It is indeed saddening that workers who toil cannot return home safely and have to sacrifice their lives for earning a living.

As regards these issues, I dare not say that staff members of LD have not done any work, but they have failed to prevent such incidents. Though they claim that they do not want to see even one case of fatality or injury, many accidents do happen every year, what should be done to resolve the problems? We believe that many safety problems are connected with employers and particularly related to the system.

**DR YIU CHUNG-YIM** (in Cantonese): Deputy Chairman, I wish to speak on Amendments Nos. 153 to 159. These amendments relate to subhead 000 under head 156, and include the proposed resolution to reduce the expenditure on the Basic Competency Assessment ("BCA") project by \$73 million.

In fact, a consensus has already been reached on whether BCA should be abolished. On 8 May, the Legislative Council held a public hearing on BCA, at which I clearly heard that all parties agreed that it was not necessary to make it mandatory for all students to take BCA every year. Since it is not necessary to make it mandatory for all students to take BCA every year, I support the amendments that seek to reduce the expenditure on BCA. At the public hearing, I clearly heard such a consensus. Parents supporting BCA, parents and students not supporting BCA, government officials and Members from different political parties or groupings unanimously supported the freedom to choose whether to participate in BCA. On that day, in response to the views of the attendees, an official said that the outcome of allowing schools the freedom to choose whether to participate in BCA last year was very satisfactory.

(THE CHAIRMAN resumed the Chair)

The official personally admitted that allowing schools, parents and students the freedom to choose whether to participate in BCA could actually result in a better outcome. As far as this approach is concerned, schools that had opted in welcomed it, parents and students who had opted out did not oppose it, and the Government said that its outcome was satisfactory. On that day, those attending the public hearing, including many teachers, social workers, parents and students, personally expressed their objection to making it mandatory to take BCA. Most of them were in favour of the freedom to choose whether to participate in BCA. Some parents even said that they would support boycotting BCA, or that they had obtained the schools' consent for their children to opt out of BCA. They used their actions to demonstrate their support for the right to freely choose whether to participate in BCA.

On the other hand, a small number of parents said that they supported BCA on the straightforward grounds that they very much wanted their children to take BCA. One of these parents even likened BCA to a vaccination or medical examination, saying that it was good. This parent sought to point out the merits of BCA by analogy with a vaccination or medical examination. Actually, there is no need to argue about whether this analogy is appropriate. Regardless of whether this analogy is appropriate, it is based on the fact that any vaccination or medical examination is voluntary rather than compulsory for everyone. This is the point. Medical examinations and vaccinations are good things as long as they are voluntary, but they will become bad things if they are made mandatory. In other words, those parents who attended the public hearing in person to voice their strong support for BCA were also using their actions and words to support the idea that participation in BCA should be a free choice rather than a mandatory requirement.

Logically speaking, no matter how much you want to participate in BCA, you only have the right to decide whether you or your children should participate in BCA, but have no right to force others to participate in a test that you are very eager to take. This reflects the preciousness and value of freedom. I therefore hope that the Secretary and certain school principals, teachers and parents who support BCA will do some serious soul-searching. Why are they so evil that they are forcing others to accept their own preference? Why are they so horrible that they are imposing their wicked will on others, particularly children who are just a few years old? How can they have the heart to torture innocent children? In recent years, we have seen children remonstrate about the situation by means of death. This has shocked heaven and earth. How could the authorities bear

to see that? At the public hearing, I heard most Honourable colleagues agree that parents should have the right to freely choose whether to let their children participate in BCA. I did not hear anyone offer any cogent reason to explain why they should have the right or the need to force others to participate in BCA.

Last year, the authorities conducted a very good experiment of allowing schools the freedom to choose whether to participate in BCA; while some schools took part in the new programme introduced by the authorities, the majority of schools did not take part in it. The outcome of this experiment was quite good. It did not create any negative impact on society, and everyone was happy about it. Those who wanted to take part went ahead, and those who did not want to take part did not complain. As we could see, the approach adopted last year allowed room for students and teachers to avoid drilling, and gave them more time to benefit from teaching and learning. This was a good experiment which allowed schools and parents the freedom to choose, and enabled the authorities to achieve the goal of understanding the standards of teaching and learning in participating schools. The authorities can do this, but they have no reason to force schools to participate.

Of course, I did listen to the officials' replies at the public hearing. Why is it necessary to resume the assessment and make it mandatory for all Primary Three students across the territory this year? According to the officials, only by making it mandatory for all students to sit the same paper on the same day can the authorities collect the data they want, so as to facilitate their appraisal of the performance of all schools. At the end of the day, they want to rank schools to see which schools are not up to par. The authorities say that they aim to enable schools to improve teaching and learning, but in my view, this is only an excuse. Even if the authorities really want to improve teaching and learning, it is not necessary to require all students across the territory to sit the same paper issued by the Hong Kong Examinations and Assessment Authority on the same day.

Let me cite a real-life example—Members may seek verification from the head of any university. Every university in the world has in place an education quality management system, and will engage external professors to assess and appraise its programmes. There is absolutely no way that university students over the world will be required to sit the same government-issued paper on the same day. No heads of universities will say that without such a test, they are unable to understand the teaching and learning situations for students in their universities. Every university is able to engage external professors to carry out

independent programme assessments through its quality management system, so as to come up with constructive proposals to facilitate progress in teaching and learning. Do the authorities dare to say that universities are unable to improve their teaching and learning standards?

In fact, I will conduct an external assessment of one of the programmes of The Chinese University of Hong Kong next week. I will review the programme in terms of its curriculum, student assignments and examination papers; interview students; and undertake a longitudinal comparison. Every university has its own teaching characteristics; there is no problem as long as the abilities of its students are enhanced and its programmes meet expectations. This is called the expected outcome approach. All universities are now using this approach, under which the aim of any assessment of teaching and learning is to assess whether students can meet the expected teaching target. Why must the authorities require all students to sit the same paper on the same day before they can know and improve the standards of teaching and learning? The logic behind the authorities' move to make it mandatory for all Primary Three students across the territory to sit the same paper on the same day does not hold water. Secretary, if you dare, you can just say that the educational approach adopted by universities is not as useful and scientific as that adopted by the authorities.

Under such an effective assessment approach adopted by all universities worldwide, it is not mandatory for students to sit an external paper issued by the Government. In what circumstances are students required to sit the same paper? They are required to do so when there is a need for screening and ranking in view of inadequate resources. For what reason was the Hong Kong Diploma of Secondary Education Examination introduced? It is all because of the need for objective screening and ranking to determine which students can go to university and which students cannot in view of inadequate university places in Hong Kong. The authorities require all Secondary Six students across the territory to sit the same government-issued paper on the same day because the authorities are not willing to let all the students go to university. That is why ranking is needed to screen out all those students that the authorities think should not have the chance to go to university. Other than this, there is simply no logic or reason to support the examination model of BCA. When it comes to improvement in teaching and learning, the education quality management system of universities is a fine model which, if adopted, can achieve enhanced teaching and learning. I implore the authorities to stop having blind faith in BCA, which is torturing our children.

At the public hearing on 8 May, I heard the attendees—be they officials; parents, teachers and school principals supporting BCA; parents, teachers, school principals, social workers and students opposing BCA; or Members of this Council—unanimously agree that it should be up to schools and parents to choose of their own free will whether to participate in BCA. Last year, the authorities already put this into practice, and everyone was happy with the outcome. Now that the authorities cannot provide a more reasonable justification to explain why they must make it mandatory for all Primary Three students across the territory to take BCA, I am in favour of the relevant amendments with a view to urging the authorities to reinstate the mechanism whereby stakeholders are free to choose whether to participate in BCA this year. This can also save the Treasury an unnecessary expense.

I support the relevant amendments. Thank you, Chairman.

**DR HELENA WONG** (in Cantonese): Chairman, this debate covers various policy areas including education as well as arts and culture. I will first talk about education issues and then the West Kowloon Cultural District ("WKCD").

In respect of education, I have heard quite a number of Members speaking specifically on the Territory-wide System Assessment ("TSA") today. As a matter of fact, the Democratic Party ("DP") has all along stated its opposition against TSA and requested the Government to halt its implementation because of the morbid change of TSA as a whole. Notwithstanding the Government's present proposal to replace TSA with the Basic Competency Assessments ("BCA"), there is still no guarantee that students will not be subject to drilling by schools. As many views have already been expressed by other Members, I will not say any more on the subject. I hope that when the new Government assumes office, it will abolish TSA/BCA as soon as possible.

Now I would like to turn to the subject of higher education. As a matter of fact, DP has been asking the Government time and again why more resources cannot be allocated to increase the number of subsidized undergraduate places in universities. Currently, students who have completed secondary education would sit for the Diploma of Secondary Education examination. Every year, around 25 000 graduates meet the entry requirements of universities. But the number of subsidized undergraduate places in Hong Kong has been capped at 15 000 over the years. I think Secretary Eddie NG would also recall that during

the Council's debate on the budget last year, DP and I had also expressed our wish that the number of subsidized undergraduate places should be increased. Regrettably, the Government refused to increase even one place.

Moreover, we also suggested that the entire policy of associate degree education should be reviewed. Associate degree education was proposed by former Chief Executive TUNG Chee-hwa who made an over-the-top pledge about boosting the ratio of young people receiving post-secondary education in Hong Kong. To make good his promise, associate degree education was introduced to facilitate secondary school leavers undertaking self-financing associate degree programmes. But should associate degree education be a goal in itself or just a halfway point towards the goal? Initially the Government might also regard associate degree education as a goal in itself, such that fresh graduates of associate degree programmes could join the labour market right away. But had Secretary Eddie NG seriously studied the situation of associate degree graduates during his tenure, he would have known that most associate degree graduates hope to continue their studies. That is why many top-up programmes have been offered to allow outstanding associate degree graduates to be articulated to the third or fourth year of a publicly-funded undergraduate programme at local universities, so that they can eventually obtain a recognized bachelor's degree.

In fact, young students are most frustrated by the situation because even though their examination results qualify them to enter universities, they cannot do so due to insufficient subsidized places. The number of subsidized undergraduate places is insufficient not because the Government lacks financial provisions. Actually there is no reason why the Government cannot increase the number of subsidized undergraduate places in Hong Kong. Nonetheless, secondary school leavers can only enrol in self-financing two-year associate degree programmes offered by tertiary institutions with financial support from family. But due to the limited number of top-up places, there is intense competition among associate degree graduates. These young people must suffer a lot because they do not know for certain whether they can continue their studies after graduation from the two-year associate degree programmes. So, the arrangement is just a raw deal for the young people.

Why does the Government treat our young people like this? When they are primary students, they must go through the tortures of TSA/BCA. When they want to go to universities, they must first study hard to complete the associate degree programmes, without knowing whether they can be articulated to

senior years of undergraduate studies. If the Government steadfastly refuses to increase the number of subsidized undergraduate places in Hong Kong, I must ask the Government why no consideration has been made in the Budget to provide assistance to these young people who meet the entry requirements of universities, so as to reduce their financial burden in undertaking programmes offered by self-financing tertiary institutions, especially bachelor's degree programmes or top-up programmes for associate degree graduates?

Notwithstanding the implementation of the study subsidy scheme for designated professions or sectors by the Government starting from last year to provide financial assistance to students pursuing self-financing undergraduate programmes in selected disciplines, programmes in other disciplines are not subsidized. Recently, when I looked up some information about the tuition fees of bachelor's degree programmes offered by self-financing tertiary institutions in Hong Kong, I noticed that the level of tuition fees is actually quite high. Take for example the Caritas Institute of Higher Education. The most expensive programme it offered is the five-year Bachelor of Nursing (Honours) programme, with an annual tuition fee of over \$100,000. The actual amount of tuition fee is \$104,720 per annum. For some programmes offered by the Centennial College, the tuition fee is \$89,000 per annum for the first two years and \$99,000 per annum for the subsequent years. In other words, the annual tuition fee is close to \$100,000. In comparison, the tuition fee of bachelor's degree programmes offered by Chu Hai College of Higher Education is lower, with the annual tuition fee being \$69,000 for the first two years of study and \$74,000 for the subsequent years. Even the Community College of City University is charging students a tuition fee of \$84,600 per annum for its bachelor's degree programmes. In comparison, the level of annual tuition fees of such programmes is generally \$20,000 higher than that of bachelor's degree programmes offered by publicly-funded universities. As students have yet to achieve financial independence, how can their parents afford such a high level of tuition fees? Is there any way we can help them? Even for The Education University of Hong Kong which has recently acquired the status of a university, the tuition fee of its programmes can be as high as \$88,500, which is much higher than bachelor's degree programmes offered by other publicly-funded universities in general.

If the Budget is formulated for investment in the future through the training of manpower and young people, why can't some of our financial resources be used to help these young people who have met the entry requirements of universities? We hope that even if the current Government is unwilling to do so,

the next Government will consider the various initiatives I just mentioned, namely, firstly, increase the number of subsidized undergraduate places; secondly, increase the financial assistance provided for secondary school leavers who have to undertake bachelor's degree programmes offered by self-financial tertiary institutions even though they have met the entry requirements of publicly-funded universities; thirdly, subsidize part of the tuition fees paid by associate degree graduates for undertaking top-up programmes offered by self-financing tertiary institutions.

Of course, I am also aware that some self-financing bachelor's degree programmes offered by universities can be very expensive. For example, The Hong Kong University of Science and Technology offers a World Bachelor in Business programme in collaboration with global partners in the United States and Italy, with tuition fees ranging from \$100,000-odd to \$300,000-odd per annum.

That is why we must handle two issues carefully when consideration is given to subsidizing self-financing post-secondary programmes. Firstly, the self-financing tertiary institutions receiving government subsidies must ensure transparency as regards their financial situation. Otherwise, if the Government is willing to subsidize students undertaking the programmes offered by these institutions, they may still increase the tuition fees even with funding support from the Government, the result would be disastrous because at the end of the day, students must still pay exorbitant tuition fees. Under the circumstances, public funding support has actually driven up tuition fees, and students must still pay exorbitant tuition fees. Ultimately, such funding support has become a piece of "fat pork" for the self-financing tertiary institutions. While we definitely want to help students and their parents, we must still closely monitor the financial situation of the self-financing tertiary institutions, as well as their criteria for determining the level of tuition fees.

Surely, another more important issue is quality assurance. While there is an established quality assurance system for publicly-funded universities, the supervision on self-financing tertiary institutions is defective, giving rise to many problems.

I have also received some complaints about self-financing tertiary institutions. Problems could arise in respect of the governance of the institutions, the programmes offered, the campus facilities, and so on. In my

opinion, both the incumbent and the incoming Secretary for Education must strengthen supervision in this regard. If problems are encountered by students of these institutions after their graduation or in the course of their studies, we must handle their cases seriously in a responsible manner. While I consider it important to provide financial support to the students concerned, we must also ensure proper supervision on the quality of self-financing tertiary institutions, which is now a weak link.

I hope that more consultation can be conducted by the next Government when handling these matters, including various stakeholders such as different political groups and professional organizations. It should also pay more attention to the views expressed by parents and students, so that our financial resources can be used to support young people who seriously want to continue their studies and to ensure quality assurance of our higher education system.

Chairman, I would also like to spend some time to talk about our cultural policy. As a Member returned by direct elections representing Kowloon West, I am particularly concerned about WKCD. The construction of WKCD and the Kai Tak Sports Park ("KTSP") involves huge sums of public money amounting to tens of billions of dollars. We used to support the WKCD project, with funding approval for \$21.6 billion already given for its construction. Then the Government proposes the implementation of an integrated basement for WKCD, which can drive up the total construction cost to over \$50 billion. But so far, the authorities have only indicated that the development of dining facilities, hotels, offices, and so on, over WKCD, as well as the relevant proceeds, will be handled through a build-operate-transfer ("BOT") arrangement. In other words, the Government will conduct an open tender for the development, and the successful bidder will construct the cultural facilities as well as other commercial facilities yet to be planned (probably to dovetail with phase 3 development of WKCD). Upon completion, the successful bidder will operate the facilities for an extended period of time before they are transferred back to the Government. However, most details of the financial arrangement have yet to be discussed thoroughly by the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project of the Legislative Council. The situation is more or less the same with KTSP, though the project will be undertaken through a design-build-operate (DBO) approach rather than BOT. The project, which will soon be discussed by the Legislative Council, is expected to incur a construction cost of \$31.9 billion.

WKCD is such a mega project that only mega corporations are capable of tendering for its construction as well as operating the relevant facilities for an extended period of time afterwards. The same is also true for KTSP, though the total construction cost of \$31.9 billion will be wholly funded by the Government. According to the proposal, the Government will first conduct an open tender. The successful bidder will design and construct KTSP on the basis of preliminary blueprints prepared by the Government. The successful bidder will have the right to operate KTSP for 25 years, starting from the date of tender award. As a matter of fact, it is also true to say that only mega corporations are capable of undertaking such a project.

The Public Works Subcommittee of the Legislative Council will soon discuss the project in detail. But the question is, given the huge sums of public money spent on WKCD (at a construction cost of \$50 billion) and KTSP (at a construction cost of \$31.9 billion), how much money or profits is expected to go into the public coffers? So far, the authorities have yet to give us a clear account on this matter for both projects. That is why when Members examine the Budget, we notice that the Government is spending lavishly on these mega projects. But when we ask the Government the return of these projects, that is, if these facilities are regarded as investment items, when we can expect them to bring in profits and a reasonable return, the Government does not give us a clear account at all.

Then there is the Government's proposal to develop the Hong Kong Palace Museum in WKCD. Recently, the Chairman of the West Kowloon Cultural District Authority Board (that is, Chief Secretary Matthew CHEUNG) said that a public consultation had been conducted, and more than half of the respondents supported the project. But honestly, the Legislative Council has yet to hold any public hearing to discuss the proposal to develop the Hong Kong Palace Museum. Thus there is no way proper consultation has been conducted for the project. Yet Matthew CHEUNG is already saying that (*The buzzer sounded*) ... the relevant agreement will be signed very soon ...

**CHAIRMAN** (in Cantonese): Dr WONG, please stop speaking immediately.

**MR CHU HOI-DICK** (in Cantonese): In this debate session, I would talk about Amendment Nos. 57 and 58, i.e. the amendments proposed respectively by Mr KWONG Chun-yu and Dr Fernando CHEUNG to reduce the estimated expenditure on three months' emoluments of the Secretary for Home Affairs. In my speech on the Home Affairs Department ("HAD") delivered two weeks ago, I expressed some views on the Home Affairs Bureau. Today, I would like to focus on the Home Affairs Bureau's work on sports.

First, let me recapitulate some typical stories in the sports sector of Hong Kong. More than 10 years ago, a football player SO Loi-keung, with a monthly salary of merely \$6,000, had to work part-time as a fireman. YIU Hok-man, awarded the Best Youth Player at 18, ended his football career at 24 and became a fireman too. After so many years, the problems of Hong Kong athletes having low salaries and not being able to make ends meet have yet to be resolved. After the Hong Kong First Division Football League was replaced by the Hong Kong Premier League, the situation has slightly improved. I have been told that at present, the average monthly salary for junior footballers ranges from \$8,500 to \$11,000. However, FUNG Ka-ki, the Chief Executive Officer of Lee Man Rangers said recently in an interview that some young footballers who lived in Tin Shui Wai had a monthly salary of \$4,000. Perhaps there are so many players in the football sector that the Government does not care about their salary levels. Nevertheless, the problems with the sports sectors of Hong Kong are not restricted to athletes having low salaries and not being able to make ends meet, there is also the long-existed problem of lacking training facilities.

Recently, in an episode of the programme *Hong Kong Connection* produced by Radio Television Hong Kong with sports as the theme, athletes of different sports were interviewed. CHAN Chun-hing, a mountain cyclist and a winner in the Asian Games, said that the mountain bike trails for training purpose were hewed out one after another by the athletes themselves. According to Calvin LEE, an archer, the ground of the nice-looking archery range at Ngau Chi Wan was not level but sloped up. He had to bend backward to hit the bullseye; and taking such a posture for an extended period would cause injury. He thought that the Government was making life difficult for archers. Cecilia YEUNG, who has just broken the high jump record of Hong Kong, said that apart from the Wan Chai Sports Ground, the only sports ground in Hong Kong which met the standards of the International Association of Athletics Federations was the Tseung Kwan O Sports Ground where she practiced high jump. However, the high jump field failed to meet the standards in at least two areas, namely the

run-up length if one made the approach from the left was less than 20 m and the field was surfaced with different materials. These athletes who have won prizes and bought glory to Hong Kong now query openly why our sports facilities are still not up to the standard required after such a long time. What has the Home Affairs Bureau been doing?

In terms of establishment, the Government has created the post of Commissioner for Sports. This is in fact just a new title for YEUNG Tak-keung, former Deputy Secretary for Home Affairs, who has been responsible for sports policies all along. The Government has also set up a \$7 billion Elite Athletes Development Fund and subsequently injected an additional \$1 billion, hence bringing improvement to the conditions of athletes. Recently, the annual income of the Hong Kong Sports Institute has slightly increased by about \$100 million, but the Home Affairs Bureau has not addressed some long-standing problems.

At present, what is the project that the Home Affairs Bureau is most concerned about? It is the Kai Tak Sports Park project ("KTSP") which Dr Helena WONG mentioned earlier. A funding of \$30-odd billion, I repeat, \$30-odd billion has been earmarked in one go. In comparison, the Elite Athletes Development Fund which I mentioned earlier only received \$8 billion. Will the allocation of \$30-odd billion for KTSP in one-go be used directly on sports and matters related to frontline athletes of Hong Kong? Upon careful examination of KTSP, we do not think so. In particular, the functions of the proposed main stadium of 50 000 seats and those of the Hong Kong Stadium have almost completely overlapped. As pointed out by "Long Hair" at a meeting of the Public Works Subcommittee, the facility was not necessary.

I do not oppose the provision of facilities at KTSP. I think the provision of a public track and field ground is acceptable, and so is the provision of an indoor stadium. However, the cost of the main stadium is \$10-odd billion, which accounts for almost half of the total expenditure. What is the additional facility to be provided by the main stadium? It is just a retractable roof. Why is a retractable roof needed? It is provided for holding concerts and for the performing arts sector. That is why it is stated in the paper provided by the Administration that the interests of different stakeholders, which include the performing arts sector, should be taking into consideration. Frankly speaking, the facility will surely not create any direct effect on the sports sector or the performing arts sector.

In our discussion on the construction of KTSP by the Home Affairs Bureau, the focus has now been shifted to whether the proposed mode of operation of KTSP will make the Government unable to recover the costs. In other words, Members must think of ways to ensure that the contractor will get some income. The focus has been shifted to financial matters, and it has not been mentioned clearly what objectives the Government seeks to achieve in sports in building such a huge facility. The crux of the problem is that the promotion of a sports culture and the implementation of sports policies in Hong Kong should not be undertaken by a profit-making managing company of the facility; it should be promoted by the Government. Otherwise, KTSP will eventually become another Cyberport, with commercial, real estate, catering and retailing business dominating its development as well as the development of sports affairs of Hong Kong.

Our requests are actually very simple. The concerns of people like CHAN Chun-hing, Calvin LEE and Cecilia YEUNG, actually reflect the wishes of athletes that the Government should provide them with training venues and sports grounds which meet the professional standards. Building such facilities require attention on details and careful thinking. I hope the Home Affairs Bureau can put its thoughts in these respects.

Since the Government has now created a big mess and overdone things, it has not put its thoughts on the details, but on the need for cost-recovery of the project. Thus, Permanent Secretary for Home Affairs Mrs FUNG and the Commissioner for Sports have acted like commissioners for tourism, commissioners for real estate, commissioner for catering, etc. They are paying attention to many matters which they should not really have to consider. According to the programmes of the Home Affairs Bureau, the Policy Bureau is responsible for promoting the development of sports, but the Secretary for Home Affairs—who is not even present in the Chamber—has not put his thoughts on sports development. The ugly turf field of the Hong Kong Stadium is a case in point.

The Government has proposed three directions for developing sports, namely, promoting sports in the community; supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events. The direction of developing Hong Kong into a prime destination for hosting major international sports events is actually misconceived. If we are to develop sports in this direction, just like those cities which have hosted the Olympic Games or the World Cup, we will be seeking to transform our sports culture into business opportunities or promote Hong Kong as a premier travel

destination—whether the political effect of promoting a sense of belonging of the people in Hong Kong is uncertain. The problem is: does Hong Kong have the capital of a strong sports culture which can be transformed into business opportunities? The answer is in the negative. The number of Hong Kong people watching the Hong Kong Premier League will answer the question. Thus, I hope the Home Affairs Bureau can return to the basics. If sports are not developed well in Hong Kong, it should first work on it. Anyone who cares about sports in Hong Kong will understand that Hong Kong needs not develop into a prime destination for hosting major international sports events. Even if Real Madrid visits Hong Kong and no matter how skillful its players are, it will be meaningless. Even if four soccer teams of the Premier League visit Hong Kong for a soccer exhibition match, the players will not show their real talents and they will only come here for touring, signing autographs and making money.

The main problem with promoting a sports culture in Hong Kong is that the entire economic chain has not been established and the sports sector mainly relies on subsidies. There will be omissions in providing subsidies and so the needs of many diligent and conscientious athletes may not be met. Instead of spending tens of billions in building "white elephant" sports projects—which are actually projects in real estate, hotels and catering—the Government should enhance various sports facilities and their management; consider how to subsidize more frontline athletes; promote sports education and protect our elite athletes from not being able to meet ends meet.

Regarding Secretary for Home Affairs LAU Kong-wah, I really do not know how to comment on his performance. Frankly speaking, I seldom saw him at meetings to discuss sports policies with Members. His attendance at meetings was very rare. Today, only Betty FUNG and YEUNG Tak-keung are reluctantly present at this meeting. Since the Secretary has made no commitment in sports development, I will certainly support these amendments so that he will give back his emoluments.

Finally, I must say that the Transport and Housing Bureau is just the same. I requested to discuss the issue of Wang Chau and visit the site with Secretary Prof Anthony CHEUNG. After waiting for many days, he only sent officials of the Housing Department to attend the meeting. As in the case of LAU Kong-wah of the Home Affairs Bureau, Secretary Prof Anthony CHEUNG should give back his emoluments as a punishment.

I so submit.

**MR CHEUNG KWOK-KWAN** (in Cantonese): Chairman, regarding the various amendments pertaining to the sixth debate, I have been listening to Members' speeches and found that a great majority of the amendments are related to education. Among the education-related amendments, most of them seek to reduce the provision for education due to the Basic Competency Assessment ("BCA") and the Territory-wide System Assessment ("TSA").

Since the beginning of this debate session at 3:00 pm today, many colleagues have raised various views on BCA and TSA. I also heard many Members putting the blame on the incumbent officials of the Education Bureau. A Member criticized BCA as the most serious crime of the world, saying that BCA destroys lives and government officials should commit hara-kiri, etc. These are the comments that I heard today in this Chamber. As regards whether these comments are fair or appropriate, I would leave members of the public to make a rational judgment.

However, regarding the various amendments proposed by Members of the opposition camp on BCA or TSA, or the proposals to reduce the provision for education, or the speeches delivered in support of such amendments, I notice that so far, none of the Members have addressed the crux of the problem faced by students across the territory. Why do I say so? After listening to the speeches made during the past several hours, I found that many Members demand the abolition of BCA for only one reason, which is also the only reason raised so far during discussion in society, that is due to the distortion over the past few years, many students have to face the problems of great pressure and excessive drilling. Many people hold strong views on BCA or TSA mostly because of drilling and pressure. Since 3:00 pm, Members who have spoken have kept repeating this reason.

Certainly, as regards BCA and TSA, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") is against drilling. In our view, there should be no drilling. If parents or students do not want to participate in the assessment, we should allow schools or parents to make their own decision. This is the stance of DAB on BCA and TSA. That said, as pointed out by Members of the opposition camp, all students in Hong Kong have to face the problems of pressure or excessive drilling; but will such problems be totally resolved by abolishing BCA? I think there are some fallacies, and we only see the trees but not the forest.

Frankly, as parents, they all know that at present, apart from BCA, the problem of excessive pressure or drilling face by students are in fact related to two important factors. First, how do parents arrange their children's way of life; second, the pedagogy of schools which lay emphasis on drilling. Why do I say so?

Let me first talk about parents. How do parents in general, I am not saying all parents, but how do some parents arrange the after-school lives of their children? We may ask our friends what their children do after school. Will they go to the playground to play on the slide and swing, or will they stay at home for some parent-child activities? No. After school, many children have to attend various tutorial classes; they have to take piano and dancing lessons; learn martial arts, first taekwondo and then Chinese kung fu; they also have to take classes in International Mathematical Olympiad, abacus and English conversation. I even know that some parents have arranged their children to join eight to ten extra-curriculum activities per week. This is exactly the daily life of most school children in Hong Kong. It can be said that their schedules are so crammed with different activities that their lives are more hectic than adults in work. Children's schedules are fully packed from dawn to dusk, as if they were famous artists Nicholas TSE or Andy LAU, and they have no time for rest or games. This is the general portrait of the lives of Hong Kong school children nowadays.

As for the other factor, I am referring to those schools which lay emphasis on drilling and are very concerned about the academic results of students. Many friends told me that when their children enter Primary One, they have to do a lot of homework after school every day, and mothers also have to prepare their children for countless dictations, tests and examinations. If BCA is abolished, do you think such schools will stop giving so much homework to students, or stop conducting tests and examinations? For schools that attach importance to the academic results of students, if there is no more drilling for BCA, will other kind of drilling be conducted? I do not know. I just know that such schools will surely keep drilling their students.

In fact, for primary students, apart from having to take BCA assessment in Primary Three, I do not know if fellow colleagues and members of the public know that students still have to take other examinations and such assessments are conducted on a continuous basis. For instance, students have to take the Internal Assessments for Secondary School Places Allocation purpose in Primary Five;

and they have to take the Pre-Secondary One Hong Kong Attainment Test in Primary Six. Actually, the performance of Primary Five and Six students in these assessments have more direct impact on their Secondary One allocation. Do these examinations exert greater pressure on students?

However, from 3:00 pm today right to this moment, have any fellow colleagues attending the meeting and the general public who have been watching the live broadcast of this meeting hear any Members of the opposition camp talk about the assessments in Primary Five and Six other than BCA? Have they talked about the heavy homework of students and the various tests and examinations to be taken by students? Not a word has been said. According to them, if BCA is abolished, all primary students in Hong Kong will be elated and they will live happily again. If we really care about Hong Kong's education and the development of children, in particular the lives of primary students, should we explore, from a macroscopic perspective, how to change the current education system, so that primary students will not be overburdened by homework, tests and examinations?

The review in this regard should be conducted in a comprehensive manner. We should not give people the impression that all problems are caused by BCA in Primary Three. That is just part of the problems that we have to deal with. If we really care about school children, we should review primary education as a whole. Frankly speaking, to solve this problem, it will not only involve officials of the Education Bureau, but also changes to the system, parents' mindset and teaching methods of schools. Only with the synergy of all these can the present problems be resolved. Therefore, I wish to take this opportunity to reflect with all members of the public on how we should let children have a truly happy and pleasant life in the future. I so submit.

**SECRETARY FOR EDUCATION** (in Cantonese): Chairman, the Government has the following responses in respect of some of the amendments in the 6<sup>th</sup> joint debate. Some Members have proposed amendments to reduce the estimated expenditures on different items under "Head 53—Government Secretariat: Home Affairs Bureau". The Government opposes the amendments.

Young people are the future pillars of society; to promote youth development, the Home Affairs Bureau has been committed to fostering a culture of multi-faceted excellence and providing diversified activities and facilities to

young people. We provide funding to different organizations to organize youth development activities, hoping that young people will develop their full potentials, broaden their horizons and build up self-esteem and develop positive values. The international youth exchange programmes organized by the Home Affairs Bureau provides opportunities for young people to enhance their global exposure and broaden international horizons. In response to the increasing demand of young people for international exchanges, the Budget has particularly provided an additional \$100 million to expand the existing international youth exchange programmes so as to increase the scale of youth international exchanges. At the same time, through the Funding Scheme for Youth Exchange in the Mainland, the Home Affairs Bureau sponsors community organizations in organizing exchange tours to the Mainland to enhance the youth's awareness and understanding of their country and foster exchanges with the Mainland people. We have also launched the Funding Scheme for Youth Internship in the Mainland under which community organizations are given funding support to offer youth internship activities in the Mainland, thereby enabling young people to have personal experience of the actual workplace environment in the Mainland and establish contacts with the Mainland, with a view to enhancing their employment competitiveness in the future.

A total of 22 000 people participated in these three schemes last year and it is expected that the total number of participants may increase to around 25 000 this year. These three schemes will enable young people in Hong Kong to broaden their horizons and help promote their personal growth.

If head 53 is reduced by a certain amount in respect of subhead 000 as mentioned above, the implementation of various activities related to youth development by the Bureau in 2017-2018 will be affected. The Home Affairs Bureau cooperates closely with the Committee on the Promotion of Civic Education ("CPCE") and the Commission on Youth to promote national education to the public, especially young people outside schools. The estimated expenditure on the promotion of national education in 2017-2018 is \$58.7 million. In order to promote the interaction and exchanges between young people in Hong Kong and young people in the countries along the Belt and Road, the Home Affairs Bureau and CPCE launched in the second quarter of 2016 the Funding Scheme for Exchange in Belt and Road Countries on a trial basis, with the aim of providing funding support to young people in Hong Kong aged between 15 and 29 for in-depth exchanges with young people in the countries along the Belt and Road and establishing people-to-people bond. In the past

year, a total of 630 Hong Kong young people participated in the scheme and they visited more than 20 countries along the Belt and Road in Southeast Asia, South Asia, Central Asia, the Middle East and Europe. As far as we know, the funding scheme has attained satisfactory results and there is extensive media coverage of individual funded exchange activities.

On the other hand, CPCE organizes a series of activities each year to promote the Basic Law, so as to enable the public to have thorough understanding of the Basic Law. Since 2014, more than 10 000 people have participated in the quizzes and seminars on the Basic Law organized by CPCE; the public have responded enthusiastically and the number of participants in 2017 exceeds 16 000. The Home Affairs Bureau is of the view that such popular activities are worth holding on a continuous basis to promote the Basic Law at the district level. The Home Affairs Bureau and CPCE launch the Community Participation Scheme and the Co-operation Scheme with District Councils every year, sponsoring community groups to organize activities to promote national education. In addition, the Home Affairs Bureau cooperates with the Commission on Youth to implement the Funding Scheme for Youth Exchange in the Mainland. Funds are provided to community groups to organize youth exchange tours to the Mainland, so as to enhance Hong Kong young people's awareness and understanding of the national affairs and to have exchanges with mainland compatriots.

If head 53 is reduced by a certain amount of operational expenses in respect of subhead 000 as mentioned above, the Bureau will not be able to implement the above activities in 2017-2018. Therefore, we oppose this amendment.

Moreover, we also oppose Mr CHAN Chi-chuen's amendment to reduce an amount roughly equivalent to the estimated expenditures of the Home Affairs Bureau for the activities to be held to celebrate the 20<sup>th</sup> anniversary of the establishment of the Hong Kong Special Administrative Region ("HKSAR").

The HKSAR Government has organized a series of activities to celebrate the 20<sup>th</sup> anniversary of the return of Hong Kong to the Motherland with the theme of "Together • Progress • Opportunity". There are four highlights of the celebration events. The first one is to organize a series of major cultural and sports events, and through beautifying the city, Hong Kong people will also be able to share the joy of celebrating the 20<sup>th</sup> anniversary of reunification.

Another highlight will be community participation. Taking the opportunity of the 20<sup>th</sup> anniversary of reunification, a series of projects will be implemented to promote a caring and inclusive society, encouraging and facilitating the active participation by the elderly, the youth, the underprivileged and the ethnic minorities in these activities. The third highlight is that the celebration events are closely linked with Hong Kong's economic and social development. We are organizing a number of international conferences and activities, to enable all sectors of the community to review past successes and look ahead, and to find new development opportunities and open up new markets. The fourth highlight is that, taking advantage of the 20<sup>th</sup> anniversary of reunification, there will be extensive promotion of Hong Kong in the Mainland and overseas. The Government's offices in the Mainland and overseas will hold many celebration activities in more than 80 cities to showcase Hong Kong's culture, arts, creativity and development opportunities. If the estimated expenditures of the Home Affairs Bureau for organizing the events celebrating the 20<sup>th</sup> anniversary of the establishment of HKSAR are reduced as stated in the amendment, the Bureau will not be able to continue to launch the celebration events, including the coordination work to be carried out by the Celebrations Coordination Office in relation to the 20<sup>th</sup> anniversary of reunification.

Amendment Nos. 71 and 72 proposed by Mr CHAN Chi-chuen and Mr LEUNG Kwok-hung on "Head 90—Labour Department" seek to reduce respectively the estimated annual expenditures on salaries under personal emoluments of the Labour Department ("LD") and an amount roughly equivalent to the estimated annual expenditures of LD for providing additional funding to recipients of the Work Incentive Transport Subsidy ("WITS"). The Government opposes these two amendments.

LD has been providing diversified employment services to assist job-seekers in finding suitable jobs and to assist employers in filling vacancies. To promote and maintain harmonious employment relations, LD encourages employers to adopt good personnel management measures to raise public awareness of labour legislation, and provide employers and employees with voluntary mediation services to help them resolve differences through dialogue. LD also inspects workplaces to investigate cases of alleged contravention of statutory ordinances and prosecute employers who violate the law, as well as deal with employees' claims for compensation so as to protect employees' rights and interests.

On occupational safety and health, LD strives to safeguard the safety and health of people at work through a three-pronged strategy of inspection and enforcement, education and training, as well as publicity and promotion. After the occurrence of a number of fatal industrial accidents this year, LD has stepped up enforcement efforts. It is now launching a special enforcement operation, during which special attention will be paid to high risk processes to deter unsafe work activities. LD will take immediate enforcement actions if violation of occupational safety legislation is detected, including issuing temporary suspension notices and initiating prosecutions if necessary. LD is also stepping up television and radio publicity on occupational safety and health, as well as launching a series of promotion and educational activities to remind the stakeholders of the importance of construction safety.

The Financial Secretary announced a series of measures in the 2017-2018 Budget, including providing an extra allowance on a one-off basis to the recipients of Comprehensive Social Security Assistance ("CSSA") payments, Low-income Working Family Allowance ("LIFA") and WITS. We estimate that 48 000 WITS recipients will be benefited. If the estimated annual expenditures on the salaries under personal emoluments of LD and for providing additional funding to WITS recipients are reduced, the services provided by LD to the public will be affected and WITS recipients will not be given extra allowance on a one-off basis; thus, we oppose the amendments.

On the amendment proposed by Mr CHAN Chi-chuen to reduce the estimated expenditures for the Leisure and Cultural Services Department ("LCSD") to organize the events celebrating the 20<sup>th</sup> anniversary of the establishment of HKSAR, the Government opposes the amendment. To celebrate the 20<sup>th</sup> anniversary of the establishment of HKSAR and the return of Hong Kong to the Motherland, LCSD will organize a number of exhibitions and arrange a number of performances, special exhibitions and projects, including: the "Eternal Life—Exploring Ancient Egypt" Exhibition, the "Hall of Mental Cultivation of The Palace Museum—Imperial Residence of Eight Emperors" Exhibition and the "Splendours of Dunhuang: Jao Tsung-i's Selected Academic and Art Works Inspired by Dunhuang Culture" Exhibition, etc. Many large-scale exhibitions have the strong support of many cultural institutions in the Mainland and overseas, and the cultural and art collections for exhibition have been provided through the courtesy of these institutions.

In connection with performing arts, highlight programmes include the performances by the National Ballet of China, Chinese Opera Festival 2017: Opening Programme—Peking Opera Gala and Berliner Philharmoniker. LCSD also organizes more diversified sports and recreational programmes, and increases the scale of activities to encourage wider participation by the public. The major events include the 6<sup>th</sup> Hong Kong Games, Sport for All Day, the Hong Kong Flower Show 2017, the World Snooker Master Challenge and Storm the Park Days. Moreover, LCSD encourages and supports the organization of more activities by all national sports associations to increase the scale and contents of the existing activities to commemorate the 20<sup>th</sup> anniversary of the establishment of HKSAR. If the estimated expenditures for LCSD to organize the relevant activities are reduced, the public will miss the opportunity to participate in and enjoy the relevant programmes.

In regard to education, some Members have proposed amendments to reduce the emoluments of the Secretary for Education and his colleagues, and the estimated expenditures on the Primary Three Basic Competency Assessment Research Study ("BCA"). The Government opposes these amendments. My colleagues and I have strictly complied with the relevant requirements of the Government in conducting overseas duty visits. There are actual needs to conduct and such visits and certain results have been attained. Through in-depth exchanges with stakeholders such as education officials, education and scientific research institutes, academics, industry players and students from around the world, we have a better understanding of the good practice and valuable experiences of other areas. We have drawn reference on such understanding when we developed major education policies in recent years, including the policies on quality kindergarten education, vocational and professional education, e-learning, STEM education and career and life planning, hence policies can be developed and implemented more effectively and expeditiously.

On the other hand, we also showcase the achievements of education in Hong Kong to the international education community, as well as expand and increase the connection and cooperation between Hong Kong and other places in respect of education, so as to consolidate Hong Kong's role as a regional education hub. In particular, we provide opportunities for students' exchanges and internship and promote talent exchange. From time to time, my colleagues and I have been invited to attend on behalf of the HKSAR Government the international education forums or seminars held around the world to exchange views with members from the education sector and officials from different places and countries, explore the future direction of development of education policies

and the teaching profession, as well as the feasibility of bilateral cooperation. During each visit, I meet with and have exchanges with students from Hong Kong to show our concern about their studies and living, as well as encourage them to return to Hong Kong for work after they finish their studies, so as to contribute to Hong Kong's future.

Furthermore, our country has attained rapid economic and technological developments in recent years, and the implementation of the Belt and Road Initiative has brought unprecedented opportunities to Hong Kong, providing a wider pathway for Hong Kong students as well as more development opportunities. For instance, the Guangdong-Hong Kong-Macau University Alliance, set up last year, provides an effective platform for future work and development of university graduates. In fact, the major purpose of many duty visits is to attend working meetings; these visits should not be confused.

Regarding the amendments on BCA and the Territory-wide System Assessment ("TSA"), it should be noted that since the 2016 Tryout Study (Primary 3) ("2016 Tryout Study") has attained positive response and feedback, the implementation of BCA in 2017 is not TSA resumption, but an extended study which includes a basket of targeted complementary measures and resources. The four new initiatives under the 2016 Tryout Study will be extended to all primary schools in the territory in 2017, so that more schools will have the opportunity to participate in this new Research Study and that we can collect more comprehensive feedback (especially on the application at the school level) to review and optimize the assessment arrangements on a continuous basis. The proposals have been endorsed by schools, parents and school sponsoring bodies.

The Research Study focuses on the three core values of "the needs and interests of students", "professional spirit" and "mutual trust among stakeholders" and promotes quality education. The Research Study is proceeding smoothly. Arrangements have been made for all public primary schools (470 schools) to participate in the Research Study; and more than 20 private primary schools have opted to participate in the study. During the process, we invited private primary schools to participate in the Research Study and we are delighted with their response. Let me reiterate, if individual students or parents have particular difficulties in deciding about participating in the Research Study, we will ask the school principals concerned to contact them and help them make a decision.

The 2016 Tryout Study has a number of measures to remove the incentives for drilling, including improving the design of questions. Schools and parents who participated in the Tryout Study indicated that no drilling was conducted for the Tryout Study, and the overall feedback was very positive. The results of BCA implemented in 2017 will not—I stress again—be used to assess the performance of schools; thus, there is no need for schools to conduct additional drilling.

The Education Bureau has always indicated its stance that additional supplementary exercises should not be conducted to prepare for TSA or BCA assessment. All public primary schools will not purchase any special supplementary exercises to prepare for TSA or BCA; they will only make good use of online resources and assessment information to enhance students' learning effectiveness. Let me reiterate, the 2017 BCA is implemented after a consensus has been reached after the sector has considered from a professional perspective, and principals, teachers and parents have been comprehensively consulted.

The amendments proposed by Mr Nathan LAW seek to reduce the estimated expenditures on different projects of the University Grants Committee ("UGC"). The Government opposes these amendments. The main function of UGC is to offer impartial expert advice to the Government on the allocation of funding to and the development of higher education in Hong Kong. It also assures the Government and the community that the operation and teaching activities of UGC-funded institutions have maintained good standards and are cost-effective. UGC seeks to promote understanding among institutions, the Government and the community at large, and it mediates between institutions and the Administration in respect of higher education. On the one hand, UGC safeguards the academic freedom and institutional autonomy of institutions, while on the other it ensures value for money for taxpayers. UGC and its Secretariat must have sufficient resources to carry out the important work in various areas. If Mr LAW's amendments to reduce UGC meetings and its manpower expenditures are passed, the normal operation of UGC will be seriously hampered; higher education and the well-being of teachers and students will also be significantly affected.

Lastly, some Members have queried why I only attended one session of the public hearing held at the beginning of this week and was absent from the other two sessions. In fact, the public hearing was originally scheduled to be held

from 4:30 pm to 6:30 pm (i.e. the original meeting time of the Panel on Education), but the meeting time was subsequently extended, and I already had scheduled other activities. Some Members mentioned that I should consider the priorities when I scheduled my activities. I hope Members will understand, as merchants associations in Hong Kong have organized many activities, maintaining close contacts with them will be conducive to life planning education, especially creating more internship opportunities for students and enhancing their understanding of the sector. Such contacts and understanding are very important. Hence, I assure Members that my time is spent well with constructive value. I hereby make this clarification.

With these remarks, Chairman, I implore Members to vote against the amendments in the sixth joint debate. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Mr SHIU Ka-chun, do you wish to speak again?

**MR SHIU KA-CHUN** (in Cantonese): Chairman, I wish to speak again. Thank you.

First of all, I would like to thank Secretary Eddie NG for his speech in response. However, I do not understand why the Secretary was responding on behalf of the Home Affairs Bureau. I am even more baffled that when giving his responses on behalf of the Home Affairs Bureau, the Secretary simply had not listened to what I said previously. Instead, he just rambled on, he kept repeating about the exchange activities under the Belt and Road Initiative, about promoting the Basic Law, about the country, about the exchanges, and so on. That is exactly what he did when giving his so-called responses.

A moment now, I made four points about the work of the Home Affairs Bureau in promoting national education. Firstly, I doubt if the Home Affairs Bureau itself has a clear idea about the difference between national education and civic education. Secondly, when the authorities seek to promote the so-called national education, are they willing to fully reveal the country's situation by incorporating the 4 June incident and other events, such as those relating to Mr LIU Xiaobo and Mr LAM Wing-kee, for public discussion? Thirdly, as the allocation of funding provisions is excessively tilting towards organizations with

Mainland background, are there any backroom deals? Fourthly, instead of promoting a biased national education, the authorities should do more about promoting better civic education in Hong Kong. Regrettably, the Secretary has said nothing about these four points in his responses just now.

I understand that civic education is naturally tied to the administration. But how do we strike a balance between the administration and human rights? How can a line be drawn? Should the administration be given priority over human rights, or vice versa? What is their relationship? All these questions remain unanswered.

The Secretary is merely trying hard to confuse us instead of convince us. For the Secretary, is there any difference between "confuse" and "convince"? Regarding the public hearing held a few days ago, the Secretary said in his response just now that he had already planned to attend another event organized by some merchants association, and attending the event was conducive to promoting life planning education.

I would look forward to seeing how that particular merchants association, whose event the Secretary has chosen to attend, would support and promote life planning education. In the days to come, I will keep tabs of the resources allocated, the efforts made as well as the manpower deployed by the merchants association for promoting life planning education as claimed by the Secretary. Or was the Secretary referring to life planning of his own?

Chairman, on the subject of civic education, I would like to share with Members an anecdote I came across on the Internet. The incident took place in a train compartment of MTR. A baby girl in a stroller threw a tantrum because she was hungry. Her father gently explained to her that she could not eat inside the train compartment, and that he would give her food once they left the paid area. The father also gave the little girl a plastic doll to play with. The little girl was happy again playing with her toy. It is just a common scene. But from this anecdote, we can certainly understand how civic education is imparted. How can we cultivate civic awareness among young people? Civic education is definitely not about spending huge sums of money to send our young people off to visit remote "model" places in the Mainland in order to understand the country's situation.

If the Government attaches importance to understanding the country's situation, it should learn from the father in the story because he has directly responded to his daughter's demand, namely, she wants food because she is hungry. If his daughter wants something which cannot be achieved immediately (because eating is not allowed inside the train compartment), he works out a feasible solution with his daughter to achieve the goal. In this case, the solution is to give her food immediately after they leave the paid area, and to give her a toy to play with for the time being.

If the Government can learn from the father, I think it will never turn a blind eye to the demands made by hundreds of thousands of Hong Kong people during the 79 days of occupation in the Umbrella Movement in 2014. The difference between the Government and the father is that the Government thinks it can change people's core values with money. No matter what demands the people have, and no matter how valid such demands are, the Government will only deploy the Police or the so-called "love the country" groups to suppress the opposition through force and violence. Afterwards, the Government has been spending large sums of money to corrupt young people, just like its present proposal to make substantial resource allocation on national education. It is like the Government saying, "Come on, the country has perks for you, so stop quarrelling. Hurry and join the exchange programmes! You are stupid to let such a good chance slip away." The Government reckons that it can change how Hong Kong people think with money.

To be honest, Secretary Eddie NG has attended today's meeting, which is commendable. At least, he is willing to give responses on behalf of other Directors of Bureaux, which is much better than Secretary LAU Kong-wah who is absent from today's meeting. Rumours have it that Secretary LAU Kong-wah is LEUNG Chun-ying's favourite subordinate. Since he assumed office as the Secretary for Home Affairs, he has been making great efforts to promote national education or, to put it more frankly, "reddened education".

Just now, Mr KWONG Chun-yu talked about the track record of Secretary LAU Kong-wah, saying that the estimated expenditure for his remuneration should be reduced. While the Home Affairs Bureau is keen to invite arts and performing groups from the Mainland to come to Hong Kong, the sale of tickets for such performances is invariably sluggish. Yet they have occupied almost all the available time slots of various performance venues. As a result, people who are serious about playing music have no place to perform. Take for example the Hidden Agenda incident. Those people have been hiding away in an industrial

building, yet the Government has taken enforcement actions against them repeatedly. Need we say more about national education? Lest we forget, the Home Affairs Bureau has everything to do with the Hidden Agenda incident. If these local performers and art workers should wither, it is definitely a matter of concern for the Home Affairs Bureau. But Secretary LAU Kong-wah has said nothing about the incident or to support the local arts and cultural sector. He does not do the things he should do, but instead strive to promote the biased national education. Isn't it most ridiculous?

The "red powers" are threatening Hong Kong through the biased national education. As the Chinese saying goes, "If the lips are gone, the teeth will be cold." There is also a line in the movie *Ten Years* which goes like this: "You must live like this because people in these few generations have become used to it." Hong Kong people must really resist communization.

Talking about Secretary Eddie NG and Secretary LAU Kong-wah, a famous article from Haruki MURAKAMI came to my mind. The title of the article is "Always on the side of the egg", which many Members may also be familiar with. In fact, this article is the speech made by MURAKAMI when he accepted the Jerusalem Prize in 2009. The Jerusalem Prize is a biennial literary award given to writers whose works have dealt with themes of human freedom in society, social equality, democracy and politics. Past laureates include Simone de BEAUVOIR, Bertrand RUSSELL and Milan KUNDERA. Ironically, the Israeli Government, the presenter of the award, was launching air attacks on Gaza at that time, thus drawing serious criticisms from international peace organizations. There were also calls in Japan that Haruki MURAKAMI should boycott the award ceremony to avoid any association with supporting the Israeli military actions. If MURAKAMI refused to heed the calls, his work would be boycotted.

Notwithstanding the pressures from home and abroad, Haruki MURAKAMI chose to attend the award ceremony held in Jerusalem on 15 February 2009. Surprisingly, he made a speech before the President of Israel, openly criticizing the Israeli military actions. MURAKAMI said that as a literary writer, he wanted to write about the fight of insignificant individuals against powers of the establishment or the system, as MURAKAMI called it. The title of the English speech given by Haruki MURAKAMI in Jerusalem is "Always on the side of the egg". In the speech, MURAKAMI spoke about the moral strength of individuals, as well as his deep reflection on the hegemony of the system. His speech attracted great attention instantly, with many international media organizations reporting it in full. The impact of

MURAKAMI's speech has transcended the literary world, drawing overwhelming responses in the international political arena and from human rights organizations.

Today, as I face the Secretary, no matter it is Secretary NG or Secretary LAU, I feel as if I am talking to a high, solid wall, like an egg talking to a high, solid wall. Sometimes the wall will stare at the egg, but more often than not, the wall couldn't care less. Sometimes the wall will give a response, but more often than not, the wall is keeping a poker face. The egg looks fragile, but to me, the wall will turn into rubble when it falls, while the egg will bring life when it breaks.

Chairman, a number of Members have proposed various amendments to the Appropriation Bill. Though such amendments will undoubtedly be vetoed when they are put to vote, I think pro-democracy Members (including myself) are still willing to stand on the side of the egg, for it is our firm belief that the wall will turn into rubble when it falls, while only the egg can bring life when it breaks.

Last but not least, I would like to reiterate the words I quoted from Lu Xun earlier today: "If there are people who really want to live on, they must first dare to speak, dare to laugh, dare to cry, dare to get angry, dare to rebuke, dare to fight and to beat back the condemnable times in this condemnable place!" I give these words to my Honourable colleagues and all the people in Hong Kong.

I so submit. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Council will now resume.

Council then resumed.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday 17 May 2017.

*Adjourned accordingly at 7:53 pm.*