OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 7 June 2017

The Council met at Eleven o'clock

MEMBERS PRESENT:

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

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG KWOK-HUNG#

THE HONOURABLE CLAUDIA MO

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

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

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 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 KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE DENNIS KWOK WING-HANG

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

# 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.
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.

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

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE JEREMY TAM MAN-HO

THE HONOURABLE NATHAN LAW KWUN-CHUNG#

DR THE HONOURABLE YIU CHUNG-YIM#

DR THE HONOURABLE LAU SIU-LAI#

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MEMBERS ABSENT:

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

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

THE HONOURABLE KWOK WAI-KEUNG

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.
CHIEF SECRETARY FOR ADMINISTRATION

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

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

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

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

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

CLERKS IN ATTENDANCE:

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

MISS ODELIA LEUNG HING-YEE, DEPUTY SECRETARY GENERAL

MS ANITA SIT, ASSISTANT SECRETARY GENERAL

MS DORA WAI, ASSISTANT SECRETARY GENERAL


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

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

TABLING OF PAPERS

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

Subsidiary Legislation/Instrument

<table>
<thead>
<tr>
<th>L.N. No.</th>
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<td>Travel Agents (Fee Concessions) Regulation 2017 ..........</td>
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Other Papers

Report No. 19/16-17 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Inland Revenue (Amendment) (No. 3) Bill 2017

ORAL ANSWERS TO QUESTIONS


Regulation of sharing economy platforms involving illegal commercial activities

1. MR YIU SI-WING (in Cantonese): The concept of sharing economy is to create economic value by sharing or leasing idle resources owned by individuals. In recent years, sharing economy platforms have been in the ascendant around the world, and the resources shared include residential units or rooms, vehicles, parking spaces, etc. The leasing of such resources is generally subject to
regulation of local legislation, including the requirement that the operators concerned must obtain relevant licences. For instance, a person who operates in Hong Kong premises for short-term leases to provide sleeping accommodation with a tenancy term of less than 28 days shall obtain a licence under the Hotel and Guesthouse Accommodation Ordinance, and such premises are also subject to strict regulation in the areas of fire safety installations, building structure, etc. Some members of the hotel industry have relayed that some people operate, through sharing economy platforms, unlicensed guesthouses which have posed unfair competition to them, and visitors staying in unlicensed guesthouses are not afforded protection. Regarding the regulation of sharing economy platforms involving illegal commercial activities, will the Government inform this Council:

(1) whether the authorities have a grasp of the sharing economy platforms involving illegal commercial activities that are currently in operation in Hong Kong; if so, of the commercial activities involved, and the law enforcement efforts made by the authorities against such illegal commercial activities; if not, the reasons for that;

(2) whether the authorities have studied the experience of overseas countries or regions in regulating sharing economy platforms, including the legislation enacted for this purpose; if so, of the details; if not, the reasons for that; and

(3) whether the authorities will adopt measures to regulate sharing economy platforms involving illegal commercial activities so as to protect the rights and interests of lawful operators and the interests of consumers; if so, of the details; if not, the reasons for that?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): President, sharing economy is an emerging economic activity which refers to different people sharing idle resources or services through the exchange of information. The operation mode of sharing economy is to build a trusted platform to effectively connect those who provide and demand for the resources or services, thereby lowering the cost of transaction. Some advocates consider that sharing economy facilitates sharing among people and can reduce waste of resources. As communication technology, the Internet and mobile devices become increasingly common, and social media, cloud computing, big data,
network payment and rating system become more mature, the development of sharing economy has accelerated. Technological development also helps lower the threshold and provides more business opportunities and room for development for innovators and small and medium enterprises.

On the other hand, sharing economy disrupts the traditional business model, in particular bringing the greatest impact to sectors such as intermediaries, agents and manufacturers. Sharing economy also challenges the regulatory framework and business model of certain industries. At present, certain businesses can only be operated by designated professionals, such as hire cars, guesthouses, banks, leasing, etc., which are governed by regulatory authorities and relevant legislation. Sharing economy can trigger various problems, including quality assurance, consumer protection, difficulties in regulation, etc., and the operation of certain businesses may even violate the existing regulations.

The Government is committed to promoting innovation and technology ("I&T") to drive the transformation and diversified development of the economy, as well as improve the people's quality of life. However, we must emphasize that the rule of law is the core value of Hong Kong. The development of any industry, including the I&T industry, must be done in a lawful manner. Anyone operating illegal businesses in the name of "sharing economy" is unacceptable. The laws of Hong Kong have been thoroughly studied and extensively discussed by the society, and are ultimately enacted by the Legislative Council. This is the due process that we respect and cherish. If the view of the majority is that certain legislation has become obsolete, this should be studied in detail by the relevant authorities, and openly discussed by the society to explore whether there is any ground and need to introduce legislative amendments. Any law-breaking behaviours affecting the safety and interests of the general public is irresponsible and cannot be tolerated. The relevant law enforcement agents will continue to take enforcement actions against any illegal commercial activities in accordance with the law.

The question raised by the Member mentions different sharing economy activities, including policy areas such as guesthouses and transportation. Having consulted the relevant bureaux and departments, our reply is as follows:

According to the information provided by the Home Affairs Department, operation of hotels and guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance. The Ordinance aims to ensure that
premises intended to be used as hotels or guesthouses meet the building structure and fire safety standards to safeguard the lodgers and the public. According to the Ordinance, "hotel" and "guesthouse" mean any premises whose occupier, proprietor or tenant holds out that, to the extent of his available accommodation, he will provide sleeping accommodation at a fee for any person presenting himself at the premises. In Hong Kong, operators of hotels and guesthouses must obtain relevant licences.

The Office of Licensing Authority ("OLA") under the Home Affairs Department has all along been adopting a multi-pronged approach to combat and raid unlicensed hotels and guesthouses. From 2014 to 2016, OLA instituted 454 prosecutions against suspected unlicensed guesthouse operation. As regards the situation of unlicensed guesthouses letting out sleeping accommodation through the Internet or mobile applications, OLA has strengthened its intelligence collection by forming a dedicated team to browse online or mobile platforms providing information on premises for lease, in a bid to search information on suspected unlicensed guesthouses and take necessary enforcement actions. OLA has also stepped up publicity, including posting messages on the Internet, to appeal to tourists to patronize licensed guesthouses for safety.

In addition, regarding shared hire car or online hailing services, the Transport and Housing Bureau indicates that the Government is open-minded in respect of the application of different types of technologies, including the use of Internet or mobile applications for calling hire cars. However, the hire car services adopting new technologies or platforms must be in compliance with the relevant law and regulations to protect the interest and safety of passengers. If passenger services are not regulated, they can be freely expanded. This may in effect encourage illegal passenger services. As a result, the planning of public transport system would be disrupted, thereby affecting the foundation of the public transport services used by over 90% of the commuters as well as their efficient, reliable and long-term healthy development.

Under section 52(3) of the Road Traffic Ordinance, no person shall drive or use a private car; or suffer or permit a private car to be driven or used, for the carriage of passengers for hire or reward unless a hire car permit is in force in respect of the vehicle. Otherwise, it is an offence. In addition, section 52(5) of the said Ordinance stipulates that no person shall solicit or attempt to solicit any person for hire or reward to travel in a private car. The Government has been keeping in view the use of private cars for illegal carriage of passengers for
reward. The Police have been taking stern enforcement action against such offences. Between 2014 and 2016, the Police took enforcement action against 38 cases of use of private cars for illegal carriage of passengers for reward.

President, I wish to stress that there are many successful I&T projects and industries in Hong Kong that are happening and operating in a lawful manner. We beg to differ with the advocate that "innovation can be law-breaking". The operation of illegal guesthouses and passenger services in the name of sharing economy that I mentioned just now have sparked controversies worldwide, and regulatory authorities have yet to come up with a unified solution. The relevant Policy Bureaux will closely monitor the development worldwide for reference.

MR YIU SI-WING (in Cantonese): The Secretary said in the main reply that "[a]nyone operating illegal businesses in the name of 'sharing economy' is unacceptable." In the operation named "Cellbreaker" conducted recently by the Police, a total of 22 Uber drivers were arrested and previously, another five Uber drivers were fined $10,000 each and their driving licences were suspended for a year. The drivers have been punished, but it seems that the intermediary platforms do not have to bear any legal liability. What is the position of the authorities regarding the situation in which the intermediary platforms get off scot-free whereas the service providers are punished? Have the authorities put in place any measures to stop the intermediary platforms from breaking the laws of Hong Kong at source?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): President, the Police has been taking actions all along, but at present, the Government is considering to clearly state who the law-breakers are, and who may also be victims. We have to be very careful in our work and we hope that effective sanctions can be imposed. Certainly, we clearly understand the problems raised by Mr YIU, but in handling them, we have to go through certain legal procedures and we must be very careful in stating our position. The reason is that with some platforms, only part of the business has broken the law, but the other part is operating legally. Under the circumstances, how should we state our position? Take Uber as an example. UberTAXI may be operating illegally, but UberEATS (a food delivery service) is operating legally. Thus, we have to be very careful.
However, I can tell Members that the Policy Bureau concerned will continue to cooperate with the Police to explore more effective ways to combat illegal activities conducted by intermediaries.

MR JAMES TO (in Cantonese): President, there are only 23 days left before the term of LEUNG Chun-ying's Government ends. If we ask the authorities a question on sharing economy, that is, how the authorities equip themselves with the enterprising spirit and the vision to keep abreast of world trend, I believe it will be difficult for them to answer. President, I am directing my supplementary question to Carrie LAM's Government, the next-term Government.

President, the third paragraph of the main reply shows the short-sightedness of the Government. As stated in the paragraph, "[t]he laws of Hong Kong have been thoroughly studied and extensively discussed by the society, and are ultimately enacted by the Legislative Council." However, such a process was entirely based on the socio-economic situation a few decades ago. The paragraph continues to say, "[i]f the view of the majority is that certain legislation has become obsolete, this should be studied in detail by the relevant authorities, and openly discussed by the society … to introduce legislative amendments." President, should the Government have the foresight and broad vision to lead Hong Kong in the direction of reform in response to the world trends of sharing economy and Internet activities? President, even the Mainland China has a broader vision in this regard.

President, may I ask the Secretary for Innovation and Technology to answer on behalf of LEUNG Chun-ying’s Government which has only 23 days left in its term of office—rumour has it that the Secretary may serve in the next-term Government; or can the Secretary tell us his personal view so that we can understand how the authorities will amend the relevant laws to take Hong Kong forward in the trend of generating more economic benefits?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Mr James TO for the supplementary question. First of all, let me state clearly that we welcome and encourage sharing economy on the premise that the law must be complied with. As I said earlier, many start-up enterprises in Hong Kong, such as GoGoVan, Lalamove, Gaifong, the Hero Enterprise Limited and Jobdoh, are successful examples of sharing economy. Safeguarding the rule of
law is neither outdated nor conservative. UberEATS, which operates under the model of sharing economy, is entirely legal. Hence, the premise is compliance with the law.

Mr TO said earlier that Hong Kong might lag behind other places, but I can be certain of one thing, that is, the rule of law of Hong Kong is world renowned and it is also our core value. In discussing issues which concern the interests and safety of the public, we should not merely consider from the perspective of innovation and technology. We hope to strike a good balance. While I agree with the Honourable Member's view that we should expeditiously promote sharing economy, we cannot consider the matter from a single perspective and move forward in total disregard of the regulatory issues.

MR CHAN KIN-POR (in Cantonese): President, as the model of sharing economy very often benefits consumers, we are always under the social pressure to yield. However, this will mean that traders operating under the traditional models will very often suffer great losses. How to strike a right balance is surely the work of the Government. I am inclined to agree with the Government's suggestion, if the view of the majority is that certain legislation has become obsolete, this should be studied in detail by the relevant authorities, and openly discussed by the society to explore whether there is any ground and need to introduce legislative amendments.

Since issues concerning sharing economy very often involve different sectors, may I ask whether the Government will establish an interdepartmental task force, the membership of which will include representatives from the Department of Justice, the Transport Department or other government departments, to deal with this kind of issues? What I want to stress is that the Government cannot rely on an individual department to handle these issues; they must be handled on an interdepartmental basis.

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Mr CHAN for the supplementary question. To promote innovation and technology development, the Government has already established the Committee on Innovation, Technology and Re-industrialisation headed by the Financial Secretary to discuss and put forward appropriate development strategies and work proposals through a higher-level and inter-bureau approach. I think this is the
first step to enhance cooperation and coordination among stakeholders, including the industries. I agree with Mr CHAN's suggestion of solving the problems through a higher-level and inter-bureau approach and I believe the next-term Government will also consider handling this issue through a higher-level approach.

MR FRANKIE YICK (in Cantonese): President, I think the Secretary has given a clear reply today. I believe no one will object to applying information technology to enhance resource allocation, but the question is whether the provision of such services is legal. As stated in the main reply, the laws of Hong Kong have been thoroughly studied and extensively discussed by the society, and are ultimately enacted by the Legislative Council. Some matters are regulated by the laws owing to certain background and reasons. As members of a society which upholds the rule of law, we should respect and comply with the law.

President, let me cite the comments of the Ministry of Transportation and Communications of Taiwan on the business model of illegal passenger services. The Ministry said that people should not use the term "sharing economy" to beautify certain profiteering behaviour. I absolutely agree with this point. The question at issue is that the concept of sharing economy is extensively misunderstood in society. May I ask the Government whether it has any plans to instil among members of the public a correct understanding of this concept?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank the Honourable Member for the supplementary question. Instilling technological knowledge among members of the public is a very important task of the Innovation and Technology Bureau and we will incorporate the proposal of Honourable Members into our work. We must clearly tell the public what innovation and technology is all about and how to strike a balance in respect of public interests. Let me use Uber, the car hire service mentioned earlier by the Honourable Member, as an example. In considering policies in this regard, we have to take into account that more than 90% of the public are currently using the public transport system. We take pride in such a high percentage when compared with other places in the world. Hence, our primary concern is the safety and reliability of our public transport system. As 90% of the public are using public transport, we should not ignore this point.
Moreover, we have to tell the public that the issue does not merely involve revising a couple of legal provisions, but adjusting the entire ecosystem. As it would affect various stakeholders such as passengers, drivers and business operators, we have to communicate and negotiate with them. As Mr CHAN said earlier, I believe we can only successfully promote innovation and technology among the public through inter-bureau negotiations, and such work should be done under a framework which complies with the rule of law.

MR FRANKIE YICK (in Cantonese): President, I think the Secretary has not answered my supplementary question.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR FRANKIE YICK (in Cantonese): I did not ask the Secretary how the Government would promote the application of information technology, but whether the Government has any plans to clarify the concept of "sharing economy" and instil the correct concept among members of the public.

PRESIDENT (in Cantonese): Mr YICK, please sit down. Secretary, do you have anything to add?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): Let me provide some more information. I think many members of the public have seen what we are doing and the Government has also clearly expressed its attitude. Recently, we have launched the Innovation and Technology Fund for Better Living to convince the public with facts. Application and promotion of innovation and technology must be carried out with a coordinated approach. The work should not be carried out simply by allocating resources, but by enhancing public understanding through practical actions as well. My reply is that we will certainly allocate resources in this regard.

Rodent prevention and control

2. **DR CHIANG LAI-WAN** (in Cantonese): The territory-wide rodent infestation rate ("RIR") for last year was 4%, or a rise of one percentage point from the preceding year, with Sham Shui Po District and Mongkok District (which yielded RIRs of 8.9% and 8.4% respectively) being the districts most seriously plagued by rodent infestation. Despite the launch of a two-month anti-rodent campaign at small targeted areas in all districts across the territory by the Food and Environmental Hygiene Department ("FEHD") on 8 May this year, several residents of Kowloon West have still complained to me recently about rodent infestation in the district. Regarding rodent prevention and control, will the Government inform this Council:

(1) whether it will review the effectiveness of the anti-rodent campaign being carried out by FEHD at small targeted areas, and adjust the territory-wide rodent prevention and control strategies; if so, of the details, including ways to step up anti-rodent efforts; whether it will launch the Keep Clean campaign regularly every year; if not, of the reasons for that;

(2) given that currently feral cats caught in the community by the Agriculture, Fisheries and Conservation Department ("AFCD") will be euthanized if such cats are unclaimed or not adopted, whether the authorities will consider allowing tenants of dry goods and grocery stalls in public markets with serious rodent infestation to adopt the cats caught by AFCD which have been vaccinated and sterilized, so as to help eradicate rodent infestation; if so, of the details; if not, the reasons for that; whether the authorities will make reference to the following practice in countries such as the United Kingdom and the United States: supporting community groups or animal welfare groups to deploy, in districts with serious rodent infestation, feral cats caught to form community cat rodent control squads to help address rodent infestation; and

(3) as some members of the public have relayed that the hygiene conditions are poor and rodent infestation is serious at the back alleys and nearby streets of some subsidized housing estates and private buildings, whether the authorities will further step up their
inspection and cleaning operations at such places, and whether they will expand the powers and functions of District Councils and provide more resources to them, with a view to improving district environmental hygiene; if not, of the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the Food and Environmental Hygiene Department ("FEHD") is very concerned about rodent infestation in individual districts, and has been adopting a multi-pronged approach, including cleansing, rodent elimination and enforcement, in the prevention and control of rodents. FEHD has been implementing a series of comprehensive measures targeting at rodent control. All methods and rodenticides deployed are tested and confirmed to be effective. The current integrated approach adopted by FEHD in rodent prevention and control by improving environmental hygiene, poisonous baiting and trapping are derived based on the recommendations and technical guidelines of the World Health Organization. Strategic deployment of poisonous baiting and trapping operations would be adjusted in accordance with the environmental condition of individual districts and behavioural characteristics of rodents. These methodologies are in line with other regions of the world.

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

(1) To further the rodent control work in respective districts, FEHD has since 8 May commenced anti-rodent operations in targeted areas, which would last for two months. District Environmental Hygiene Offices of FEHD would make reference to the results of Rodent Infestation Rate, complaint figures, suggestions from local residents, as well as number of licensed food premises and "3-nil" buildings to identify targeted area (covering several streets) and implement target specific rodent control actions. FEHD would also evaluate the effectiveness of the anti-rodent operations in targeted areas, including the rodent control situation in each targeted area, other problems and impact that might be brought about, views of local residents as well as cost-effectiveness, etc., in order to consider the need to extend the coverage of the operation to other areas of the district.
There are views that most stray cats caught by the Agriculture, Fisheries and Conservation Department ("AFCD") are euthanized. In fact, the Government is committed to safeguarding animal welfare. For stray animals without owners or left unclaimed, but are healthy and considered by AFCD to have a gentle temperament, re-homing will be arranged for them. As for animals that are sick, with a temperament unsuitable for re-homing, or could not be re-homed, the practice of AFCD is comparable to that generally adopted in many other countries, and is in line with the practice deemed to be necessary and humane adopted internationally.

As regards the keeping of cats in public markets, it imposes certain risks from the perspective of both hygiene and infectious diseases. The cats so kept may spread zoonotic diseases, such as ecto- and endo-parasites and Toxoplasma gondii, through their excreta, which may also pollute the environment and result in food safety problems. Furthermore, there is no guarantee that all cats are given proper care, such as vaccinations and deworming on a regular basis. This will bring about animal welfare issues. Moreover, keeping cats in public markets will also affect the current anti-rodent strategy of FEHD: If there are cats, rodenticides and traps must be removed from the area to prevent cats from accidentally swallowing rodenticides or activating the rodent traps. This will affect the integrity of FEHD's anti-rodent strategy.

Although cats have the ability to prey on rodents, their predation targets are not limited to rodents. Cats would also prey on other small mammals, birds, reptiles, etc. Besides, excreta of cats would also cause environmental hygiene problem.

As for whether keeping cats in Hong Kong is effective in controlling rodent, including establishing and nurturing community cats to assist in eliminating rodent, this has yet to be proved empirically. We will, nonetheless, gather different stakeholders to look into such possibility, and study methods to minimize the environmental hygiene problems that might be caused as above mentioned.

To prevent rodent infestation effectively, maintaining environmental hygiene and active participation of the public is crucial. It is important to tackle the problem at root by eliminating the three
survival conditions of rodents, namely food, harbourage and passages, meaning respectively the elimination of food sources and hiding places of rodents, as well as blockage of their passages. On publicity and education fronts, apart from the broadcast of TV and radio Announcements in the Public Interest and display of posters on public transport, FEHD will collaborate with District Councils ("DCs") and District Offices ("DOs") of the Home Affairs Department ("HAD") to organize community activities and distribute leaflets on rodent prevention and control to widely disseminate the anti-rodent messages. FEHD will also arrange health talks for building management offices of private buildings, persons-in-charge of food premises, and market and hawker stall operators to provide information and technical advice on rodent prevention and control.

Different government departments have all along been working under their respective purview to improve the environmental hygiene of the districts. In response to the needs of the districts and recommendations of DCs, the 18 DOs of HAD would where necessary coordinate other relevant departments to take action and improve the environmental hygiene condition of the districts.

With a view to tackling district problems which are long-standing, immense and difficult, and capitalizing on local opportunities, the Government has allocated an additional $63 million from 2016-2017 onwards to implement the District-led Actions Scheme ("DAS"). Upon thorough consultation with DCs, 42 projects were carried out in 2016-2017, of which 11 were projects concerning operations to enhance the cleanliness in the districts.

To further enhance environmental hygiene of the community and raise the residents' awareness, the districts will roll out a total of 12 projects aiming to strengthen the local environmental hygiene having regard to the local circumstances. In addition to the projects on enhancing environmental hygiene under DAS, the relevant departments will also carry out regular improvement work on environmental hygiene in the districts according to the actual circumstances of the districts concerned.
Furthermore, there are committees and working groups under the 18 DCs responsible for handling environmental hygiene-related issues. They are responsible for monitoring the environmental hygiene conditions in the districts and will reflect their views on improving environmental hygiene and make recommendations to the relevant government departments as appropriate.

**DR CHIANG LAI-WAN** (in Cantonese): President, I would like to thank the authorities for considering the feasibility of using cats to prey on rodents. This photo was given to me by a resident in the district several days ago. We can see from the photo that the placement of rodenticides, glue traps or cage traps can hardly work regardless of their amount or number, as a group of rodents are "partying" at night …

**PRESIDENT** (in Cantonese): Dr CHIANG Lai-wan, please state your supplementary question.

**DR CHIANG LAI-WAN** (in Cantonese): President, this leaflet is printed by the Tree House Humane Society of the United States, it mainly explains how to form cat squads to prey on rodents, and how the formation of cat squads has at present become the most feasible way to control rodents in the United States. As we have exchanged letters with the Society several times, will the Secretary consider in the first place forming cat squads on a trial basis at one or two major rodent infestation black spots?

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, as I have just indicated in my main reply, the Government will gather different stakeholders to prove empirically the feasibility of the relevant proposal. In doing so, we will certainly make reference to those cases claimed to be successful in the international community.

**MRS REGINA IP** (in Cantonese): President, may I ask Secretary Dr KO whether the members of the "anti-rodent death squad" of his department are civil servants or outsourced non-civil service staff? I say "death squad" as it was
recorded in history that rodents once caused the spread of the Black Death. Rodent control requires professional knowledge. Incidents similar to the recent tree pruning by the Leisure and Cultural Services Department ("LCSD") in Tai Po, causing baby egrets to fall to the ground and died should not have happened. We need genuine experts. Does the Secretary have genuine experts? If no, will he request "Rodent Queen" to invite Guangzhou experts to come to Hong Kong?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I thank Mrs IP for her supplementary question. I agree that in performing any tasks, including environmental hygiene-related tasks, particularly pest control for environmental hygiene, expertise is required to a great extent, so staff members of the Pest Control Teams of LCSD are all experts. Apart from being experts in this regard, they also make reference to information, expertise and technology in this regard in the international community. My frontline colleagues can be either civil servants or outsourced staff, but most important of all, their practice, training and operation are conducted under the supervision of experts.

MS CLAUDIA MO (in Cantonese): As rodent infestation wreaks havoc in Hong Kong, the problem must be addressed properly. In the Secretary's main reply, there is the expression "with a view to tackling district problems which are long-standing, immense and difficult, and capitalizing on local opportunities", the words "long-standing, immense and difficult" are highly Mainlandized. They are really unbearable. The Secretary has not totally ruled out the formation of community cat rodent control squads, so we may have "Rat Busters" in the future. But the Secretary further indicates that they will gather different stakeholders to look into such a possibility. As far as I know, female cats are good at preying on rodents; and the fact that cats prey on rodents does not need to be studied. The problem is that not every cat is able to prey on rodents. In that case, do we need to train cats first? Do cats need to wear uniforms? Can the Secretary tell me who the different stakeholders are? I reckon that the Secretary will not invite rodents to look into such a possibility! Do different stakeholders include "Rodent Queen" or district leaders?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, from the perspective of common sense, nobody will dispute the fact that cats prey on rodents. On another occasion in the Legislative Council, I did not deny that cats
preyed on rodents when I replied to a similar proposal of Dr CHIANG. What I am now saying is that Dr CHIANG’s proposal to train feral cats caught before releasing them back to the community for rodent control needs to be proved empirically. I would like to clarify this point.

**MS CLAUDIA MO** (in Cantonese): *The Secretary has failed to answer my supplementary question. Who are the stakeholders?*

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

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, the stakeholders are two groups of people. One group are persons who are concerned about the environmental hygiene of the districts, and the other are, more importantly, professionals who have expertise in the area of pest control.

**DR LAU SIU-LAI** (in Cantonese): *I am very pleased to learn from the Secretary that efforts will be made in the areas of food, harbourage and passages to eliminate rodent infestation. However, as FEHD probably intends to cut resources, and under the "lowest bid wins" principle for the outsourcing tenders, I find that the outsourced contractors of FEHD have cut night-shift cleansing workers and only day-shift workers are retained, resulting in waste accumulation at night, thereby affecting the cleanliness of public places. The photo displayed by Dr CHIANG Lai-wan just now reflects the true fact that rodents are "partying" as soon as night falls. It will be useless to clear the waste during daytime for rodents are well fed at night. For this reason, may I ask the Secretary whether FEHD will require outsourced contractors not to reduce the number of night-shift cleansing workers?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, FEHD has put in place a mechanism concerning cleansing contractors. First, we have clearly stated our work requirements in the tendering process. Second, we will monitor whether their actual operations comply with our requirements, and the effects of their work. In the current financial year, we will allocate additional
resources to FEHD to take up the tasks related to district environmental hygiene, or to monitor the performance of contractors responsible for environmental hygiene.

DR LAU SIU-LAI (in Cantonese): President, the Secretary has not answered my supplementary question. I ask the Secretary whether he will monitor outsourced cleansing contractors and require them to arrange cleansing workers to work at night.

PRESIDENT (in Cantonese): Dr LAU, please sit down. Secretary, do you have anything to add?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we will monitor the outsourced contractors according to our prescribed work requirements in the tender.

MR KWONG CHUN-YU (in Cantonese): President, Dr CHIANG could not help laughing when she raised the proposal to use feral cats to prey on rodents. In fact, this idea is so innovative that the Innovation and Technology Bureau should answer the question and KO Wing-man today is lost for words. In fact, may I ask what remuneration packages are offered to community cat rodent control squads? Are canned cat foods their remuneration? If they are unable to prey on rodents, will the provision of canned cat foods to them be reduced? How will this proposal be implemented? After all, animals have feelings. We should not euthanize them when we dislike them, make them prey on rodents, or punish them if they fail to prey on rodents. Frankly speaking, it is better for the Government to seriously implement the "trap-neuter-vaccinate-return" programme, for the reason that the programme is so poorly executed in Hong Kong that it fails to reflect the general knowledge that cats are the natural enemies of rodents. As such, will the Secretary order the serious implementation of the "trap-neuter-vaccinate-return" programme in the 18 districts in Hong Kong in future, so that cats will integrate into the community? This may be a better idea.
SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I think this question seems to have deviated from the gist of the main question today. We are today talking about rodent control, though I may still say a few words if the Member wants me to answer his question.

MR HO KAI-MING (in Cantonese): President, instead of thinking new rodent control methods, the Government should consider how to do better in its regular work. Earlier, when I visited a district to discuss with FEHD staff on rodent control, I found that an area within merely 50 m of a market was administered by three different agencies, namely Link Real Estate Investment Trust ("Link REIT"), the Housing Department ("HD") and the Lands Department ("LandsD"). The Secretary indicates in part (3) of his main reply that HAD would only coordinate other dedicated departments concerned to undertake rodent control work where necessary. However, I think this is by no means adequate. First, the rodent control work should not be undertaken where necessary; it should be undertaken regularly each summer.

Second, apart from areas administered by Link REIT, HD and LandsD, will FEHD coordinate the various departments to jointly undertake rodent control work in areas administered by LCSD and even premises already sold to private entities by Link REIT? Otherwise, having undertaken rodent control work in areas administered by Link REIT, we need to do so in areas administered by HD. After doing so in areas administered by HD, we need to do so in areas administered by LandsD. After doing so in areas administered by LandsD, we need to do so again in areas administered by Link REIT. We can thus by no means address rodent infestation properly. President, this is my supplementary question.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, my direct reply is that FEHD will undertake coordination work. Depending on the severity of rodent infestation in each district, and the administrative departments or units concerned in the district, FEHD will certainly coordinate the relevant units to do the work well.

DR PRISCILLA LEUNG (in Cantonese): President, rodent prevention and control is an important livelihood issue, and I get a nickname for my involvement in the relevant work. This is fine with me. I hope that each of the 18 districts
will have its own "Rodent Queen" or "Rodent King", so that District Council members and Legislative Council Members can take follow-up actions together. Members talked about the training of cats for rodent control in their speeches just now, and the main reply of the Secretary still refers to poisonous baiting and trapping. In this connection, first, I think these methods are obsolete. Second, I have no intention to break the "rice bowl" of others, but on rodent prevention and control, I find the Government too bureaucratic, hence the actual effect is minimal despite having spent a lot of public money.

I would like to raise a specific issue. Previously Sham Shui Po and Mong Kok were concerned about rodent infestation, but now all the 18 districts are very much concerned about the problem. As the MTR Corporation Limited is undertaking the construction of the Shatin to Central Link, the Kwun Tong Line Extension, and other railway projects in various districts of Hong Kong, rodent infestation in all the 18 districts is so catastrophic that even middle-class residential areas have to organize their own rodent control squads.

For this reason, I hope that Secretary Dr KO and the Pest Control Teams will consider inviting Mainland experts to Hong Kong to conduct, with concerted efforts, rodent disinfestation operation in each district. I think we need not train cats, it will be better to train people, and policy is the most important factor concerning manpower training. The $63 million allocated by the Government is not sufficient. Will the Government invite Mainland experts to join hands with government personnel to conduct rodent disinfestation operations in areas where railway projects are underway, where food establishments abound, and where rodent infestation is serious? The rodent infestation black spots will only be cleared through the joint rodent disinfestation operations in the 18 districts. Secretary, will you request government personnel to implement this specific proposal?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, in principle we will make reference to and consider any feasible improvement measure. That said, if Dr LEUNG asks me to state whether we will consider a very specific proposal, I am afraid I cannot give a reply today.

PRESIDENT (in Cantonese): Third question.
Regulation and development of healthcare professions

3. MRS REGINA IP (in Cantonese): President, at present, the practitioners of 26 healthcare professions are eligible to be registered as voters in the Health Services Subsector of the Election Committee. Given that 16 of those professions have not yet been included in any statutory registration system, the services provided by the practitioners of such professions (e.g. clinical psychologists, speech therapists and dietitians) lack adequate regulation, resulting in their service quality varying greatly and the public health not safeguarded. On the other hand, among the healthcare professions which have been included in a statutory registration system and are subject to regulation, the authorities have established boards for only five of them in accordance with the Supplementary Medical Professions Ordinance ("SMPO"). Some practitioners of those five professions have pointed out that all members of their boards are to be appointed by the Government and the incumbent chairmen are medical practitioners or dentists rather than practitioners of the respective professions. Such arrangements have resulted in a situation of professional autonomy lacking and are ineffective in promoting the development of their professions. Regarding the regulation and development of various healthcare professions, will the Government inform this Council:

   (1) whether it will set up a statutory registration system for those healthcare professions which have not yet been included in any of such systems, to ensure that their practitioners provide services of professional standards, thereby safeguarding the public health;

   (2) whether it will, by making reference to the composition of the Medical Council of Hong Kong, amend section 5 of SMPO to stipulate that half of the members of the board of each supplementary medical profession are to be elected by practitioners of that profession and the chairman is to be elected from among such board members who are practitioners of the profession, so as to achieve professional autonomy; and

   (3) whether the Government will introduce an "Open Access" mechanism, which allows patients who need to receive healthcare services such as physiotherapy, occupational therapy and clinical psychological treatment to choose to get the services either upon referrals by medical practitioners or by approaching the
professionals concerned directly, and under which practitioners of
the various healthcare professions may refer patients to each other,
so as to establish a healthcare system with greater flexibility?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, many
developed countries or regions adopt both statutory and non-statutory
mechanisms to regulate health care professionals. The Hong Kong SAR
Government, in line with the international practice, also adopts a risk-based
approach in the regulation of our health care professionals.

Health care professionals who are currently not subject to statutory
registration in Hong Kong are mostly self-regulated through voluntary
society-based registration. Under the society-based registration, a health care
professional body administers a registration system and promulgates a list of its
members by which the public can make reference when choosing certain type of
health care services. The professional bodies usually formulate relevant codes
of practice and develop quality assurance and disciplinary mechanisms to uphold
the professional standards of their members.

My reply to the three parts of the question raised by Mrs Regina IP is as
follows:

(1) In 2013, The Ombudsman released a report on the Government's
control of health care professions not subject to statutory registration.
In brief, The Ombudsman opined that while not all health care
professions needed statutory regulation, the Government should
enhance communication with relevant professional bodies and
societies, conduct regular risk assessments and provide guidance for
such bodies in respect of monitoring and service standards.

The Government recognized the importance and effectiveness of the
voluntary society-based registration and has decided to launch the
Pilot Scheme of the Accredited Registers for Healthcare Professions
("the Scheme"). The Scheme aims to enhance the current
society-based registration arrangements under the principle of
professional autonomy, with a view to ensuring the professional
competency of health care personnel and providing more information
for the public to make informed decisions.
The Scheme operates under the principle of "one profession, one professional body, one register". As the independent Accreditation Agent of the Scheme, the Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong sets out six major accreditation standards, including governance, operational effectiveness, risk management and quality improvement, standards for registrants, educational and training requirements, and management of the register of the professional body. Individual health care professional bodies will only be recognized as "accredited health care professional bodies" ("accredited bodies") should they meet the requirements and criteria set by the Accreditation Agent.

Accredited bodies should demonstrate a broad representation of their professions and maintain a well-established operation. They should administer the register of their own professions and take appropriate actions to ensure the professional competency of their members. The public can look up the registers of health care professionals through the accredited bodies, which will be permitted to use an accreditation mark on their websites and on the Certificates of Registration issued to their members for the public's easy identification. Members of the accredited bodies can use a specific title on their name cards. If the public make complaints against individual health care professionals, the accredited bodies will take action according to their complaints handling and disciplinary inquiry mechanisms and make public the outcomes of the disciplinary actions.

(2) Health care professional regulatory bodies are statutory bodies responsible for regulating health care professions. Their composition should reflect their missions of safeguarding public health and interests. In considering the composition of the regulatory body, consideration should also be given to their functions, circumstances of individual professions and views of stakeholders. In addition to professional autonomy, we need to consider whether increasing the number of elected members can help the regulatory body achieve its mission and balance the interests of different stakeholders.
Section 5 of the Supplementary Medical Professions Ordinance (Cap. 359) ("the Ordinance") provides that the Chairman of each of the five boards under the Supplementary Medical Professions Council ("the Council"), namely the Occupational Therapists Board, Physiotherapists Board, Medical Laboratory Technologists Board, Optometrists Board and Radiographers Board, should be appointed from among the members of the Council. Section 3 of the Ordinance provides that the Council shall consist of not more than 18 members, including a Chairman, a Deputy Chairman, not more than four public officers, three persons nominated by universities (from the University of Hong Kong, The Chinese University of Hong Kong and The Hong Kong Polytechnic University respectively), five practitioners (one each from the five supplementary medical professions), and four other persons who are not public officers.

Section 5 of the Ordinance provides that the Board Chairman, to be appointed by the Government, shall not be the person appointed from each supplementary medical profession. The current legislation allows the chairmanship of the five boards to be assumed by a member of the relevant professions or one from other sectors. The appointment of the Board Chairman is made on a personal basis taking into consideration the candidates' abilities, expertise, experience, integrity and commitment to public service. The professional background of the candidates could be one of the considerations, but the decision of appointment is made after balancing all factors. At present, the Government has no plan to amend the legislation to prescribe any specific requirement on the professional background of the Chairman.

The Government has conducted a strategic review on health care manpower planning and professional development in Hong Kong ("the Review"). The Review aims to formulate recommendations that will enable our society to meet the projected demand for health care manpower and foster professional development, with a view to ensuring the sustainable development of our health care system. The Review covers the professions which are subject to regulation under the Ordinance, namely occupational therapists, physiotherapists, medical laboratory technologists, optometrists and radiographers.
On regulatory regimes for health care professions, the Review covers the composition of the statutory regulatory bodies, including that of the Council and its boards. We will soon publish the review report and take forward the recommendations therein upon consultation with the stakeholders, including the Council and its boards, and the profession.

(3) Under the principle of professional autonomy, the Council and its boards currently set out practical operational procedures and referral mechanisms for their respective professions by issuing codes of practice. According to the current codes of practice or legislation applicable to the relevant supplementary health care professions, under normal circumstances, patients should be referred to the supplementary health care professions (except optometrists) for examination or treatment by prescribed persons such as doctors so as to ensure the presence of valid causes for referral based on diagnosis made through legal medical services. Otherwise, the practitioners concerned will be deemed to be in breach of the established codes of practice and subject to disciplinary actions taken by the Council and the boards concerned.

Nevertheless, the referral mechanism adopted by each profession allows a certain degree of flexibility. For example, for emergencies and under certain circumstances, a physiotherapist may be obliged to undertake some treatment without such previous referral. In such an eventuality the physiotherapist should ensure that such assessment and treatment is strictly limited to what the practitioner of physiotherapy has been trained to do.

We note that some health care professions have examined their respective referral mechanisms. A case in point is the dedicated working group set up by the Physiotherapists Board to review the current requirements on patient referrals.

The Government respects the decisions taken by the Council and its boards to uphold their professional standards, and will provide appropriate assistance where necessary.
MRS REGINA IP (in Cantonese): President, Secretary Dr KO just now said that Hong Kong has all along adopted the society-based registration, and I am happy to learn that the Secretary has the intent to enhance the registration system so that it will operate under the principle of "one profession, one professional body, one register". Furthermore, The Chinese University of Hong Kong ("CUHK") has been invited to be the independent Accreditation Agent.

Is Secretary Dr KO aware that the Hong Kong Psychological Society ("HKPS") is a long-established professional society recognized by the Government and it has set up the Division of Clinical Psychology? Although a relevant professional body has already been set up, some graduates of self-financed universities, whose professional qualifications are not recognized by HKPS, have established the Hong Kong Association of Doctors in Clinical Psychology on their own. If these graduates, not having adequate training especially in clinical practice, deal with mental health problems, they may jeopardize public health. Why didn't the Government tackle the issue earlier, but merely relied on these two bodies to negotiate and resolve the problem on their own?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, based on the principle that I have just mentioned and as far as I am aware, the Accreditation Agent, that is, the relevant school of CUHK, has invited the target disciplines to apply for certification.

As I have just said, it is our principle to have only one accredited professional body for each target profession. Therefore, in the course of discussion, we will inevitably liaise with the relevant disciplines to see if a consensus can be reached on the professional regulatory bodies and professional standard before certification.

I am not in a position to comment on the discussion details of the accreditation process, and whether individual society will be recognized as an accredited body in the end. I think the Accreditation Agent will report the relevant work progress in due course.

PROF JOSEPH LEE (in Cantonese): President, with regard to Mrs Regina IP's main question, I have in fact raised similar questions, either directly or indirectly, written or oral, to the incumbent Government and the Director of Bureau time and again over the past 10-odd years, spanning four terms of the Legislative
Council, but all I got were perfunctory replies. This time, however, there have been some improvements to the reply of part (1) of the main question as the certification scheme has finally been launched.

Nonetheless, with regard to part (2) of the main question, the Secretary has once again elaborated on the Ordinance (Cap. 359) in paragraphs 2 and 3 of part (2) of his main reply and provided a more detailed explanation on section 5. Members of the profession eagerly hope that the boards set up under the Ordinance, namely the Occupational Therapists Board, Physiotherapists Board, Medical Laboratory Technologists Board, Optometrists Board and Radiographers Board, will be chaired by the practitioner of the relevant profession, but not by any other person, so as to achieve professional autonomy.

My supplementary question is: Secretary, there are only a few weeks left in your term of office, can you stop hiding behind the review report but undertake to finish the job yourself, or pass it to the next-term Government or your successor? Even if we cannot amend the legislation, it is possible to appoint a member of the trade, say, appointing an occupational therapist as the chairman of the Occupational Therapists Board. We surely hope that the boards can elect their chairmen among themselves, but given that this is not permitted by the law, nor can we amend the legislation, we can only appoint members of the trade rather than laymen to the Occupational Therapists Board or the Physiotherapists Board, with a view to achieving professional autonomy.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, it is true that there has been numerous discussions in the community on professionals, especially the governance or regulatory bodies of health care professionals, which include how to strike a balance between the important principle of professional autonomy and the interests of other stakeholders in society, such as patients, advocates of patients' rights and even the community at large.

However, as the discussions are still underway and will probably continue for some time, I therefore cannot give Prof LEE a positive and specific answer for the time being. His supplementary question asks pretty directly if the Administration can guarantee that only persons with the relevant professional background will be appointed as board chairman, but there is no such provision in the existing legislation. Hence, I cannot artificially narrow down the scope. On the question of how to strike a balance between professional autonomy and public interests at large, the issue is still being discussed by the community.
PROF JOSEPH LEE (in Cantonese): President, I wonder if this would be my follow-up question or a new supplementary question.

PRESIDENT (in Cantonese): This would be your second supplementary question.

PROF JOSEPH LEE (in Cantonese): I would like to respond to the Secretary's reply. The Secretary should know very well that the boards of medical practitioners, nurses and dentists are chaired by practitioners of the relevant professions, which helps achieve professional autonomy without undermining public participation. Therefore, I really cannot figure out why the Secretary said that he could neither amend the legislation nor guarantee that when the Government or the next-term Government appoints board chairmen, only practitioners of the relevant professions would be considered as they are in a better position to develop their professions and strike a balance among various roles.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I am afraid I need to explain once again. Since discussions on professional autonomy and public interests are still underway in the community, I therefore believe when the issue is thoroughly discussed, the legislation may become more specific and it will be more conducive to the amendment of legislation.

However, under the existing legislation, I can only tell Prof LEE that there is no provision on the background of the board chairmen.

MRS REGINA IP (in Cantonese): President, the Secretary has kept saying that the issue would be discussed by the professionals, but does he agree that public health is of paramount importance? If treatment is provided by a medical practitioner who is not qualified both in terms of professional qualification and practical experience, the consequences will be detrimental. The same applies to clinical psychologists. If persons who do not possess adequate professional qualification and practical experience provide psychotherapy, they may give wrong advice and cause trauma. Does the Secretary agree that the importance of public health should override the practice of entrusting the discussions to the relevant professions for some 8 to 10 years?
SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I do agree with Mrs IP's remark that public health and patients' rights are overriding priorities, but it is also essential to have a representative with adequate professional qualification in the professional regulatory bodies during the discussion process, so as to ensure that these bodies are capable of deciding the practicing requirements of the relevant professions. This must be ensured. And yet, the above issue may not be exactly the same as that raised by Prof LEE, and I am afraid that it is also different from the one highlighted by Mrs IP of whether the members of two different societies of the same profession have obtained the required professional qualification.

On the question of which professional qualification standard of the two societies will be considered appropriate, we may have to wait until the relevant professional body is recognized as accredited body and members of that body with professional background can decide on the practicing requirements.

MR LEUNG CHE-CHEUNG (in Cantonese): President, I agree that the supervision of professionals can be enhanced through professional autonomy, but judging from the present situation, some disciplines are currently not subject to any regulation. The future development of professions currently not subject to regulation is now dealt with by the Other Healthcare Professionals Sub-group under the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development set up by the Government. Secretary, may I ask the latest progress of the work of this Sub-group?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Mr LEUNG for his supplementary question. I guess Mr LEUNG may also notice that earlier on, I said that a report on the strategic review on health care manpower would be published in due course. Notwithstanding that, in the course of review over the past few years, we have actually adopted some suggestions and put them into practice in parallel.

The pilot voluntary registration scheme that I mentioned earlier is also recommended in the review report. Yet, we have already engaged a consultant, that is, the relevant school of CUHK, to develop a voluntary registration scheme and appointed it as the Accreditation Agent as well. The Accreditation Agent is now processing the applications for certification submitted by relevant professional bodies.
PRESIDENT (in Cantonese): Fourth question.

Incident of submission by a contractor of test reports suspected to be fraudulent

4. MR LAM CHEUK-TING (in Cantonese): President, last month, the Independent Commission Against Corruption arrested 21 staff members of a contractor of the Civil Engineering and Development Department ("CEDD"), who were suspected of corruption and having submitted fraudulent concrete compression test reports to CEDD. The contractor concerned is responsible for conducting concrete compression tests and soil density tests under the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Hong Kong Boundary Crossing Facilities and Hong Kong Link Road projects as well as Tuen Mun-Chek Lap Kok Link project. In this connection, will the Government inform this Council:

(1) whether it has grasped information on the parts of HZMB involved in test reports suspected to be fraudulent, and whether the structural safety of HZMB has been affected; given that the authorities have mainly performed visual inspections and non-destructive testing on the strength of concrete structure (commonly known as "Schmidt hammer test") to examine the stress-critical locations of the structures constructed under the aforesaid projects during the period relevant to such test reports, why the authorities do not perform structural tests by core drilling; whether any instance of concrete strength not meeting the design requirements has been identified so far;

(2) given that CEDD officers had uncovered, in as early as July last year, that the test times contained in some of the test reports submitted by the contractor concerned might have been tampered, why CEDD still awarded another consultancy contract to that contractor in March this year; and

(3) whether it has assessed if the project consultant commissioned to monitor the overall implementation of the HZMB project must be held responsible for the occurrence of the incident of submission by the contractor of test reports suspected to be fraudulent; whether
measures are in place to strengthen the monitoring of public works quality so as to prevent occurrence of similar incidents?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Government of the Hong Kong Special Administrative Region is highly concerned about the incident of alleged falsification of reports by staff members of a laboratory outsourced by the Civil Engineering and Development Department ("CEDD") in the concrete tests for the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Hong Kong-related projects (i.e. the Hong Kong Boundary Crossing Facilities ("HKBCF") and the Hong Kong Link Road ("HKLR")) as well as the Tuen Mun-Chek Lap Kok Link ("TM-CLKL") project. The Government will take this matter seriously.

As I stressed at the special meeting of the Legislative Council Panel on Transport the day before yesterday (5 June), all public works projects, in both design stage and construction stage, are subject to a well-established mechanism to ensure works quality and structural safety. Conducting concrete cube compressive strength test by a third-party laboratory other than works departments and contractors is a part of the entire quality control, so as to ensure that safety standards are met.

Having consulted the Development Bureau and CEDD, below is a consolidated reply to Mr LAM Cheuk-ting's question.

In the following days after learning on 19 May this year from CEDD about the arrest by the Independent Commission Against Corruption ("ICAC") and the possible problem in the concrete cube samples, the Highways Department ("HyD") swiftly conducted preliminary "visual inspections" for the structures of the HKBCF, HKLR and TM-CLKL projects, and the non-destructive concrete strength tests (commonly known as "Schmidt Hammer Tests") for the 3 000 stress-critical locations of bridge decks, bridge piers, buildings, tunnels structures, etc.

No sign of abnormalities were found in the preliminary visual inspections. As regards "Schmidt Hammer Tests", as of yesterday, around 2 049 stress-critical locations (i.e. two thirds) were tested. The test results revealed that the tested structures were all up to standard. It is expected that the remaining "Schmidt Hammer Tests" could be completed by the end of June.
To further ensure structural safety, the Government has decided to carry out concrete stress tests on core samples, including, (1) to conduct sampled core tests on structures which have undergone "Schmidt Hammer Tests"; (2) to conduct core tests at locations which fail the "Schmidt Hammer Tests"; and (3) for structures constructed underground or below sea-level (such as piles), to conduct core tests on the 5% of bored piles sampled in accordance with existing works contracts, and subject to the results of these tests, to consider whether further core tests on other structures will be required. All tests will be completed by the end of October this year.

Moreover, based on the information provided by ICAC, CEDD had examined the raw data of a total of about 170,000 concrete test records of the Public Works Regional Laboratory concerned. It was found that information on 210 concrete cubes was suspected to be problematic, representing 0.1%. CEDD referred the information on those concrete cubes to HyD by batches between 28 May and 1 June. HyD has reviewed all the information, and the distribution of the corresponding locations is at Annex. As of yesterday, "Schmidt Hammer Tests" had been completed at 80 locations of the problematic concrete cubes concerned, and all of them met the required standard. For the corresponding locations of the remaining problematic concrete cubes, HyD will deploy resources to carry out "Schmidt Hammer Tests" as a priority. Also, sampled core tests will be undertaken at the corresponding locations of the 210 problematic samples.

As for the consultant of the laboratory outsourced by CEDD, since it is discovered in mid-last year that the testing times in the testing records might be falsified, CEDD has immediately given an adverse report to the consultant in its quarterly performance appraisal and requested it to undertake a series of improvement measures, including the replacement of the staff-in-charge of the overall supervision of the laboratory concerned, deployment of additional supervisory staff, upgrading of the testing equipment to prevent unauthorized adjustment of testing times, etc. Having reviewed the overall situation including the consultant's improvement measures undertaken, CEDD considered at that time that it was not necessary to take regulating action. However, in light of suspected malpractices involved in the incident, the Department referred the case to ICAC for further investigation.
Since ICAC notified CEDD in May this year that the former's investigation involves falsification of reports, CEDD has immediately implemented additional measures. This includes deployment of additional government staff to monitor outsourced laboratories, arrangement of different laboratories to carry out concrete tests for works projects on a rotational basis, increasing the number of parallel testing to test the consistency of the performance of different laboratories, and strengthening of routine auditing check of test records. CEDD is currently reviewing its procedures for testing concrete cubes and will introduce other improvement measures as and when necessary.

In addition, Development Bureau issued a memorandum in May this year requesting various works departments to review and step up the monitoring of the performance of the architectural and engineering consultants employed by them, particularly from the integrity management and quality assurance perspectives. Works departments will continue to closely monitor the services delivered by the consultant concerned and will conduct technical audits. At the same time, Development Bureau is conducting another round of review to further enhance the management of architectural and engineering consultants.

President, the Government will ensure that the testing of the structures of the HZMB Hong Kong Section is robust, and that the structure is safe before the commissioning of HZMB.

Annex

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<th>Corresponding Locations of the Suspected Problematic Concrete Cubes</th>
<th>Nos.</th>
<th>Tested Locations</th>
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<td>Structural Locations (159 nos.)</td>
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<td>Tested Locations (80 nos.)</td>
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<tr>
<td>Bridge Structures</td>
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<td>26</td>
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<td>Others</td>
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</tr>
<tr>
<td></td>
<td>Sub-total</td>
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<tr>
<td>Non-structural Locations (51 nos.)</td>
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<td>0</td>
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<td>Total</td>
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<td>80</td>
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MR LAM CHEUK-TING (in Cantonese): President, I would like to put a question to the Secretary for Development because CEDD is under his purview. CEDD knew about the falsification in July 2016 but it had not suspected other problems such as replacement of test samples. Since the testing times had been falsified, other areas could also be falsified. I would like to ask the Secretary for Development: Does he think that CEDD had underestimated the problem at that time? Has CEDD reported to him about the falsification of testing times? If not, should CEDD report to him? Is the failure to report to him a dereliction of duty?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr LAM Cheuk-ting for his question.

When CEDD completed the investigation on this incident in mid-2016, it reported to ICAC for caution's sake. In fact, ICAC is a law enforcement body with powers conferred by the relevant legislation to conduct a more comprehensive and in-depth investigation into the case. Relatively speaking, CEDD is responsible for handling public works projects and it does not have enforcement powers to carry out detailed and in-depth investigations. Nevertheless, CEDD had, in the course of ICAC's investigation, provided comprehensive technical support and completed the relevant investigations and studies within a short time based on the latest information from ICAC on suspected replacement and falsification. CEDD had identified the test reports suspected of being replaced during the period from January 2015 to June 2016.

As regards reporting, when CEDD found in mid-2016 that there was suspected falsification of testing times, it immediately evaluated whether the consultant had adverse performance. The Development Bureau was aware of an adverse quarterly performance appraisal report, but we believe that CEDD and its Consultants Review Committee had exercised professionalism in making judgment and taking follow-up actions. Therefore, CEDD had not reported the details of the report to me (i.e. Secretary for Development) at the time.

MR LAM CHEUK-TING (in Cantonese): President, the Secretary has not answered whether he had been informed of the falsification of testing times; he only mentioned an adverse report …
PRESIDENT (in Cantonese): Mr LAM, please sit down. Secretary, do you have anything to add?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I have nothing to add. At that time, under the mechanism, CEDD reported to me about an adverse quarterly performance appraisal report but not the details.

MR MICHAEL TIEN (in Cantonese): President, concerning part (2) of the main question, i.e. why CEDD still awarded another consultancy contract to the contractor concerned after the incident, the Government's reply is very similar to the reply it gave the day before yesterday. However, I think there are very delicate and crucial differences between the two replies. A few days ago, the authorities said that the test results on 28 May or 30 May had little impact, so no substantive punishment was given. This argument seemed to rationalize the matter but the Secretary for Development did not say so today. If falsification has little impact on the test results and hence no punishment is imposed, are the authorities telling all Hong Kong people that telling small lies is no big deal, and only telling big lies will be punished? Two issues are involved: telling lies and substantial impact on the structures. Yet the authorities have awarded another contract to the contractor or consultant in question. Theoretically, should punishment be given for big or small lies alike? With such a mindset and perspective, the Development Bureau or its subordinate department punished the contractor or the consultant by suspending it from tendering for new projects; is this practice reasonable?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, we evaluate the performance of each consultant under the existing mechanism. If they have adverse performance, we will follow up in accordance with the existing mechanism. In this case, we noticed that tests were still conducted in mid-2016, only that the testing times had been tampered. We immediately asked the consultant to conduct an investigation and undertake improvement measures. The consultant responded immediately by replacing the person in charge of the laboratory concerned, deploying additional supervisory staff and upgrading the testing equipment to prevent unauthorized adjustment of testing times. Moreover, the consultant has arranged the staff concerned to undergo refresher training. We opined that the consultant has actively followed up the matter and the impact was not significant. We had also given an adverse report to the
consultant in its quarterly performance appraisal according to the existing mechanism. At that time, we evaluated under the existing mechanism that the contractor had adverse quarterly performance. We would take follow-up actions if they failed to actively follow up the matter.

ICAC notified us in May this year that falsification and fraudulent acts were found in the course of investigation. After conducting a review, CEDD also found that the investigation findings were serious, and immediately gave an unacceptable performance appraisal to the consultant. The selection boards of the architectural, engineering and associated consultants endorsed to suspend the consultant from tendering for all categories of architectural and engineering consultancy agreements within the jurisdiction of the two selection boards for a period of 12 months. Depending on the development of this case, we will consider in due course whether it is necessary to extend the suspension of tendering or take further regulating actions.

MR MICHAEL TIEN (in Cantonese): President, have you heard the Secretary's indirect response that telling small lies is no big deal and will not be punished?

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

MR MICHAEL TIEN (in Cantonese): Can the Secretary make a supplementary remark? The main point is about telling lies.

PRESIDENT (in Cantonese): Mr TIEN, please sit down. Secretary, do you have anything to add?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, punishment will be given for unsatisfactory performance.

MS TANYA CHAN (in Cantonese): President, I would like to follow up. The Government said that they are very concerned about safety and the test results; the last sentence of the reply is "the Government will ensure that the testing of the
structures of the HZMB Hong Kong Section is robust, and that the structure is safe before the commissioning of HZMB."

I am not talking about commissioning of HZMB but commencement of work by workers. Is it not necessary to safeguard workers' safety? I would like to ask the Secretary why workers were asked to commence work before the completion of all tests. There are still many locations which have not been tested and there may be instances of replacement of test samples. Moreover, tests have only been conducted at 80 locations and more than half of the locations have not been tested, especially the structure of say piles on land and at sea. I would like to ask how the authorities can guarantee workers' safety. I am not talking about commissioning of HZMB but commencement of work by workers.

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Transport and Housing, please reply

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, firstly, Members will please take a look at the figures we provided in our initial reply. At the special meeting of the Panel on Transport held two days ago (i.e. on Monday) we informed members that there were 210 suspected problematic samples and tests at 13 locations were completed at that time. To date, tests at 80 locations were completed. Such progress was made within two days. Therefore, we will definitely not delay in conducting the core tests and will proceed at full speed.

Secondly, in fact, the structural works of HZMB HKBCF and HKLR projects have basically been completed. We are now carrying out other ancillary work or installation works, etc., and they are not structural works.

PRESIDENT (in Cantonese): Ms Tanya CHAN, which part of your supplementary question has not been answered?

MS TANYA CHAN (in Cantonese): President, will the Administration ensure that workers will only commence to work after all tests have been completed and the safety confirmed?
PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, this question involves safety risk assessments and my colleagues responsible for the project are conducting assessments on a daily basis. Since CEDD notified HyD on 19 May, all tests we have conducted so far, including "Schmidt Hammer Tests" and the recent core tests, have not detected problems. All requirements are met and there is no evidence showing that there are problems. Since many remaining works on HZMB are not structural works, we opine that commencement of work is possible.

MR CHU HOI-DICK (in Cantonese): President, it is surprising that CEDD which uncovered the problem had not reported the details to the Secretary for Development or the Secretary for Transport and Housing. As LAM Sai-hung, Director of Civil Engineering and Development, had reported to ICAC regarding HZMB infrastructure works, I would like to ask the two Secretaries and the Director of Highways when they knew about the Director's decision to report to ICAC.

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, in mid-2016, CEDD found that the consultant was suspected of tampering data in the provision of services. After taking follow-up actions, CEDD found that misconduct might be involved and thus it reported to ICAC for investigation. At that time, the Director orally notified staff members of the Works Branch of the Development Bureau. But according to internal regulations, in order to minimize the leakage of information on the investigation, the staff members concerned had not reported the relevant details to me.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please state your supplementary question.
MR CHU HOI-DICK (in Cantonese): President, the Director of Highways and the Secretary for Transport and Housing have not yet answered when they knew that ICAC would conduct an investigation.

PRESIDENT (in Cantonese): Secretary for Transport and Housing, please reply

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, CEDD informed HyD on 19 May that ICAC would conduct an investigation on the matter and arrest actions would be taken. I as the Secretary only knew on that day that ICAC would conduct an investigation.

MR LEUNG KWOK-HUNG (in Cantonese): Secretary Eric MA, you are really terrific. I asked you about the Arup Group, you refused to answer and up till today, you still did not answer. When I took away your file, you immediately reported to the Police; I have to appear in court on 12 June. It turns out that your subordinates could, for fear of leakage of information, keep you in the dark; and you could keep Anthony CHEUNG in the dark. Please enlighten me: have you reported to your supervisor, that is Carrie LAM? Have both Secretaries instructed your subordinates under what circumstances they should or should not report to ICAC? How come the incident of Arup Group stealing information need not be reported to the Police, or to ICAC? How come the act of a Member (that is me) has to be reported to the Police?

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

MR LEUNG KWOK-HUNG (in Cantonese): Who instructed you to take that action?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down. Which Secretary will reply? Secretary for Development, please reply
SECRETARY FOR DEVELOPMENT (in Cantonese): According to internal guidelines, government officers should, either directly or through their respective departments, report as soon as possible offences or suspected criminal acts to the relevant law enforcement authorities. Staff members of CEDD have also taken follow-up actions under this mechanism.

PRESIDENT (in Cantonese): Fifth question. Mr WONG Ting-kwong, please state your main question.

(Mr LEUNG Kwok-hung stood up to indicate his wish to speak)

PRESIDENT (in Cantonese): The Secretary has answered your supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): I asked if his supervisor (i.e. Carried LAM) had given him instructions.

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as I was only aware of the matter on 19 May, I had not made prior report to my supervisor.

PRESIDENT (in Cantonese): Fifth question.

Restriction on the export of as well as the supply of and demand for powdered formula for infants and young children

5. MR WONG TING-KWONG (in Cantonese): President, since 2013, the Government has adopted a number of measures to ensure a safe and stable supply of powdered formula for infants and young children under the age of 36 months ("powdered formula"). Such measures include the requirement enforced since March 2013 that each person aged 16 or above may only carry, on his/her
departure from Hong Kong within a 24-hour period, powdered formula of a total net weight of no more than 1.8 kilograms (commonly known as "restriction on powdered formula"), in order to prevent parallel trading activities from diverting large quantities of powdered formula away from the supply chain in Hong Kong. Regarding the enforcement of the restriction on powdered formula and the supply of and demand for powdered formula, will the Government inform this Council:

(1) of the respective numbers of persons prosecuted and convicted each year since March 2013 for violating the restriction on powdered formula and, among them, the number of those involved in parallel trading activities; the penalties generally imposed on the convicted persons;

(2) of the demand for powdered formula in each of the past three years calculated on the basis of factors such as the number of infants and the breastfeeding rate; how such figures compared with the volumes of retained import of powdered formula in the respective years; and

(3) whether it knows the districts in Hong Kong where the problem of shortage of powdered formula occasionally emerges at present; when the authorities will conduct a comprehensive review of the demand for and supply of powdered formula?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President,

(1) Since the Import and Export (General) (Amendment) Regulation 2013 ("the Regulation") came into operation on 1 March 2013, the numbers of prosecution cases for contravention of the Regulation in 2013, 2014, 2015 and 2016 were 2 959, 5 160, 4 490 and 3 830 respectively. The numbers of convicted cases in 2013, 2014, 2015 and 2016 were 2 947, 5 114, 4 445 and 3 802 respectively.

During the said period, the penalties for these convicted cases included a fine of $200 to $150,000, immediate imprisonment (between 1 and 180 days), Community Service Orders, and Probation Orders, etc.
The Government does not have statistics on the volume of powdered formulae imported into or exported out of Hong Kong in the form of "parallel trade".

(2) According to the Census and Statistics Department, the volumes of import of powdered formulae in 2014, 2015 and 2016 were 56 million kilogrammes ("kg"), 54 million kg and 59 million kg respectively; the volume of re-export of powdered formulae were 9 million kg, 12 million kg and 17 million kg respectively; while the volume of retained import of powdered formulae were 47 million kg, 42 million kg and 42 million kg respectively.

(3) We have put in place an established mechanism to monitor the demand and supply of powdered formulae in Hong Kong. We have been conducting surveys, through consultancy firms, on the supply and price levels of powdered formulae at the retail level since the Regulation has come into effect in 2013. We have also set up the Committee on Supply Chain of Powdered Formula to keep track of the operation and effectiveness of the export control on powdered formulae.

The results of the aforementioned surveys indicated that the operation of the supply chain of powdered formulae had continued to improve. Nevertheless, there were different degrees of shortage of products of individual brands in certain districts. We will continue to conduct the surveys. Also, we will continue to keep in view and optimize the supply chain of powdered formulae with the trade and the relevant stakeholders to ensure its effective operation, having regard to the market circumstances.

The Government notes the concerns of different stakeholders about the Regulation. By and large, supply of powdered formulae in Hong Kong primarily serves the needs of local infants and young children. The policy objective of the Regulation is to safeguard stable and adequate supply of powdered formulae to local infants. As the above figures reveal, the volume of import and re-export of powdered formulae have increased in general, while the volume of retained import of powdered formulae has remained stable. The number of prosecution and convicted cases for contravention of the Regulation has continued to decrease. The operation of the supply
chain of powdered formulae has continued to improve and the trading of powdered formulae has been getting smoother. The Regulation has, to a certain extent, struck a balance between addressing the needs of local infants and young children and safeguarding free trade and commerce. We will continue to keep in view the operation of the supply chain of powdered formulae, and review the effectiveness of the relevant measures.

MR WONG TING-KWONG (in Cantonese): President, it is mentioned in the Secretary's main reply that "the volume of import and re-export of powdered formulae have increased in general, while the volume of retained import of powdered formulae has remained stable," and "[t]he operation of the supply chain of powdered formulae has continued to improve and the trading of powdered formulae has been getting smoother." Yet, what the industry expects is the abolition of the restriction on powdered formula but no specific timetable has been provided in the main reply. May I ask the Secretary what consideration the authorities have in this respect?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): We fully understand that different stakeholders, including Mr WONG Ting-kwong, have different views on the Regulation. Some stakeholders hope that the Government will conduct a review as soon as possible to review when appropriate amendments to the Regulation can be made; but on the other hand, other stakeholders, including the parents of infants and young children under the age of 36 months, have kept asking us to continue with this policy, so as to ensure the sufficient and stable supply of powdered formula to their children.

As I have said just now, the restriction imposed by the Regulation on the import and export of powdered formula and other factors have, to a certain extent, improved the supply chain of powdered formula in Hong Kong. We will review the improvements made and at the same time, we have also commissioned consultancy firms to carry out market surveys on this issue. According to observation, there have been shortages of products of individual brands in certain districts. Hence, we have yet to set a timetable or make any decision on the amendment of the Regulation, but we will continue to monitor the effectiveness of the Regulation and the ongoing demand of the market based on our observation and the consultant firms' findings on the supply chain.
MR SHIU KA-FAI (in Cantonese): President, if one look up the information, they will see that since the implementation of the restriction on powdered formula in 2013, many China-Hong Kong conflicts have arisen. Hong Kong is a free trade zone, and it is certainly very important to ensure a sufficient supply of powdered formula for infants and young children in Hong Kong. Even though nine major powdered formula suppliers had signed a contract at that time to ensure the supply of powdered formula for local infants and young children, the SAR Government still insisted on implementing the restriction on powdered formula. The Secretary has just mentioned that surveys have found there are shortages of products of individual brands, but according to suppliers of powdered formula, there is an ample supply in Hong Kong. Will the Secretary tell me the brands of the products that are in short supply?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, before answering the question, let me clarify two points. First, I still recall that when the problem first appeared, the Government wished to coordinate all parties concerned to improve the situation. At that time, a few major powdered formula suppliers did promise to work in concert with the Government. However, after observing the situation for some time, the Government found that the suppliers' pledge and their measures taken in respect of the supply chain were incapable of improving the situation. Against this backdrop, the Government implemented the restriction on powdered formula.

Second, although after the implementation of the Regulation, there have been conflicts between the people of Hong Kong and Mainland residents, I wish to point out that even before the enactment of the Regulation, as parallel traders had diverted large quantities of powdered formula away from the supply chain in Hong Kong, parents of infants and young children in Hong Kong were greatly distressed for not being able to secure sufficient powdered formula, resulting in conflicts to a certain extent. Hence, I believe the implementation of the Regulation is not the sole cause of social conflicts as pointed out by the Member.

In respect of the present supply of powdered formula, as quoted by Mr WONG Ting-kwong from the main question, improvements have been seen but there are still shortages of products of individual brands in certain districts. If Members wish to have more detailed information, I will supply later on. As such, we have yet to set a timetable or make a decision on the amendment of the Regulation. (Appendix I)
PROF JOSEPH LEE (in Cantonese): President, according to the statistics provided by the Government, between 2013 when the restriction on powdered formula was first implemented and 2016, each year the average number of prosecution cases for contravention of the Regulation remained between 4,000 to 5,000, and there has not been any significant reduction. From the volumes of import of powdered formula shown in part (2) of the main reply and as mentioned by Mr WONG Ting-kwong, the demand for powdered formula has continued to rise.

We all understand that parallel trading activities are often like "ants moving home" which go on incessantly. In recent years, the Food and Health Bureau has actively encouraged breastfeeding and it has also issued guidelines on the sale of powdered formula. Under all these circumstances, does the Bureau see the need to review the restriction on powdered formula? Will the restriction in a way help promote the sale of powdered formula? Even with so many restrictions, the import of powdered formula continues to rise, and as the Government encourages breastfeeding, supposedly, Hong Kong mothers should buy less powdered formula. Can the Secretary tell us the real situation and can he provide a timetable for the next-term Government as regards the opportune time to review the abolition of the restriction on powdered formula or the implementation of other measures?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have repeatedly pointed out just now, after the implementation of the Regulation, there has been improvement in the supply chain of powdered formula in Hong Kong. However, according to the findings of the surveys conducted by the consultancy firms commissioned by us, products of individual brands are still in short supply in certain districts at different times. Hence, the Government has yet to make a decision or set a timetable to amend the Regulation.

As I have said, I firmly believe that both the current-term Government and the next-term Government will continue to monitor the various aspects of the supply chain of powdered formula in Hong Kong, and they will also review the situation taking into account the findings of the survey conducted by the consultancy firms on a regular basis.
MR CHUNG KWOK-PAN (in Cantonese): President, I would also like to follow up on the progress of the surveys.

As mentioned in the main reply, the Government has established a regular mechanism to monitor the supply of powdered formula for local infants and young children and it has also set up the Committee on Supply Chain of Powdered Formula. The Secretary has also provided the statistics for the past four years. Does the Government keep finding excuses to conduct various surveys? When will it finish conducting surveys and tell us the answer? Will the Secretary show us the reports of the consultancy firms mentioned by him? What brands are in short supply and in what districts? I also wish to know if the shortage may be only 1% but the Government still uses short supply as the excuse for the continuous implementation of the restriction on powdered formula. Is it only an excuse?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): We will continue to monitor the supply chain of powdered formula in Hong Kong and there are many factors we must take into consideration. Just now Mr CHUNG asked about which brands are in short supply, as well as the time and districts involved. These are exactly the specific details that the Committee on Supply Chain of Powdered Formula, mentioned by Mr CHUNG just now, is concerned about. The Committee will also follow up with individual suppliers to address the problems identified in the surveys. This is an ongoing work.

As regards the information Members have repeatedly asked for, such as the brands of powdered formula that are in short supply, the districts involved and the volume of the shortage, I will ask the consultancy firms to collate the information and then provide to Members.

Let me reiterate, both the current-term and the next-term Government will continue to, on the basis of the development direction of the local supply chain and the findings of market surveys, decide when to review the implementation of the Regulation and see if amendments are necessary.
MR LEUNG CHE-CHEUNG (in Cantonese): President, the Secretary mentioned about the supply chain of powdered formula in the main reply and in the second paragraph of part (3), he said that the operation of the supply chain had continued to improve, but there were different degrees of shortage of products of individual brands in certain districts.

I believe that before the implementation of the restriction on powdered formula, all brands were in short supply, but after the implementation, the problem of shortage of powdered formula for infants and young children due to parallel trading activities should no longer exist. However, certain brands of powdered formula are still in short supply; does the problem lie with the mode of supply of the suppliers? How come the restriction on powdered formula only applies to the general public but not the suppliers and they are not subject to any sanctions? In this respect, does the Secretary have any improvement measures in mind?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, we did discuss the questions raised by Mr LEUNG when we first considered the enactment of the Regulation.

If Members still recall, at that time, the overall supply of powdered formula was sufficient, and the importers and suppliers in Hong Kong had assured us time and again that the volume of import was sufficient. Some importers even opened their warehouse to show the media and the public that they had plenty of stock.

President, the problem is not whether the overall volume of import can meet the demand of Hong Kong people but the operation mode of the retail business and the supply chain in Hong Kong. Shops in Hong Kong are generally small with little storage space. Before the implementation of the Regulation, there were incidents where all the stock of powdered formula in all retail shops in a certain district was scrambled, resulting in powdered formula running out of stock in the whole district. As it is Hong Kong's unique feature that the supply chain is made up of a large number of small retail shops, the stock replenishment mechanism cannot run very smoothly. Even though the major suppliers of powdered formula have promised to work closely with the Government to ensure a sufficient supply, this goal cannot be achieved many a time.
A sufficient total import volume may not necessarily mean that all parents in Hong Kong can secure sufficient powdered formula for their infants and children. Under the unique operation mode of the retail supply chain in Hong Kong, it is not easy to establish a prefect stock replenishment mechanism to prevent powdered formula running out of stock. It is under this circumstance that the restriction on powdered formula is implemented.

Lastly, I reiterate that we will continue to pay close attention to the development of the situation and the survey findings, and if there are continuous improvements, we will review the entire situation.

Statistical information on government properties and sites

6. **MR NATHAN LAW** (in Cantonese): *Mr LEUNG, on the 17th of last month, the Planning Department ("PlanD") indicated that it had, under the Central Clearing House mechanism, reviewed and confirmed the long-term uses of the sites of 183 vacant school premises ("VSP"). On the other hand, the Government Property Agency ("GPA") is responsible for the management of government properties and ensuring that "Government, Institution and Community" ("G/IC") sites are fully utilized, and the Lands Department ("LandsD") may allocate government sites to various government departments for temporary uses. Regarding the statistical information on government properties and sites, will the Government inform this Council of:

   (1) the criteria adopted by PlanD for determining the long-term uses of the aforesaid VSP sites; whether the authorities will, among the VSP sites confirmed to be used for G/IC purposes, allocate one of such sites to The Boys’ Brigade, Hong Kong, which was unsuccessful in its application for the use of a VSP in June last year, for use as its head office and change the uses of the remaining 182 sites to the use for developing public housing under the principle of "putting public lands to public uses", in order to alleviate the problem of public housing shortage; if so, of the details; if not, the reasons for that;*
(2) the number of vacant government properties currently managed by GPA and their total gross floor area, the total area of the sites where such properties are located, and the respective differences in the actual and permitted maximum plot ratios of such sites, broken down separately by District Council district and original use; and

(3) the number of the sites which LandsD has currently allocated to various government departments for temporary uses and their total area, and the respective numbers and total areas of the sites which have to be surrendered to LandsD within the coming three years, five years and 10 years, broken down separately by District Council district and current use?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, having consulted the Financial Services and the Treasury Bureau, Government Property Agency ("GPA"), Planning Department ("PlanD") and Lands Department ("LandsD"), our reply to the various parts of the question is as follows:

(1) Paying heed to the management principle of optimizing land resources, if any vacant school premises ("VSP") is confirmed by the Education Bureau to be no longer required for school or other educational uses, the Education Bureau will inform PlanD and other relevant departments in accordance with the established Central Clearing House mechanism. PlanD will then consider the suitable alternative long-term uses for the concerned VSP sites. Up till now, PlanD has reviewed and confirmed the long-term uses of 183 VSP sites under the Central Clearing House mechanism. In considering the long-term uses of VSP sites, PlanD will take into account a series of planning factors, including the planning intention of these sites and the surrounding land uses and environment. PlanD will also consult the relevant bureaux and departments in accordance with the established practice. Whether a VSP site is suitable for high-density development depends on its size, location, compatibility with the surrounding land uses, adequacy of transport and infrastructure facilities, development or technical constraints, development needs of the respective district, etc.
Of the 183 VSP sites reviewed, more than 70% are less than 0.3 hectares, which are relatively small in size, and many of them are located in relatively remote rural areas lacking transport and infrastructure facilities. It will be difficult for such sites to accommodate high-density housing development (including public housing). Overall, only 18 VSP sites are considered suitable for housing development upon review.

There are 137 VSP sites recommended for Government, Institution or Community ("G/IC") uses, most of which are located within the existing G/IC clusters or in the vicinity of high-density housing developments. Having regard to factors such as site location, land use compatibility and local demand for community facilities, etc., it is considered suitable to reserve these sites for G/IC uses, and 32 of these have already been allocated to relevant bureaux, departments or non-governmental organizations for related developments.

Besides, there are five VSP sites within "Green Belt" or "Conservation Area" zones, and one VSP site not falling within the coverage of any statutory plan, that have been recommended for rural uses (e.g. nature reserve or agricultural use) in consideration of their remote location, the surrounding tranquil rural environment, or their proximity to dense vegetation/country parks. Another 10 VSP sites that fall under ongoing planning and engineering studies or land use reviews are subject to further study of their long-term land uses. Information of these 183 VSP sites is set out at Annex 1.

Similar to the allocation arrangement for other government sites or premises, if any organization wishes to use a VSP site for a specific G/IC use, support of the relevant Policy Bureau(x) must first be obtained before submitting an application to the department responsible for managing the site concerned. PlanD will advise the relevant bureau(x)/department(s) from the district planning perspective. To this end, PlanD has uploaded the list of the reviewed VSP sites onto its official website to facilitate public inspection. The list has also been made available for inspection at PlanD's Planning Enquiry Counters and circulated to the District Offices and District Social Welfare Offices.
For effective utilization of land resources, where feasible, the relevant departments will also identify and arrange temporary or short-term uses for the VSP as appropriate. Regarding the VSP located on Government land and of which possession has been taken by LandsD, upon receipt of application from an NGO for using the VSP concerned for community, institutional or non-profit-making purposes on a short-term basis, LandsD will lease the VSP to the NGO through short-term tenancy if support has been obtained from the relevant Policy Bureau(x) and after consulting the relevant department(s). Organizations may refer to the relevant application procedure on LandsD's website.

(2) According to GPA, information on the four surplus government properties (i.e. those that are surplus to the Government's operational requirements) under GPA's management as at 29 May 2017 is set out at Annex 2.

(3) There are a total of 4267 sites with an area covering approximately 3424 hectares allocated to various bureaux and departments by way of Temporary Government Land Allocation ("TGLA") for implementation of government projects or provision of services. Breakdowns of the above land allocations by District Council district and use are at Annex 3 and Annex 4 respectively. LandsD has no readily available information on TGLAs due to be returned in the coming 3 years, 5 years and 10 years.

Annex 1

Sites of VSP Reviewed under the Central Clearing House mechanism

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<th>Recommended Long-term Use</th>
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<td>Hong Kong Academy</td>
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<td>2. Central and Western</td>
<td>TWGHs Lee Sai Chow Memorial Primary School</td>
<td>Already proposed for G/IC uses</td>
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<td>Recommended Long-term Use</td>
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<td>TWGHs &amp; LKWFSL Mrs. Fung Yiu Hing Memorial Primary School</td>
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<tr>
<td>160. Yuen Long</td>
<td>Wing On School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>161. Yuen Long</td>
<td>Yan Hing School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>162. Yuen Long</td>
<td>Yuen Kong Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>163. Yuen Long</td>
<td>Yuk Ying School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>164. Yuen Long</td>
<td>Chick Kwai Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>165. Yuen Long</td>
<td>Chuk Hing Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>166. Yuen Long</td>
<td>Hing Sam School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>167. Yuen Long</td>
<td>Hip Yee Primary School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>168. Yuen Long</td>
<td>Kai Tak School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>169. Yuen Long</td>
<td>Kam Chuen School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>170. Yuen Long</td>
<td>Kam Yan School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>171. Yuen Long</td>
<td>Man Kei Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>172. Yuen Long</td>
<td>Sheung Che Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>173. Yuen Long</td>
<td>Siu Hum Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>174. Yuen Long</td>
<td>Sung En Primary School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>175. Yuen Long</td>
<td>Tai On Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>176. Yuen Long</td>
<td>Tai Sang Wai Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>177. Yuen Long</td>
<td>Ting Sze School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>178. Yuen Long</td>
<td>Wang Toi Shan Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>179. Yuen Long</td>
<td>Yau Tam Mei Primary School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>180. Yuen Long</td>
<td>Ying Yin Catholic Primary School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>181. Yuen Long</td>
<td>Shek Wu Public School</td>
<td>Retained for G/IC uses</td>
</tr>
<tr>
<td>182. Yuen Long</td>
<td>Yau Kung School</td>
<td>Subject to study/review</td>
</tr>
<tr>
<td>183. Yuen Long</td>
<td>Yuen Long Small Traders New Village Public School</td>
<td>Subject to study/review</td>
</tr>
</tbody>
</table>
Annex 2

Surplus Government Properties under the Management of GPA
(as at 29 May 2017)

<table>
<thead>
<tr>
<th>District Council</th>
<th>Property Address</th>
<th>Site Area (sq m) (about)</th>
<th>Floor Area (sq m) (about)</th>
<th>Original Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Davis Street Pier, Kennedy Town</td>
<td>49</td>
<td>Not applicable(^{(1)})</td>
<td>Pier</td>
<td></td>
</tr>
<tr>
<td>2. MTR Exit Reserved Area 118 Connaught Road West, Sai Wan(^{(2)})</td>
<td>Not applicable(^{(3)})</td>
<td>40</td>
<td>Reserved for MTR exit</td>
<td></td>
</tr>
<tr>
<td>3. MTR Exit Reserved Area Chong Yip Centre 402 and 404 Des Voeux Road West, Sai Wan(^{(2)})</td>
<td>Not applicable(^{(3)})</td>
<td>35</td>
<td>Reserved for MTR exit</td>
<td></td>
</tr>
<tr>
<td>Southern</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Eastern Portion of Ex-Victoria Road Detention Centre</td>
<td>730</td>
<td>194</td>
<td>Detention centre</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. There is no superstructure on the property.

2. The property cannot be put to alternative uses as its use is restricted to MTR exit by the relevant Deed of Mutual Covenant.

3. The property is an undivided part of the building development.

Source: GPA

Annex 3

TGLAs (tabulated by District Council district)

<table>
<thead>
<tr>
<th>District Council</th>
<th>Number of TGLAs</th>
<th>Area (about) (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td>231</td>
<td>47</td>
</tr>
<tr>
<td>Eastern</td>
<td>168</td>
<td>46</td>
</tr>
<tr>
<td>Southern</td>
<td>241</td>
<td>81</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>163</td>
<td>184</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>195</td>
<td>149</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>135</td>
<td>118</td>
</tr>
<tr>
<td>District Council</td>
<td>Number of TGLAs</td>
<td>Area (about) (hectares)</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>81</td>
<td>36</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>83</td>
<td>41</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>68</td>
<td>26</td>
</tr>
<tr>
<td>Islands</td>
<td>383</td>
<td>730</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>150</td>
<td>414</td>
</tr>
<tr>
<td>North</td>
<td>522</td>
<td>356</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>395</td>
<td>441</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>316</td>
<td>58</td>
</tr>
<tr>
<td>Tai Po</td>
<td>311</td>
<td>161</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>165</td>
<td>33</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>170</td>
<td>281</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>490</td>
<td>222</td>
</tr>
<tr>
<td>Total</td>
<td>4 267</td>
<td>3 424</td>
</tr>
</tbody>
</table>

Source: LandsD

Annex 4

TGLAs (tabulated by use)

<table>
<thead>
<tr>
<th>Use&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Number of TGLAs</th>
<th>Area (about) (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works site/works area&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>2 171</td>
<td>2 945</td>
</tr>
<tr>
<td>Storage</td>
<td>158</td>
<td>35</td>
</tr>
<tr>
<td>Open space</td>
<td>476</td>
<td>100</td>
</tr>
<tr>
<td>School/training centre</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>Others&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>1 446</td>
<td>336</td>
</tr>
<tr>
<td>Total</td>
<td>4 267</td>
<td>3 424</td>
</tr>
</tbody>
</table>

Notes:

(1) The use of TGLAs is decided based on the projects/proposals of the bureaux and departments concerned.

(2) Works sites allocated for carrying out government projects (such as those for construction of roads or highways) will normally become a part of an infrastructure upon expiry of TGLA.

(3) Government projects involved are varied, including chemical waste treatment centres, driving test centres, helicopter landing sites, service reservoirs, vehicle detention pounds, government facilities, etc.

Source: LandsD
MR NATHAN LAW (in Cantonese): I thank the Secretary for his reply. First of all, regarding TGLAs for use as "works site/works area" in Annex 4 of the main reply, I hope the Secretary can provide Members with a map showing their respective locations, so that we know the distribution of those 2,945 hectares of land in various districts across the territory.

Actually, I have been following up the subject of the main question, that is, the Government's vacant land and VSPs, for some time. Regarding the 102 VSP sites recommended for Government, Institution or Community ("G/IC") uses which can be let out under short-term tenancy, their utilization is seemingly far from satisfactory. If the use of such resources is not optimized, it means that social resources have been laid to waste.

When I asked a relevant question in the Council in February this year, the Government's response was that, "In the past three years, there were a total of four cases involving the allocation of ex-school premises sites for use by NGOs through short-term tenancy." I think such a utilization rate is indeed too low. I would like to ask the Secretary whether any lessons have been learnt from past experience to improve the existing leasing process, so that the use of such resources can be optimized? For example, has consideration been given to streamlining the application procedures, proactively approaching NGOs with the need so that the entire ex-school premises may be let out, or the Government paying for the repair and maintenance of ex-school premises so that NGOs which want to apply for the use of these sites need not bear excessive maintenance costs?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding TGLAs for use as "works site/works area" in Annex 4, as we have explained previously, their uses will change constantly over time. Some sites may be returned to the Government when the relevant works projects are completed, while others may be allocated for use in new projects. As the situation is changing constantly, it will be difficult for us to provide a map detailing the distribution of such sites over Hong Kong. But we have already listed out comprehensive information about those TGLAs in the relevant Annexes.

Regarding the use of VSP sites in the past few years, we have been encouraging the relevant bureaux and departments to make applications for their short-term use under the established mechanism. Nonetheless, I think Members
must understand clearly that many VSP sites are actually located in relatively remote areas without convenient public transport services, or they are relatively small in size. That is why our work in the past to identify suitable uses for these VSP sites has been quite constrained. I hope Members can understand the situation.

**MR IP KIN-YUEN** (in Cantonese): President, regarding the 183 VSP sites whose long-term uses have been reviewed and confirmed, I find that at least three of the sites returned by the Education Bureau to PlanD can be used by schools with sub-standard premises for expansion purpose. Yet those sites have already been returned by the Education Bureau.

Referring to Annex 2 of the main reply, for the three cases I am referring to, one is in the Eastern District and the other two in Kwai Tsing District. As shown by the photograph in my hand, there are two primary schools in the Eastern District. The authorities are now planning to use the site of one of the premises which has been left vacant since 2007 for building public rental housing ("PRH"). But right next to the VSP site, a matchbox style primary school is still in operation. Once the VSP site is converted into PRH, the school still operating in sub-standard premises will no longer have any room for improvement.

Why did the Education Bureau make such an arrangement in the first place? And what will happen eventually? Eventually, residents of the newly-constructed PRH will have to live with a school with sub-standard premises, and this school with sub-standard premises can do nothing about it. In our opinion, the arrangement is definitely unsatisfactory. I would like to ask the Government whether anything can be done to change the situation?

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, under the existing mechanism, if considered necessary by the relevant bureau, that is, if the Education Bureau considers that specific VSP sites are suitable for educational or related uses again, it can apply to take back the VSP sites concerned for the relevant uses through the Central Clearing House mechanism.
MR KENNETH LAU (in Cantonese): President, as we can see from the main reply, the authorities are seemingly at their wits' end when it comes to optimizing the use of VSP sites. Given the current high demand for international schools in society, as well as the large number of VSP sites available, will the Government consider giving priority to using the relevant sites for the development of more international schools in Hong Kong? Can the Secretary explain to us the procedures involved?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as I mentioned a moment ago, individual bureaux are responsible for policies under their respective purview. Regarding the development of international schools mentioned by Mr LAU, if the Education Bureau sees a need to construct international schools in Hong Kong, I think it will identify suitable sites for the purpose. If the Education Bureau considers any of the 183 VSP sites suitable for the said purpose, I think the Bureau will apply to use the specific site again through the Central Clearing House mechanism.

MR WILSON OR (in Cantonese): President, housing is the top priority of the work of the current-term Government as well as the next-term Government. As indicated by the Bureau in the main reply, land resources will be managed in accordance with the principle of land use optimization. As some of the 183 VSP sites are considered suitable for residential use, I would like to ask the Secretary whether PRH units and subsidized sale flats will be constructed on these sites through the Hong Kong Housing Authority ("HKHA") or the Hong Kong Housing Society? Separately, will the Government consider using some of the sites to construct youth hostels through NGOs, so as to respond to the great demand for PRH or housing by the young people?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr OR for the supplementary question. Of the 18 VSP sites recommended for residential use, 10 sites have been planned for public housing development, and the remaining 8 sites for private housing development. Regarding the number of available flats after construction, the ratio between public and private housing is about 94% to 6%. Actually, construction works in 4 of the 10 sites planned for
public housing development are already underway, while 2 of the 8 sites planned for private housing development have already been sold. The construction of public housing is primarily undertaken by HKHA, and we will follow up on coordination work with the Transport and Housing Bureau.

Regarding the construction of youth hostels mentioned by Mr OR, as I have explained a moment ago, the relevant bureaux or departments can apply for long-term use of VSP sites through the Central Clearing House mechanism if the need arises. In that case, we would be most willing to cooperate.

MR CHUNG KWOK-PAN (in Cantonese): President, the Secretary first stated in the main reply that 137 VSP sites were recommended for G/IC uses. Later he said that 32 of those sites had already been allocated to the relevant bureaux for related developments. Does it mean that the use of some 100 sites is still undecided? In this regard, I would like to raise some views. At present, many people who live in subdivided units or "caged homes" are facing great difficulties in housing, is it possible for the Government to convert those VSPs with undecided uses into temporary housing, so that tenants of subdivided units or cage homes can apply for accommodation?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr CHUNG for the supplementary question. As I mentioned in the main reply a moment ago, more than 70% of the 183 VSP sites are relatively small in size, that is, less than 0.3 hectares. Moreover, many of them are located in relatively remote rural areas lacking transport and infrastructure facilities. Thus it is difficult to use such sites for housing development. Notwithstanding the housing demand of tenants of subdivided units and "caged homes", we still need to provide suitable public transport and infrastructure facilities. Thus, considerable difficulties are involved. We will keep maintaining close liaison with the Transport and Housing Bureau. If suitable uses can be identified for those sites, we will work and cooperate through the Central Clearing House mechanism.
MR LUK CHUNG-HUNG (in Cantonese): President, the Hong Kong Federation of Trade Unions has always been concerned about the housing problem of the grass roots, and we have been demanding an increase in the supply of temporary housing. As such, we are particularly disappointed by the outcome of this review because according to the Government, only less than 10% of the 180-odd VSP sites are suitable for housing development. Actually, some of the VSP sites—let me give two random examples: CCC Kei Leung Primary School in Tuen Mun District and Conservative Baptist Lui Ming Choi Primary School in Kwun Tong District—are already provided with transport and infrastructure facilities, and their size is not small either. Why can’t these two sites be used for housing development?

Separately, at the regular meeting of the Panel on Development scheduled for the end of this month, the Government will brief Members on its policy to eradicate illegal domestic use in industrial buildings. Although we understand the need for such a policy out of safety consideration, it will definitely result in an increasing number of grass-roots households having to find new accommodation. Is it possible for the Government to introduce a policy to expedite the provision of temporary housing on such VSP sites or streamline the process of land use rezoning, and so on, so as to alleviate the housing demand of tenants of subdivided units (especially those who are now living in subdivided units in industrial buildings)?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr LUK for the supplementary question. Regarding the situation of individual VSP sites, I am afraid that I have no detailed information on hand. But we have already included all VSPs sites in the lists set out in the relevant Annexes. If Members have any specific proposals, we can follow up with the bureaux and departments concerned.

To put it simply, we will relay the views expressed by Mr LUK on temporary housing (especially temporary resettlement arrangements) to the Transport and Housing Bureau. We will work to assist the Bureau’s consideration as to whether some VSP sites may be suitable for the relevant purposes, and then decide whether further study is required.
MR KWONG CHUN-YU (in Cantonese): President, the issue of industrial buildings has aroused great concern in society recently with incidents such as those relating to Hidden Agenda, table tennis training centres in industrial buildings, and so on. Even users of Foo Tak Building have come under pressures from various government departments. For arts and cultural workers currently working in industrial buildings, the existing VSP sites may provide them with a way out. Though I must stress that these VSP sites may not adequately meet all the requirements of arts and cultural workers in industrial buildings, I would still like to ask the Secretary some questions. Firstly, regarding the VSP sites listed in the Annexes to the main reply, is there any site which the Government considers to be suitable for use by arts and cultural workers? I said so because as Members can imagine, those VSPs sites have not been managed properly for quite some time, and most of them may even be dilapidated. But in the Government's view, is there any VSP site which may be suitable for the purpose?

Secondly, if …

PRESIDENT (in Cantonese): Mr KWONG, you have already asked your supplementary question. Please sit down. Secretary, please reply.


SECRETARY FOR DEVELOPMENT (in Cantonese): President, as I mentioned in the main reply, any proposal for the use of VSP sites must first obtain the support of the relevant bureau. Regarding the use of such sites by arts groups or for other creative or workshop purposes as mentioned by Mr KWONG, I think the relevant proposals should first be submitted to the relevant bureau for consideration. Subject to its agreement, we will then review whether any of the 183 VSPs may be suitable for the purpose before other follow-up actions are taken.

WRITTEN ANSWERS TO QUESTIONS

Supply of live chickens

7. MR TOMMY CHEUNG (in Chinese): President, as there has been no import of live chickens from the Mainland to Hong Kong since 17 February 2016, all the live chickens currently available for sale locally are supplied by local farms. Also, it is learnt that the Mainland has stopped the export of live pigeons to Hong Kong a few months ago. Many members of the live poultry trade and the catering industry have indicated that the demand for live chickens is keen in Hong Kong, they therefore request the Government to actively strive for the resumption of import of live chickens and other live poultry from the Mainland to meet the market demand and drive down the selling prices of live chickens. In this connection, will the Government inform this Council:

(1) of the respective (i) quantities, (ii) average wholesale prices and (iii) average retail prices of live chickens imported from the Mainland and supplied by local farms in each of the past three years;

(2) whether the authorities have, since 17 February 2016, discussed the resumption of supply of live chickens to Hong Kong with relevant Mainland departments; if so, of the local and Mainland departments involved, the number of meetings held and the outcome; and

(3) whether the authorities will take the issue of supplying live chickens and other live poultry to Hong Kong to a higher-level discussion mechanism between the two places; if so, of the details; if not, the reasons for that?

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

(1) The quantities and average wholesale prices of live chickens imported from the Mainland and supplied by local farms in the past three years are as follows:
<table>
<thead>
<tr>
<th>Year</th>
<th>Live chicken</th>
<th>Quantity</th>
<th>Average wholesale price ($/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Imported</td>
<td>912,300</td>
<td>33.8</td>
</tr>
<tr>
<td></td>
<td>Local</td>
<td>4,000,899</td>
<td>44.6</td>
</tr>
<tr>
<td>2015</td>
<td>Imported</td>
<td>61,300</td>
<td>73.5</td>
</tr>
<tr>
<td></td>
<td>Local</td>
<td>4,055,016</td>
<td>58.6</td>
</tr>
<tr>
<td>2016</td>
<td>Imported</td>
<td>32,000</td>
<td>74.0</td>
</tr>
<tr>
<td></td>
<td>Local</td>
<td>4,041,960</td>
<td>61.0</td>
</tr>
</tbody>
</table>

Notes:

(1) The information is provided by the Agriculture, Fisheries and Conservation Department.

(2) There was no import of live chicken from 28 January to 5 September 2014.

(3) Import of live chickens from the Mainland was suspended as from 31 December 2014 due to the temporary closure of the Cheung Sha Wan Temporary Wholesale Poultry Market ("CSWTWPM") after the detection of an H7 avian influenza positive consignment of imported live poultry. Trading of live poultry at CSWTWPM resumed on 22 January 2015. There was no import of live poultry until 10 February 2015 and the import quantity had since been reduced when compared to the average in the past.

(4) There has been no import of live chickens from the Mainland since 17 February 2016.

According to the Monthly Report on the Consumer Price Index released by the Census and Statistics Department ("C&SD"), the average retail prices of top grade live chickens were $100.6, $118.6 and $125.9 per kilogram in 2014, 2015 and 2016 respectively. C&SD does not keep separate retail prices for live chickens imported from the Mainland and supplied by local farms.

(2) and (3)

The Food and Health Bureau, the Agriculture, Fisheries and Conservation Department and the Centre for Food Safety of the Food and Environmental Hygiene Department maintain close liaison with the General Administration of Quality Supervision, Inspection and Quarantine and the Ministry of Commerce as well as the relevant entry-exit inspection and quarantine bureaux of the Mainland from time to time on issues relating to food supply from the Mainland as well as safeguarding food safety, including the issue of live chicken supply to Hong Kong.
The Hong Kong Special Administrative Region Government keeps an open mind on the supply of live chickens from the Mainland. We are given to understand that since the detection of avian influenza ("AI") at the end of December 2014, in the light of the prevailing state of AI threat on the Mainland and nearby areas as well as the associated risks, the Mainland authorities have adopted more stringent measures for managing registered farms supplying live poultry to Hong Kong and Macao. We recognize the importance of the measures taken by the Mainland authorities to strengthen the prevention and control of AI on the Mainland. Although there is no import ban on live chicken from the Mainland, the Mainland registered farms, on commercial considerations, have not supplied live chicken to Hong Kong since mid-February 2016.

We will continue to liaise closely with the Mainland authorities on matters relating to the supply of live poultry from the Mainland.

Management of water resources

8. **MS CLAUDIA MO** (in Chinese): *President, the fresh water of Hong Kong mainly comes from Dongjiang water and rainfall from local catchments, which respectively account for 70% to 80% and 20% to 30% of Hong Kong's fresh water supply. Regarding the management of water resources, will the Government inform this Council:

   (1) of the cost per cubic metre for processing Dongjiang water in each of the past five years;

   (2) given that in February this year, the Government commenced the negotiation with the Guangdong authorities in respect of the agreement on the supply of Dongjiang water to Hong Kong in the coming three years, of the procedure and latest progress of the negotiation;

   (3) of the number of reservoirs which overflowed in the past five years, and the overall quantity of overflow from reservoirs last year;

   (4) of the causes for the incidents of pipe leakage, and the percentage of the quantity of fresh water so leaked in the annual total water consumption, in each of the past three years;
(5) given that the Water Supplies Department ("WSD") and the Drainage Services Department have, since 2004, made plans to implement the Inter-reservoirs Transfer Scheme to channel the overflow from the Kowloon Group of Reservoirs to Lower Shing Mun Reservoir and to convert such overflow into potable water resources, but the Government reportedly deferred the implementation of the Scheme due to the implementation of a number of infrastructure projects in the past, whether the Government will accord priority to the implementation of the Scheme; if so, of the details; if not, the reasons for that;

(6) as WSD plans to progressively establish a "Water Intelligent Network" to enable continuous monitoring of the conditions of the water supply networks in the territory, of the latest progress, work schedule and completion date of the project; and

(7) as WSD is developing a smartphone application named Smart Metering System, of the relevant details and progress?

SECRETARY FOR DEVELOPMENT (in Chinese): President, our fresh water resources mainly come from rainfall. Nevertheless, the rainfall is unstable and the yield collected from local catchments is inadequate to meet our needs. Therefore, Hong Kong needs to import Dongjiang water to fill the gap arising from inadequate local yield.

However, there is competing demand for Dongjiang water from the cities in the Guangdong Province. As a good partner city in the Pearl River Delta Region, we need to manage our water resources properly to ensure its sustainable use.

My reply to the seven parts of Ms Claudia MO's question is as follows:

(1) To enhance operation efficiency and assure a reliable and stable water supply, Dongjiang water is transported to water treatment works, either directly or by way of impounding reservoirs, and pooled with the rain water collected locally for treatment. As such, the Water Supplies Department ("WSD") does not have a separate breakdown on the expenditures for processing Dongjiang water.
The table below sets out the unit treatment cost\(^{(1)}\) for potable water (including Dongjiang water and rain water collected locally) in Hong Kong for the past five years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Unit Treatment Cost ($ per cubic metre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012</td>
<td>0.8</td>
</tr>
<tr>
<td>2012-2013</td>
<td>0.9</td>
</tr>
<tr>
<td>2013-2014</td>
<td>0.9</td>
</tr>
<tr>
<td>2014-2015</td>
<td>1.0</td>
</tr>
<tr>
<td>2015-2016</td>
<td>1.0</td>
</tr>
</tbody>
</table>

(2) With the current agreement for the supply of Dongjiang water due to expire at the end of this year, we have commenced negotiation with the Guangdong authorities for a new agreement since February 2017. To date, we have conducted four rounds of negotiations and covered the main issues of the new agreement, including water quality, supply quantities, charging model and water prices, etc. We have also proposed to the Guangdong side to explore the feasibility of adopting "payment on actual supply quantity" model as proposed by some Legislative Council members.

(3) Since the adoption of the "package deal lump sum" and flexible supply arrangement in the Dongjiang water supply agreements in 2006, we can effectively control the overflow from impounding reservoirs. Indeed, overflow from local impounding reservoirs has been drastically reduced by about 71\%, from an annual average of around 94 million cubic metres between 1996 and 2005 to around 27 million cubic metres in recent years (from 2006 to 2016). At present, overflow mainly occurs in small to medium impounding reservoirs, which were built between the end of 19\textsuperscript{th} century and the middle of 20\textsuperscript{th} century. As these reservoirs were designed to meet the water needs then, they featured relatively small storage capacities and are prone to overflow in times of persistently heavy rainstorms in rainy season.

Impounding reservoirs/reservoir groups which have overflowed over the past five years include Tai Tam Group of Reservoirs, Kowloon Group of Reservoirs, Aberdeen Group of Reservoirs, Shek Pik

(1) The unit treatment cost excludes the costs for transport, distribution and customer services.
Reservoir and Tai Lam Chung Reservoir. The volume of reservoir overflow is largely dependent on the weather and rainfall of the year concerned. For instance, the volume of reservoir overflow reached 28.5 million cubic metres in 2016 while that in 2015 was 3.3 million cubic metres only.

(4) Given the hilly terrain of Hong Kong, the service reservoirs need to be built at high altitude in order to facilitate water supply to premises at different levels. Hence, water mains at lower altitudes operate under relatively high water pressure most of the time. The ageing of some water mains and disturbances arising from such factors as frequent roadworks, ground settlement, external loading and vibration further exacerbate the problem and make the water distribution networks prone to leakage.

With the Replacement and Rehabilitation Programme of Water Mains substantially completed, the condition of the water distribution networks has improved greatly. The number of main bursts and leakage rate in water mains have reduced significantly. The water mains leakage rate has dropped from about 25% in 2000 to 16% in 2014 and about 15% in 2015 and 2016.

(5) We took the opportunity during the formulation of the Lai Chi Kok Transfer Scheme for reducing the flood risks in the West Kowloon region to take forward the Inter-Reservoirs Transfer Scheme ("IRTS") concurrently. Under IRTS, a tunnel connecting the Kowloon Byewash Reservoir and the Lower Shing Mun Reservoir will be built to transfer the overflow from the Kowloon Group of Reservoirs to Lower Shing Mun Reservoir to achieve the dual objectives of reducing the run-off flowing into the Lai Chi Kok drainage system and converting the overflow into potable water resources. Currently, the Drainage Services Department is reviewing the detailed design, method statements and environmental impact assessments of IRTS in order to enhance its cost-effectiveness and prepare the implementation schedule to proactively take forward its implementation.

(6) Under the Water Intelligent Network ("WIN") project, the water distribution networks of Hong Kong will be divided into some 2 000 discrete District Metering Areas ("DMAs") of manageable size, with monitoring and sensing equipment installed in the distribution
network of each DMA. WSD is also working to provide an intelligent network management computer system to analyse the tremendous amount of data collected from the monitoring and sensing equipment to formulate the most effective network management measures and their respective priorities for individual DMAs. As at March 2017, around 1 000 DMAs have been set up. We expect that the whole WIN will be put in place in five years' time.

(7) WSD has developed an Automatic Meter Reading application for smartphones which provides the latest records on domestic water consumption to help the public conserve domestic water consumption and monitor water loss from inside services. WSD is testing the application at the public housing estates and government quarters that have previously installed smart water meters.

Provision of public payphones

9. MR LEUNG CHE-CHEUNG (in Chinese): President, some members of the public have relayed to me that a number of public payphone kiosks have been built along certain walkways with high pedestrian flows, but several public payphones ("payphones") in them are unserviceable as they have remained unrepaired since they broke down. On the other hand, given that as at February this year, the mobile subscriber penetration rate was as high as 232%, occasions on which members of the public need to use such payphones are fewer than those in the past. In this connection, will the Government inform this Council:

(1) of the current number of payphones across the territory (with a breakdown by District Council district);

(2) whether it knows the number of calls made in each of the past three years through payphones (with a breakdown by whether the telephone numbers dialled were local, Mainland or overseas numbers);

(3) whether the authorities have formulated planning guidelines specifying the number and locations of payphones to be installed, and whether they have required local fixed network operators ("FNOs") to repair, within a specified time limit, their payphones which have broken down;
(4) given that the FNO with the universal service obligation ("USO") is entitled to recover the net cost for meeting its USO by collecting universal service contribution ("USC") from other service operators, of the amount of USC payable, in accordance with the level set by the authorities, in each of the past three years for the provision of uneconomic payphones; and

(5) whether the authorities will assess afresh the need of the public or tourists to use payphones; in respect of the situation in which a number of payphone kiosks have been built along some walkways with high pedestrian flows, whether the authorities will discuss with the FNOs concerned the removal of those payphones with low usage, so as to improve the pedestrian environment; if they will not, of the reasons for that?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, in respect of the question by Member on public payphones ("Payphones"), my reply is as follows:

(1) As at end of March 2017, there were a total of 3,147 Payphones in Hong Kong, of which 1,562 were installed on unleased Government land such as public streets, while 1,585 were installed within buildings.

The distribution of Payphones installed on unleased Government land is as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>Number of Payphones (As at end of March 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td>96</td>
</tr>
<tr>
<td>Eastern</td>
<td>101</td>
</tr>
<tr>
<td>Southern</td>
<td>48</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>72</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>71</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>80</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>79</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>61</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>139</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>102</td>
</tr>
<tr>
<td>North</td>
<td>93</td>
</tr>
</tbody>
</table>
Telecommunications operators are not required to apply to the Government for installing Payphones within buildings. The Office of the Communications Authority ("OFCA") does not keep record of the distribution of this type of Payphones by district.

(2) At present, the great majority of Payphone service is provided by PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited ("HKT") under the universal service obligation ("USO") specified in its unified carrier licence ("UCL"), whilst the rest is provided by two other operators on a commercial basis.

According to the data obtained from HKT by OFCA, during 2014 and 2015, about 44% of the Payphones operated by the company had an average revenue of more than HK$1 per day, and about 56% had an average revenue of not more than HK$1 per day.

Other than the information above, OFCA does not have separate information on the number of calls and the called destinations by Payphones in the past three years.

(3) Pursuant to UCLs issued by the Communications Authority ("CA"), operators are required to operate, maintain and provide a good, efficient and continuous telecommunications service in a manner satisfactory to CA. In addition, under the USO arrangement, HKT is required under the Telecommunications Ordinance (Cap. 106) to ensure that a good, efficient and continuous "basic service", including Payphone service, is, in the CA's opinion, reasonably available to all persons within Hong Kong. Based on its

<table>
<thead>
<tr>
<th>District</th>
<th>Number of Payphones (As at end of March 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sai Kung</td>
<td>73</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>141</td>
</tr>
<tr>
<td>Tai Po</td>
<td>90</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>73</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>100</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>116</td>
</tr>
<tr>
<td>Islands</td>
<td>23</td>
</tr>
<tr>
<td>Others (Shenzhen Bay Control Point)</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,562</strong></td>
</tr>
</tbody>
</table>
assessment and public requests, HKT installs Payphones at locations with demand to comply with the requirement of USO. As for the other operators, the provision of Payphone service is based on commercial considerations. CA has not set separate guidelines on the number and location of Payphones.

The operators concerned are obliged to ensure proper operation of their Payphone service. In general, the operators will conduct routine inspections of Payphones and equipment on a regular basis to ensure their proper operation. In case of any damage, service disruption or interruption of Payphones, the operators concerned are required to take action and restore service as soon as possible so as to minimize inconvenience to users. If members of the public have any enquiries regarding the use and operation of Payphones, they may contact the operators concerned direct, or inform OFCA of the serial numbers or locations of the Payphones with problems for OFCA to refer to the operators concerned for follow-up.

(4) Under USO, all fixed and mobile service operators, including HKT itself, are obliged to share the net cost of providing universal service.

The amounts of universal service contribution ("USC") for Payphone service for 2012, 2013 and 2014 were HK$27.2 million, HK$27.6 million and HK$21.6 million respectively, which were shared by about 30 fixed and mobile service operators. CA is reviewing USC for 2015.

(5) With the increasing popularity of mobile phones, OFCA has from time to time received public views requesting removal of certain Payphones.

In the light of this, OFCA has been in consultation with the industry over the review of the number of Payphones under USO in the past 12 months. The matter has also been discussed at the Telecommunications Regulatory Affairs Advisory Committee of OFCA. OFCA plans to consult District Councils and other relevant stakeholders in the second half of this year after CA has finalized the guiding principles and details of the review.
Measures to attract companies located outside Hong Kong to establish operations in Hong Kong

10. **MR CHAN KIN-POR** (in Chinese): President, the Chief Executive has said on several occasions that, under the "Belt and Road" Initiative, Hong Kong can perform the role of "super connector" between the Mainland and countries along the "Belt and Road". However, according to the Reports on Annual Survey of Companies in Hong Kong Representing Parent Companies Located Outside Hong Kong published by the Census and Statistics Department, the numbers of regional headquarters ("RHQs") and regional offices ("ROs") established in Hong Kong by companies located outside Hong Kong ("non-Hong Kong companies") have shown a downward trend in recent years, with the former decreasing by 22 from 1,401 in 2015 to 1,379 in last year, and the latter decreasing by 11% from 2,644 in 2007 to 2,352 in last year. In this connection, will the Government inform this Council:

(1) whether it knows the reasons why non-Hong Kong companies had removed their RHQs and ROs from Hong Kong; if it does not know, of the reasons for that;

(2) of the measures and support in place to attract non-Hong Kong companies to invest and establish operations in Hong Kong; if no such measures and support are in place, of the reasons for that; and

(3) whether it will consider providing financial incentives (e.g. tax concessions) to attract non-Hong Kong companies to establish RHQs and ROs in Hong Kong, with a view to promoting economic development and creating more employment opportunities for local talents?

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): President, my reply to the three parts of the question is as follows:

(1) The Census and Statistics Department, in collaboration with Invest Hong Kong ("InvestHK"), conducts an annual survey on the number of overseas and Mainland companies with Hong Kong business operations. This annual survey, the response to which is voluntary
in nature, gathers statistics on the profile of the regional headquarters ("RHQs"), regional offices ("ROs") and local offices ("LOs") in Hong Kong representing their parent companies located outside Hong Kong. It also collects views on the attractiveness of Hong Kong as a location for setting up RHQ/ROs/LOs. In the 2016 survey, a total of 1 379 RHQs, 2 352 ROs and 4 255 LOs responded.

In fact, the numbers of RHQs, ROs and LOs responded in the annual survey vary from year to year. Since 2007, the number of RHQs has registered a year-on-year increase ranging from 0.7% to 4.3%, except for the drops in 2009 (-3.5%) and 2016 (-1.6%). For ROs, the year-on-year changes ranged from 4.3% to -9.9%, whereas for LOs, the year-on-year increase ranged from 3.2% to 9.3%.

Despite the changes in the number of RHQs and ROs over the years, we have so far not seen any evidence suggesting a trend of RHQs and ROs retreating from Hong Kong. We are looking into the possible reasons for the change and our preliminary view is that the contributing factors might involve hiving off of operations of the Hong Kong RHQs/ROs (e.g. overseas offices managed by the Hong Kong RHQs/ROs becoming independent as part of a natural business process, and hence the managerial or coordination functions of the Hong Kong RHQs/ROs become unnecessary) or restructuring of business of parent companies (e.g. closure of overseas offices which used to be managed by the Hong Kong RHQs/ROs).

(2) Hong Kong offers a business-friendly environment for overseas and Mainland companies to establish their presence or expand business. Through InvestHK, the Government offers one-stop, free and customized support services to companies which plan to invest in Hong Kong from the planning to implementation stages. The following support services are provided:

(i) Provision of business information: Provide the latest information on Hong Kong's business environment including sector-specific advice and opportunities, latest tax and business regulations, cost-of-business models, immigration requirements, employment legislation, etc.
(ii) Business facilitation support: Provide introductions to business service providers, facilitation of visa applications, advice on funding and other support schemes provided by the Government, facilitation of meeting with relevant government departments and organizations where appropriate, advice on opening and maintaining bank accounts, relocation advice, etc.

(iii) Publicity and networking opportunities: Provide publicity and marketing support (e.g. press briefings, company introduction in our case studies and bi-monthly newsletters), invitation to thematic seminars and networking events, etc.

(3) Investors would take into account a host of factors when choosing a location to set up business. As mentioned in part (1) above, the annual survey also collects views on Hong Kong as a location for setting up RHQs/ROs/LOs. As revealed in the 2016 survey, simple tax system and low tax rate are regarded by the majority of the RHQs/ROs/LOs as favourable factors for Hong Kong. Others favourable factors included free flow of information, geographical location and free port status.

As an international financial centre, Hong Kong possesses sound legal and banking systems, diversified capital markets, as well as quality infrastructure and talents. These competitive edges are conducive to attracting multinational enterprises to set up RHQs/ROs/LOs in Hong Kong. To further consolidate Hong Kong's position as a financial hub, the Government has introduced dedicated tax regimes in recent years to foster the development of various industries, including corporate treasury centre and captive insurance. We trust that these measures and the existing advantages of Hong Kong will help promote economic development and increase the employment opportunities for local talents.

Statistics on employment, wages, payrolls and gross domestic product

11. **MR KWOK WAI-KEUNG** (in Chinese): President, will the Government provide the following statistics for 2004, 2010 and 2016:
(1) for various industries and occupations in each of the aforesaid years, the respective (i) numbers of employed persons, (ii) Nominal Wage Indices, (iii) Real Wage Indices, (iv) Nominal Indices of Payroll per Person Engaged, and (v) Real Indices of Payroll per Person Engaged (adopting the first quarter of 2004 as the base period, i.e. first quarter of 2004=100), broken down by gender; and

(2) in each of the aforesaid years, the respective (i) Nominal Gross Domestic Product ("GDP"), (ii) Real GDP, and (iii) growth rates of such figures (adopting the first quarter of 2004 as the base period, i.e. first quarter of 2004=100)?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President,

(1) The numbers of employed persons by gender for various industries and occupations in Hong Kong in 2004, 2010 and 2016 are set out in Table 1, whereas the nominal and real wage indices for selected industries and selected occupational groups and the nominal and real indices of payroll per person engaged for selected industries during the same period are set out in Table 2 and Table 3 respectively. The Government has not compiled wage indices and indices of payroll per person engaged broken down by gender.

(2) (i) Hong Kong's Gross Domestic Product ("GDP") at current market prices (i.e. in nominal terms) was HK$1,316.9 billion, HK$1,776.3 billion and HK$2,491.0 billion in 2004, 2010 and 2016 respectively.

(ii) In chained (2015) dollars (i.e. in real terms), Hong Kong's GDP were HK$1,593.5 billion, HK$2,074.0 billion and HK$2,447.5 billion in 2004, 2010 and 2016 respectively.

(iii) When compared with 2004, the growth rates of GDP in nominal terms were 34.9% and 89.1% in 2010 and 2016 respectively; and the growth rates of GDP in real terms were 30.2% and 53.6% in 2010 and 2016 respectively.
Table 1: Number of employed persons\(^{(1)}\) (excluding foreign domestic helpers) by gender in various industries and occupations

(i) By industry\(^{(2)}\) and gender

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Both genders</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>139 700</td>
<td>84 000</td>
<td>223 700</td>
</tr>
<tr>
<td>Construction</td>
<td>249 700</td>
<td>19 900</td>
<td>269 600</td>
</tr>
<tr>
<td>Import/export trade and wholesale</td>
<td>293 800</td>
<td>256 000</td>
<td>549 800</td>
</tr>
<tr>
<td>Retail</td>
<td>118 600</td>
<td>156 300</td>
<td>274 800</td>
</tr>
<tr>
<td>Accommodation(^{(3)}) and food services</td>
<td>125 700</td>
<td>122 200</td>
<td>247 900</td>
</tr>
<tr>
<td>Transportation, storage, postal and courier activities</td>
<td>247 500</td>
<td>63 700</td>
<td>311 200</td>
</tr>
<tr>
<td>Information and communications</td>
<td>35 200</td>
<td>14 200</td>
<td>49 500</td>
</tr>
<tr>
<td>Financing and insurance</td>
<td>79 500</td>
<td>92 100</td>
<td>171 600</td>
</tr>
<tr>
<td>Real estate</td>
<td>80 100</td>
<td>34 100</td>
<td>114 200</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>128 600</td>
<td>71 800</td>
<td>200 400</td>
</tr>
<tr>
<td>Public administration, social and personal services</td>
<td>299 100</td>
<td>386 600</td>
<td>685 600</td>
</tr>
<tr>
<td>Other industries</td>
<td>18 100</td>
<td>5 000</td>
<td>23 100</td>
</tr>
<tr>
<td>Overall</td>
<td>1 815 400</td>
<td>1 306 000</td>
<td>3 121 500</td>
</tr>
</tbody>
</table>
(ii) By occupation\(^{(4)}\) and gender

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Both genders</td>
</tr>
<tr>
<td>Managers and administrators</td>
<td>216 800</td>
<td>82 200</td>
<td>299 000</td>
</tr>
<tr>
<td>Professionals</td>
<td>144 800</td>
<td>78 400</td>
<td>223 200</td>
</tr>
<tr>
<td>Associate professionals</td>
<td>356 100</td>
<td>266 300</td>
<td>622 500</td>
</tr>
<tr>
<td>Clerical support workers</td>
<td>139 800</td>
<td>390 800</td>
<td>530 500</td>
</tr>
<tr>
<td>Service and sales workers</td>
<td>255 100</td>
<td>253 500</td>
<td>508 600</td>
</tr>
<tr>
<td>Craft and related workers</td>
<td>256 600</td>
<td>11 900</td>
<td>268 500</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>206 300</td>
<td>26 300</td>
<td>232 600</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>234 400</td>
<td>194 700</td>
<td>429 100</td>
</tr>
<tr>
<td>Other occupations</td>
<td>5 500</td>
<td>1 800</td>
<td>7 400</td>
</tr>
<tr>
<td>Overall</td>
<td>1 815 400</td>
<td>1 306 000</td>
<td>3 121 500</td>
</tr>
</tbody>
</table>

Notes:

1. The number of employed persons includes persons aged 15 and over who have been at work for pay or profit during the seven days before enumeration or who have had formal job attachment. Unpaid family workers and persons who were on leave/holiday during the seven days before enumeration are also included.


3. Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.


Figures may not add up to the totals due to rounding.

Source: General Household Survey, Census and Statistics Department
Table 2: Nominal wage indices ("NWI") and real wage indices ("RWI")\(^{(1)(2)}\) for selected industries and selected occupational groups

(i) By selected industry

(March 2004=100)

<table>
<thead>
<tr>
<th>Selected industry</th>
<th>December 2004</th>
<th>December 2010</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>NWI 101.6</td>
<td>106.8</td>
<td>143.7</td>
</tr>
<tr>
<td></td>
<td>RWI 100.8</td>
<td>92.7</td>
<td>98.4</td>
</tr>
<tr>
<td>Import/export, wholesale and retail trades</td>
<td>NWI 99.9</td>
<td>112.2</td>
<td>139.9</td>
</tr>
<tr>
<td></td>
<td>RWI 99.1</td>
<td>97.4</td>
<td>95.8</td>
</tr>
<tr>
<td>Accommodation(^{(3)}) and food service activities</td>
<td>NWI 99.2</td>
<td>107.0</td>
<td>153.7</td>
</tr>
<tr>
<td></td>
<td>RWI 98.4</td>
<td>92.9</td>
<td>105.3</td>
</tr>
<tr>
<td>Transportation</td>
<td>NWI 100.4</td>
<td>106.8</td>
<td>135.6</td>
</tr>
<tr>
<td></td>
<td>RWI 99.6</td>
<td>92.7</td>
<td>92.8</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>NWI 103.7</td>
<td>114.0</td>
<td>147.5</td>
</tr>
<tr>
<td></td>
<td>RWI 102.9</td>
<td>99.0</td>
<td>101.0</td>
</tr>
<tr>
<td>Real estate leasing and maintenance management</td>
<td>NWI 99.5</td>
<td>109.4</td>
<td>157.1</td>
</tr>
<tr>
<td></td>
<td>RWI 98.7</td>
<td>95.0</td>
<td>107.6</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>NWI 99.8</td>
<td>117.9</td>
<td>180.0</td>
</tr>
<tr>
<td></td>
<td>RWI 99.0</td>
<td>102.3</td>
<td>123.3</td>
</tr>
<tr>
<td>Personal services</td>
<td>NWI 102.6</td>
<td>122.4</td>
<td>188.3</td>
</tr>
<tr>
<td></td>
<td>RWI 101.8</td>
<td>106.3</td>
<td>128.9</td>
</tr>
<tr>
<td>All selected industries(^{(4)(5)})</td>
<td>NWI 100.0</td>
<td>112.1</td>
<td>151.0</td>
</tr>
<tr>
<td></td>
<td>RWI 99.2</td>
<td>97.3</td>
<td>103.4</td>
</tr>
</tbody>
</table>

(ii) By selected occupational group

(March 2004=100)

<table>
<thead>
<tr>
<th>Selected occupational group</th>
<th>December 2004</th>
<th>December 2010</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisory and technical workers</td>
<td>NWI 99.8</td>
<td>113.6</td>
<td>149.3</td>
</tr>
<tr>
<td></td>
<td>RWI 99.0</td>
<td>98.6</td>
<td>102.2</td>
</tr>
<tr>
<td>Clerical and secretarial workers</td>
<td>NWI 99.6</td>
<td>113.2</td>
<td>138.5</td>
</tr>
<tr>
<td></td>
<td>RWI 98.8</td>
<td>98.3</td>
<td>94.9</td>
</tr>
</tbody>
</table>
### Selected occupational group

<table>
<thead>
<tr>
<th>Selected occupational group</th>
<th>December 2004</th>
<th>December 2010</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RWI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Craftsmen and operatives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWI</td>
<td>98.0</td>
<td>109.1</td>
<td>163.1</td>
</tr>
<tr>
<td>RWI</td>
<td>97.2</td>
<td>94.7</td>
<td>111.7</td>
</tr>
<tr>
<td><strong>Service workers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWI</td>
<td>100.8</td>
<td>113.1</td>
<td>165.1</td>
</tr>
<tr>
<td>RWI</td>
<td>100.0</td>
<td>98.2</td>
<td>113.1</td>
</tr>
<tr>
<td><strong>Miscellaneous non-production workers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWI</td>
<td>101.5</td>
<td>109.2</td>
<td>140.1</td>
</tr>
<tr>
<td>RWI</td>
<td>100.7</td>
<td>94.8</td>
<td>95.9</td>
</tr>
<tr>
<td><strong>All selected occupations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWI</td>
<td>100.0</td>
<td>112.1</td>
<td>151.0</td>
</tr>
<tr>
<td>RWI</td>
<td>99.2</td>
<td>97.3</td>
<td>103.4</td>
</tr>
</tbody>
</table>

Notes:

1. Wage includes basic wage and other regular and guaranteed allowances and bonuses.

2. Real wage indices are obtained by deflating nominal wage indices by the Consumer Price Index (A).

3. Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

4. Refers to all industries covered by the wage enquiry of the Labour Earnings Survey, including the electricity and gas supply industry, sewerage and waste management activities industry and publishing activities industry, the statistics of which are not separately shown.

5. The survey covers employees employed in the selected occupations up to supervisory level for the selected industries only. Employees at managerial and professional levels are not covered.

Source: Labour Earnings Survey, Census and Statistics Department

Table 3: Nominal indices of payroll per person engaged ("NPI") and real indices of payroll per person engaged ("RPI")\(^{(1)(2)}\) for selected industries

(First Quarter, 2004=100)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>NPI 91.0</td>
<td>97.6</td>
<td>131.3</td>
</tr>
<tr>
<td></td>
<td>RPI 90.6</td>
<td>85.0</td>
<td>91.9</td>
</tr>
<tr>
<td>Sewerage, waste management and remediation activities</td>
<td>NPI 101.7</td>
<td>153.5</td>
<td>209.0</td>
</tr>
<tr>
<td></td>
<td>RPI 101.3</td>
<td>133.8</td>
<td>146.3</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Import/export and wholesale trades</td>
<td>NPI 84.8</td>
<td>106.7</td>
<td>142.4</td>
</tr>
<tr>
<td></td>
<td>RPI 84.5</td>
<td>92.9</td>
<td>99.7</td>
</tr>
<tr>
<td>Retail trade</td>
<td>NPI 91.2</td>
<td>119.0</td>
<td>173.6</td>
</tr>
<tr>
<td></td>
<td>RPI 90.9</td>
<td>103.7</td>
<td>121.6</td>
</tr>
<tr>
<td>Transportation, storage, postal and courier services</td>
<td>NPI 102.1</td>
<td>115.3</td>
<td>145.1</td>
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<tr>
<td></td>
<td>RPI 101.7</td>
<td>100.4</td>
<td>101.6</td>
</tr>
<tr>
<td>Accommodation(^{(3)}) and food service activities</td>
<td>NPI 95.1</td>
<td>108.5</td>
<td>157.4</td>
</tr>
<tr>
<td></td>
<td>RPI 94.7</td>
<td>94.5</td>
<td>110.2</td>
</tr>
<tr>
<td>Information and communications</td>
<td>NPI 89.6</td>
<td>97.5</td>
<td>137.5</td>
</tr>
<tr>
<td></td>
<td>RPI 89.3</td>
<td>84.9</td>
<td>96.2</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>NPI 90.5</td>
<td>132.4</td>
<td>170.2</td>
</tr>
<tr>
<td></td>
<td>RPI 90.2</td>
<td>115.3</td>
<td>119.2</td>
</tr>
<tr>
<td>Real estate activities</td>
<td>NPI 97.7</td>
<td>96.5</td>
<td>146.6</td>
</tr>
<tr>
<td></td>
<td>RPI 97.3</td>
<td>84.0</td>
<td>102.6</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>NPI 98.6</td>
<td>115.5</td>
<td>162.6</td>
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<tr>
<td></td>
<td>RPI 98.2</td>
<td>100.6</td>
<td>113.8</td>
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<tr>
<td>Social and personal services</td>
<td>NPI 99.8</td>
<td>101.7</td>
<td>128.8</td>
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<tr>
<td></td>
<td>RPI 99.4</td>
<td>88.6</td>
<td>90.2</td>
</tr>
<tr>
<td>All selected industries(^{(4)})</td>
<td>NPI 93.9</td>
<td>109.3</td>
<td>149.5</td>
</tr>
<tr>
<td></td>
<td>RPI 93.6</td>
<td>95.2</td>
<td>104.7</td>
</tr>
</tbody>
</table>

Notes:

1. In addition to elements covered by wage, payroll also covers other irregular payments to workers such as discretionary bonuses and overtime allowances.

2. Real indices of payroll per person engaged are obtained by deflating nominal indices of payroll per person engaged by the Composite Consumer Price Index.

3. Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

4. Refers to all industries covered by the payroll enquiry of the Labour Earnings Survey, including the mining and quarrying industry and the electricity and gas supply industry, the statistics of which are not separately shown. Payroll data for different occupations is not collected in the enquiry.

Source: Labour Earnings Survey, Census and Statistics Department
Compensation for owners affected by redevelopment projects of the Urban Renewal Authority

12. **MR SHIU KA-CHUN** (in Chinese): President, according to the Land Resumption and Compensation in the Urban Area—Guidelines for Owners, Occupiers and Surveyors ("LD Guidelines") issued by the Lands Department, in addition to statutory compensation, owner-occupiers affected by the Government's land resumption exercises may also receive the Home Purchase Allowance ("HPA"). The amount of HPA payable to individual owners is the difference between the value of a notional replacement flat (based on a seven-year-old flat of a size similar to the resumed flat and in the same locality) and the open market value of the resumed flat. On the other hand, the Urban Renewal Authority ("URA") adopts a similar principle in offering HPA to owner-occupiers affected by its redevelopment projects and has drawn up valuation guidelines with reference to the LD Guidelines. According to the valuation guidelines, URA engages surveyors to collect and analyze information on property transactions in the same locality as the redevelopment project, in order to work out the price per square foot for the notional seven-year-old replacement flat (commonly known as "the price per square foot for a seven-year-old flat"). In this connection, will the Government inform this Council:

(1) whether it knows the following information about each of the redevelopment projects undertaken by URA in the past 10 years (to be set out in a table): (i) the name of the project, (ii) the announcement date, (iii) the number of residential flats involved, (iv) the number of residential flats occupied by owners, (v) the names of the surveying companies providing valuation services, (vi) the valuation date for the price per square foot for a seven-year-old flat, (vii) the highest and lowest prices per square foot for a seven-year-old flat offered to the owners concerned, (viii) the names and numbers of flats of the housing estates in the same locality adopted for comparison in the valuation reports concerned, (ix) the date on which acquisition offers were made to the owners concerned, (x) the deadline for the owners concerned to accept the acquisition offers, and (xi) the percentage of owners who accepted the initial acquisition offer in the total number of the owners concerned;
(2) of the date on which the LD Guidelines were amended by the Government each time and details of the amendment(s), since the age of a notional replacement flat was adjusted downward from 10 years to seven years in March 2001;

(3) whether it knows if URA has, each time after the LD Guidelines were amended, forthwith amended its valuation guidelines accordingly; if so, of the dates and details of each amendment; and

(4) whether it will request URA to make public its valuation guidelines so as to enhance the transparency of the compensation arrangements for redevelopment projects; if not, of the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, after consulting the Urban Renewal Authority ("URA") and Lands Department ("LandsD"), my reply to the four-part question is as follows:

(1) According to the property acquisition policy of URA, the acquisition price of a self-occupied domestic property offered by URA to its owner-occupier is the market value (valued on vacant possession basis) of the property plus an ex-gratia allowance (i.e. Home Purchase Allowance ("HPA")). For the owner-occupier of a domestic unit, the assessment of HPA is based on the difference between the market value of the property being acquired and the value of a notional replacement flat, which is a seven-year-old flat of similar size and in similar locality to the property being acquired and located at the middle floor with average orientation (i.e. commonly known as the seven-year-old flat).

URA will appoint seven valuation consultancies to provide independent advice regarding the valuation of the notional seven-year-old replacement flat as the basis for calculating HPA of various residential properties. Regardless of the scale of the redevelopment project, the valuation consultancies will take into account the features of the project and acquire adequate transaction data of comparable properties to assess the market value of the notional replacement flat. These valuation consultancies are selected from among those on URA’s list of registered consultants by independent external parties through open lot-drawing. Any consultancy in the trade can apply for registration on the list.
After the seven valuation consultancies have individually and independently assessed the price per square foot of the notional seven-year-old replacement flat, URA will disregard the highest and the lowest figures of the seven valuations and adopt a simple arithmetic average of the remaining five valuations to arrive at the price per square foot of the seven-year-old flat, which will then become the basis of HPA calculation (the calculation mechanism).

The information of the redevelopment projects undertaken by URA since 2008 is set out in Table 1.

Generally speaking, surveyors will select as far as possible transaction cases of appropriate properties within the district with similar characteristics and transport convenience and in dates close to the valuation date for comparison. Furthermore, the valuation date of the property will be as close to the proposed acquisition date as possible. The valuation reports of individual redevelopment projects are available at the URA's Neighborhood Centres for inspection by the owner-occupiers concerned.

The percentage of owners who accepted the initial acquisition offer against the total number of the owners concerned may vary for different projects due to a number of factors such as owners' preference, market situation, location of the project, distribution of ownership, how the property is occupied, problem of title defects and proportion of untraceable owners, etc. Therefore, it is difficult to give a general percentage in this regard. Among the 25 redevelopment projects undertaken since 2008, the percentages of owners who accepted the initial acquisition offer were mostly over 50%. The list of the consultancies responsible for the property valuation in a particular project will be sent to all the property owners concerned by URA together with its initial acquisition offer.

Currently, the deadline for accepting the acquisition offer in an URA-initiated project is 60 days. For owners who do not accept the initial acquisition offer, URA will consider making revised acquisition offer to them some time after the expiry of the initial acquisition offer having regard to the actual circumstances.
The above calculation mechanism is an open, fair and impartial operation, which has been widely accepted and has all along been running effectively. URA will continue to adopt the mechanism and review it from time to time to ensure its effectiveness.

(2), (3) and (4)

Since LandsD published the Land Resumption and Compensation in the Urban Area—Guidelines for Owners, Occupiers and Surveyors ("LandsD Guidelines") in December 2001, the guidelines concerning the HPA and Supplementary Allowance ("SA") have been revised three times (see Table 2 for the details and contents of the revisions). None of the revisions have involved any change to the compensation standard for assessing the value of a notional seven-year-old replacement flat.

URA has not compiled any guidelines of its own which are independent of those of LandsD. URA will request its valuation consultancies to conduct the said valuations on the basis of the LandsD Guidelines.

Table 1

According to URA's information, 25 redevelopment projects have commenced with acquisition offers made in various districts since 2008. These projects are located in the Kowloon City District (9), the Yau Tsim Mong District (6) and the Sham Shui Po District (9), as well as a demand-led project in the Kwun Tong District. Information of these projects is as follows:

Kowloon City District

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Launch Date</th>
<th>Date of Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Number of Residential Flats</th>
<th>Number of Self-occupied Residential Flats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pak Tai Street/Mok Cheong Street</td>
<td>2008/02/29</td>
<td>2008/10/14</td>
<td>$5,492</td>
<td>52</td>
<td>20</td>
</tr>
<tr>
<td>Chi Kiang Street/Ha Heung Road</td>
<td>2008/02/29</td>
<td>2008/10/14</td>
<td>$5,173</td>
<td>52</td>
<td>17</td>
</tr>
<tr>
<td>San Shan Road/Pau Chung Street</td>
<td>2009/05/29</td>
<td>2010/04/28</td>
<td>$7,246</td>
<td>67</td>
<td>40</td>
</tr>
<tr>
<td>Ma Tau Wai Road/Chun Tin Street</td>
<td>2010/02/24</td>
<td>2011/05/30</td>
<td>$9,785</td>
<td>126</td>
<td>42</td>
</tr>
</tbody>
</table>
### Yau Tsim Mong District

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Launch Date</th>
<th>Date of Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Number of Residential Flats</th>
<th>Number of Self-occupied Residential Flats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor Street/Fuk Tsun Street</td>
<td>2008/03/07</td>
<td>2009/09/29</td>
<td>$6,607</td>
<td>59</td>
<td>37</td>
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<tr>
<td>Reclamation Street/Shan Tung Street</td>
<td>2012/02/10</td>
<td>2013/07/04</td>
<td>$11,832</td>
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<td>43</td>
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<tr>
<td>Pine Street/Oak Street (Demand-led Project)</td>
<td>2012/04/20</td>
<td>2012/10/25</td>
<td>$10,238</td>
<td>77</td>
<td>49</td>
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<tr>
<td>Fuk Chak Street/Li Tak Street (Demand-led Project)</td>
<td>2013/06/28</td>
<td>2013/09/11</td>
<td>$11,020</td>
<td>50</td>
<td>32</td>
</tr>
<tr>
<td>Ash Street (Demand-led Project)</td>
<td>2015/05/29</td>
<td>2015/08/10</td>
<td>$13,614</td>
<td>64</td>
<td>31</td>
</tr>
<tr>
<td>8-30 Man On Street and 193-199 Tai Kok Tsui Road (Demand-led Project)</td>
<td>2016/12/16</td>
<td>2017/02/24</td>
<td>$13,391</td>
<td>84</td>
<td>32</td>
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</table>
### Sham Shui Po District

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Launch Date</th>
<th>Date of Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Number of Residential Flats</th>
<th>Number of Self-occupied Residential Flats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shun Ning Road</td>
<td>2009/06/26</td>
<td>2010/04/28</td>
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<tr>
<td>Fuk Wing Street</td>
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<td>2012/05/04</td>
<td>$8,398</td>
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<td>229A-G Hai Tan Street (Demand-led Project)</td>
<td>2012/04/20</td>
<td>2012/07/04</td>
<td>$8,830</td>
<td>51</td>
<td>34</td>
</tr>
<tr>
<td>205-221A Hai Tan Street (Demand-led Project)</td>
<td>2012/04/20</td>
<td>2012/10/25</td>
<td>$9,197</td>
<td>67</td>
<td>29</td>
</tr>
<tr>
<td>Tung Chau Street/Kweilin Street (Demand-led Project)</td>
<td>2013/04/12</td>
<td>2013/06/27</td>
<td>$9,807</td>
<td>157</td>
<td>93</td>
</tr>
<tr>
<td>Kowloon Road/Kiu Yam Street (Demand-led Project)</td>
<td>2013/04/12</td>
<td>2013/06/27</td>
<td>$9,857</td>
<td>70</td>
<td>22</td>
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<tr>
<td>25-31 Wong Chuk Street (Demand-led Project)</td>
<td>2013/06/28</td>
<td>2013/09/11</td>
<td>$9,863</td>
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<td>25</td>
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<tr>
<td>Tonkin Street/Fuk Wing Street</td>
<td>2013/03/08</td>
<td>2014/09/10</td>
<td>$9,461</td>
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<td>18</td>
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<tr>
<td>Castle Peak Road/Un Chau Street</td>
<td>2014/02/21</td>
<td>2015/02/27</td>
<td>$10,649</td>
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### Kwun Tong District

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Launch Date</th>
<th>Date of Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Initial Offer of &quot;Price Per Square Foot of a Notional Flat&quot;</th>
<th>Number of Residential Flats</th>
<th>Number of Self-occupied Residential Flats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hang On Street (Demand-led Project)</td>
<td>2014/11/07</td>
<td>2015/01/16</td>
<td>$11,695</td>
<td>80</td>
<td>46</td>
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</table>
## Table 2

### Lands Department

### Land Resumption and Compensation

**in the Urban Area―Guidelines for Owners, Occupiers and Surveyors**

(Amendment of HPA and SA at paragraph 6.1.2)

<table>
<thead>
<tr>
<th>Version</th>
<th>Para. (6.1.2.)</th>
<th>Original Version December 2001</th>
<th>Amended Item</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Version of August 2006</td>
<td>(d) (i)</td>
<td>An owner of a vacant flat is eligible for the SA at 50% of the full HPA.</td>
<td>An owner of a vacant flat is eligible for the same amount of SA as an owner of a tenanted flat.</td>
<td>Illustrate the owner of vacant/tenanted flat is eligible for the same amount of SA.</td>
</tr>
<tr>
<td>(d)(ix)</td>
<td></td>
<td>Such sub-paragraph is not present</td>
<td>The following sub-paragraph (d)(ix) is added:</td>
<td>&quot;For railway projects, Government's survey or for urban renewal projects, the URA's survey (both surveys carried out at the time of announcement of the project) will normally be adopted for the purpose of determining the eligibility for HPA/SA. Government's update survey (carried out at the time of gazetting of the Resumption Notice) will be used to counter check if the owner is still entitled to HPA/SA or the same amount of HPA/SA. No additional HPA/SA entitlement or increased amount of HPA/SA will be allowed as a result of the update survey in normal circumstance.&quot;</td>
</tr>
<tr>
<td>Version</td>
<td>Para.</td>
<td>Original Version December 2001</td>
<td>Amended Item</td>
<td>Remarks</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>-------------------------------</td>
<td>--------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Revised Version of August 2006</td>
<td>(e) (i)</td>
<td>Could, within 30 days of the decision of the Director of Lands, submit an appeal.</td>
<td>Amended to &quot;60 days&quot;</td>
<td>Change time limit for appeal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secretary for Planning and Lands to review the case and make a final decision on it.</td>
<td>Amended to &quot;Secretary for Housing, Planning and Lands&quot;</td>
<td>Update post title</td>
</tr>
<tr>
<td>Revised Version of December 2011</td>
<td>(e) (i)</td>
<td>Secretary for Planning and Lands to review the case and make a final decision on it.</td>
<td>Amended to &quot;Secretary for Development&quot;</td>
<td>Update post title</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The address of the Appeals Committee at 9/F, Murray Building, Garden Road, Hong Kong.</td>
<td>The address of the Appeals Committee at 17/F, West Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong.</td>
<td>Update address of the Appeals Committee</td>
</tr>
<tr>
<td>Revised Version of July 2013</td>
<td>(d) (iii)</td>
<td>The definition of saleable area shall follow the Code of Measuring Practice issued by the Hong Kong Institute of Surveyors on 1 March 1999.</td>
<td>The definition of saleable area shall follow the Code of Measuring Practice issued by the Hong Kong Institute of Surveyors on 1 March 1999 and the subsequent supplements or amendments.</td>
<td>Concerning the subsequent supplements or amendments of the Code of Measuring Practice of the Hong Kong Institute of Surveyors.</td>
</tr>
</tbody>
</table>

Note:

The earliest version of the pamphlet "Land Resumption and Compensation in the Urban Area—Guidelines for Owners, Occupiers and Surveyors" was December 2001.

Protecting the rights and interests of workers employed by outsourced service contractors

13. **MR ANDREW WAN** (in Chinese): President, at present, quite a number of non-skilled workers are employed by outsourced service contractors ("contractors") to provide cleaning and security services to government departments ("outsourced workers"). It has been reported that last month an
aged outsourced cleaner fell sick at work allegedly due to overexertion and was sent to hospital by colleagues for treatment. The incident has aroused public concern whether outsourced workers' labour rights and interests are adequately protected. In this connection, will the Government inform this Council:

(1) whether the authorities have followed up the latest health condition of the worker following the aforesaid incident; whether they have investigated if the arrangements made by the contractor concerned in respect of the working hours, workload and working environment of outsourced workers are appropriate, and whether the contractor has contravened the employment contract, outsourced service contract or any labour legislation;

(2) as it has been reported that the said worker's workload was unreasonably high, whether the authorities will investigate if the workload to manpower ratio of the relevant outsourced services is reasonable; whether they will set the ratio as one of the items for evaluation of the tendering mechanism for outsourced services;

(3) as it has been reported that some contractors have stealthily slashed the number of workers employed in order to save cost, whether the authorities have investigated if contractors are employing an adequate number of workers in accordance with the outsourced service contracts; if they have, of the details, including whether relevant Mandatory Provident Fund contribution records have been checked and whether surprise inspections or decoy operations have been conducted; if not, the reasons for that;

(4) whether it knows the percentage of outsourced workers who have not signed continuous contracts of employment with the contractors; whether the authorities will specify in the outsourced service contracts that contractors must sign continuous contracts of employment with their outsourced workers, so as to protect the labour rights and interests of workers;

(5) whether it has set requirements on the (i) lower limits for the rest time and resting space given to outsourced workers (especially cleaners) by the contractors and (ii) upper limits for the workload
and working hours arranged for such workers by the contractors; if so, of the details; if not, the reasons for that and whether it will set the relevant requirements; and

(6) whether government departments which outsource their services at present have mechanisms and measures in place to enable outsourced workers to lodge complaints against contractors who have allegedly contravened the Employment Ordinance (Cap. 57) or employment contracts; if so, of the number of such complaints received by the authorities in the past five years, with a breakdown by content of complaint; whether a contractor bidding for new outsourced service contracts will be allotted penalty points for the reason that complaints against him have been found substantiated?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, in accordance with government procurement regulations, procuring departments shall devise mechanisms to monitor whether contractors' performance fulfils contract requirements and comply with contract terms.

After consulting the Labour Department ("LD") and the four major procuring departments in respect of service contracts that rely heavily on the deployment of non-skilled workers (namely the Food and Environmental Hygiene Department ("FEHD"), Government Property Agency ("GPA"), Housing Department ("HD") and Leisure and Cultural Services Department ("LCSD")), our reply to each part of the question is as follows:

(1) According to the information provided by FEHD, the cleansing worker concerned is a relief worker employed by the cleansing service contractor of FEHD. He was assigned to work at different locations to relieve other workers who were on leave. On the night of the incident, the cleansing worker admitted to the hospital due to respiratory infections. FEHD officers immediately visited the workers at the hospital that night, and asked the contractor to notify his family members and to arrange for deployment of a relief worker. The cleansing worker is now recuperating at home.

FEHD advises that the cleansing worker was required to work 7.5 hours from 11:00 pm to 6:30 am on the following day. On the night of the incident, he was assigned to sweep certain streets in the
contract area twice. His workload was similar to that of other cleansing workers and it was not excessive. FEHD considers that there is no evidence at this stage indicating any breach of contractual terms or labour legislations by the contractor. FEHD will contact the cleansing worker for further investigation upon his recovery.

(2) FEHD advises that the contractor who engages the cleansing worker concerned is required to provide street sweeping, litter container emptying, bagged refuse collection, public toilet cleansing and refuse collection point cleansing services in the sites designated in the contract on the mid-night shift, involving a total of 19 cleansing workers. Every night, FEHD officers check the daily attendance records of contractor's staff and conduct on-site inspection on the performance of the cleansing workers to ensure that the contractor has provided services in accordance with the contract requirements. In the past month, FEHD officers have not detected any record of absence of work of contractor's staff on the mid-night shift which may lead to increase in workload of individual staff.

At present, departments may include appropriate assessment criteria in the marking scheme, including workload and workload to staff ratio, having regard to their operational needs. As far as FEHD is concerned, the proposed manpower, post, working hours/work shifts/working areas, etc. have been included in the management or work plans submitted by the tenderers for evaluation under the standard marking scheme as part of the assessment criteria.

(3) According to the information provided by the four aforementioned major procuring departments, they will closely monitor the performance of contractors. Details are provided at Annex 1. If the procuring departments detect any irregularities of contractors, they will take appropriate follow-up actions, including referring the cases to relevant enforcement department/organization for follow-up.

(4) At present, contractors of service contracts that rely heavily on the deployment of non-skilled workers must sign the "Standard Employment Contract" ("SEC") promulgated by LD with their non-skilled workers. An employee who has been employed continuously by the same employer for four weeks or more, with at
least 18 hours of work in each week is regarded as being employed under a continuous contract. As such, whether a worker is employed under "continuous contract of employment" depends on the length of service and working hours per week as agreed between the contractor and the worker. The four aforementioned major procuring departments do not set mandatory requirement on signing "continuous contract of employment", and have no information on the percentage of workers who have not signed "continuous contracts of employment".

(5) At present, all contractors of service contracts that rely heavily on the deployment of non-skilled workers must sign the SEC promulgated by LD with their non-skilled workers. Contractors have to specify the meal breaks and daily maximum working hours of the workers in SECs.

On rest breaks and rest facilities, under the Occupational Safety and Health Ordinance (Cap. 509), employers must, so far as reasonably practicable, ensure the safety and health of employees at work, including ensuring that employees are given appropriate rest breaks. In this connection, LD has issued the Guide on Rest Breaks, which sets out that employers (including contractors of government cleansing contracts) should in consultation with their employees, work out rest breaks arrangements appropriate to the employees and meeting operational needs, including arranging appropriate rest breaks for employees working for a long period of time continuously. Procuring departments will also provide employees of their contractors with appropriate rest facilities so far as reasonably practicable. In general, employees of contractors may make use of the rest facilities open for use by the public and/or staff, if available.

(6) The four aforementioned major procuring departments adopt different serious measures in handling complaints lodged by non-skilled workers. These include setting up a Central Investigation Team to follow-up complaints against contractors for breaching employment conditions; conducting random checks and arranging regular interviews with the workers on employment matters; and affixing at the roll call points three months before the
expiry of the service contracts to remind workers that they should check their eligibility for severance payment and long service payment etc. at the expiry of their employment contracts. Hotlines are also provided for the workers to make enquiries/complaints to the authorities concerned.

The number and breakdown of the complaints relating to the suspected breach of the Employment Ordinance (Cap. 57) or breach of employment contracts received by the four aforementioned procuring departments in the past five years is at Annex 2.

One default notice will be issued to each contractor if it has breached any contractual obligations in respect of wages, daily maximum working hours, signing of SEC and wage payment by means of autopay to their non-skilled workers. Each default notice attracts one demerit point. If a contractor has accumulated a total of three demerit points over a rolling period of 36 months before the tender closing date, its tenders will not be considered for five years from the date the third demerit point was awarded.

In addition to the four aforementioned aspects, HD will put on record the breaches of other requirements or requirements not covered by the SEC. These records will become score deducting or consideration factors in the performance assessment of contractors and evaluation of tenders.

Annex 1

Mechanism on Monitoring of Service Contractors by the Major Procuring Departments

FEHD

FEHD officers conduct regular site inspections to check the attendance record of workers. This is to ensure that the number of staff provided complies with the provision committed by the contractor. Under the service contracts, contractors have to submit records on monthly attendance, paid monthly wages and contribution to the Mandatory Provident Fund (“MPF”) to FEHD. FEHD
conducts random checks on these records to ensure contractors' compliance with the relevant employment conditions. If any irregularity on MPF contribution is detected, FEHD will refer the case to the Mandatory Provident Fund Authority for follow-up.

**LCSD**

Contractors shall arrange their employees to perform the duties according to the manpower requirements stipulated in the service contracts. Outsourced workers are required to sign in and out daily on the log books placed at specified spots in venues for checking by venue management officers. In case the number of the contractors' employees on duty does not meet the requirements, or that there are contractors' employees coming in late or leaving early, LCSD may deduct the monthly service fee from the contractor concerned according to the contract terms and conditions and consider taking follow-up actions as appropriate. In addition, LCSD's venue management officers will conduct regular and surprise inspections. If a suspected breach of the Mandatory Provident Fund Schemes Ordinance is detected, LCSD's venue management officers will normally communicate with the contractor concerned to have an understanding of the matter and provide possible assistance for its employees. Where necessary, LCSD's venue management officers will assist the outsourced workers to approach relevant law enforcement agencies for follow-up.

**GPA**

GPA's property management services contracts ("Contracts") specify that contractors shall pay their non-skilled workers at a rate not lower than the committed wages or the statutory minimum wage. Under the Contracts, each of the contractors is required to submit a monthly statement certified by a Certified Public Accountant to confirm contractors' payment of the prescribed wages to their non-skilled workers. To monitor contractors' treatment of their non-skilled works in respect of wage payment and benefits, GPA regularly conducts site inspections, surprise checks and audit checks on relevant records. If the contractors have not fulfilled their contractual obligations as stipulated in relevant clauses in the SEC such as the wage level, maximum allowable daily working hours, etc., GPA will take appropriate action under the Demerit Point system. In addition, GPA regularly conducts onsite interviews with non-skilled workers on a random basis to check whether the contractors have complied with contractual requirements in relation to the payment of wages and benefits under the SEC.
HD

HD closely monitors the performance and contract compliance of services providers. HD conducts interviews with the cleansing workers at least quarterly to understand workers’ conditions for the prevention of exploitation. Furthermore, each management office has been provided with an e-Face system to monitor the attendance and working hours of non-skilled workers and to ensure that the contractors comply with the daily/weekly number and working hours of workers. In addition, the Central Monitoring Unit of HD conducts surprise checks in different estates for the protection of rights of the non-skilled workers.

Annex 2

Number of complaints received by department

<table>
<thead>
<tr>
<th>Year</th>
<th>Less wages paid</th>
<th>Without signing the SEC</th>
<th>Exceeding the maximum daily working hours</th>
<th>No severance or long service payment</th>
<th>Others^</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>2013</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>2</td>
</tr>
<tr>
<td>2014</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes:

* Figures not available.
^ Include forced dismissal, late payment of wages, holiday and no MPF contribution, etc.

Combating crimes relating to bogus marriages between Hong Kong residents and Mainlanders

14. MR JAMES TO (in Chinese): President, over the years, some cross-boundary syndicates have been arranging Mainlanders to enter into bogus marriages with Hong Kong residents, so that the Mainlanders concerned may
apply for Permits for Proceeding to Hong Kong and Macao (commonly known as "One-way Permits" ("OWPs")) for coming to Hong Kong for settlement. The Immigration Department ("ImmD") set up a special task force in 2006 to combat the related crimes. From 2008 to 2015, ImmD investigated into 5,890 suspected cases of bogus marriage and arrested 8,655 persons, 1,550 persons of which were convicted. During the same period, the terms of imprisonment imposed on persons convicted for bogus marriage varied from 4 to 24 months while the head of a syndicate was sentenced to imprisonment for four years. However, such terms of imprisonment were much shorter than the maximum imprisonment term of 14 years as stipulated in the legislation. In this connection, will the Government inform this Council:

(1) of the respective numbers of Hong Kong residents who were prosecuted and convicted for committing bogus marriage-related crimes last year, with a breakdown by their gender and the age group to which they belonged; among the convicted persons, of the number of intermediaries and the penalties generally imposed on them;

(2) given that from 2008 to 2015, the number of persons who were prosecuted and convicted for committing bogus marriage-related crimes accounted for only about one-sixth of the number of persons arrested, whether the authorities have reviewed (i) if such ratio is relatively low (if so, of the reasons for that), (ii) the effectiveness of the work of investigating bogus marriages, and (iii) the difficulties encountered in instituting prosecutions and gathering evidence; if they have reviewed, of the outcome;

(3) in order to further combat bogus marriage-related crimes, whether the authorities will (i) allocate additional resources to ImmD so that its personnel may scrutinize cross-boundary marriage registrations more stringently, and (ii) enhance intelligence exchanges with Mainland authorities and other countries;

(4) whether the authorities have plans to discuss with Mainland authorities on issues relating to the vetting of and approval for OWPs, and propose that ImmD participate in or even take up the full responsibility for the vetting and approval work for OWPs, with a view to curbing bogus marriage-related crimes more effectively;
(5) whether the authorities have studied if the penalties imposed on the aforesaid convicted persons have sufficient deterrent effect; if they have studied and the outcome is in the negative, whether the authorities will lodge appeals against certain selected cases for the purpose of seeking the promulgation of a sentencing guideline by the Court of Appeal to set out severer sentencing yardstick; and

(6) whether the authorities have reviewed the effectiveness of the existing publicity work on the seriousness of committing bogus marriage-related crimes; apart from the publicity channels such as holding press conferences, issuing press releases and receiving media interviews, whether the authorities will employ other new means (e.g. social networks) to launch publicity work?

SECRETARY FOR SECURITY (in Chinese): President, our reply to the question raised by Mr James TO is as follows:

(1) In 2016, the Immigration Department ("ImmD") investigated a total of 507 suspected cases of bogus marriage. Ninety-eight persons were successfully convicted, among which 84 were Hong Kong residents, including 54 males and 30 females. All the 98 convicted persons (including intermediaries) were sentenced to imprisonment ranging from 4 to 18 months. ImmD does not maintain other breakdown statistics mentioned in the question.

(2), (3), (5) and (6)

Any person who makes use of bogus marriage or facilitates other persons to obtain the requisite documents by aiding them in contracting bogus marriages for the purpose of entering Hong Kong shall be guilty of an offence. In the course of contracting bogus marriages, and applying for entry into Hong Kong through such marriages, the persons involved may have committed offences such as bigamy, making a false oath, giving false information, making false representation to ImmD officers and conspiracy to defraud, etc. According to the prevailing legislation of Hong Kong, any person who commits the offence of conspiracy to defraud is liable on conviction to imprisonment for up to 14 years. Furthermore, it is an offence for any person to make false representation to ImmD
officers. Such offenders may be prosecuted and, upon conviction, subject to the maximum penalty of a fine of HK$150,000 and imprisonment for 14 years. Aiders and abettors are also liable to prosecution. We believe that sentences in the past have provided effective deterrence. If ImmD considers the sentence imposed on individual cases too light to properly reflect the gravity of the offences and provide effective deterrent, it will seek legal advice from the Department of Justice on whether to request for a review of sentence or to apply for leave to appeal.

ImmD's Marriage Registries have stepped up checking on suspicious marriage registrations to further combat bogus marriage. Investigation Sub-division of ImmD has also initiated investigations into suspected bogus marriage cases. In general, the enforcement officers of ImmD will collect evidence through various ways, including carrying out spot checks by home visits, collecting circumstantial evidence and proof, and conducting separate interviews with persons involved, etc., to meet the high standard required of evidence in criminal prosecutions.

In addition, ImmD has maintained close liaison with the Mainland, and providing Mainland enforcement authorities with information of Mainland residents who have committed offences related to bogus marriage. This enables strict scrutiny of their future applications for exit endorsements. Mainland authorities will also refer cases of suspected bogus marriages to ImmD for follow-up. When persons involved in those cases come to Hong Kong in the future, ImmD will thoroughly examine their purposes of visit and may refuse their entry if their purposes of visit are in doubt. For persons who are found to have obtained their residence in Hong Kong by fraudulent means, their Hong Kong identity cards or residence status will be invalidated according to the laws of Hong Kong. They will also be subject to removal to their places of origin.

ImmD reminds from time to time members of the public to stay within the law through press conferences, press releases and media interviews. It will continue to educate and disseminate the message to members of the public via various appropriate channels on the importance of observing the law and the serious consequences of committing the offences.
Permits for Proceeding to Hong Kong and Macao, commonly known as "One-way Permits" ("OWPs"), are documents issued by relevant authorities in the Mainland. The application, approval and issuance of OWPs fall within the remit of the Mainland authorities. According to Article 22 of the Basic Law and the interpretation by the Standing Committee of the National People's Congress in 1999, Mainland residents who wish to enter Hong Kong for whatever reason must apply to the relevant authorities of their residential districts for approval in accordance with the relevant national laws and administrative regulations, and must hold valid documents issued by the relevant authorities. Accordingly, Mainland residents who wish to settle in Hong Kong for family reunion must apply for OWPs from the exit and entry administration offices of the public security authority at the places of their household registration in the Mainland. ImmD facilitates the processing of OWP applications by the Mainland authorities at case level, including, when necessary, rendering assistance in verifying the supporting documents submitted by the applicants and their claimed relationship with relatives in Hong Kong (e.g. husband and wife). Where a case is found to be suspicious or when factual discrepancies are identified, ImmD will inform the Mainland authorities and request the applicant to provide further documentary proof. ImmD will also assist the Mainland authorities in investigating cases involving OWPs obtained through unlawful means. Taking OWP applications under the category of "reunion with spouses" as an example, in case the husband-and-wife relationship is doubtful, the Mainland authorities will pass the particulars of the applicants and their spouses in Hong Kong to ImmD for verification of the personal particulars of the Hong Kong residents, the certificates of registration of marriage in Hong Kong or other relevant records. ImmD will notify the Mainland authorities of the verification results for their follow-up actions. The HKSAR Government does not consider that there is any need or justification to request the Mainland authorities to consider changing the existing OWP scheme or approval arrangements.
Traffic volume and traffic jam in Kowloon East

15. **MR WU CHI-WAI** (in Chinese): President, in the past few years, the Government has launched several public housing development projects (including the development of the Anderson Road Quarry site, the public rental housing development at Anderson Road) in Kowloon East, and has rezoned certain sites (including the sites at Wang Chiu Road of Kowloon Bay, Lam Tin and Yau Tong) within the district for housing development one after another. Some Kowloon East residents have pointed out that with the population in the Tseung Kwan O district continuously growing in recent years, the capacity of the roads in Kowloon East has now reached saturation. Besides, the major roads (including Kwun Tong Road, Clear Water Bay Road, Lung Cheung Road, Prince Edward Road East) in the district cannot be expanded due to insufficient space. Such residents are worried that the additional vehicular flows to be generated by the aforesaid development projects will paralyse traffic in the district. In this connection, will the Government inform this Council:

(1) of the (i) average vehicle speed, (ii) average traffic throughput, and (iii) annual growth rate of traffic throughput of the following five road sections during peak hours in the past five years: the section of Kwun Tong Road near Kwun Tong Town Centre, the section of Kwun Tong Road connecting Wai Yip Street of Kowloon Bay, the section of Kwun Tong Road connecting Lung Cheung Road, Clear Water Bay Road near Choi Hung Interchange, as well as Clear Water Bay Road bound for Lung Cheung Road and the roundabout at Kwun Tong Town Centre; the respective percentages of the current traffic throughput at these road sections in their design capacities (set out such information in a table);

(2) of the short-term and medium-term measures in place to (i) alleviate the traffic congestion in the road sections mentioned in (1), and (ii) divert the additional vehicular flows to be generated by the new development projects; and

(3) whether it has assessed the cumulative impact of the development projects launched since 2010 and those to be launched within the next few years on the traffic situation of Kowloon East, in particular the road sections mentioned in (1); if so, of the details?
SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the various parts of Mr WU Chi-wai's question is as follows:

(1) The average vehicle speed, traffic volume, annual growth rate of traffic volume, and volume to capacity ratio of Kwun Tong Road and Clear Water Bay Road during the morning peak hours from 2011 to 2015(1) are at Annexes 1 to 4. As the Transport Department ("TD") only collects data on traffic flow of major roads, traffic data for the roundabout at Kwun Tong Town Centre is not available.

(2) and (3)

To ensure that the transport infrastructure could cope with the additional traffic flow brought by new development projects, the Government will require project proponents to conduct traffic impact assessments ("TIAs") and put forward mitigation proposals when handling new development projects (especially housing development projects).

There is no exception to this requirement for the larger-scale development projects in Kowloon East in recent years, including the Anderson Road Public Housing Development, the Anderson Road Quarry Development as well as the Kwun Tung Town Centre Redevelopment Project. Prior to the commencement of development, the concerned organizations and Government departments have conducted TIAs in respect of the potential traffic impact of the projects in the districts concerned, taking into consideration other developments around the projects, planned road developments and road junction improvement works in the vicinity of the projects, etc. Details of the traffic improvement measures as recommended in the completed TIAs of these development projects are as follows.

In the short term, to tie in with the Anderson Road Public Housing Development, the Government has already completed a series of road improvement works to improve the traffic condition at, and near the accesses to, the Anderson Road Development Area. The works also serve to divert vehicular traffic so as to prevent a concentration of traffic on Clear Water Bay Road and New Clear Water Bay Road.

(1) The traffic survey statistics for 2016 are still being processed.
Relevant measures include widening road junctions (including the junctions of Po Lam Road with Anderson Road, New Clear Water Bay Road with Lee On Road, New Clear Water Bay Road with Anderson Road, and Hip Wo Street with Hong Ning Road) and providing an additional traffic lane on Sau Ming Road northbound.

In addition, TD has implemented a number of traffic management measures on Kwun Tong Road, Clear Water Bay Road, New Clear Water Bay Road, Choi Hung Interchange, Po Lam Road and Sau Mau Ping Road to relieve the traffic condition in Kowloon East area. The measures include adding U-Turn facility, installing traffic directional signs to guide motorists to diversion routes, extending public light bus stands, enhancing road markings, adding yellow boxes, and adjusting traffic signal timing.

In the medium term, to support the Anderson Road Quarry Development, the Government also proposes a series of road and junction improvement measures, including constructing new flyovers, and widening road sections and junctions. The Civil Engineering and Development Department plans to seek funding approval from the Legislative Council for the above works within this year. Subject to the funding approval of the Finance Committee, the works are expected to commence in early 2018 for completion in phases between 2021 and end 2023.

The Government also proposes the construction of four pedestrian links connecting the Anderson Road Quarry Development area and the neighbouring housing estates, Kwun Tong Town Centre, MTR Kwun Tong Station and the proposed bus-bus interchange at the Tseung Kwan O Tunnel toll plaza. Based on the alignment of the proposed links, there will be footbridges with lift towers or escalators to attract usage by residents of the public housing estates and private estates located on the hillside so as to reduce their use of public transport services. The construction works of the aforesaid pedestrian links have commenced progressively since March this year.

Upon the completion of the Kwun Tung Town Centre Redevelopment Project, most bus stops and minibus stops in the town centre will be relocated to the public transport interchange at
Development Areas 2 and 3 of the project. Moreover, to facilitate vehicles travelling to and from the public transport interchange, the Urban Renewal Authority will widen a road section from Hip Wo Street leading to the public transport interchange within the area of the Redevelopment Project so as to relieve traffic in the vicinity. The above traffic improvement works are now being carried out and are expected to be completed progressively between 2021 and 2024.

In the long run, the Government plans to build Route No. 6 (comprising the Tseung Kwan O—Lam Tin Tunnel, the Central Kowloon Route and the Trunk Road T2) to connect Kowloon West, Kowloon East and Tseung Kwan O areas. This express trunk road will serve to substantially alleviate and divert traffic for the road networks of Central Kowloon and Kowloon East, thereby mitigating traffic congestion in the districts concerned. The construction works for Tseung Kwan O—Lam Tin Tunnel have already commenced in 2016 and are expected to be completed in 2021. Funding approval from the Legislative Council is being sought for the Central Kowloon Route, which is scheduled for completion in 2025. For Trunk Road T2, detailed design is being carried out and its completion date will tie in with that of Central Kowloon Route as far as possible.

---

Annex 1

Average vehicle speeds at Kwun Tong Road and Clear Water Bay Road

<table>
<thead>
<tr>
<th>Road section</th>
<th>Average vehicle speed during the morning peak hours(^{(1)}) (km/h)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwun Tong Road (near Kwun Tong Town Centre)</td>
<td>Eastbound</td>
<td>14</td>
<td>32</td>
<td>31</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
<td>21</td>
<td>41</td>
<td>41</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>Kwun Tong Road (near Wai Yip Street Flyover)</td>
<td>Eastbound</td>
<td>48</td>
<td>38</td>
<td>50</td>
<td>50</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
<td>62</td>
<td>60</td>
<td>63</td>
<td>47</td>
<td>56</td>
</tr>
<tr>
<td>Kwun Tong Road (connecting Lung Cheung Road)</td>
<td>Eastbound</td>
<td>20</td>
<td>23</td>
<td>27</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
<td>50</td>
<td>37</td>
<td>54</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Road section</td>
<td>Average vehicle speed during the morning peak hours&lt;sup&gt;(1)&lt;/sup&gt; (km/h)</td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Clear Water Bay Road near Choi Hung Interchange (Eastbound)</td>
<td></td>
<td>26</td>
<td>30</td>
<td>21</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Clear Water Bay Road to Lung Cheung Road (Westbound)</td>
<td></td>
<td>23</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>19</td>
</tr>
</tbody>
</table>

Note:

(1) The driving speed on relatively shorter sections of roads can easily be affected by unexpected circumstances, such as momentary slowing down caused by other merging vehicles, temporary blockage by stationary vehicles at roadside, or pedestrian activities. Hence, the speeds so derived for individual road sections must be interpreted with care, and should not be used as the sole indicator for the changes in the level of congestion of the roads concerned.

Annex 2

Traffic volume at Kwun Tong Road and Clear Water Bay Road

<table>
<thead>
<tr>
<th>Road section&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Traffic volume during the morning peak hours (vehicle/hour)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwun Tong Road (near Wai Yip Street Flyover)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastbound</td>
<td></td>
<td>5 580</td>
<td>5 780</td>
<td>5 720</td>
<td>5 530</td>
<td>5 220</td>
</tr>
<tr>
<td>Westbound</td>
<td></td>
<td>5 020</td>
<td>5 050</td>
<td>4 950</td>
<td>4 790</td>
<td>4 940</td>
</tr>
<tr>
<td>Clear Water Bay Road near Choi Hung Interchange (Eastbound)</td>
<td></td>
<td>2 500</td>
<td>2 530</td>
<td>2 640</td>
<td>2 460</td>
<td>2 650</td>
</tr>
<tr>
<td>Clear Water Bay Road to Lung Cheung Road (Westbound)</td>
<td></td>
<td>2 710</td>
<td>2 680</td>
<td>2 740</td>
<td>2 690</td>
<td>2 540</td>
</tr>
</tbody>
</table>

Note:

(1) Transport Department does not have information on the traffic volume during the morning peak hours at Kwun Tong Road (near Kwun Tong Town Centre) and Kwun Tong Road (connecting Lung Cheung Road).
Annex 3

Year-on-year growth rate of traffic volume at Kwun Tong Road and Clear Water Bay Road

<table>
<thead>
<tr>
<th>Road section(1)</th>
<th>Year-on-year growth rate of traffic volume during the morning peak hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Kwun Tong Road (near Wai Yip Street Flyover)</td>
<td>Eastbound</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
</tr>
<tr>
<td>Clear Water Bay Road near Choi Hung Interchange (Eastbound)</td>
<td>1.2%</td>
</tr>
<tr>
<td>Clear Water Bay Road to Lung Cheung Road (Westbound)</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>

Note:

(1) Transport Department does not have information on the traffic volume during the morning peak hours at Kwun Tong Road (near Kwun Tong Town Centre) and Kwun Tong Road (connecting Lung Cheung Road). Thus, the year-on-year growth rates of traffic volume of the road sections are not available.

Annex 4

Volume to capacity ("v/c") ratio at Kwun Tong Road and Clear Water Bay Road

<table>
<thead>
<tr>
<th>Road section(1)</th>
<th>v/c ratio(2) during the morning peak hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Kwun Tong Road (near Wai Yip Street Flyover)</td>
<td>Eastbound</td>
</tr>
<tr>
<td></td>
<td>Westbound</td>
</tr>
<tr>
<td>Clear Water Bay Road near Choi Hung Interchange (Eastbound)</td>
<td>0.56</td>
</tr>
<tr>
<td>Clear Water Bay Road to Lung Cheung Road (Westbound)</td>
<td>0.60</td>
</tr>
</tbody>
</table>
Notes:

(1) Transport Department does not have information on the traffic volume during the morning peak hours at Kwun Tong Road (near Kwun Tong Town Centre) and Kwun Tong Road (connecting Lung Cheung Road). Thus, the v/c ratios of the road sections are not available.

(2) A v/c ratio is normally used to reflect the traffic situation during peak hours. A v/c ratio equal to or less than 1.0 means that the road has sufficient capacity to cope with the anticipated traffic volume. A v/c ratio above 1.0 indicates the onset of mild congestion and a v/c ratio between 1.0 and 1.2 indicates a manageable degree of congestion.

e-Government services and implementation of digital government transformation

16. MR CHARLES PETER MOK (in Chinese): President, regarding the provision of services by the Government through electronic means ("e-Government services"), and the implementation of digital government transformation, will the Government inform this Council:

(1) whether it has calculated the respective current average unit costs of delivery by the Government through four channels, namely face-to-face over the counter, telephone, mail and the Internet, the following four types of services: dissemination of information, bill payments or transactions, handling of applications and registrations, and handling of complaints; if so, set out the relevant figures in a table; whether it has estimated the frequencies and trends of members of the public in using government services through the aforesaid channels in the coming decade; if so, of the outcome;

(2) in respect of each of the four types of services mentioned in (1), of the respective 20 government services that are currently most frequently and least frequently delivered through electronic means, as well as the respective frequencies and percentages of such services delivered last year through electronic means;

(3) whether it will require various government departments to conduct user experience researches in respect of the government services that they deliver through electronic means, in order to have an
understanding of users’ needs for making improvements to such services; if so, of the details; if not, the reasons for that;

(4) of those government services on handling of applications and bill payments which are currently not yet delivered through electronic means, and the reasons for that; whether the Government will require the departments concerned to expeditiously add this additional means for service delivery;

(5) in respect of those electronic bill payment services with low utilization rates, whether the Government has plans to require the departments concerned to redesign the payment workflows and to develop simpler and more user-friendly electronic payment service interfaces; if so, of the details; if not, the reasons for that;

(6) as a report has pointed out that the Internet data volume of mobile smartphones and tablets exceeded that of desktop computers for the first time in October last year, and given that the mobile versions of websites provided by quite a number of government departments are currently available in text-only versions only, while many of such mobile versions do not support Internet Protocol version 6 ("IPv6"), whether the Government has plans to (i) require the various departments to redesign the mobile versions of their websites on the basis of IPv6, and (ii) update the standards of the Common Look and Feel for government websites, so that the looks and functions of the websites of government departments may stay abreast of latest developments;

(7) given that there has been a lapse of more than five years since the Guidelines on Dissemination of Information through Government Websites ("the Guidelines") were last revised in March 2012, whether the Government has plans to update the Guidelines; if so, of the details; if not, the reasons for that;

(8) whether it has plans to draw up afresh the standards and principles for e-Government services, and incorporate requirements such as the adoption of the agile delivery approach, ongoing user
researches, frequent reviews and enhancements, taking safety and privacy issues into account, opening up source codes and adopting open standards as far as possible, collecting performance data, so as to ensure that such services can stay abreast of latest developments and meet the needs of members of the public; and

(9) whether it has studied the implementation of digital government transformation, including redesigning the entire processes and organizational structures for delivery of services by various government departments, so as to enhance efficiency and improve the experience of members of the public in using such services; if so, of the details, including the estimated savings in expenditure and increase in service efficiency?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Chinese):
President, my reply to the nine-part question is as follows:

(1) As services provided by government bureaux/departments ("B/Ds") are numerous and diversified, we have not kept statistics on the average unit costs of delivery of different types of services (including dissemination of information, bill payments or transactions, handling of applications and registrations, and handling of complaints) provided by B/Ds through various channels (including face-to-face over the counter, telephone, mail and the Internet).

(2) In 2016, the 20 government services that were most frequently and least frequently delivered through electronic means, categorized by informational and transactional types, as well as the respective frequencies and percentages of such services delivered through electronic means are provided at Annex. We do not have the breakdown categorized by dissemination of information, bill payments or transactions, handling of applications and registrations, and handling of complaints.
For government services less frequently delivered through electronic means, their utilization rate are affected by different factors, including the public preferring to use non-electronic means to submit or handle relevant applications, the relevant government services targeting specific groups, and the service nature, etc.

(3) According to the Efficiency Unit, to foster people-centric service delivery, the Government encourages B/Ds to adopt "user-centred design" approach to improve their services. Examples of B/Ds engaging in user experience research include:

(a) an experimental project of a one-stop employment and training centre for the Labour and Welfare Bureau;

(b) The "Park Déco—Cornwall Street Park" of the Leisure and Cultural Services Department;

(c) a user-research and user-centred design project of the Mongkok Post Office for the Hongkong Post;

(d) a customer journey design project on the integrated e-bill and e-payment services under the MyGovHK platform for the Office of the Government Chief Information Officer ("OGCIO");

(e) a user experience design study for the Government Human Resources Management Services;

(f) a user-centred design project on the Dial-a-Weather service for the Hong Kong Observatory;

(g) an exploratory study on adopting user-centred design for the development of a performing arts web portal of the Leisure and Cultural Services Department; and

(h) revamp of the Youth.gov.hk.
To provide more convenient government services to the public, the Government is committed to digitizing the process of online submission of government forms. Except for government forms which are not amenable to electronic submission due to legal requirements or procedural constraints, more than 1,370 government forms can now be submitted electronically. OGCIO will continue to work with relevant B/Ds to digitize the remaining government forms which are amenable to electronic submission. OGCIO has also required B/Ds to consider re-engineering their business processes when they develop new e-Government services or upgrade existing services, in order to encourage more people to fill in application forms and submit information electronically.

Regarding payment, the Government is offering various online payment services to facilitate payment of government bills and fees by the public using credit card, debit card and e-Cheque. The public can also make use of other payment methods such as online banking, ATM, payment by post, convenience store and PayThruPost for payment of government bills. Besides, OGCIO is currently working with relevant departments to actively promote mobile payment technology solutions which support smartphone e-wallet, with the aim to launch relevant technology solutions within this year. OGCIO has also been closely monitoring the adoption and technology trends of various electronic and mobile payment services available in the market with a view to facilitating B/Ds to provide simpler, faster, more convenient and cost-effective payment methods for e-government services to the public.

The Government is committed to enhancing the experience of browsing government information. OGCIO has updated and published the Common Look and Feel guidelines and design specifications under the Guidelines on Dissemination of Information through Government Websites in 2016 and requested B/Ds to follow
the appearance and style requirements of the guidelines when revamping their websites, including web accessibility and adopting the responsive web design to improve the experience of both mobile and desktop device users in viewing web pages to facilitate different users.

OGCIO also actively promotes and supports the Internet Protocol version 6 (i.e. IPv6). The provision of central website hosting service to B/Ds has fully supported IPv6 since 2009 which enables communication with all Internet users.

(8) OGCIO established the Interoperability Framework for e-Government, which includes a collection of open standards and specifications that help B/Ds and related organizations achieve interoperability in the exchange of electronic data and enable the development of integrated e-government services. OGCIO also seeks input from B/Ds, the academia and the industry annually on the commonly used technical standards and data interchange formats, in order to review and update the Government's guidelines on the Interoperability Framework.

Besides, OGCIO developed the "Practice Guide for Agile Software Development" and organized training courses for B/Ds to facilitate their adoption of the Agile Methodology for developing IT projects. We will also organize regular briefings and experience sharing sessions for B/Ds to promote the project.

OGCIO has also engaged a consultant to review in this year the usage of various government cloud platforms and make proposals on building the next generation of government cloud infrastructure in accordance with technological development and business needs.

(9) According to information provided by the Efficiency Unit, B/Ds will, based on their own needs, assess the need to carry out business process re-engineering studies and organization review to improve efficiency and user experience on public service delivery.
In addition, OGCIO is conducting a consultancy study on the smart city development blueprint. The consultant will put forward directions for development and concrete recommendations on "Smart Government".

Annex

(A) 20 government services most frequently delivered through electronic means in 2016

(1) Informational searches

<table>
<thead>
<tr>
<th>Frequency of service delivery using electronic means</th>
<th>Government services</th>
<th>Percentage of electronic means</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 million or above</td>
<td>HKO—MyObservatory for Smartphone (iOS/Android/Windows Mobile)</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>HKO—Weather Wizard Gadget</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>HKO—Provision of Weather Information Encoded in eXtensible Markup Language</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td>LD—Employment Service Division—Job Vacancy Search by Job-seekers</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td>HKO—Provision of Weather Information through the Aviation Weather Information System</td>
<td>100%</td>
</tr>
<tr>
<td>6</td>
<td>CR—Search on Registered Company Documents</td>
<td>100%</td>
</tr>
<tr>
<td>7</td>
<td>ISD—news.gov.hk</td>
<td>100%</td>
</tr>
<tr>
<td>8</td>
<td>LANDSD—GeoInfo Map</td>
<td>100%</td>
</tr>
<tr>
<td>9</td>
<td>ISD—Government News and Media Information System</td>
<td>100%</td>
</tr>
<tr>
<td>10</td>
<td>CSB—Information on Government Vacancies</td>
<td>100%</td>
</tr>
<tr>
<td>11</td>
<td>HKO—Dial-a-Weather System</td>
<td>100%</td>
</tr>
<tr>
<td>12</td>
<td>DH—Family Health Service Website (Online Health Education Resources)</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Frequency of service delivery using electronic means

<table>
<thead>
<tr>
<th>Frequency of service delivery using electronic means</th>
<th>Government services</th>
<th>Percentage of electronic means</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 million to below 10 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 LCSD—e-Magazine Generation</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>14 HKO—Provision of Weather Information through &quot;Weather Information Server&quot;</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>15 RVD—Property Information Online—Public Inspection of Valuation List &amp; Government Rent roll (Free Services)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>16 C&amp;SD—Searching of Hong Kong Harmonized System Commodity Codes by Traders</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>17 LR—Search of Land Registers</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>18 EU—Youth Portal</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>19 LANDSD—MyMapHK Mobile Map App (iOS/Android)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>20 IRD—Business Registration Number Enquiry</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

(2) Electronic transactions

<table>
<thead>
<tr>
<th>Frequency of service delivery using electronic means</th>
<th>Government services</th>
<th>Percentage of electronic means</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 million or above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 HKPO—Mail Tracking</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>2 C&amp;ED—Road Cargo System</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>3 C&amp;ED—Trade Declaration System</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>4 LCSD—Book Reservation and Renewal</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>5 TRY—Collections for Government Bills</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>6 HKPO—EC-Ship</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>1 million to below 10 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 LCSD—Content Booking and Content Access for Multimedia Information System of HKPL</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>8 IRD—Change of Personal Particulars, Profile and Password and View Tax Position and Message</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>9 LCSD—Leisure Link System</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>10 HD—Contractors' works progress under Total Maintenance Scheme</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Frequency of service delivery using electronic means</td>
<td>Government services</td>
<td>Percentage of electronic means</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>100 000 to below 1 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 C&amp;SD—Provision of free download versions of publications and statistical tables</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>12 OGCIO—Personalised platform of GovHK—MyGovHK</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>13 WFSFAA(SFO)—Electronic Repayment Notification &amp; Demand Note</td>
<td></td>
<td>63%</td>
</tr>
<tr>
<td>14 LCSD—URBTIX</td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>15 C&amp;ED—Electronic System for Cargo Manifest</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>16 IRD—Filing of Tax Return—Individuals</td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td>17 IMMD—Pre-arrival Registration for Taiwan Residents</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>18 IMMD—Appointment Booking for Applying Hong Kong Smart Identity Card</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>19 IMMD—Appointment Booking for Applying Travel Documents (except newborn babies)</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>20 HD—Internet e-Services for the Public, Public Rental Housing Tenants and Applicants</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

(B) 20 government services least frequently delivered through electronic means in 2016

(1) Informational searches

<table>
<thead>
<tr>
<th>Frequency of service delivery using electronic means</th>
<th>Government services</th>
<th>Percentage of electronic means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 10 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 OGCIO—General Public Enquiries in relation to the Electronic Transactions Ordinance (Cap. 553)</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>2 EPD—Carbon Footprint Repository for Listed Companies in Hong Kong</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Frequency of service delivery using electronic means</td>
<td>Government services</td>
<td>Percentage of electronic means</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>3 CEDB(CCIB)—Film Services Office—General enquiries (local and overseas)</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>4 CEDB(CCIB)—Location filming enquiries (local and overseas)</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>5 LD—Supplementary Labour Division—General enquiry Service on the Supplementary Labour Scheme</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>6 CEDB(CCIB)—Film Development Council—General enquiries</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>7 AFCD—Public Enquiries for Aquaculture Division</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>8 OFCA—Enquiry on List of Transhipment Notification of Radiocommunications Transmitting Apparatus</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>9 DH—Harm Reduction Hotline</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>10 DH—Family Health Service Website (online enquiry)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>11 TID—SUCCESS Enquiry Service on SME Support Services and Facilities, and Licensing Requirements</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>12 SB—Public Enquiry</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>13 GLD—Issue of Tender Notice</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>14 ARCHSD—Architour</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>15 DH—Elderly Health Service—DIY Health Educational Kit</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>16 OGCIO—OGCIO's e-Newsletter</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>17 TID—Tariff Enquiry Form</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>18 HKO—Provision of climatological information</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>19 DH—Elderly Health Service—Website (Email enquiry)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>20 OGCIO—Public Enquiry</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>
(2) Electronic transactions

<table>
<thead>
<tr>
<th>Frequency of service delivery using electronic means</th>
<th>Government services</th>
<th>Percentage of electronic means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 10 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. OFCA—Application for Import Permit</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>2. OFCA—Application for Export Permit</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>3. EDB—Application for Registration of A School</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>4. OFCA—Application for General/Restricted Operator's Certificate</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>5. AFCO—Application for Sustainable Fisheries Development Fund</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>6. LANDSD—Electronic submissions under S.8(1)(a) Government Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126)</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>7. SB—Submission of appeal application (to the Appeal Board on Public Meetings and Processions)</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>8. CAD—DCA 555—Application for Renewal of Organisation Designation Approval</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>9. OGCIO—Submission of application form for inclusion of new characters in the Hong Kong Supplementary Character Set</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>10. FSD—Application for Licence for Vehicle used for the Conveyance of Category 2 (other than LP Gas) and/or Category 5 Dangerous Goods</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>11. FSD—Application for Change of Particulars by Fire Services Department Fire Service Installation Contractor</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>12. C&amp;SD—Application for Certified Copy of Import/Export Declaration/Cargo Manifest</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>13. FHB—Electronic Health Record Sharing System—Data Access Request</td>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td>14. GPA—Application for Access to Information</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Frequency of service delivery using electronic means</td>
<td>Government services</td>
<td>Percentage of electronic means</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>15 LANDSD—Electronic submissions under S.6(1) Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127)</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>16 AFCD—Application form for loan of digital video players</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>17 OFCA—Application for Experimental Station Licence</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>18 CAD—Application for Exemption from the Flight Restriction prescribed under Air Navigation (Flight Prohibition) Order</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>19 CAD—DCA 552—Application for Renewal of Design Organisation Approval</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>20 OGCIO—Access to Information</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Glossary

AFCD Agriculture, Fisheries and Conservation Department
ARCHSD Architectural Services Department
CAD Civil Aviation Department
CEDB(CCIB) Commerce and Economic Development Bureau (Communications and Creative Industries Branch)
C&ED Customs and Excise Department
C&SD Census and Statistics Department
CR Companies Registry
CSB Civil Service Bureau
DH Department of Health
EDB Education Bureau
EPD Environmental Protection Department
EU Efficiency Unit
FHB Food and Health Bureau
FSD Hong Kong Fire Services Department
GLD Government Logistics Department
GPA Government Property Agency
HD Housing Department
HKO Hong Kong Observatory
HKPO Hongkong Post
IMMD Immigration Department
IRD Inland Revenue Department
Projects implemented by the Energizing Kowloon East Office to improve pedestrian and traffic networks

17.  **MR PAUL TSE** (in Chinese): President, traffic congestion in Kwun Tong District is a long-standing problem, which has caused complaints from local residents being heard everywhere in the district and discussions on the subject by the Kwun Tong District Council year after year. Quite a number of District Council members have envisaged that upon the respective completion of the Kwun Tong Town Centre redevelopment project and the Anderson Road public housing development project, the competition between pedestrians and vehicles for road space will be exacerbated. On the other hand, the Government has proposed to make Kowloon East a pilot smart city, and the Energizing Kowloon East Office ("EKEO"), which is tasked to promote the transformation of Kowloon East into a core business district, has implemented a number of projects to improve the pedestrian and traffic networks in Kowloon East. However, quite a number of members of the public have pointed out that the effectiveness of a number of such projects is not satisfactory. For example, "Back Alley Project @ Kowloon East", for which $700,000 was spent to invite artists to paint graffiti to beautify the exterior walls at 36 back alleys in the district so as to divert pedestrians to such back alleys, has poor outcome. Those back alleys have been ridiculed as "ugly alleys" and the project is queried for wasting public money. In addition, the download figure of MyKE, a smartphone application using information and communications technology to integrate the information in Kowloon East, is on the low side (only 2,200 times as at last month). Also, MyKE comprises "Smart Parking Mobile App" function to provide information on vacant parking spaces in the car parks within the district (including real-time number of vacant parking spaces), but only 20% of the car parks in the district
provide such information to MyKE. Furthermore, only one of the traffic lights in the district is a smart traffic light, which can reduce pedestrians' waiting time for crossing the roads. In this connection, will the Government inform this Council:

(1) as there are views that the 54 minor works projects (including the Back Alley Project @ Kowloon East) taken forward by EKEO in Kowloon East at a cost of $6 million have failed to divert pedestrian flows from the main streets and are not conducive to improving road congestion, whether the authorities have reviewed the effectiveness of such works projects; if so, of the details;

(2) of the development cost and recurring expenses of the MyKE application;

(3) given that MyKE had a mere download figure of 2,200 as at last month, whether the authorities have conducted a review to find out the causes for that;

(4) as some members of the public have pointed out that since the Smart Parking Mobile App function often takes more than one day to update the number of vacant parking spaces, coupled with the fact that only 20% of the car parks in the district provide parking information to MyKE, the function is not conducive to reducing the drivers' time in looking for vacant parking spaces and relieving traffic congestion, whether the authorities have monitored the operation of the function and examined why the function cannot provide real-time information on vacant parking spaces; whether new measures are in place to encourage more car park operators to provide parking information to MyKE; if so, of the details; of the expected time for the Smart Parking Mobile App function to cover all car parks in the district;

(5) of the total number of traffic lights in Kowloon East at present; the reasons why the authorities have installed only one smart traffic light in the district so far; whether the authorities have plans to replace all traffic lights in the district with smart traffic lights; if so, of the implementation timetable; and
whether the authorities have made reference to (i) the proposed alignment of the Mongkok footbridge system (i.e. constructing a footbridge at the Argyle Street section, connecting it with the Tong Mi Road footbridge along Argyle Street and extending it to Hak Po Street), and (ii) the footbridge across Queensway to be constructed by the developer concerned at nil land premium to connect Pacific Place and Harcourt Garden, and considered constructing a footbridge system in Kowloon East connecting busy road sections, such as Hoi Yuen Road, Kwun Tong Road and Shing Yip Street, so as to relieve the pedestrian flows on the ground, thereby directly diverting the pedestrian flows from the Kwun Tong MTR Station to Hoi Bun Road and Kwun Tong waterfront averting the need of at-grade roads, so as to share pedestrian flows and ease the competition between pedestrians and vehicles for road space; if so, of the details; if not, whether the authorities will conduct such a study immediately?

SECRETARY FOR DEVELOPMENT (in Chinese): President, government departments concerned are working on various fronts to alleviate the traffic congestion in Kwun Tong to cope with the developments in the district. Apart from implementing traffic and pedestrian environment improvement works in the district, the Police has also stepped up enforcement actions against illegal parking to help ease the traffic flows. My reply to the various parts of the question, after consultation with the Transport Department ("TD"), is as follows:

(1) Since its establishment, the Energizing Kowloon East Office ("EKEO") has completed 54 quick-win minor works, including addition and improvement of pedestrian crossings and widening of footpaths, etc., to cope with the increasing pedestrian flows. In addition, more roadside greening has been provided to improve the pedestrian environment. Among these, the Stage 1 Back Alley Project improved the walking surface of six groups of back alleys and introduced public art into them. After the completion of the works, pedestrian flows along those alleys have increased (with certain alleys surging by 16%), and thus achieved pedestrian diversion. The Kwun Tong District Council and the locals responded positively to the Back Alley Project.
EKEO and relevant departments are currently taking forward another 27 short-term improvement measures proposed under the feasibility studies on improving the pedestrian environment in the Kowloon Bay and Kwun Tong Business Areas. These include footpath widening along Hoi Yuen Road and How Ming Street, improvement to the Tsun Yip Street/How Ming Street junction, and rerouting of How Ming Street, etc. Also, improvements works under the Stage 2 Back Alley Project are scheduled to commence in the third quarter of this year. Besides, EKEO is planning for taking forward the medium and long-term improvement proposals, including extension and face-lifting of the pedestrian subway network connecting to MTR Ngau Tau Kok Station, a new footbridge linking Exit B of MTR Kowloon Bay Station and East Kowloon Cultural Centre, and seizing the opportunity to enhance the Wai Yip Street/Hoi Yuen Road junction when developing the Kwun Tong Action Area.

2) My Kowloon East ("MyKE") mobile application was jointly developed by EKEO and the Lands Department by redeploying internal resources, and no additional expenditure was incurred so far.

3) EKEO launched the trial version of MyKE mobile application in end December 2016, primarily for carrying out a proof-of-concept trial on smart crowd management during the marathon event held in Kowloon East in early January this year. With the initial launch of the "Smart Parking" function in MyKE at the same time, EKEO intended to provide the opportunity for interested car park operators to understand how opening up their real-time data could help in enhancing the utilization of their car parks. EKEO plans to include more functions, such as a function suggesting indoor/outdoor routes according to personal preferences and needs, in the mobile application in the third quarter of this year, before conducting formal promotion to allow better understanding by the public on the various functions of the mobile application.

4) EKEO disseminates real-time information on vacant parking spaces in the district through the mobile application to help drivers locate vacant car parking spaces quickly so as to alleviate traffic congestion. Since the launching of "Smart Parking" scheme, EKEO has proactively contacted and invited the operators of car
parks in the district to participate in the scheme. As many operators needed technical assistance, EKEO held a number of technical sharing sessions to offer technical support, with a view to encouraging more car park operators to join the scheme to provide real-time parking vacancy information. As at the end of June this year, 19 car parks (including the major car parks in the district) which account for over 30% of the hourly private car parking spaces in the district share parking information through the MyKE mobile application. The data are also shared with TD for dissemination, and made available in API (application programming interface) format on the <www.data.gov.hk> website. The operators of another 20 car parks have indicated that they would provide real-time data shortly. With their participation, about 65% of the hourly private car parking spaces in the district would be covered in total. As for the remaining car parks, most of them are of old design and operation. They may not be able to automatically provide real-time information. There are a few small car parks adopting manual updating of parking information, but the updating situation is not satisfactory for some of them. EKEO is following up with such cases as appropriate.

In addition, since November 2016, the Government has made it a lease requirement in the sale of suitable lots in East Kowloon for releasing real-time information on vacant parking spaces to the Government.

(5) At present, there are 247 signal-controlled junctions in Kowloon East in total.

TD is currently testing a video pedestrian detection device at junctions with different traffic conditions and road environment in Hong Kong. On detecting the presence of pedestrians waiting in the waiting zone, the device will activate the pedestrian green phase in the preset traffic signal controlling sequence for vehicles and pedestrians, and there is no need for the pedestrians to press any button to activate that phase. If the pedestrians move out of the waiting zone before the green phase, the scheduled pedestrian green signal will be cancelled automatically. It is expected that the device will help reduce the waiting time for pedestrians and unnecessary stopping of the vehicles. Apart from the Hoi Bun
Road/Lai Yip Street junction in Kwun Tong, similar trials are also conducting at other locations including the intersection of Link Road and Broadwood Road, the transport interchange near Sham Mong Road, the pedestrian crossing at Po Ning Road near Tseung Kwan O Hospital, and the pedestrian crossing in front of Ebenezer School & Home for the Visually Impaired in Pok Fu Lam.

As this project is still in the trial stage, TD will continue to conduct a comprehensive review to assess its efficacy and feasibility of extending its application having regard to the reliability, traffic impact, feasibility of works, cost-effectiveness of the system, and the actual needs of pedestrians. TD currently has no plan to conduct the trial at other locations.

(6) The pedestrian network planned by EKEO for Kowloon East comprises a combination of at-grade pedestrian walkways, footbridges and subways. It is formulated with due consideration given to the actual situation in the district, which features different environment and needs. Taking the pedestrian linkage between MTR Kwun Tong Station and Kwun Tong promenade as an example, EKEO has commissioned TD and the Highways Department to widen the footpaths along Hoi Yuen Road in order to improve the congestion on the footpaths early. Moreover, the Drainage Services Department is studying the Tsui Ping River project, which would provide riverside boardwalks to connect Kwun Tong Road with Kwun Tong Promenade. EKEO will also explore the feasibility of constructing a footbridge at Hoi Yuen Road in relevant studies for the district.

To enhance walkability and connectivity, a policy measure on waiving the land premium payable for lease modification for the provision of pedestrian links (including footbridges and subways) was announced in the 2016 Policy Address, with Kowloon East as the pilot area. From February 2017 onwards, landowners in the Kowloon Bay Business Area may apply to the District Lands Office/Kowloon East for the necessary lease modification for constructing pedestrian links at their own costs in accordance with the planned pedestrian network. As for the Kwun Tong Business Area, the relevant feasibility study on the pedestrian environment improvement scheme is expected to be completed within this year.
Landowners in the Kwun Tong Business Area may submit similar applications once the planned pedestrian network is incorporated into the relevant outline development plan. If approved, the land premium payable for the provision of the planned pedestrian links at their own costs will be waived.

**Employment of persons with disabilities**

18. **MR CHAN HAK-KAN** (in Chinese): President, according to the Hong Kong Poverty Situation Report on Disability 2013, the poverty rate of persons with disabilities ("PWDs") in Hong Kong before policy intervention in 2013 was 45.3%, which was far higher than the 19.9% of the overall population in the same period. One of the main reasons for PWDs being in poverty is that they have low income due to employment difficulties. On the other hand, under the Minimum Wage Ordinance (Cap. 608), employees with disabilities may choose to undergo the productivity assessment ("the assessment") to determine whether they should be remunerated at a wage no less than that calculated on the basis of the statutory minimum wage ("SMW") rate or a wage commensurate with their productivity. In this connection, will the Government inform this Council:

(1) of the number of PWDs who have undergone the assessment since the SMW regime came into operation in May 2011, with a breakdown by their degree of productivity as assessed;

(2) whether it knows the current number of serving employees with disabilities who have undergone the assessment; among these employees, the number of those whose wage is lower than SMW;

(3) whether it has calculated the amount of public money that the Government needs to spend each year for providing subsidies to employees with disabilities whose wage is lower than SMW in order to make up for the shortfall; whether it will consider afresh providing such subsidies;

(4) of the respective numbers of PWDs currently employed by the Government and public bodies, and the respective percentages of such numbers in the total numbers of employees of the organizations concerned;
given that at present, quite a number of countries (e.g. Germany, France and Japan) require that a certain proportion of the employees of private organizations must be PWDs, and those in contravention are liable to substantial fines, whether the Government will consider adopting such practice; if so, of the details; if not, the reasons for that; and

of the respective (i) details of and (ii) amounts of estimated expenditure for the current financial year on the various measures adopted by the Government currently to help PWDs get out of poverty?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to Mr CHAN Hak-kan's question is as follows:

(1) and (2)

Since the implementation of Statutory Minimum Wage ("SMW") in May 2011, a total of 566 productivity assessments* for persons with disabilities under the Minimum Wage Ordinance ("MWO") were completed as at the end of May 2017. A breakdown by assessed degree of productivity is provided below:

<table>
<thead>
<tr>
<th>Degree of productivity</th>
<th>Number of assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% or below</td>
<td>26</td>
</tr>
<tr>
<td>Above 50% to 60%</td>
<td>79</td>
</tr>
<tr>
<td>Above 60% to 70%</td>
<td>159</td>
</tr>
<tr>
<td>Above 70% to 80%</td>
<td>148</td>
</tr>
<tr>
<td>Above 80% to 90%</td>
<td>118</td>
</tr>
<tr>
<td>Above 90% to 100%</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>566*</td>
</tr>
</tbody>
</table>

Note:

* Some persons with disabilities were involved in more than one assessment.

The Labour Department ("LD") does not keep the statistics on the wage levels of serving employees with disabilities involved in the above assessments. It is understood that some employers are
employing persons with disabilities with assessed degree of productivity below 100% at SMW rate. Besides, organizations in the rehabilitation sector reflected that most of the newly engaged employees with disabilities earn wages at or above SMW rate.

(3) MWO prescribes that employees with disabilities whose productivity may be impaired by their disabilities may choose to have their productivity assessed and be remunerated at no less than a wage rate to be calculated by multiplying the assessed degree of productivity with the latest SMW rate in force. At present, the Government has no plan to provide wage subsidy for persons with disabilities.

(4) The Government does not require applicants of government positions or serving staff to declare their disability status. According to the information kept by bureaux/departments, as at 31 March 2016, there were 3,230 civil servants with disabilities (excluding those with colour blindness or defective colour perception), representing about 2% of the strength of the civil service.

The Government does not have the figures of persons with disabilities employed by individual subvented organizations or statutory bodies.

(5) and (6)

The Government's policy objectives are to provide skill training and support services for persons with disabilities to enable them to take up productive and gainful employment in the open market on the basis of their abilities rather than disabilities; provide assistance for employers; and strive to promote an inclusive society.

Establishing a mandatory employment quota system for persons with disabilities to require enterprises to employ a certain number or percentage of persons with disabilities may create a negative labelling effect on persons with disabilities, which is not conducive to their integration into the community. At present, the Government has no plan to introduce such system for persons with disabilities.
The Government will continue to proactively implement multi-pronged measures to promote employment of persons with disabilities, including providing vocational rehabilitation and training services for persons with disabilities, providing job matching services in the open market for persons with disabilities, offering financial incentives to employers with a view to enhancing the abilities of persons with disabilities and enhancing support for them on one hand, and encouraging employers to employ persons with disabilities and promoting an inclusive society on the other. The Government also offers grants for non-governmental organizations ("NGOs") to set up social enterprises with a view to creating more employment and on-the-job training opportunities for persons with disabilities.

LD has launched the Work Orientation and Placement Scheme to provide allowances for employers of persons with disabilities. An eligible employer who employs a person with disabilities is entitled to a maximum monthly allowance of $5,500 for the first two months of employment. After the first two months, the employer is entitled to an allowance equivalent to two-thirds of the actual monthly salary paid to the employee concerned, subject to a ceiling of $4,000 per month, for a maximum payment period of up to six months.

The Social Welfare Department, through implementing the Support Programme for Employees with Disabilities, provides employers of persons with disabilities with a subsidy for procuring assistive devices and carrying out workplace modification works, with a view to helping employees with disabilities enhance their work efficiency. The subsidy is basically capped at a maximum support level of $20,000 in respect of each employee with disabilities. A grant of up to $40,000 may be provided for employers in case of special needs.

Moreover, the Government introduced the following three pilot schemes in 2016-2017 to further encourage employment of persons with disabilities:

(a) raising the maximum level of disregarded earnings for disabled recipients under the Comprehensive Social Security Assistance Scheme from $2,500 to $4,000 per month;
(b) providing an additional monthly subsidy of $5,000 for Higher Disability Allowance recipients who are in paid employment and have met other requirements such as income limit, so as to enable them to hire carers to assist them in travelling between their home and workplace and carrying out activities in their workplace; and

c) engaging non-governmental welfare organization by LD to offer professional psychological and emotional counselling services for disabled job seekers in need, so as to alleviate their emotional problems arising from their disabilities or personal/family issues, and help them concentrate on job search and settle down in their new jobs as soon as possible.

The Chief Executive announced in the 2017 Policy Address that an additional funding of $100 million would be injected into the Enhancing Employment of People with Disabilities through Small Enterprise Project and the maximum funding support per business be increased from $2 million to $3 million, with a view to supporting NGOs in setting up more social enterprises to create more employment and on-the-job training opportunities for persons with disabilities.

The Labour and Welfare Bureau will continue to take forward the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme ("the Scheme") to mobilize the Government, public bodies and the private sector to make joint efforts to further promote employment of persons with disabilities through participation in the Scheme. Under the Scheme, a participating organization will devise a host of sustainable measures commensurate with its mode of operation and strive for effective implementation of these measures, with a view to providing more employment opportunities for persons with disabilities.

In 2017-2018, the Government's estimated recurrent expenditure for rehabilitation services under the labour and welfare purview is $6.5 billion, which includes the expenditure of the above measures.
Pollution of rivers and public sewers in villages

19. **MR KENNETH LAU** (in Chinese): President, in 2015, among the 71 river monitoring stations set up by the Environmental Protection Department ("EPD") across the territory, the average levels of Escherichia coli ("E. coli") recorded at 63 stations exceeded the relevant statutory water quality objectives. As pointed out by EPD, the possible causes for such situation include: the unsatisfactory septic-tank-and-soakaway systems installed for some houses in unsewered villages, and direct connection, by some village house owners, of their houses' sewers to stormwater drains. Quite a number of villagers have relayed to me that there are at present a number of unsewered villages and that some villagers are unable to connect their houses' sewers to public sewers due to financial and/or technical difficulties. In this connection, will the Government inform this Council:

(1) whether it has assessed the impacts of the aforesaid exceedance of E. coli level in rivers on public health in the past three years;

(2) of the respective current numbers of villages in respect of which works on connecting public sewers (i) have been completed, (ii) are being carried out, and (iii) are planned to be carried out within the coming three years, and set out one by one the names and locations of these villages and the numbers of houses therein;

(3) in respect of each of the villages which have been connected to public sewers, of the current percentage of households that have not connected their houses' sewers to the public sewers; and

(4) whether it has examined the provision of loans or subsidies to villagers with financial difficulties and the provision of more support to villagers who have encountered technical difficulties, so as to help such villagers connect their houses' sewers to the public sewers?

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): President, the Environment Bureau and the Environmental Protection Department ("EPD") attach great importance to the protection and improvement of our river water quality. Since 1980s, EPD has been pursuing a multi-pronged approach to improve our river water quality in an efficient and cost-effective manner, through
implementation of environmental laws and the Sewage Master Plans for the whole territory. Hong Kong's river environment has substantially improved, with 84% of Hong Kong rivers graded "Good" or "Excellent" in 2016, as compared with 26% in 1987. The Escherichia coli (E. coli) level of our rivers has also reduced by 80% during the same period.

Our reply to the questions raised by Mr Kenneth LAU is as follows:

(1) The majority of Hong Kong's inland waters are intended for stormwater conveyance and flood prevention purposes, and the water quality generally will not pose any risk to public health. The main channel of Shing Mun River is the only watercourse used for water sports and recreation activities, where the relevant Water Quality Objective on E. coli is set as not exceeding 1 000 count per 100 ml. In the last 10 years, its water quality has been graded as "Excellent" with a geometric mean E. coli level of 900 count per 100 ml.

(2) As at May 2017, we have completed the public sewerage network for 207 villages and the construction works for another 62 villages are underway. In addition, we are working on the plans to provide public sewerage for 259 villages, of which the statutory gazetted procedures for 26 villages are either completed or in progress. The relevant details are at Annex. As regards the number of village sewerage projects to be carried out in the next three years, it would depend on the resources to be allocated to the Government public works programme in future.

(3) As at March 2017, the overall sewer connection rate of the built village houses in those villages provided with public sewers is about 89%. To complete the outstanding sewer connection works as soon as possible, EPD will enhance communication with village representatives and village house owners, and actively follow up and assist the villagers to resolve technical and engineering problems.

(4) In order to facilitate the premise owners to make house connections to the public sewer and to reduce their expenses, it has been our objective to provide public sewerage network to cover all village
houses and extend the branch sewers to private lot boundaries as far as practicable. The house owners with financial difficulties may apply for the grant or loan schemes offered by the Government and other organizations, such as the "Building Maintenance Grant Scheme for Elderly Owners" operated by the Hong Kong Housing Society and the "Comprehensive Building Safety Improvement Loan Scheme" managed by the Buildings Department to carry out their sewer connection works. House owners may contact the Hong Kong Housing Society and Buildings Department for details of the relevant scheme and application eligibility. EPD and the Drainage Services Department will also provide relevant information and referral assistance to the house owners.

Annex 1

Details of villages where public sewerage works installed/
under construction/under planning

(i) Villages with public sewerage installed

<table>
<thead>
<tr>
<th>District (and number of villages)</th>
<th>Village name</th>
<th>Number of Houses (About)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islands (19)</td>
<td>Yung Shue Wan Main Street, Yung Shue Wan Back Street (Part 1), Po Wah Yuen (Part 1), Sha Po Old Village (Part 1), Sha Po New Village (Part 1), Tai Yuen New Village, Kam Shan Terrace, Ko Long (Part 1), Chung Mei, Sok Kwu Wan, Ngong Ping Village, Central Cheung Chau Old Town, Peng Chau (Part), Chung Hau, Tung Wan Tau, Tai O town centre, Ma Wan New Village, Tei Po New Village, Chek Lap Kok New Village</td>
<td>1 530</td>
</tr>
<tr>
<td>North (33)</td>
<td>Kan Lung Tsuen, San Wai, San Uk Tsuen, Ma Mei Ha, Ma Mei Ha Leng Tsui, Tung Kok Wai, Lo Wai, Tsz Tong Tsuen, Wing Ning Tsuen, Wing Ning Wai, Ma Wat Wai, Tai Tau Leng, Tsung Pak Long, Yin Kong, Fan Leng Lau, Kai</td>
<td>2 800</td>
</tr>
<tr>
<td>District (and number of villages)</td>
<td>Village name</td>
<td>Number of Houses (About)</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Sai Kung (20)</td>
<td>Leng, Ng Uk Tsuen, Heung Yuen Wai, Ha Hueng Yuen, Tsung Yuen Ha, Chuk Yuen (North), Chuk Yuen (South), Kaw Liu, Ta Kwu Ling, Kan Tai Wai, Tong Fong, Ping Yeung, Tai Po Tin, Ping Che, Pak Hok Shan, Tai Tong Wu, Leng Tsai, Hung Leng (Part)</td>
<td>1 440</td>
</tr>
<tr>
<td>Tolo Harbour (Sha Tin/Tai Po) (104)</td>
<td>Sai Kung Old Town, Tai Wan, Sha Ha, Silverstrand, Wo Tong Kong (Mang Kung Uk), Yu Uk Village (Part), Hung Uk, Wai Sum Village, O Mun Village, O Pui Village (Part), Heng Mei Deng Tsuen, Chan Uk Tsuen, Mau Ping New Village (Part), Wong Chuk Shan San Tsuen (Part), Pak Kong Au (Part), Sha Kok Mei (Part)</td>
<td>10 050</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>District (and number of villages)</th>
<th>Village name</th>
<th>Number of Houses (About)</th>
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<td>Number of Houses (About)</td>
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<td>----------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Sai Kung (20)</td>
<td>Tan Cheung, Po Lo Che, Tui Min Hoi, Fui Yiu Ha, Sai Kung Old Town, Tai Wan, Sha Ha, Silverstrand, Wo Tong Kong (Mang Kung Uk), Yu Uk Village (Part), Hung Uk, Wai Sum Village, O Mun Village, O Pui Village (Part), Heng Mei Deng Tsuen, Chan Uk Tsuen, Mau Ping New Village (Part), Wong Chuk Shan San Tsuen (Part), Pak Kong Au (Part), Sha Kok Mei (Part)</td>
<td>1 440</td>
</tr>
<tr>
<td>Tolo Harbour (Sha Tin/Tai Po) (104)</td>
<td>Wo Tong Pui, Kau Liu Ha, Hang Ha Po, San Uk Pai, Fong Ma Po, Chung Uk Tsuen, San Uk Tsai, Tong Min Tsuen, Lam Tsuen San Tsuen, Chuen Shui Tseng, Pak Tin Kong, Ko Tin Hom, Tin Liu Ha, Lung A Pai, Lo Tsz Tin, Lung Mei (including Ng Uk Tsuen), Po Sam Pai, Ting Kok, Wong Chuk Tsuen, San Tau Kok, Lai Pek Shan San Tsuen, Wai Ha, Shuen Wan Lei Uk, Tai Mei Tuk, Wu Kai Sha Village, Tung Lo Wan, Tai Lam Liu, Sheung Wo Che, Ha Wo Che, Pai Tau, Shan Liu, Tung Tse, Sha Lan (Part 1), Tsiu Lam, Shuen Wan Wai Ha, Shuen Wan Chim Uk (Part 1), A Sha Tseng Tau, Yim Tin Tsai (Luen Yick), To Fung Shan, Lok Lo Ha (including Ho Tung Lau), Wong Chuk Yeung, Cheung Uk Tei, Chuk Hang, San Wai Tsai, Fung Yuen Lo Tsuen, Mak Uk, Yung Shue O, Kau Shi Wai, Shek Kwu Lung (Tai Po)(Part), Pan Chung (Part), Tin Sam (Tai Po)(Part), Hung Mui Kuk, Lai Chi Shan, To Yuen Tung, Sam Mun</td>
<td>10 050</td>
</tr>
<tr>
<td>District (and number of villages)</td>
<td>Village name</td>
<td>Number of Houses (About)</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Tuen Mun (5)</td>
<td>Tsai New Village, Yin Tse Lane, Wu Kai Sha New Village, Tai Shui Hang, Wo Liu Hang, Fo Tan, Pat Tsz Wo, Shek Kwu Lung (Sha Tin), Wong Nai Tau, Lai Chi Hang, San Uk Ka (Part), Heung Fan Liu, Tai Po Kau, Yue Kok, Nam Hang (Part 1), Ying Pun Ha, Shui Wai, Kam Shan, Pan Chung San Tsuen, Sheung Wun Yiu, Ha Hang, Kan Tin, Ha Keng Hau, Sheung Keng Hau, Hin Tin, Tai Wai, Sha Tin Wai, Sha Tin Tau, To Shek, Chap Wai Kon, Ngau Pei Sha (Part 1), Pak Tin, Tin Sam (Sha Tin), Tsang Tai Uk, Chap Wai Kon New Village, She Shan Tsuen, Sha Pa, Ping Long, Tai Om, San Tong, Ma Po Mei, Tai Mong Che, Shui Wo, Pak Ngau Shek Ha Tsuen, Pak Ngau Shek Sheung Tsuen, Ng Tung Chai, Chai Kek, Wo Liu, Pai Tau Hang, Tai Wo</td>
<td>550</td>
</tr>
<tr>
<td>Yuen Long (14)</td>
<td>Nam Pin Wai, Ying Lung Wai, Sai Pin Wai, Tsoi Uk Tsuen, Tai Tong Tsuen, Lam Uk Tsuen, Yeung Uk Tsuen (North of Yuen Long), Chung Sam Wai, Tung Tau Wai, Tung Tau Wai San Tsuen, Fuk Hing Tsuen, Sai Tau Wai, Tong Yan San Tsuen, Sha Chau Lei (I)</td>
<td>770</td>
</tr>
<tr>
<td>Tsuen Wan and Kwai Tsing (12)</td>
<td>Pai Min Kok Village, Sham Tseng Commercial New Village, Sham Tseng East Village, Sham Tseng Kau Tsuen, Sham Tseng San Tsuen, Sham Tseng Village, Sham Tseng West Village, Shu On Terrace, Tsing Fai Tong New Village, Tsing Lung Tau New Village, Tsing Lung Tau Village, Ting Kau Village</td>
<td>260</td>
</tr>
</tbody>
</table>
(ii) Villages with public sewerage works under construction

<table>
<thead>
<tr>
<th>District (and number of villages)</th>
<th>Village name</th>
<th>Number of Houses (About)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islands (15)</td>
<td>O Tsai, Po Wah Yuen (Part 2), Tai Peng, Yung Shue Long New Tsuen, Yung Shue Long Old Village, Tai Shan East, Tai Shan Central, Tai Shan West, Sha Po New Village (Part 2), Sha Po Old Village (Part 2), Tai Yuen Village (Part 1), Yung Shue Wan Back Street (Part 2), Ko Long (Part 2), Wang Tong, Yue Kwong Chuen</td>
<td>750</td>
</tr>
<tr>
<td>North (11)</td>
<td>Fu Tei Pai, Ping Kong, Sheung Tam Shui Hang, Ha Tam Shui Hang, Muk Min Tau, Tsiu Hang, Nga Yiu Tau (North), San Tsuen, Wu Shek Kok, Yim Tso Ha, Shan Tsui</td>
<td>1 390</td>
</tr>
<tr>
<td>Sai Kung (13)</td>
<td>Kap Pin Long, Nam Shan, Mau Ping New Village (Remainder), Wong Chuk Shan San Tsuen (Remainder), Pak Kong Au (Remainder), Pak Kong, San Uk, Tai Ping Tsuen, Fei Ngo Shan, Lung Wo Tsuen, Wo Tong Kong, Sha Kok Mei (Remainder), Pik Shui Sun Tsuen</td>
<td>1 850</td>
</tr>
<tr>
<td>Tolo Harbour (Sha Tin/Tai Po) (16)</td>
<td>Kau To, Kwai Tei New Village, Tin Liu, Sha Tin Heights, Tsok Pok Hang, Fui Yiu Ha, Ngau Pei Sha (Part 2), Siu Lek Yuen, Sha Tin Fishermen's New Village, Ha Wun Yiu, Shan Tong New Village, Nam Wa Po, Wai Tau Tsuen, Kau Lung Hang San Wai, Kau Lung Hang Lo Wai, Tai Hang</td>
<td>2 970</td>
</tr>
<tr>
<td>Tuen Mun (7)</td>
<td>Kei Lun Wai, Yeung Siu Hang, Lam Tei, Tsing Shan Tsuen (Remainder), Tseng Tau Sheung Tsuen (Remainder), Fuk Hang Tsuen (Upper), Fu Tei Ha Tsuen</td>
<td>620</td>
</tr>
</tbody>
</table>
(iii) Villages with public sewerage under planning
(The number of village houses for each village is not available at present)

<table>
<thead>
<tr>
<th>District (and number of villages)</th>
<th>Village name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island (1)</td>
<td>Pok Fu Lam Village</td>
</tr>
<tr>
<td>Islands (60)</td>
<td>Pak Ngan Heung, Tai Tei Tong, Shui Hau, Tong Fuk, Cheung Sha Sheung Tsuen, Cheung Sha Ha Tsuen, San Shek Wan, Pui O Lo Uk Tsuen, Pui O Lo Wai Tsuen, Pui O San Wai Tsuen, Ham Tin Tsuen, Nam Wan San Tsuen, Tai Yat San Tsuen (Part), Shan Ting Tsuen, Wai Tsai Tseng San Tsuen, Wai Tsai Tsuen, Central Peng Chau, Nam Wan Shan Ting Tsuen, Tung Wan Village, Tai Lung Tsuen, Mui Wo Kau Tsuen, Tsoi Yuen Tsuen (Islands), Luk Tei Tong, Sun Lung Wai, Ma Po Tsuen, Nim Po Tsuen, Tseng Tau San Tsuen, Ha Tsuen Long Lui Tei Tong, Nam Bin Wai, Tung Wan Tau East, Fan Kwai Tong, Nam Chung Tsuen, Leung Uk Tsuen, Shek Tsai Po, Tai O Country Side (Wang Hang Village &amp; Hang Mei), Tai O Centre, Tai Yuen Village (Part 2), Tai Kwai Wan San Tsuen (Extension), Ko Shan Tsuen (Extension), Lung Tsai Tsuen, Fa Peng (Extension), Nam She Tong (Extension), Pak She San Tsuen (Extension), Tai Tsoi Yuen Kui, Tai Shek Hau, Round Table Second and Third Villages, Cheung Chau Town Centre, Wang Long, Tai Wan Kau Tsuen, Tai Wan San Tsuen, Tai Wan To, Hung Shing Ye, Ngau Au, Lam Che, Shek Lau Po, Mok Ka, Shek Mun Kap, Ma Wan Chung, Wong Nai Uk, Nim Yuen</td>
</tr>
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<td>North (41)</td>
<td>Chan Uk Po, Hung Leng (Remainder), Lin Ma Hang, Liu Pok, Luk Keng Chan Uk, Luk Keng Wong Uk, Ma Tso Lung Lutheran Village, Ma Tso Lung San Tsuen, Nam Chung Cheng Uk, Nam Chung Cheung Uk, Nam Chung Lei Uk, Nam Chung Lo Uk, Nam Chung Tai Wan, Nam Chung Yeung Uk, Ta Shek Wu, Ta Shek Wu Shek Tong, Tsiu Keng Lo Wai, Tsiu Keng Pang Uk, Tsiu Keng San Wai, Fan Leng Ching Wai, Fan Leng Nam Wai, Fan Leng Pak Wai, Kan Tau Tsuen, Ko Po, Kwan Tei, Leng Pei Tsuen, Ling Shan Tsuen, Sheung Shui Heung, Shung Him Tong, Tan Chuk Hang Lo Wai, Tong Hang, Wo Hop Shek San Tsuen, Ho Sheung Heung, Kam Tsin, Kong Ha, Muk Wu, Tsung Yuen, Tong To, Hang Tau, So Kwun Po, San Tong Po</td>
</tr>
<tr>
<td>District (and number of villages)</td>
<td>Village name</td>
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<tr>
<td>Sai Kung (25)</td>
<td>Wong Chuk Wan, Tai Chung Hau, Ta Ho Tun Sheung Wai, Ta Ho Tun Ha Wai, Kau Sai San Tsuen, Pak Sha Wan, Pak Wai, Luk Mei Tsuen, Ho Chung, Nam Wai, Wo Mei, Mok Tse Che, Au Tsai, Heung Chung, Ho Chung New Village, Nam Pin Wai, Tai Po Tsai, Pik Uk Au, Siu To Yuen Village, Po Toi O, Pak Shek Wo San Tsuen, Pak Shek Wo, Tseng Lan Shue, Sam Long, Tan Shan</td>
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<tr>
<td>Tolo Harbour (Sha Tin/Tai Po) (31)</td>
<td>Ma Niu, Sha Tin Tau New Village, Cheung Kang, Chek Nai Ping, Lin Au, Tai Po Tau, Fung Yuen, CARE Village, Shuen Wan Chim Uk (Part 2), Ha Wong Yi Au, Wong Nai Fai, Ma Wo, Shuen Wan Chan Uk, Cheung Muk Tau, Sai O, Nai Chung, Kwun Hang, Che Ha, Ma Kwu Lam, Tai Tung, Tseng Tau, Nga Yiu Tau (Tai Po), Tai Tung Wo Liu, Sai Keng, Kei Ling Ha San Wai, Kei Ling Ha Lo Wai, Cheung Shue Tan, Tai Po Mei, Sha Lan (Part 2), Nam Hang (Part 2), Yuen Leng</td>
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<td>Tuen Mun (29)</td>
<td>Tsing Chuen Wai (Remainder), Tuen Tsz Wai (Remainder), San Hing Tsuen, To Yuen Wai, Sun Fung Wai, Tuen Mun San Tsuen, Nai Wai, So Kwun Wat Tsuen, So Kwun Wat San Tsuen, Tai Lam Chung Tsuen, Luen On San Tsuen, Wong Uk, Wu Uk, Sai Hang Mei, Tsz Tin Tsuen, Siu Hang Tsuen, Po Tong Ha, Tsoi Yuen Tsuen (Tuen Mun), Fuk Hang Tsuen (Lower), Siu Lam Tsuen, Siu Sau, Siu Lam San Tsuen, So Kwun Tan, Kar Wo Lei, Ka Loon Tsuen, Pak Long, Nam Long, Sha Po Kong, Lung Tsai</td>
</tr>
<tr>
<td>Yuen Long (30)</td>
<td>Wong Uk Tsuen, Wo Ping San Tsuen, Hang Tau Tsuen (Ping Shan), Hung Uk Tsuen, Kiu Tau Wai, Shan Ha Tsuen, Sheung Cheung Wai, Shui Pin Wai, Ha Yau Tin Tsuen, Shan Pui Tsuen, Sheung Yau Tin Tsuen, Tai Kiu, Tai Wai Tsuen, Yeung Uk Tsuen (Shap Pat Heung), Yuen Long Kau Hui, Ha Tsuen San Wai, Hung Shui Kiu, San Lei Uk Tsuen, San Sang Tsuen, Sha Chau Lei (II), Tin Sam Tsuen (Ha Tsuen), Tung Tau Tsuen (Ha Tsuen), Fui Sha Wai, Shui Pin Tsuen, Tai Tao Tsuen, Tan Kwai Tsuen, Small Traders New Village, Tung Tau Tsuen (Shap Pat Heung), Kwan Lok San Tsuen, Chun Hing San Tsuen</td>
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<tr>
<td>District (and number of villages)</td>
<td>Village name</td>
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<tr>
<td>Tseung Kwan O (11)</td>
<td>Mau Wu Tsai Village, Shui Bin Village, Ming Oi New Village, Tseung Kwan O Upper Old Village, Hang Hau Lower Old Village, Sun Tei Village, Au Tau Village, Tseung Kwan O Village, Boon Kin Village, Wo Tong Kong (Part), Ma Yau Tong Village</td>
</tr>
<tr>
<td>Tsuen Wan and Kwai Tsing (26)</td>
<td>Chuen Lung Village, Lo Wai, Kau Wa Keng Old Village, Kau Wa Keng San Tsuen, Sheung Kwai Chung, Wang Lung, Tung Kwu Shek, Fu Yung Shan &amp; Pak Tin Pui, Kwong Pan Tin Village, Ha Fa Shan, Cheung Hang Village, Kau Wa Keng Upper Village and Pump Fong Sheung Chuen, San Tsuen, Sheung Yat Chuen, Wo Yi Hop Upper Village, Ma Tong, Hon Man Tsuen and Nam Ho Pui Tsuen, Wo Yi Hop, Wo Yi Hop Road opposite to Lei Muk Shue Estate, Kiu Tau Village, Shek Lei Hang, Sam Dip Tam, Choi Yuen Tsuen (Tsuen Wan), Tai Wor Tsuen, Kin Yip Tsuen, Chai Wan Kok Village</td>
</tr>
<tr>
<td>Kwun Tong (5)</td>
<td>Che Ting Village, Ma Pui Village, Ma Wan Village, On Lee Sai Tsuen, Lei Yue Mun Village</td>
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**Major infrastructure projects experiencing cost overruns and delays**

20. **MR HOLDEN CHOW** (in Chinese): President, the Shatin to Central Link ("SCL") project, the implementation of which was entrusted by the Government to the MTR Corporation Limited ("MTRCL"), is underway. The project has experienced delays and is likely to incur cost overruns. It has been reported that the estimated amounts of the cost overruns will be as high as $20 billion, causing the total project cost to rise from the original $79.8 billion to almost $100 billion, which is even higher than the project cost of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. Moreover, a number of other major infrastructure projects in recent years have also experienced serious cost overruns and delays, and the amounts of the cost overruns for individual projects have continuously increased from a few billion dollars in the past to $20 billion in the present case. Some members of the public query the ability of the Hong Kong Government and MTRCL to control the expenditures and progress of the projects. In this connection, will the Government inform this Council:
(1) whether, in view of the current situation of the SCL project experiencing cost overruns and delays, the authorities have conducted, in collaboration with MTRCL, a review to see if there are areas for improvement in the internal systems currently deployed by the company for auditing project expenditures and monitoring project progress; if such a review has been conducted, of the outcome and the ways in which improvement will be made; if such a review has not been conducted, whether the review will be conducted; if so, when it is expected to commence and complete;

(2) whether the authorities have studied if the cost overruns and delays experienced by a number of major infrastructure projects in recent years involve blunders of the Government in its budgeting, policy implementation, etc.; if they have studied, of the outcome; if they have not studied, whether the authorities will consider conducting such a study; and

(3) whether the authorities will adopt new measures to prevent the projects under planning from experiencing cost overruns and delays in future; if so, of the details?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has been implementing public works projects in an orderly manner with a view to improving people's quality of living, enhancing the long-term competitiveness and promoting the economic development of Hong Kong.

Given the longer planning horizons and implementation time frames required for mega works projects, they are bound to be more susceptible to the uncertainty and fluctuation of economic cycles and therefore are more exposed to the risks of cost overruns and delays. Notwithstanding that there have been instances of cost overruns and delays in delivering certain mega projects in recent years due to unforeseeable circumstances that arose in the course of implementation, we have maintained consistently good performance in cost estimation for projects under the Capital Works Programme as a whole.

The Finance Committee ("FC") of the Legislative Council approved a total of about 650 Category A projects with funding amounting to $770 billion over the past 10 years. Among these approved projects, around 70 required
application to FC for additional provisions totalling about $60 billion mainly. In other words, increased estimates are required in about 10% of all these approved projects and the additional provisions amounted to about 8% of the total funding approved.

Although there were projects that required additional funding owing to individual circumstances, we generally managed to complete the projects under the Capital Works Programme within the original Approved Project Estimates ("APE") overall and even with surplus. For example, about 850 Category A projects had the final accounts settled in the past 10 years. Their original APE totalled about $240 billion as compared with the total final expenditure of about $210 billion. Though some projects needed to apply for additional provisions from FC, the surplus from other projects were not only able to offset the cost overruns but also managed to leave behind a balance of $30 billion. In short, the total expenditure of these projects at final settlement accounted for only about 85% of their original APEs.

My reply to the three parts of Mr CHOW's question is as follows:

(1) Regarding the additional costs of the works of the Shatin to Central Link ("SCL"), as advised by the Transport and Housing Bureau, the progress report submitted to the Legislative Council Subcommittee on Matters relating to Railways ("RSC") in November 2014 had pointed out that, due to the archeological discoveries at To Kwa Wan, the contingencies allowed for the SCL project would not be sufficient to meet the additional costs of the works. The subsequent quarterly reports submitted to the RSC also pointed out that, in addition to the archeological discoveries and conservation works, the construction costs were increased due to the additional costs arising from the enabling works for the topside development of Exhibition Station, the deferred site handover at Wan Chai North and the construction difficulties and challenges encountered at other sites. As mentioned in the quarterly report submitted to the Legislative Council RSC, the MTR Corporation Limited ("MTRCL") pointed out that the SCL project was complicated and the remaining works of the Hung Hom to Admiralty Section would still be affected by a number of factors. To provide a more accurate estimate for the cost of the main works, it is necessary to wait until the second half of
2017 in order to have a more practical assessment. As such, the cost estimate for the works of the SCL is yet to be available. On the other hand, the Highways Department has been coordinating and overseeing the construction of SCL with a view that MTRCL is committing to recover some of the delay of SCL, and part of the delay of the Tai Wai to Hung Hom Section caused by the archeological discoveries has been recovered by the construction team. Since both the cost estimate and the time for completion are not yet finalized, the review has to be followed up in the next stage.

(2) As for the Capital Works Programme as a whole, the Development Bureau has conducted an analysis of completed public works projects and summarized the major reasons for applying for additional funding provisions, which include price adjustments to cover higher-than-expected increases in construction costs; increased project contingencies to cover additional works and unforeseen circumstances; and higher-than-expected tender returns.

Whereas for project delays, serious delays in some major projects were mainly caused by unforeseen circumstances, such as the handling of related judicial reviews, extension of public consultation period, additional works required, worse-than-expected ground conditions and inclement weather.

For individual projects, according to current relevant Development Bureau requirements, all works departments are required to conduct reviews upon the completion of major projects to conclude circumstances encountered during the course of implementation. For ongoing major projects which require additional funding provisions, the responsible departments will also conduct reviews upon the completion of the projects so as to learn from the implementation experience, and also for the reference of other projects.

(3) The Development Bureau established the Project Cost Management Office ("PCMO") in June last year. By formulating cost control measures and cost reduction initiatives, coordinating and monitoring related work of the project client bureaux and works departments,
PCMO strives to strengthen the management of the public works projects in order to uplift their cost-effectiveness and to ensure that public funds are spent properly. PCMO is now forging ahead with a series of measures to ensure that public works projects will be completed on time and within APEs. These ongoing measures include:

(i) Enhancing project management capabilities by improving the skill and performance of internal staff, including project leaders and professionals, on project management and cost estimation through the provision of contemporary and comprehensive project management training.

(ii) Formulating new project management measures and managing the total costs of the projects in collaboration with client bureaux and departments. In the process, we will monitor the expenditure of individual projects. In case of deviations from the planned expenditure or major alterations to the project designs, the responsible departments will be required to make notifications as well as formulate and implement practicable measures to manage costs.

(iii) Optimizing the cost estimation of the projects, for example, by considering the incorporation of Reference Class Forecasting to supplement the current cost estimation method and enhance the accuracy of the estimation.

(iv) Promoting the use of "target cost contract" option under the New Engineering Contract works contracts in major public works projects so as to enhance the contract management efficiency and cost effectiveness. The "target cost contract" option provides a pain/gain share mechanism, under which the employer and the contractor share the cost saving and overrun between the actual construction cost and the final target cost. The objective is to set a common goal for the contracting parties to complete the works in a more cost-effective manner and within a shorter period of time.
In addition, the bureaux and works departments concerned shall continue to perform their duties in project management, cost estimation, procurement, site supervision, etc., for the projects. They will continue to collaborate with PCMO to ensure that the projects can be completed on time and within APEs.

School fees charged by kindergartens under the Free Quality Kindergarten Education Scheme

21. MR LEUNG YIU-CHUNG (in Chinese): President, the Government will implement the Free Quality Kindergarten Education Scheme starting from the 2017-2018 school year. In that school year, (i) the Government will provide a subsidy of $33,190, $43,150 and $53,100 per student per annum ("pspa") respectively for half-day ("HD"), whole-day ("WD") and long whole-day ("LWD") kindergartens ("KGs"); and (ii) the ceiling of school fees that HD KGs may collect from parents is set at $9,960 pspa (after deduction of government subsidies), and the relevant ceiling for WD and LWD KGs is $25,890 pspa. On the other hand, the Government will continue to implement the Kindergarten and Child Care Centre Fee Remission Scheme ("KCFRS") to provide fee remission for families which have passed the means test. In this connection, will the Government inform this Council:

(1) whether the authorities will consider lowering the aforesaid school fee ceilings to alleviate the financial burden on the parents of students;

(2) of the respective numbers, as estimated by the authorities, of families eligible for 100% fee remission under KCFRS which will need to pay KG school fees for their children studying in HD, WD and LWD KGs in the 2017-2018 school year, and the average amounts of school fees payable by such families; and

(3) whether the authorities will announce, as early as possible, the highest fee remission for the 2017-2018 school year under KCFRS?
SECRETARY FOR EDUCATION (in Chinese): President, starting from the 2017-2018 school year, the Education Bureau will implement the free quality kindergarten ("KG") education policy. The policy objectives are to provide good quality and highly affordable KG education, and enhance the accessibility of students to different modes of services that suit their specific needs. The Government's recurrent expenditure on pre-primary education is estimated to increase from about $4 billion in 2016-2017 to about $6.7 billion in the 2017-2018 school year.

With a substantial increase in the Government's commitment in KG education, the quality of KG education will be improved in various aspects, including providing direct subsidies to KGs joining the Free Quality KG Education Scheme; further improving the teacher-pupil ratio; strengthening the support for students' learning and development in different areas as well as catering for the needs of non-Chinese speaking students; creating a professional ladder for KG teachers' development and career advancement; releasing a new curriculum guide; stepping up quality assurance and refining the Performance Indicators; as well as enhancing parent engagement and parent education, etc.

My reply to the question raised by Mr LEUNG Yiu-chung is as follows:

(1) Under the new policy, the Government will substantially increase the subsidy to KGs. In principle, government subsidy should be sufficient for KGs to provide quality half-day ("HD") services. Individual KGs may need to charge school fees, which are estimated to be at low level, for their HD programmes, mainly to defray expenses on rent that are not fully covered by rental subsidy. For whole-day ("WD") or long WD ("LWD") services, under the co-payment basis between the Government and parents, the additional subsidy provided by the Government for each WD place and LWD place would be set at 30% and 60% of the basic HD unit subsidy respectively, with the rest to be borne by parents. In the light of the additional subsidy provided by the Government, school fees should be at a low level.

When setting the school fee ceilings, we take into consideration various factors which include allowing more flexibility to cater for the special circumstances of individual KGs (including KGs operating in rented school premises) in the light of diversity and
vibrancy of the KG sector. We have no plan to lower the school fee ceilings for the 2017-2018 school year but will review and adjust such ceilings every year as appropriate. We expect that the school fees charged by the majority of KGs will be far below the ceilings. Education Bureau will rigorously vet KGs' applications for collection of school fees. Only reasonable expenditure will be recognized. KGs are hence required to provide strong justifications and supporting information (such as expenses on rent not fully covered by government subsidy). Currently, we are vetting the applications concerned. Based on the information provided by KGs approved to join the Free Quality KG Education Scheme, as at end-May 2017, it is estimated that about 80% of them will provide free HD KG services in the 2017-2018 school year. As for WD KGs, about 50% of them are expected to charge school fees at or below $1,000 per month, which represents a significant increase when comparing with the current 5% in the 2016-2017 school year.

(2) It is expected that there will be 33,963 applications under the KG and Child Care Centre Fee Remission Scheme in the 2017-2018 school year. The amount of school fees payable after fee remission is subject to various factors, including the school fee levels approved by the Education Bureau, parental choices, etc. As we are vetting KGs' applications for collection of school fees in the 2017-2018 school year and KGs' admission of students for the 2017-2018 school year is still in progress, the required information is not yet available.

(3) Based on past experience, under normal circumstances, fee remission ceilings for the new school year will be released at the website of the Student Finance Office in mid-September. In view of the substantial increase in resources to KGs with the implementation of the Free Quality KG Education Scheme in the 2017-2018 school year, KGs planning to collect school fees must submit more detailed justifications and supporting information and Education Bureau will scrutinize the applications more rigorously. We will announce the fee remission ceilings for the 2017-2018 school year as early as possible after processing all the applications for collection of school fees.
Capability of the institutions in Hong Kong in coping with major computer security incidents

22. **DR ELIZABETH QUAT** (in Chinese): President, it has been reported that WannaCry, a ransomware program targeting on computer systems which use old-version Microsoft Windows operating systems, has earlier caused havoc on a global scale, affecting the computer systems of the relevant organizations in at least 150 countries, including the Russian central bank and a number of hospitals in the United Kingdom. Some members of the information and technology sector are worried about whether the institutions in Hong Kong, including government departments and public organizations, are capable of coping with major computer security incidents. In this connection, will the Government inform this Council:

   (1) whether it has assessed if the various government departments and public organizations are capable of coping with major computer security incidents at present; if so, of the outcome;

   (2) of the number and percentage of the government departments currently holding the ISO 27001 certificates for information security management systems ("certificates"), which are jointly issued by the International Organization for Standardization and the International Electrotechnical Commission; among the government departments holding the certificates, of the number and percentage of those which have been granted a certificate for the second time upon the expiry of the three-year validity period of the original certificates; among such certificates, of the respective numbers of those which have been and have not been updated to the 2013 edition;

   (3) whether it has assessed if the internal information security management systems of those government departments currently holding the certificates are capable of coping with major computer security incidents; if so, of the outcome;

   (4) whether the Government Chief Information Officer ("GCIO") has assessed if there are inadequacies in the information security management systems of those government departments currently holding the certificates; if GCIO has assessed and the outcome is in
the affirmative, of the ways to make improvement; whether the various government departments have introduced the security incident management platform system to strengthen information security;

(5) of the measures in place to ensure that the financial institutions in Hong Kong are capable of coping with major computer security incidents; whether it knows if the various financial institutions have carried out regular drills in this regard; if regular drills have been carried out, of the details; and

(6) whether it has formulated contingency measures (including technical support) to assist small and medium enterprises and members of the public in coping with computer security incidents; if so, of the details; if not, the reasons for that?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Chinese): President, the Government attaches great importance to information and cyber security and has all along been closely monitoring the trend of cyber attacks and related security threats. Having made reference to the latest information security management system standards published by the International Organization for Standardization ("ISO")/International Electrotechnical Commission ("IEC") (the ISO/IEC 27001: 2013 edition), the industry best practices (e.g. COBIT 5, etc.) and the internal information security needs of the Government, the Government has formulated a comprehensive set of "Government IT Security Policy and Guidelines" ("Policy and Guidelines"), setting out the requirements for establishing, implementing, maintaining and continually improving the information security management system for compliance by all bureaux and departments ("B/Ds").

After consulting the relevant B/Ds, our reply to the various parts of the question is as follows:

(1) For protecting government information systems and networks, the Government has put in place the overall management framework, technical measures and security mechanisms to closely monitor the operation of government information and network systems, so as to
detect and defend various kinds of potential cyber attacks. All B/Ds should comply with the "Policy and Guidelines", taking appropriate and effective measures to ensure the security and normal operation of government information and network systems. The Government has also issued the "Policy and Guidelines" to public organizations for their reference, so that they can take appropriate protective and preventive measures based on their IT security policy and business needs.

All B/Ds should regularly conduct third-party security risk assessments and audits for their information and network systems to ensure compliance with the "Policy and Guidelines" and the relevant security requirements, and have adequate defensive capability to respond to large-scale computer security incidents so as to protect government systems and data assets.

To enhance the protection of the information systems of B/Ds and their capabilities in handling cyber security incidents, the Office of the Government Chief Information Officer ("OGCIO") and the Hong Kong Police Force ("HKPF") coordinated in January 2017 an "Inter-Departmental Cyber Security Drill" ("the Drill") involving 30 B/Ds. The Drill aimed at allowing B/Ds to experience how to mitigate effectively cyber security incidents in a simulated environment, thereby enhancing B/Ds' capabilities in protecting their information systems as well as handling cyber security incidents.

(2) In addition to complying with the "Policy and Guidelines", individual departments may obtain the ISO/IEC 27001 information security management system certification for specific scopes according to their respective business needs. Currently, a total of five government departments as well as the Government Cloud Platform service have obtained the ISO/IEC 27001 information security management system certification for their specific scopes, of which four have obtained the certification for more than three years and their certificates have been renewed after the three-year validity period. All afore-mentioned certifications obtained are of the latest 2013 edition.
(3) and (4)

We have implemented multiple layers of security measures within the Government to guard against cyber security threats, including firewalls, intrusion detection and prevention systems, spam filtering systems, anti-virus solutions, real-time monitoring tools, etc. In addition, according to the "Policy and Guidelines", B/Ds should back up important data frequently and keep the backups in safe custody, apply the latest security patches to the software in use, and install and enable anti-malware function on all computer devices with regular update of its signatures, etc.

To strengthen the capability to prevent, detect and respond to cyber attacks, the Government Cloud Platform, the Central Internet Services and critical network systems have established corresponding security information and event management systems to monitor the utilization of such networks and services on a 24-hour basis, perform real-time scan and prevent malicious cyber attacks.

As all B/Ds, irrespective of whether they possess ISO/IEC 27001 certification, are required to comply with the requirements of the "Policy and Guidelines", coupled with the above multiple layers of security measures, the Government is capable of coping with large-scale computer security incidents. In relation to the recent threats of "WannaCry" ransomware, there is no report of security incident in the Government, and the Government's information systems have been working properly.

(5) The Financial Services and the Treasury Bureau indicated that to enhance the cyber resilience of the banking sector, the Hong Kong Monetary Authority ("HKMA") launched the Cybersecurity Fortification Initiative ("CFI") last year. Under CFI, banks should assess their cybersecurity and related business continuity and contingency plans and make use of a common sharing platform to obtain cyber threat information. Banks may also take part in the Professional Development Programme to enhance staff's professional expertise. HKMA has all along been reminding the banking industry of emerging cyber attack trends and risks.
In March 2017, HKMA and Securities and Futures Commission ("SFC") hosted industry briefing sessions for the second industry-wide crisis simulation which is scheduled to take place on 27 October 2017. Over 30 leading financial institutions have signed up for the planned drill to improve their cyber and risk management awareness.

SFC completed, with the support of an external consultant, a cybersecurity review in late 2016. Based on the result of the review and the feedback from the industry, SFC launched on 8 May 2017 a two-month public consultation on the proposals to reduce and mitigate hacking risks associated with Internet trading. SFC’s proposals primarily include (a) introducing guidelines such as two-factor authentication for system login, prompt notification to clients, etc.; (b) expanding the application of relevant provisions of SFC’s Code of Conduct to cover the Internet trading of securities that are not listed or traded on the stock exchange; and (c) clarifying that an Internet-based trading facility may be accessed through a computer, mobile device or other electronic devices.

SFC has reminded licensed firms the importance of security precautions against cyber risks via its circulars. Licensed corporations are expected to take immediate actions to critically review and assess the effectiveness of their cybersecurity controls in place. In addition, under the requirement of SFC’s Code of Conduct, licensed firms are required to report to SFC immediately upon happening of any material system security incident.

As the regulator of the Hong Kong Exchanges and Clearing Limited ("HKEX"), SFC has been working closely with HKEX to ensure that it has implemented appropriate measures to monitor and address the cybersecurity risks based on international standards.

Besides, the Office of the Commissioner of Insurance ("OCI") has laid down regulatory requirements for authorized insurers to identify cybersecurity threats arising from network, email and relevant devices and that they should have mitigation measures in place to prepare for possible cybersecurity threats. Authorized insurers should also conduct periodic testing on the mitigation measures to ensure their ability to deal with cybersecurity threats timely and
effectively. OCI and the Insurance Authority will conduct inspections on authorized insurers to check their compliance with relevant regulatory requirements.

HKPF conduct e-Security Audit and Cyber Security Drill with the banking and finance sector. Details are as follows:

(a) e-Security Audit: With the consent of the participating organizations, HKPF would arrange officers to visit the respective information technology departments of the organizations and to assess their capabilities in defending cyber-attacks (including assessment on the organization's relevant human resources, equipment and policies). HKPF would then render appropriate advice to the organizations; and

(b) Cyber Security Drill: Through simulating different cyber incident scenarios, the Cyber Security Drill could assess the analytic abilities, the established incident response procedures as well as the communication protocol of the participating organizations. The simulated cyber incident scenarios cover the most prominent cyber-attacks with far-reaching impact, including the distributed denial-of-service attack, web defacement, network and information systems intrusion, ransomware, malware, sensitive data leakage, etc.

In addition, HKPF has been working closely with HKMA to monitor the modus operandi of different types of commercial crimes as well as to facilitate intelligence exchange targeting the banking and finance sector. HKPF and HKMA have been reminding the financial sector to review the relevant security measures to minimize the threats of system intrusion. To enhance the readiness of the financial sector in defending cyber-attacks, HKPF, HKMA and the Hong Kong Applied Science and Technology Research Institute co-organized the Cyber Security Summit 2016 in May last year, which was a three-day event attended by supervisors of financial institutions, regulatory bodies and technology solution providers among its guests. The summit discussed the latest local and global trends of cyber attacks, and enhanced the awareness and preparedness of important professional bodies and critical infrastructures in Hong Kong in response to cyber security incidents and hacker attacks.
(6) The Hong Kong Computer Emergency Response Team Coordination Centre ("HKCERT") provides services relating to information security incident responses, security threat alerts, preventive guidelines and educational activities for local enterprises (including small and medium enterprises) and Internet users.

To further promote information security awareness among enterprises and the general public, and strengthen their capability to prevent cyber security threats and respond to computer security incidents, OGCIO, in collaboration with HKPF and HKCERT, will continue to collaborate with the industry and different organizations in launching various publicity and educational activities, reminding them to strengthen their cyber security measures and protect their information systems and assets. At the same time, OGCIO also provides enterprises and the general public with the latest information and advice on cyber security through the "InfoSec" and "Cyber Security Information Portal" websites, as well as various promotional channels, so that they can have a better understanding of the potential security risks and the corresponding mitigation measures, thereby helping them handle computer security incidents.

GOVERNMENT BILLS

First Reading of Government Bills


STAMP DUTY (AMENDMENT) (NO. 2) BILL 2017

MEDICAL REGISTRATION (AMENDMENT) BILL 2017

CLERK (in Cantonese): Stamp Duty (Amendment) (No. 2) Bill 2017

Medical Registration (Amendment) Bill 2017.

Bills read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.
Second Reading of Government Bills


STAMP DUTY (AMENDMENT) (NO. 2) BILL 2017

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I move the Second Reading of the Stamp Duty (Amendment) (No. 2) Bill 2017 ("the Bill") to give effect to the tightening of the exemption arrangement for Hong Kong permanent residents ("HKPRs") under the New Residential Stamp Duty ("NRSD") regime announced by the Government on 11 April this year (i.e. 2017).

The Bill amends the Stamp Duty Ordinance (Cap. 117) ("the Ordinance") to stipulate that under the tightened exemption arrangement, acquisition of a single residential property, irrespective of whether a parking space is accompanied or not, under a single instrument by a HKPR who is acting on his/her own behalf and is not a beneficial owner of any other residential property in Hong Kong at the time of the acquisition will continue to be subject to the lower ad valorem stamp duty ("AVD") rates at Scale 2. However, if the buyer concerned acquires more than one residential property under a single instrument, the transaction will no longer be exempted and will be subject to the NRSD rate of 15%.

In determining what constitutes a single residential property, the Inland Revenue Department ("IRD") may take into account various documents, including approved building plans, deed of mutual covenant, occupation permit and any other document that IRD considers relevant.

The Bill has also set out some common examples which are considered to be a "single" residential property. Such examples include a unit and a roof situated immediately above the unit; a unit and an adjacent garden; and a unit that became a single unit following the demolition of the walls, or any part of the walls, separating two adjoining units as shown by the documents (such as the approved plans) set out in the Bill.

The Government announced the introduction of the NRSD measure on 4 November last year. By increasing AVD chargeable on residential property transactions to a new flat rate of 15%, the new measure would increase the
transaction costs and thereby reduced investment demand for residential properties, which in turn guarded against further increase in the risks of a housing bubble. At that time, we proposed that the new measure would continue to adopt the exemption arrangement for the HKPRs concerned provided for under the existing doubled ad valorem stamp duty ("DSD") regime. In other words, provided that the buyer is a HKPR who is acting on his/her own behalf, and is not the owner of any other residential property in Hong Kong at the time of the acquisition of the residential property concerned, the lower AVD rates at Scale 2 will continue to be applicable, and the transaction will not be subject to the new rate of 15%. At that time, we had not announced any restriction on the number of residential properties acquired under a single instrument.

After the Government had introduced NRSD, we noticed an increasing trend in which some local buyers acquired multiple residential properties under a single instrument (commonly known as "buying multiple flats under one agreement") by making use of the above exemption arrangement to evade the payment of the new rate of 15%, thereby undermining the intended effect of the new measure. The Bills Committee scrutinizing the Stamp Duty (Amendment) Bill 2017 ("the 2017 Bill") that implements the NRSD measure, as well as members of the public have expressed grave concern over the situation. The overwhelming majority of them have considered that buying multiple flats under one agreement is obviously intended as an investment which should not be exempted from NRSD.

Hence, the Government has been paying close attention to these transactions. According to IRD's statistics, the number of transactions involving the purchase of multiple flats under one agreement, which are only subject to the lower Scale 2 rates, constitutes only a small percentage of the total residential property transactions since the introduction of NRSD, but there has been an increasing trend of these cases thereafter. In terms of specific numbers, the ratio of such cases to the total residential property transactions increased from 0.5% before the introduction of NRSD to 1.3% and 2.4% in February and March this year respectively. Against such background, the Government announced the tightened exemption arrangement for HKPRs on 11 April this year to eradicate local buyers' practice of buying multiple flats under one agreement to evade the new rate of 15%.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)
Given the price-sensitive nature of the property market, the tightened exemption arrangement has to come into immediate effect once announced. Hence, the Bill proposes that the tightened exemption arrangement come into operation the day immediately following the Government's announcement (i.e. 12 April 2017). IRD will record all the property transactions between 12 April 2017 and the date on which the Bill is passed and gazetted. Reminders to demand for the AVD underpaid will be issued after the gazettal of the Bill.

The Bills Committee scrutinizing the 2017 Bill has discussed whether it is possible to amend the 2017 Bill by way of Committee stage amendment in order to give effect to the tightening of the exemption arrangement targeting the purchase of multiple flats under one agreement. We have already explained to the Bills Committee that the scope of the 2017 Bill only covers the NRSD rate of 15% proposed back then. To give effect to the tightening of the exemption arrangement targeting the purchase of multiple flats under one agreement, we have to introduce a new bill (namely the Bill currently mentioned) into the Legislative Council.

Deputy President, in drawing up the Bill, we have taken into account the views expressed by various sectors of the community, including the views of the Bills Committee on Stamp Duty (Amendment) Bill 2017, as well as public concerns over transactions involving the purchase of multiple flats under one agreement. The community generally supports the tightening of the exemption arrangement to prevent evasion of the new rates by investors with property demands, thereby safeguarding the effectiveness of the new measure.

After the Government has announced the tightening of the exemption arrangement, media reports and market news have both indicated a significant drop in the number of cases involving the purchase of multiple flats under one agreement. According to IRD's statistics, the ratio of residential property transactions which involve the purchase of multiple flats under one agreement (to which only the lower AVD rates at Scale 2 is applicable) to the total number of transactions has dropped from 2.4% and 2.5% in March and April respectively to 0.3% in May (i.e. last month) in 2017 (i.e. this year). This shows that the tightening of the exemption arrangement has indeed effectively reduced the number of transactions involving the purchase of multiple flats under one agreement.
Deputy President, I also hope to take this opportunity to give a brief account of the data on the effectiveness of various demand-side management measures. In terms of the overall effectiveness of the NRSD rate of 15%, from December last year to May this year, among the residential property transactions involving HKPR buyers, about 94% of the buyers did not own any other residential property in Hong Kong at the time of the acquisition of the residential property concerned. This figure is significantly higher than some 75% for the period before the introduction of NRSD (i.e. between January and November 2016). From this, it can be seen that the NRSD measure has continued to be remarkably effective in reducing investment demand.

Meanwhile, the Special Stamp Duty and Buyer's Stamp Duty have continued to be effective in combating speculative activities and reducing external demand. In the first quarter of this year (i.e. 2017), the number of short-term resale transactions only accounts for 0.7% of the total number of residential property transactions; and the purchases of residential properties by non-local individuals and non-local companies only account for 1.5% of the total transactions.

While the various demand-side management measures have effectively curbed short-term speculative activities and reduced external and investment demands, against the global backdrop of low interest rates and credit easing, the property market has remained exuberant and heated. Property prices have gone far beyond the purchasing power of members of the public, and the problem has become increasingly serious. Hence, on the one hand, the Government has called on members of the public to conduct a thorough assessment of property prices and future interest risks when purchasing a property; on the other hand, it would remain vigilant and closely monitor the trends of property market and the ever-changing external conditions, and take appropriate measures when necessary to reduce the risk of a bubble in the property market.

Deputy President, I hope that the Legislative Council can expeditiously scrutinize and pass the Bill. If the Council arranges for the Bill to be scrutinized by the Bills Committee, the Government will, as always, make every effort to facilitate the work of the Bills Committee.

Deputy President, I so submit.
DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Stamp Duty (Amendment) (No. 2) Bill 2017 be read the Second time.

In accordance with the Rules of Procedure, the debate is adjourned and the Bill is referred to the House Committee.

MEDICAL REGISTRATION (AMENDMENT) BILL 2017

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I move the Second Reading of the Medical Registration (Amendment) Bill 2017 ("the 2017 Bill").

The 2017 Bill seeks to amend the Medical Registration Ordinance (Cap. 161) ("the Ordinance"), and the main purposes are as follow:

(a) improve the complaint handling and disciplinary inquiry mechanism of the Medical Council of Hong Kong ("MCHK");

(b) increase lay participation in MCHK for the purpose of enhancing its accountability and credibility; and

(c) enable MCHK to approve applications for limited registration for a period from not exceeding one year to not exceeding three years.

The Medical Registration (Amendment) Bill 2016 ("the 2016 Bill") could not be passed before the prorogation of the last Legislative Council. Subsequently, the Government set up a tripartite platform and invited doctors, representatives of patients' interests and consumers' interests, and Members of the Legislative Council, to provide views on the composition and operation of MCHK and forge consensus on the proposed legislative amendments as far as practicable. The tripartite platform has held a total of four meetings. It first had an analysis and understanding of the current operation of MCHK, and then drew reference on overseas experiences including that of the United Kingdom, Australia and Singapore; and finally, it discussed the proposed amendments to the Ordinance to improve MCHK's complaint investigation and disciplinary inquiry mechanism as well as its composition.
Deputy President, ensuring justice, maintaining professionalism and protecting the public are the missions of MCHK. The credibility and operational efficiency of MCHK has become a prime public concern in recent years. As the number of complaint cases is on the increase, there is a backlog of more than 900 cases. It takes about six years on average to handle a complaint case from receipt to disciplinary inquiry. Thus, amending the Ordinance should brook no delay.

The 2017 Bill is formulated on the basis of the original proposals of the 2016 Bill and the Committee stage amendments proposed by the Government, and after taking into account the discussions and concerns of the Legislative Council and the community on the 2016 Bill, the views expressed by members of the tripartite platform on various occasions, and the earlier deliberations and views raised at the tripartite platform. The proposed legislative amendments are as follows:

First, to improve the complaint investigation and disciplinary inquiry mechanism of MCHK. The 2017 Bill is more comprehensive than the 2016 Bill. Apart from removing the bottlenecks under the current legislation to enhance complaint handling efficiency, the 2017 Bill further proposes to establish a modern mechanism separately under MCHK. Major amendments are as follow:

(a) Inquiry meetings will no longer be conducted by MCHK, and Inquiry Panels ("IPs") will be set up under the auspices of MCHK to conduct inquiries;

(b) in recognition of professional autonomy, MCHK will decide on the number and membership of Preliminary Investigation Committees ("PICs") and IPs, set qualification requirements of assessors, appoint chairman and deputy chairman of PIC and chairperson of IP. Besides, the Bill will stipulate that doctors constitute the majority of PICs and IPs;

(c) increase lay participation;

(d) set up more than one PIC and IP;
(e) accord MCHK members and assessors the same qualification to form PICs and IPs;

(f) in order to establish a sufficient pool of medical and lay assessors to participate in PICs and IPs, the number of assessors will be increased from 14 to not exceeding 140. Among them, the number of doctor assessors will be increased from 10 to not exceeding 80 while lay assessors from 4 to not exceeding 60; and

(g) legal support will be increased accordingly to handle the anticipated increase of cases. Under the 2017 Bill, MCHK can appoint more than one legal adviser and the Secretary for Justice may appoint any counsel or solicitor in private practice to carry out the statutory duties of the Secretary of MCHK in inquiries.

Second, the composition of MCHK. The 2017 Bill proposes that four lay members be added to MCHK to enlarge its lay membership from four persons (or 14%) to eight persons (or 25%). For the four additional lay members, appointment by the Chief Executive is not required. Three of them will be directly elected by patient-related organizations and one of them will be nominated directly by the Consumer Council. The election procedures of the three patient representatives shall be prescribed in a subsidiary legislation.

The Hong Kong Academy of Medicine ("HKAM") is an independent statutory body responsible for medical specialist training and granting of specialist qualifications. Having regard to the principle of professional and academic autonomy and the structure of HKAM, the two appointed members nominated by HKAM shall be elected in accordance with its rules and regulations and appointment by the Chief Executive is not required. Under this proposal, after the increase of the number of elected members, MCHK will still have half of its members being elected doctor members.

Under the 2017 Bill, doctor members will still constitute the majority at 75% in MCHK, while the proportion of lay members will be increased to 25%. Elected doctors will account for half of the membership of MCHK. Elected members and one member nominated by the Consumer Council (whose appointment by the Government is not required) will account for about two thirds of the membership, while only about one third will be appointed members.
Third, limited registration. At present, the term of registration and renewal of doctors with limited registration is valid for up to one year subject to the employment by specified institutions (e.g. the Hospital Authority (“HA”) and the two universities) and annual renewal. As at the end of 2016, there were about 150 doctors with limited registration, amongst which 14 worked in HA. It is proposed that the validity period of limited registration that MCHK can approve be extended from not exceeding one year to not exceeding three years.

The Government has consulted various relevant stakeholders on the 2017 Bill, including MCHK, relevant trade bodies, patients’ organizations and patients’ rights representatives. The Government also just consulted Legislative Council’s Panel on Health Services on 29 May 2017.

Deputy President, the composition and mode of operation of MCHK has to keep abreast with the times and meet the aspirations of society. It has already been 20 years since the Ordinance was last substantially amended. With the current amendment, the Government believes that the long-standing problems of MCHK can be duly resolved, and a system can be established to meet the expectations of society. Through setting up a tripartite platform and more proactive communication, we have already taken an important step forward. With the formal commencement of legislative work, I sincerely hope that all sectors can uphold the spirit of seeking common ground while reserving differences and seeking truth from facts, so as to work together to handle the amendment proposals in the 2017 Bill.

With these remarks, Deputy President, I hope Members will support the 2017 Bill. Thank you.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Medical Registration (Amendment) Bill 2017 be read the Second time.

In accordance with the Rules of Procedure, the debate is adjourned and the Bill is referred to the House Committee.
Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): We resume the Second Reading debate on the Inland Revenue (Amendment) (No. 3) Bill 2017.

INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2017

Resumption of debate on Second Reading which was moved on 29 March 2017

DEPUTY PRESIDENT (in Cantonese): Mr Kenneth LEUNG, Chairman of the Bills Committee on the Bill, will address the Council on the Committee's Report.

MR KENNETH LEUNG: Deputy President, in my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) (No. 3) Bill 2017, I wish to report on the work of the Bills Committee. I shall focus on the major issues considered by the Bills Committee.

Currently, financial institutions in Hong Kong are required to conduct due diligence and collect the required information from account holders who are tax residents of confirmed partners of Hong Kong in respect of automatic exchange of financial account information in tax matters ("AEOI"), and report the information to the Inland Revenue Department for exchange with such reportable jurisdictions. To overcome the challenges currently encountered in expanding Hong Kong's AEOI network, the Administration proposes to amend the Inland Revenue Ordinance (Cap. 112) to include Hong Kong's prospective AEOI partners as reportable jurisdictions as well. The Bills Committee has no objection to the Bill in principle.

The Bills Committee notes that at present, only Japan and the United Kingdom, which are Hong Kong's confirmed AEOI partners, are included in the list of reportable jurisdictions as specified in Part 1 of Schedule 17E to the Ordinance. Under the Bill, the definition of "reportable jurisdictions" will be revised to include 72 new jurisdictions, comprising 63 prospective and 9 confirmed AEOI partners, as Hong Kong's reportable jurisdictions, and all financial institutions will be obliged to identify and collect information on the financial accounts of tax residents in these jurisdictions.
During its course of deliberations, the Bills Committee has explored ways to reduce the compliance burden on financial institutions arising from AEOI data collection and reporting, such as phasing in the reportable jurisdictions by batches and providing financial institutions with certain options in the scope of data submission in the first reporting year in 2018. The Administration has considered these suggestions but maintains the view that the current proposal under the Bill has struck a balance of all factors including expansion of AEOI network, a level-playing field for AEOI participants, and assurance of data security. The Administration has assured members that it will adopt a facilitating approach and keep the compliance burden of financial institutions to a minimum.

The Bills Committee has also explored with the Administration the feasibility to prescribe in the Ordinance the criteria for including new jurisdictions to the list of reportable jurisdictions. The Administration has advised that this is not necessary because any future amendment to the list of reportable jurisdictions will continue to be subject to negative vetting by the Legislative Council, and the Council will be duly informed of the considerations involved in proposing such amendments.

The Bills Committee has requested the Administration to clarify the safeguards for taxpayers' privacy and confidentiality of the information exchanged. The Administration has emphasized that Hong Kong will conduct AEOI only with those jurisdictions which have signed dedicated exchange agreements with Hong Kong and fulfilled the standard of the Organisation for Economic Co-operation and Development ("OECD") and the relevant safeguards for protecting data privacy and confidentiality of the information exchanged. The scope and use of information to be exchanged follow the Common Reporting Standard of AEOI set by OECD, and the Bill does not alter the privacy and data protection requirements on AEOI in the Ordinance and the dedicated exchange agreements.

The Bills Committee has called upon the Administration to step up publicity to enhance awareness of the general public of the revised AEOI agreements, and update the industry guidelines in a timely manner to facilitate compliance. The Administration has taken note of the Bills Committee's suggestions.
The Administration has proposed Committee stage amendments to the Bill to include Turkey in the list of reportable jurisdictions and to defer the first reporting year for AEOI with Korea from 2018 to 2019. The Bills Committee has examined and agreed to the amendments. The Bills Committee will not propose any amendment to the Bill.

The following part of the speech carries my personal comments on the Bill.

MR KENNETH LEUNG (in Cantonese): Deputy President, today I would like to share with members of the public my views on the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill").

First of all, I would like to tell members of the public that they need not be over anxious about the leakage of their financial information because only those Hong Kong residents who have a second tax residence, i.e. those who are tax residents of another foreign place besides Hong Kong, are covered or affected by the Bill. They are the minority among Hong Kong residents.

Moreover, even if the Bill is passed, our financial institutions will not automatically exchange financial information with more than 70 jurisdictions at once. Two very important conditions must at least be met before the exchange of information. First, Hong Kong must have signed with these jurisdictions comprehensive avoidance of double taxation agreements ("CDTAs"), which contain provisions on automatic exchange of financial account information in tax matters ("AEOI"). If CDTAs are not signed, tax information exchange agreements ("TIEAs") should have been signed with these jurisdictions. Second, the tax information exchange mechanism must be activated. Of course, the Government often needs to sign a memorandum or an additional agreement with a foreign jurisdiction before activating this procedure to exchange tax information.

Deputy President, when I reported the deliberation of the Bills Committee just now, I mentioned that the Inland Revenue Department ("IRD") and the Organisation for Economic Co-operation and Development ("OECD") attached great importance to the confidentiality of personal financial information. I also hope that the authorities concerned will communicate from time to time with OECD and other international organizations to ensure the confidentiality of information exchanged.
Deputy President, there are a number of tax-related bills to be scrutinized in this legislative session. As an international financial centre, Hong Kong must comply with international responsibilities, and a number of amendments have to be made to the Inland Revenue Ordinance. In addition to this Bill, the Inland Revenue (Amendment) (No. 2) Bill 2017 also makes amendments to the Inland Revenue Ordinance in response to the requirements of the international regulatory authorities. Of course, as an international financial centre and a member of the international community, Hong Kong must bear the compliance costs, so as to safeguard Hong Kong's reputation and ensure that the operation be maintained at a very high international level. Since Hong Kong adopts the Territorial Source Principle of Taxation, in fulfilling international responsibilities, the financial information we have to get from foreign countries or other jurisdictions is limited, and we also have limited knowledge on whether we need to obtain financial information from these foreign jurisdictions. We have devoted a lot of time, human resources and other resources to comply with these international responsibilities.

Let me reiterate, as an international financial centre and a member of the international community, Hong Kong must pay this minimum price. I also hope that the Administration will not have the idea that Hong Kong must stand at the forefront in the world in respect of financial reform and tax reform. We only need to keep abreast of the times and meet the lowest standard; we do not have to surpass the United Kingdom and catch up with the United States or become forerunners. Actually, many Honourable colleagues have also raised this point on different occasions, such as at meetings of the Bills Committee, I hope that the Administration will pay heed to this point.

On the other hand, can we refuse to comply with these international responsibilities or international standards? I can tell members of the public that this is very unlikely. Recently, Hong Kong has almost been named as the so-called "international tax haven" on two occasions and been included in the grey list or blacklist. The first time Hong Kong was caught in such a crisis happened in April 2009 when the Group of Twenty ("G20") summit was held. As Hong Kong had all along maintained a low and simple tax regime, other G20 member states queried whether Hong Kong was a tax haven.

I can tell the international community positively that Hong Kong is not a tax haven. Hong Kong is able to maintain a low tax regime because its financial position is robust and its revenue has been very stable. There are actual tax
revenues, and we have transparent and strict laws to combat tax avoidance, including cross-border tax avoidance. A tax haven is a blemish, and Hong Kong is definitely not a tax haven. But if we do not make efforts to comply with the minimum international requirements, it is very likely that we may once again become the target of attack by some countries which are jealous of our robust financial position.

The other crisis of Hong Kong happened in 2015. The so-called "tax haven" blacklist is even more intriguing. In July 2015, some European Union ("EU") countries—not big countries—unexpectedly said that Hong Kong should be listed as a traditional tax haven, just like the Cayman Islands, the British Virgin Islands, etc.

Fortunately, on these two occasions, the Central Government made all-out efforts to negotiate with other countries in 2009, so that Hong Kong was spared from being on the grey list. In 2015, I knew that the Financial Services and the Treasury Bureau had made a lot of efforts, and eventually the EU countries excluded Hong Kong from the so-called "blacklist". If Hong Kong is classified as a tax haven or included in the taxation blacklist, how will it be adversely affected? In fact, the impacts will be considerable, including loss of credibility, which will directly affect the investment by other countries in Hong Kong. Let me give a very simple example. If Hong Kong is listed by EU as a tax haven, when enterprises of EU member states intend to invest in Hong Kong, I believe they have to think twice. The governments of these countries will also vet and process applications for making investments in Hong Kong very carefully.

In addition, some jurisdictions have very stringent financial arrangements in respect of areas classified as tax havens or included in the taxation blacklist. For example, withholding tax may be deducted from the interests or dividends receivable by Hong Kong residents from their investments in foreign countries or loans to enterprises in other jurisdictions. The current tax rate may be only 5% or 10%, but if Hong Kong is classified as a tax haven or included in the taxation blacklist, the withholding tax rate may reach 20% or even 30%. This will have significant impacts on Hong Kong's investment activities.

Indeed, Hong Kong is in a very difficult situation. As I have just said, the passage of the Bill does not mean that we will automatically exchange tax information with 73 countries. Under the existing system, we still have to negotiate with each jurisdiction individually and sign bilateral CDTAs or TIEAs.
OECD or EU has imposed a minimum requirement on Hong Kong, that is, Hong Kong must at least carry out automatic exchange of tax information with a certain number of jurisdictions next year. Due to the time constraint, can IRD or the Financial Services and the Treasury Bureau meet the requirement with its existing resources? I actually think that is not quite possible.

Therefore, the Financial Services and the Finance Bureau briefed members of the Panel on Financial Affairs a few days ago on the legislative proposal to extend the coverage of the Convention on Mutual Administrative Assistance in Tax Matters to Hong Kong. If Hong Kong becomes a member of the Convention, over 100 jurisdictions will automatically become our partners. Of course, we still need to activate the mechanism before we can automatically exchange tax information with these jurisdictions. However, a lot time, manpower and resources can be saved and we need not negotiate with each jurisdiction and sign TIEA. This is more or less an "international standardized approach".

I hope Honourable colleagues will actively support the bill in question when we scrutinize it in the third quarter or fourth quarter this year.

Furthermore, I hope Honourable colleagues will actively consider supporting IRD or the Financial Services and the Treasury Bureau. If they need some resources, I hope Members will not hesitate to support them. As Hong Kong is an international financial centre, it must meet the requirements of these international organizations and the responsibilities are indeed great.

With these remarks, Deputy President, I hope the Members present will support the resumption of Second Reading debate on the Bill and the Third Reading of the Bill. Thank you.

MR CHAN CHUN-YING (in Cantonese): Deputy President, Hong Kong has been crowned the world's most competitive economy for the second consecutive year in the World Competitiveness Yearbook 2017 released at the end of last month by the International Institute for Management Development in Lausanne, Switzerland. As a premier international financial centre in Asia, Hong Kong must maintain its competitiveness, but at the same time, it is also imperative for it to fulfil its obligations as a member of the international community. This time, in introducing the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill"),
the Government seeks to comply with the latest requirements promulgated by the Organisation for Economic Co-operation and Development ("OECD") with a view to joining forces with different countries to combat cross-border tax evasion. I support the passage of the Bill.

The spirit of the Bill is that all financial institutions ("FIs") will be obliged to identify tax residents of 75 jurisdictions and collect information on accounts held by them with effect from July 2017, and to submit the information collected to the Inland Revenue Department with effect from May next year.

Deputy President, under the Bill, the number of jurisdictions in respect of which FIs are required to collect tax residents' information increases substantially to 75 from the existing two, namely Japan and the United Kingdom, representing a 37-fold increase. This is an onerous task for FIs. As a representative of the financial sector in the Legislative Council, I have, at the Bills Committee stage, requested the Government to consider including the 73 newly added reportable jurisdictions in the list by phases, so as to minimize the burden on FIs.

But in reality, since OECD and the European Union have designated next year (2018) as the deadline for the first round of reporting, and any jurisdiction failing to comply with this requirement will be listed as a "non-cooperative tax jurisdiction", there is indeed very little room for deferred implementation. That said, I surmise that FIs will encounter quite a number of manpower and systemic difficulties in actually observing the relevant statutory requirements. I hope that the Government can give FIs certain flexibility as long as the relevant statutory requirements are met.

Although Mr Kenneth LEUNG tried to explain the implications of the Bill in detail earlier on, I am still concerned that the implementation of the amended Inland Revenue Ordinance ("IRO") will lead to conflicts between FIs and their clients. As I mentioned just now, currently Hong Kong FIs are only required to additionally collect information on accounts held by residents of Japan and the United Kingdom; one may say that the vast majority of Hong Kong people are completely unaware of the automatic exchange of account information with the tax authorities of other governments. Nonetheless, after the passage of the Bill, FIs will progressively advise their clients of this arrangement, and unnecessary misunderstanding may arise easily if their clients are not quite clear about the ins and outs of it. So today, I must reiterate that the Government should allocate a certain amount of resources to publicize the amended IRO, so as to minimize any unnecessary conflicts between FIs and their clients.
Lastly, I do hope that when the Government is to introduce international tax or related standards in future, it will strike a proper balance between different considerations, instead of simply acting with a "compliance mentality".

Deputy President, I so submit.

MR WONG TING-KWONG (in Cantonese): Deputy President, the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill") mainly mandates Hong Kong financial institutions ("FIs"), that is, banks, securities firms, insurance companies, investment funds and so on, to conduct due diligence and collect the required information from account holders who are tax residents of prospective and confirmed partners of Hong Kong in respect of automatic exchange of financial account information in tax matters ("AEOI"), and furnish the Inland Revenue Department with the relevant information so collected, thereby enabling Hong Kong to conduct AEOI with its prospective and confirmed AEOI partners for the first time in 2018.

The Bill proposes to incorporate 63 prospective and 9 confirmed AEOI partners. The 63 prospective AEOI partners are mainly from the following three categories: jurisdictions which expressed an interest to the Organisation for Economic Co-operation and Development ("OECD") in late 2016 in conducting AEOI with Hong Kong; Hong Kong's tax treaty partners which have committed to AEOI; and all Member States of the European Union ("EU"). As for the nine confirmed AEOI partners, they are countries or regions each of which Hong Kong has signed a bilateral Competent Authority Agreement, but which have yet to be included in the list of reportable jurisdictions.

During the Bills Committee's scrutiny of the Bill, the SAR Government received OECD's suggestion that Hong Kong should include Turkey, being a member of the Group of Twenty, as one of its AEOI partners. Therefore, the authorities have proposed a Committee stage amendment to add Turkey as a reportable jurisdiction. Meanwhile, Korea, a confirmed AEOI partner, has indicated its wish to defer the first reporting year for AEOI from 2018 to 2019. The SAR Government has acceded to this request and proposed a CSA to change the first reporting year for AEOI with Korea to 2019.

Deputy President, the SAR Government's main purpose in introducing the Bill is to respond to the call of the international community (OECD and EU in particular) for jurisdictions to expedite their implementation of AEOI, so as to
create a level playing field for tax matters. While Hong Kong is on its way to commencing the first automatic exchanges with a number of jurisdictions in 2018, this progress does not meet the requirements of OECD and EU. In the case of EU, it requires that other jurisdictions must put in place arrangements for AEOI with all Member States of EU by the end of 2017, or else they may be listed as "non-cooperative tax jurisdictions" by OECD and EU and thus be subject to countermeasures by OECD and EU.

To prevent Hong Kong from being listed as a "non-cooperative tax jurisdiction" by OECD and EU to the detriment of its investment and business appeal, the Bill substantially increases the number of jurisdictions that are Hong Kong's AEOI partners from the existing few to 75.

During the Bills Committee's deliberations, a Member expressed concern that the Bill might weaken the strengths of Hong Kong's simple tax regime and flexible business environment, and queried whether it would be beneficial to the long-term economic development of Hong Kong. In addition, some members of the industry believe that the Bill's considerable widening of the range of AEOI partners will increase the workload, risks and obligations of the industry within a short time. However, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") supports the Bill. For one thing, as an international financial, economic and trading centre, Hong Kong is obliged to take part in and comply with the international tax cooperation mechanism, and take on relevant responsibilities. Participation in the network of implementing AEOI is precisely an integral part of the international tax cooperation mechanism.

Moreover, now that OECD and EU have started drawing up their lists of "non-cooperative tax jurisdictions", if Hong Kong fails to meet the requirements of OECD and EU about promoting the network of AEOI, and is therefore listed as a "non-cooperative tax jurisdiction", it may be subject to countermeasures, including the imposition of withholding taxes and non-deductibility of costs of transactions by other jurisdictions, in which case the investment and business appeal of Hong Kong as an international financial, commercial and trading centre will be undermined.

To keep in tune with the prevailing trend of developments in international tax cooperation, DAB supports the Bill, and will support the two amendments proposed by the Government. Thank you, Deputy President.
DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. Thereafter, the debate will come to a close.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill") was introduced into the Legislative Council for scrutiny in March this year with the aim of implementing automatic exchange of financial account information in tax matters ("AEOI") more effectively and expanding the list of reportable jurisdictions.

The Bills Committee has held two meetings and invited stakeholders to express their opinions. I would like to extend my special thanks to Mr Kenneth LEUNG, Chairman of the Bills Committee, and the other members of the Bills Committee for their efforts, which have contributed to the smooth completion of the scrutiny of the Bill.

As an international financial centre, Hong Kong is always committed to enhancing tax transparency and combating cross-border tax evasion, and has been preparing the ground for implementing the new international standard for AEOI set by the Organisation for Economic Co-operation and Development ("OECD"). Meanwhile, the international community has been monitoring jurisdictions' progress in the implementation of AEOI and putting emphasis on a wide network of AEOI to ensure a level playing field. To support this, both OECD and the European Union ("EU") have kicked off their respective exercises to draw up lists of "non-cooperative tax jurisdictions". One of the listing criteria is the progress and the network of implementing AEOI. This includes the requirement that the information exchanged must at least comprise the financial account information covering the period starting from the second half of 2017.

As I said when moving the Second Reading of the Bill, we must, in response to the latest international developments, quicken the pace of expanding our AEOI network, and take expeditious action to preserve financial account
information from the second half of 2017 for exchanges with other jurisdictions. The relevant amendments can ensure the effective implementation of AEOI in Hong Kong without placing an undue compliance burden on financial institutions ("FIs").

For the implementation of AEOI, the Inland Revenue Ordinance currently contains a list of "reportable jurisdictions" for Hong Kong, but there are only two jurisdictions on the list, namely Japan and the United Kingdom. The Bill, together with the Committee stage amendments to be moved by me, proposes to increase the number of "reportable jurisdictions" on the list to 75, including 11 confirmed AEOI partners and 64 prospective AEOI partners, with effect from 1 July this year. The 64 prospective AEOI partners are from the following three categories:

(a) jurisdictions which have expressed an interest to OECD in conducting AEOI with Hong Kong, or jurisdictions suggested by OECD;

(b) Hong Kong's tax treaty partners which have committed to AEOI; and

(c) all Member States of EU.

Any amendment by the Government to the list of reportable jurisdictions in future is subject to negative vetting by the Legislative Council.

The Bills Committee has discussed the proposed amendments in depth and in detail. Here, I wish to respond to three major concerns raised by members of the Bills Committee and stakeholders.

The first concern is about the reporting requirements. Some stakeholders have suggested that FIs should be allowed an option to submit full-year data for 2017 instead of data for the second half of 2017 only, and that the relevant data should be kept by FIs before the Inland Revenue Department ("IRD") exchanges information with other jurisdictions. In our opinion, the reporting requirements proposed in the Bill should be in line with Hong Kong's commitment made to OECD. Requiring FIs to only submit data for the second half of 2017 can avoid undue misunderstanding or queries by their clients. In any case, the submission of half-year data is just a special one-off arrangement. To ensure the integrity and security of data, FIs should submit the relevant data to IRD annually.
The second concern is about the protection of privacy and confidentiality of information. We understand that the Bills Committee and deputations have expressed concern over the protection of taxpayers' privacy and confidentiality of the information exchanged. The Government attaches great importance to this fundamental requirement. I would like to point out that the Bill does not alter the existing privacy and data protection requirements applicable to AEOI under the Inland Revenue Ordinance. The Government always sets great store by the protection of taxpayers' information. Hong Kong will only conduct AEOI with jurisdictions which have signed dedicated exchange agreements with it and have fulfilled OECD's standard and the relevant safeguards for protecting data privacy and confidentiality.

I also wish to emphasize that as far as ordinary Hong Kong citizens are concerned, if they are not tax residents of any jurisdictions outside Hong Kong, Hong Kong FIs will not report their information to IRD under this regime.

The third concern is about support and publicity. We appreciate the extra work for FIs arising from the new obligations. Since the legal framework for AEOI was put in place in mid-2016, the Government has introduced a series of initiatives (including television and radio Announcements in the Public Interest, posters and pamphlets) to enhance public awareness of the new international standard and FIs' obligations, and help FIs explain the new requirements to their clients. In addition, IRD has set up dedicated web pages providing information on AEOI, and has drawn up guidelines and organized a number of seminars for FIs, thereby enabling them to understand the relevant reporting requirements.

Upon the passage of the relevant amendments by the Legislative Council, the Government will launch a new round of publicity to apprise the public of the key changes through updating the Announcements in the Public Interest, posters and pamphlets. We will also revise the relevant guidelines for FIs.

Deputy President, in order for Hong Kong to more effectively implement AEOI and reduce its risk of being listed as a "non-cooperative tax jurisdiction", Hong Kong must expand its list of "reportable jurisdictions" with effect from 1 July this year. The relevant work schedule is very tight indeed.

Besides, we still have to press ahead with the relevant measures, including the implementation of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters ("Multilateral Convention") in Hong Kong, so as to
expand our AEOI network expeditiously. In this connection, as we just advised the Legislative Council Panel on Financial Affairs on 5 June, the Government plans to seek the application of the Multilateral Convention to Hong Kong, and intends to introduce an amendment bill into the Legislative Council in October this year to implement the relevant proposal.

Deputy President, I implore Honourable Members to support the passage of the Bill.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2017 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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


Council went into committee.

Committee Stage

DEPUTY CHAIRMAN (in Cantonese): Council is now in committee.

Members may refer to the Appendix to the Script for the debate and voting arrangements for the Bill.
INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2017

DEPUTY CHAIRMAN (in Cantonese): I will first deal with the clauses with no amendment. I now propose the question to you and that is: That the following clauses stand part of the Inland Revenue (Amendment) (No. 3) Bill 2017.

CLERK (in Cantonese): Clauses 1, 2 and 3.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1, 2 and 3 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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


SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy Chairman, I move an amendment to amend clause 4 of the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill"). The amendment is proposed in response to the recent international development. The Bills Committee supports the proposed amendment.
We propose that Turkey, being a member of Group of Twenty ("G20"), be added to the list of reportable jurisdictions of Hong Kong on the recommendation of the Organisation for Economic Co-operation and Development to facilitate future automatic exchange of financial account information in tax matters ("AEOI"). The proposed list of reportable jurisdictions will cover all G20 members taking part in AEOI, together with Turkey. In this connection, we propose to amend clause 4 of the Bill to include "Republic of Turkey" in Part 1 of Schedule 17E as a reportable jurisdiction with reporting year "2018", so as to be consistent with other jurisdictions, i.e. with financial institutions' data collection obligation in respect of Republic of Turkey starting from the second half of 2017.

Besides, Hong Kong signed a Competent Authority Agreement with Korea on the implementation of AEOI arrangement early this year. Korea recently confirmed that it wishes to exchange information with Hong Kong under the Competent Authority Agreement starting from 2019 instead of 2018. In other words, for the first reporting relating to Korea, financial institutions would be asked to furnish the information in 2019 in respect of the information in 2018. We therefore propose that the reporting year in respect of "Republic of Korea" under Part 1 of Schedule 17E be amended from "2018" to "2019".

Deputy Chairman, I beg Members to support the amendment proposed by the Government.

Proposed amendment

Clause 4 (see Annex I)

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by the Secretary for Financial Services and the Treasury be passed. Will those in favour please raise their hands?

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

(No hands raised)

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

CLERK (in Cantonese): Clause 4 as amended.

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clause 4 as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

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

Council then resumed.

Third Reading of Government Bill

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, the Inland Revenue (Amendment) (No. 3) Bill 2017 has passed through the Committee stage with amendment. I move that this Bill be read the Third time and do pass. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2017 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

DEPUTY PRESIDENT (in Cantonese): Members' motions.

Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the two items of subsidiary legislation in relation to the Financial Institutions (Resolution) Ordinance, which were laid on the Table of this Council on 17 May 2017.

I call upon Mr CHAN Chun-ying to speak and move the motion.

PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR CHAN CHUN-YING (in Cantonese): Deputy President, I move that the motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting on 19 May 2017, Members decided to form a subcommittee to study the Financial Institutions (Resolution) (Protected Arrangements) Regulation and the Financial Institutions (Resolution) Ordinance (Commencement) Notice 2017.

To allow more time for the Subcommittee to conduct the scrutiny work, I move on behalf of the Subcommittee that the period for scrutinizing the aforesaid notice be extended to 5 July 2017.

Deputy President, I urge Members to support this motion.

Mr CHAN Chun-ying moved the following motion:

"RESOLVED that in relation to the—

(a) Financial Institutions (Resolution) (Protected Arrangements) Regulation, published in the Gazette as Legal Notice No. 76 of 2017; and
(b) Financial Institutions (Resolution) Ordinance (Commencement) Notice 2017, published in the Gazette as Legal Notice No. 77 of 2017,

and laid on the table of the Legislative Council on 17 May 2017, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 5 July 2017."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr CHAN Chun-ying be passed. Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.
DEPUTY PRESIDENT (in Cantonese): Motion under Article 73(9) of the Basic Law.

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

DEPUTY PRESIDENT (in Cantonese): Before the commencement of this motion debate, I would like to remind Members to abide by the relevant provisions of the Rules of Procedure ("RoP") when they speak, which include:

(1) under RoP 41(1), a Member shall not introduce matter irrelevant to the subject. Hence a Member must speak on the allegation referred to in the motion, and debate whether to support the giving of a mandate to the Chief Justice of the Court of Final Appeal to form an investigation committee to investigate the allegation; he shall not elaborate on matters irrelevant to the motion;

(2) under RoP 41(7), a Member shall not raise the conduct of the Chief Executive otherwise than in the performance of his official duties; and

(3) under RoP 41(2), reference shall not be made to a case pending in a court of law in such a way as might prejudice that case.

I would also like to remind Members, despite an allegation against the Chief Executive is made in the motion, it is inappropriate for Members to use offensive or insulting language about the Chief Executive in their speeches.

DEPUTY PRESIDENT (in Cantonese): I call upon Mr Alvin YEUNG to speak and move the motion.

MOTION UNDER ARTICLE 73(9) OF THE BASIC LAW

MR ALVIN YEUNG (in Cantonese): Deputy President, I move that the motion, as printed on the Agenda, be passed.
Deputy President, Chief Executive LEUNG Chun-ying is accused of accepting £4 million from the Australian firm UGL during his tenure as the Chief Executive. As it may involve a conflict of interest, LEUNG Chun-ying is under inquiry by the Select Committee of the Legislative Council. However, as the subject of inquiry, LEUNG Chun-ying conspired with Mr Holden CHOW, then Deputy Chairman of the Select Committee, to amend through Mr CHOW the proposed major areas of study of the Select Committee in an attempt to frustrate, deflect or affect the direction, course and result of the Select Committee's inquiry. Such conduct of LEUNG Chun-ying is obviously in dereliction of duty, in violation of the oath he took under the Basic Law, and in defiance of his constitutional duty as the Chief Executive and it also harms the dignity of this Council. Hence, the Legislative Council must take resolute action and form an independent committee to enquire into this serious dereliction of duty and table a report for the consideration of the Legislative Council whether or not to impeach LEUNG Chun-ying.

Deputy President, after the incident came to light, LEUNG Chun-ying, Mr Holden CHOW and all pro-establishment Members unanimously stressed that there was no violation of the law or rules and there was no cover-up. The Chief Executive tried to play down the incident. Some pro-establishment Members have asked me what purpose it serves to impeach LEUNG Chun-ying who will step down in two weeks.

Deputy President, "do not fail to commit an act of kindness just because it is insignificant; do not engage in an evil act just because it is trivial". Although it seems that the case merely involves an amendment of a paper with no significance, it is, by nature, the most serious dereliction of duty on the part of a public officer in the last two decades after the reunification. We are duty-bound to handle this matter with solemnity and the Legislative Council must impeach and reprove the perpetrators to serve as a warning to others.

In this incident, LEUNG Chun-ying is not only suspected of committing the offence of misconduct in public office and dereliction of duty, he also violates the pledge that the Chief Executive should be a person of integrity and dedicated to his duty. He has violated his constitutional duty provided under Articles 47, 60 and 64, and he is also suspected of contempt of the Legislative Council and disrupting the executive-legislature relationship.
First let me recount if LEUNG Chun-ying has committed the offence of dereliction of duty and misconduct. Deputy President, a case law of the Court of Final Appeal clearly points out the five key elements of the offence of misconduct in public office, which include: first, a public official; second, in the course of or in relation to his or her public office; third, wilfully misconduct himself or herself, by act or omission; fourth, without reasonable excuse or justification; and fifth, where such misconduct is serious, not trivial, having regard to the nature and extent of the departure from his or her responsibilities.

Deputy President, LEUNG Chun-ying and Mr Holden CHOW openly admitted what they did the following day after the incident came to light. LEUNG Chun-ying admitted on 16 May this year, the following day after the incident was exposed, that he personally amended the paper, and he also defended himself by saying that he merely wished to express his views to the Select Committee through Mr Holden CHOW to ensure the comprehensiveness of the enquiry. Deputy President, despite LEUNG Chun-ying's explanation, I must point out that if one looks carefully into the ins and outs of the incident, there are still many questions unanswered.

First, if LEUNG Chun-ying wanted to express his views, why did he do so through Mr Holden CHOW alone? Why didn't he formally write to the Select Committee? In fact, he did so afterwards, but why didn't he propose to the Select Committee to amend the areas of study at the outset? Please do not forget that LEUNG Chun-ying has been in the office of the Chief Executive for five years. Are you telling me that he knows nothing about these basic rules of the official circle? Or it is not a matter of impracticability but a matter of reluctance? Second, Mr Holden CHOW has been self-contradictory. At the meeting on 25 April, he kept insisting that he made the amendments, but later he openly admitted that he was relaying LEUNG Chun-ying's opinions. Why didn't Mr Holden CHOW say at the outset that he relayed LEUNG Chun-ying's opinions on his behalf? If it was not a cover-up, what is it?

Deputy President, in respect of the inquiry work, we have always been bold in making hypothesis and cautious in providing proof. If we boldly assume that LEUNG Chun-ying was worried that the findings the Select Committee's inquiry would be unfavourable to him and he thus deliberately interfered with the work of the Select Committee through conspiring with Mr CHOW, then we can deduce
that LEUNG Chun-ying's intervention involves a conflict of interest. If this hypothesis can be established, the conduct of LEUNG Chun-ying in this incident will very likely fit in one of the five aforementioned elements, which is, wilfully misconducting without reasonable excuse or justification. Of course, whether this can be considered misconduct in public office will ultimately be decided by law enforcement agency or by a judge. However, is LEUNG Chun-ying a person of integrity and dedicated to his duty, or has he perverted the course of justice and abused his power? I believe most Hong Kong people have a pretty good idea.

Deputy President, the Legislative Council is after all not a court and misconduct and dereliction of duty is a personal behaviour. Concerning this incident, from a broader perspective, it has a constitutional implication. If the Legislative Council does not handle the matter conscientiously and carefully, the legislature is in dereliction of duty and endless troubles will arise in the future.

As the head of the SAR Government, LEUNG Chun-ying has a low popularity rating since his assumption of office, and his governance does not get the approval of the public. As long as he remains in office, he is still the Chief Executive of Hong Kong, and he has to undertake many constitutional duties. In this incident, what constitutional duties does LEUNG Chun-ying have to undertake? He must be a person of integrity, dedicated to his duty and be accountable to the Legislative Council.

Actually, one of the basic duties of the Chief Executive is to answer questions raised by the legislature and accept its monitoring. Addressing the National People's Congress on 28 March 1990, Mr Ji Pengfei, Chairman of the Basic Law Drafting Committee, mentioned in the Explanations on "The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Draft)" and Its Related Documents that (I quote), "[t]he executive authorities and the legislature should regulate each other as well as co-ordinate their activities. To maintain Hong Kong's stability and administrative efficiency, the Chief Executive must have real power which, at the same time, should be subject to some restrictions." Article 64 of the Basic Law clearly states: "The Government of the Hong Kong Special Administrative Region must abide by the law and be accountable to the Legislative Council of the Region."
Deputy President, how can the Chief Executive be accountable to the Legislative Council? Answering questions raised by Members of the Council is a way to be accountable. When the Legislative Council conducts an inquiry into the Chief Executive, if the Chief Executive respects the inquiry of the Legislative Council, takes no action to frustrate, affect or interfere with the inquiry work, and allows the Select Committee of the Legislative Council to carry out the inquiry in a normal manner, he is actually being accountable to the Legislative Council. In the United Kingdom, any conduct (including words) which improperly interferes, or is intended or likely improperly to interfere, with the performance by either House of its function, or the performance by a Member or officer of the House of his duties as a Member or officer is regarded as contempt of Parliament. In 2002, a Member of Parliament in the United Kingdom was found guilty by the Parliament of contempt of Parliament for attempting to interfere with the inquiry into his failure to declare his interests and his Membership was subsequently suspended for a month. Today, it is the head of the SAR Government who is suspected of interfering with the work of the Legislative Council. Can we, as Members, turn a blind eye?

Deputy President, while it is certainly important to hold the Chief Executive accountable, it is equally important to uphold the Legislative Council's monitoring power and safeguard its dignity. These are the important reasons for moving this impeachment motion. Since the reunification, owing to the inherent defects of the Legislative Council with regard to the separate voting system and its fragmented right to propose bills, the legislature cannot exercise the most effective restrain on the administration. Yet, the Legislative Council is still the bridgehead that safeguards Hong Kong's original system and core values. Over the past five years, under the governance of LEUNG Chun-ying, he and his henchmen in the Legislative Council have wantonly acted in contempt of the Legislative Council and he has jumped at every opportunity to weaken or suppress the Legislative Council's monitoring power.

What are the examples? The more serious ones include the attempt to disqualify elected Members through judicial procedures, veto all Members' motions to inquire into the Government's blunders and monopolize the posts of chairman and deputy chairman of most committees; and the trivial ones include accommodating to the needs of the Government in setting the agenda of the
Council meetings. All such means are adopted to suppress, weaken and even belittle the Legislative Council's power to monitor the Executive Authorities, thereby turning the SAR Legislative Council into a rubber stamp. LEUNG Chun-ying's collusion with Mr Holden CHOW is not a single incident. The executive-legislature collaboration has been deeply ingrained in the heart of LEUNG Chun-ying. To him, the Legislative Council is just like his own backyard that he can exploit whenever and however he likes. No wonder he finds it justified to interfere with the affairs of the Select Committee.

Deputy President, today we are faced with an emperor who shows contempt for the law and a bunch of officials who curry favour with and bow to the emperor. Together they collude to disrupt law and order. The executive and the legislature have their respective roles to play to regulate each other. These traitors and villains have caused the disintegration and collapse of the system. How can the Legislative Council do justice to the general public if such politicians who disrupt the system are not impeached or reprimanded?

Deputy President, as said in Daode Jing, "if a ruler cultivates virtue, those below will follow orders; if a ruler cultivates benevolence, those below will not contend; if a ruler cultivates righteousness, those below will be fair and upright; if a ruler cultivates propriety, those below will be honourable and respectful. Once all four are cultivated, the state will be peaceful." However, everything is quite the opposite in Hong Kong today. "If the ruler lacks virtue, those below will feel resentful; if the ruler lacks benevolence, those below will contend; if the ruler lacks righteousness, those below will be violent; if the ruler lacks propriety, those below will rebel. If all four are not established, the Dao is not present. There has never been anyone who lacked the Dao did not perish." While the Legislative Council Members should take these words of Laozi's as a warning, the incoming Government should all the more be conscientious and keep those words in mind.

Deputy President, LEUNG Chun-ying is a person with no virtue, no benevolence, no propriety and no righteousness. To impeach him is to warn his successors that they must fulfil their duty and maintain a strict sense of probity. With these remarks, I move the impeachment motion.
Mr Alvin YEUNG moved the following motion:

"Wheresa not less than one-fourth of all the Members of this Council have jointly initiated this motion charging the Chief Executive Mr LEUNG Chun-ying with serious breach of law and/or dereliction of duty (as particularized in the Schedule and Annex appended to this motion), and whereas the said Mr LEUNG Chun-ying has refused to resign within a reasonable time, this Council, in accordance with Article 73(9) of the Basic Law, hereby gives a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to investigate the alleged serious breaches of law and/or dereliction of duty and report its findings to this Council.

Schedule

Particulars of serious breaches of law and/or dereliction of duty of the Chief Executive Mr LEUNG Chun-ying:

Contempt of the Legislative Council by improperly interfering with the affairs of the Select Committee of this Council in dereliction of his constitutional duty as the head of the Hong Kong Special Administrative Region under Articles 47, 60 and 64 of the Basic Law

While being the Chief Executive of the Hong Kong Special Administrative Region (the "HKSAR"), and as the subject of inquiry of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited (the "Select Committee"), Mr LEUNG Chun-ying conspired with and/or worked through Hon Holden CHOW Ho-ding to improperly interfere with the affairs of the Select Committee in an attempt to frustrate, deflect or affect the direction, course and result of the inquiry to be carried out by the Select Committee (as particularized in the Annex appended hereto). Mr LEUNG Chun-ying's conduct is in violation of his oath taken in accordance with the constitutional requirement, i.e. the Chief Executive of the HKSAR "will uphold the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, bear allegiance to the Hong Kong Special Administrative Region of the People's Republic of China and serve the Hong Kong Special Administrative Region
conscientiously, dutifully, in full accordance with the law, honestly and
with integrity"; and in violation of his constitutional duty to be a person of
integrity, dedicated to his office, and to implement faithfully the Basic
Law and other laws of the HKSAR. In all of these, Mr LEUNG Chun-ying has acted in contempt of the Legislative Council and in
dereliction of his constitutional duty as the Chief Executive of the
HKSAR under Articles 47, 60 and 64 of the Basic Law.

Annex

(1) In October 2014, it was reported that Mr LEUNG Chun-ying, the
Chief Executive ("CE"), signed an agreement in 2011 with UGL
Limited ("UGL"), in relation to its takeover of DTZ Holdings plc
("DTZ"), a real estate services company listed in the United
Kingdom in which Mr LEUNG had a direct stake. In the
agreement, UGL undertook to pay Mr LEUNG £4 million
(HKS$50 million) in two instalments at end-2012 and end-2013
respectively, subject to specific conditions. As these payments concurred with the term of office of Mr LEUNG as the fourth CE
between 2012 and 2017, they have aroused concerns of the public
and Members in respect of the nature of payments, the presence or
otherwise of potential conflict of interests, the relevant systems of
declaration of interests and taxation implications.

(2) At the Council meeting of 2 November 2016, the petition co-signed
and presented by Hon Kenneth LEUNG and Hon Andrew WAN was
referred to a select committee for inquiring into the incident
mentioned in paragraph (1).

(3) On 3 February 2017, the House Committee of the Legislative
Council ("LegCo") nominated and elected members for appointment
to the Select Committee to Inquire into Matters about the Agreement
between Mr LEUNG Chun-ying and the Australian firm UGL
Limited ("the Select Committee"). Eleven Members were elected
as members of the Select Committee, and they elected from among
themselves Hon Paul TSE Wai-chun and Hon Holden CHOW
Ho-ding as the Chairman and Deputy Chairman of the Select
Committee respectively.
On 1 March 2017, the LegCo Secretariat issued a paper titled 'Proposed major areas of study' (LC Paper No. CB(2)904/16-17(03)) with the purpose of inviting members to consider the proposed major areas of study of the Select Committee.

Deputy Chairman of the Select Committee, Hon Holden CHOW Ho-ding, later made amendments to the proposed major areas of study and submitted an amended version (LC Paper No. CB(2)1285/16-17(01)) to the Select Committee.

In the meeting of 25 April 2017, the Select Committee discussed Hon Holden CHOW Ho-ding's amended version. During the meeting, Hon Holden CHOW Ho-ding did not mention that the amended version was written by the subject of inquiry of the Select Committee, Mr LEUNG Chun-ying, and repeatedly said the amended version was written by him, and said the following:

"主席，我作為喺呢個修改裡面嘅起草者，我喺呢度做呢個工作呢，我對某啲嘅嘔嘔，請原諒我，我係有啲堅持。"

(Translation: Chairman, as the drafter of this amended version, to do this work here, when it comes to certain things, forgive me, I insist on my own views.)

On 15 May 2017, the media publicized a copy of Hon Holden CHOW Ho-ding's amended version of the proposed major areas of study with mark-ups. All of the mark-up comments showed that the amendments were made by 'CEO-CE', which is the abbreviation for 'Chief Executive Office-Chief Executive', and that the amendments were made on 20 April 2017.

In the morning of 16 May 2017, the subject of inquiry of the Select Committee, Mr LEUNG Chun-ying, admitted that Hon Holden CHOW Ho-ding's amended version was written by him.

When meeting with the media in the afternoon of 16 May 2017, Hon Holden CHOW Ho-ding admitted that he had discussed the amendments to the proposed major areas of study with Mr LEUNG Chun-ying. He said that in the process, he contributed his own views, and Mr LEUNG Chun-ying eventually consolidated their views to form the amended version submitted by Hon Holden CHOW Ho-ding to the Select Committee.
(10) Article 47 of the Basic Law reads as follows:

The Chief Executive of the Hong Kong Special Administrative Region must be a person of integrity, dedicated to his or her duties.

(11) Article 60 of the Basic Law reads as follows:

The head of the Government of the Hong Kong Special Administrative Region shall be the Chief Executive of the Region.

(12) Article 64 of the Basic Law reads as follows:

The Government of the Hong Kong Special Administrative Region must abide by the law and be accountable to the Legislative Council of the Region: it shall implement laws passed by the Council and already in force; it shall present regular policy addresses to the Council; it shall answer questions raised by members of the Council; and it shall obtain approval from the Council for taxation and public expenditure."

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

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Deputy President, some Members have initiated a motion under Article 73(9) of the Basic Law charging the Chief Executive with serious breaches of law or dereliction of duty and refusal to resign within a reasonable time, hence giving a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to investigate the relevant matters and report its findings to the Council. In this connection, I speak to urge Members to vote against this motion.

First, Article 73(9) of the Basic Law stipulates that if the investigation committee formed under that provision considers the evidence sufficient to substantiate the charge that the Chief Executive has serious breaches of law or dereliction of duty but he has refused to resign, the Council may pass a motion of impeachment by a two-thirds majority of all its members and report it to the Central People's Government for decision. Hence, I must solemnly point out
that it is a very serious matter for Members to move a motion to give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to investigate such alleged charges. Unless the charge of serious breaches of law or dereliction of duty is well-founded, Members should never use such motions as political tools casually. There are no sufficient justifications in the motion to substantiate the charge that the Chief Executive has serious breaches of law or dereliction of duty and he has refused to resign.

In response to Members' charge regarding the Chief Executive's improper interference into the work of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee"), the Chief Executive has provided a comprehensive and clear explanation as to the cause of the incident, expressed his position in detail and reiterated his response in a comprehensive manner in the past three weeks. For example, he attended the Chief Executive's Question and Answer Session at the Legislative Council on 1 June to answer Members' questions. The Chief Executive is of the view that he, as a subject of inquiry, is entitled to require the Select Committee's areas of study being comprehensive, fair and accurate, and the Select Committee to complete the study expeditiously. The areas of study concerned are still at the drafting stage. The proposed areas of study have all along been made available to the public by the Select Committee on the website of the Legislative Council. It is believed that the views of the community are heard and the final decision will be made by the Select Committee.

According to Article 43 of the Basic Law, the Chief Executive of the Hong Kong Special Administrative Region ("SAR") shall be the head of the Hong Kong SAR and shall represent the Hong Kong SAR. The Chief Executive of the Hong Kong SAR shall be accountable to the Central People's Government and the Hong Kong SAR in accordance with the Basic Law. In addition, the Chief Executive is also the head of the SAR Government under Article 60 of the Basic Law. The Chief Executive has a constitutional duty to exercise a series of powers and functions under Article 48 of the Basic Law. Such powers and functions include: lead the SAR Government, be responsible for the implementation of the Basic Law and other laws which apply in the Hong Kong SAR, decide on government policies, sign bills passed by the Legislative Council and promulgate laws, sign budgets passed by the Legislative Council and report the budgets and final accounts to the Central People's Government for the record etc.
Meanwhile, the SAR Government shall be accountable to the Legislative Council in four areas under Article 64 of the Basic Law: (1) implement laws passed by the Council and already in force; (2) present regular policy addresses to the Council; (3) answer questions raised by Members of the Council; and (4) obtain approval from the Council for taxation and public expenditure. I must stress that the SAR Government has all along attached great importance to the relationship between the Executive Authorities and the legislature. The Basic Law has conferred different powers and responsibilities on the Executive Authorities and the legislature, which perform their respective duties. We have all along paid much respect for the role of the Legislative Council in monitoring the work of the Government. The SAR Government will definitely continue to abide by the Basic Law and be accountable to the Legislative Council in respect of the four areas I have mentioned just now.

The Chief Executive has been dedicated to his duties since he took office. His determination to implement the Basic Law, safeguard national sovereignty and serve Hong Kong is unquestionable. Under the leadership of the Chief Executive, the Government of the current term is doing real work. In the past five years, the SAR Government has wholeheartedly tried its best to maintain social order, promote Hong Kong's social and economic developments, seek to improve people's livelihood, support the disadvantaged and strive for the well-being of members of the public. We have made considerable achievements in such areas as poverty alleviation, elderly care, helping the disadvantaged, housing, medical and health services, innovation and technology, as well as education, sports, environmental protection and public security. Even in the face of controversial issues such as retirement protection and offsetting under the Mandatory Provident Fund, we have never skirted but have instead actively conducted studies and put forward concrete proposals. In the past four years, the incumbent SAR Government would publish the Report on the Work of the Current-term Government ("Report") in late June every year. Before its term ends at the end of this month, the Government will also release its fifth Report to inform the community of the achievements and progress of its administration in its five-year tenure. While some Members may have different judgments on the Chief Executive, it is an unquestionable fact that the Chief Executive has been dedicated to serving the public in accordance with Article 47 of the Basic Law in the past five years. His contributions to Hong Kong, particularly in housing, poverty alleviation, elderly care, helping the disadvantaged and environmental protection, have been widely recognized by the general public.
The SAR Government resolutely opposes the motion jointly initiated by 28 Members and moved by Mr Alvin YEUNG. I will give a detailed reply after listening to Members' speeches. Thank you, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, I totally disagree with the defense that the Chief Secretary put up for Chief Executive LEUNG Chun-ying just now. Hence, I have, together with 27 Members, proposed a motion under Article 73 of the Basic Law to impeach Chief Executive LEUNG Chun-ying for dereliction of duty. The matter is not only substantiated with evidence, but also very serious in nature. Thus, what we are doing today is to seek justice for the people of Hong Kong.

It was uncovered on 15 May that the amendments proposed by Mr Holden CHOW, Deputy Chairman of the Legislative Council Select Committee to inquire into the allegation of LEUNG Chun-ying receiving the benefits of UGL, to the areas of study in his own capacity were actually made by the Chief Executive's Office of HKSAR. Chief Executive LEUNG Chun-ying also admitted in the aftermath that the amendments were made by him. Can we still say that the case is not substantiated? What he did has seriously breached procedural justice, undermined the functions of the Legislative Council and disregarded the independence of the executive and the legislature. I therefore consider it necessary for us to activate the impeachment process to conduct a thorough inquiry into the matter, with a view to upholding the dignity and credibility of this Council.

The Basic Law stipulates that the Chief Executive must be "a person of integrity, dedicated to his or her duties". The action presently undertaken by LEUNG Chun-ying has apparently seriously undermined the functions of the Legislative Council as well as compromised his duties and integrity as the Chief Executive. Being the subject of inquiry, if he wants to express views to the Select Committee, he must do it in a fair and open manner. For example, he may voice out his opinion during the hearing or during his defence, and it is absolutely essential for such a process to be open and transparent. However, he acted perversely by secretly approaching a member and amending a document behind other's back. He went on to stress that he was just expressing his views, which is utterly ridiculous. He even argued that the subject of inquiry should be allowed to suggest areas of study and directly amend the relevant document. However, this is no different from a defendant abetting the prosecution counsel
how to conduct cross-examination. What is the purpose of exercising his personal power to interfere with the process and affect the direction of the inquiry if it is not an attempt to exonerate his responsibilities? If that is not ridiculous, how should it be described?

After the matter was exposed, the storm has become increasingly worse. LEUNG Chun-ying refused to make an open apology and accept responsibility, and his subsequent actions were even more infuriating. On the one hand, he claimed that he has the right to express views, and on the other hand, in order to clear himself of suspicion, he has done his utmost to confound right and wrong and mislead members of the public without a tinge of remorse. He even said that he did not mind disclosing details of the amendments, but accused the Select Committee of breaching the confidentiality undertaking for closed meetings and vowed to pursue responsibility. He even, for no reason at all, pointed his finger at Legislative Council Member Mr Kenneth LEUNG from the accountancy sector, and urged him to withdraw from the Select Committee in an attempt to divert public attention. It is well evident that LEUNG Chun-ying has been talking nonsense in order to conceal his intention. Obviously he had made a mistake in the first place, but he put the blame on others and targeted at Mr Kenneth LEUNG, the only person in the Select Committee who possesses professional knowledge in taxation. This has aroused further suspicion that he has a guilty conscience, thus seeking to influence the direction and result of the Select Committee's inquiry. His intention to protect himself and cover up his wrongdoings is therefore clear to all.

More ridiculous still, with a remaining term of less than a month, instead of playing a good role as the Chief Executive, he looked up the Facebook of Mr Kenneth LEUNG day after day and wrote posts to attack him so as to force him to resign. He launched attacks at others in his transcendent status as the Chief Executive. Can he be regarded as a person of integrity and dedicated to his duties? Besides, if whoever being accused by the subject of inquiry has to resign, then all pro-democracy Members of the Select Committee may have to resign one day when they are under the frantic attack of LEUNG Chun-ying, such that the Select Committee will only be comprised of Members of the royalist camp; will the inquiry be turned into an inquiry by peers? Can the truth be exposed? He has raised such ridiculous justifications day after day brazenly. Is such a shameless person worthy of being the head of the SAR? More important still, before the first meeting of the Select Committee was conducted, Mr Kenneth LEUNG had discussed with Chairman Mr Paul TSE and the Legal
Adviser whether he was required to make declaration and their reply was in the negative. So, how come LEUNG Chun-ying has the guts to make comments when he, being the subject of inquiry, should be the one to avoid arousing suspicion? Has LEUNG Chun-ying ascertained his own position? Is he aware that he is a suspect in this matter from the very beginning?

Everyone knows that LEUNG Chun-ying is shameless. No matter how he argues, he has undoubtedly undermined the credibility of the Select Committee and this Council, and has seriously violated the undertaking he made pursuant to the Basic Law when he sworn into office, including the constitutional duty under Articles 47, 60 and 64, which requires that the Chief Executive to be "a person of integrity, dedicated to his or her duties, and must abide by the law and be accountable to the Legislative Council of the Region". Given that he has abused power for personal gains and is in dereliction of duty, he is no longer qualified to be the Chief Executive. We have therefore activated the impeachment process and demanded the setting up of an independent investigation committee to thoroughly inquire into his dereliction of duty. We absolutely should not let him get off scot-free.

Many people may think that as LEUNG Chun-ying will only remain in office for less than a month and the impeachment process will probably take at least six months, by then, disregarding the success or failure of the impeachment, LEUNG Chun-ying probably will have already stepped down and become the Vice Chairman of the Chinese People's Political Consultative Conference. Hence the impeachment is meaningless. Notwithstanding that, I want to stress that the impeachment is not pointless as we cannot just sit back and do nothing simply because he will step down soon. Even if he can eventually get away from institutional trials, we will surely make him spurned by the media.

This Chief Executive returned from a small-circle election has been impeached twice during his term of office. The first time happened soon after he took office. He was asked to step down due to the issue of unauthorized building works, but he shamelessly remained in office for five years. However, Hong Kong has been wrecked in these five years. During his election campaign, he claimed to be the enemy of hegemony and the savior of the poor. Yet, after he resumed office, the disparity of wealth in society has become worse than ever, social justice has dwindled, the executive-legislature relations has been twisted, and the abuse of power has become prevalent. His shamelessness is known to all and there are numerous precedents. Therefore, we absolutely will not regard
his clandestine amendment of the document submitted by Mr Holden CHOW as inadvertent or an individual incident. Rather, this is obviously a serious dereliction of duty. The rights and wrongs of this case are obvious and no denial is possible.

Members of the public want their Chief Executive to be a person of integrity who will readily shoulder responsibility, but not someone who always acts clandestinely, tells lies and makes cunning plans. After all, he is Chief Executive "689" who does not have people's mandate. The 7-odd million electors in Hong Kong are not fools and we will not be duped by him. Although his term of office is coming to an end, we cannot let him go off so easily, surely he cannot get away scot-free.

(The PRESIDENT resumed the Chair)

Furthermore, the Legislative Council is the only institution in Hong Kong with a broad public mandate. Although its current structure is not democratic as not all Members are elected by the general public, it is still the place where public views can best be reflected. LEUNG Chun-ying has neglected his duty morally, abused power administratively and disregarded procedural justice. Worse still, he remained unrepentant after the case was uncovered and made up all sorts of lame excuses. The pro-establishment camp's blind support of LEUNG Chun-ying has reached an extent that it has failed to distinguish right from wrong. Therefore, we 28 Members of the non-establishment camp who represent the views of millions of Hong Kong people should stand out and urge LEUNG Chun-ying to pay for what he had done. Coming to this stage, we will surely not let him go because Members are duty-bound to monitor the Government. If we fail to do so, it would be dereliction of duty on our part.

LEUNG Chun-ying's interference with the Council has seriously undermined its credibility, and if we do not take any action, it would be difficult to restore public confidence in the legislature and people might think that this Council has turned a blind eye to the fact that the wicked is in power. Surely, we cannot allow anyone to destroy the entire legislature; we cannot convey a message to the next Chief Executive or public officers that such actions are normal and therefore acceptable, or that they may muddle through by denying any mistakes made. In our opinion, all these should not be tolerated anymore.
The purpose of impeaching LEUNG Chun-ying is not only to hold him responsible for abusing power to make personal gains, but also to uphold people's confidence in the Legislative Council. What is more, this is a caution to all public officers that regardless of their post and rank, even the Chief Executive is no exception, they must respect the duties as well the principles of independence and autonomy of various government bodies and departments. There is definitely no room for crossing the line.

In that case, the Legislative Council must activate the impeachment process to uphold the dignity of the Council and restore people's confidence in this Council. And, even if LEUNG Chun-ying steps down, he still needs to be held accountable and we cannot let the case ends up in nothing.

President, I so submit.

MR CHARLES PETER MOK (in Cantonese): President, today 28 Members charge the Chief Executive with serious breaches of law, dereliction of duty and refusal to resign within a reasonable time, they move a motion under Article 73(9) of the Basic Law to give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent inquiry committee to investigate the relevant matters and report its findings to the Council.

The Chief Secretary for Administration has just said that moving this motion is a very serious matter. Precisely for this reason, as in our view and perception, the Chief Secretary is a person with integrity and I do not understand why he can read aloud such a speech just now. Has he done justice to himself and can he be convinced? What is the purpose of reading aloud the political achievements of LEUNG Chun-ying in the past few years? We are now talking about the personal behaviour of Chief Executive LEUNG Chun-ying, which has nothing to do with how good he has performed as the Chief Executive. This motion is related to the personal behaviour of LEUNG Chun-ying. Hence, I am very disappointed at the Chief Secretary's remarks. I even think that it is very improper for the Chief Secretary to spend time to attend this Council meeting to respond to our motion targeting the personal behaviour of LEUNG Chun-ying.

President, when LEUNG Chun-ying serves as the Chief Executive, he is the subject of inquiry of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL
Limited ("the Select Committee"), but he conspired with and/or worked through Mr Holden CHOW to improperly interfered with the work of the Select Committee in an attempt to frustrate, deflect or affect the direction, course and result of the inquiry to be carried out by the Select Committee. This is a very serious matter.

LEUNG Chun-ying modified the scope of the inquiry in an attempt to evade the focus of the inquiry, obscure the facts and defend himself. He made remarks beneficial to him to procrastinate, so that the inquiry cannot be conducted effectively. I strongly condemn LEUNG Chun-ying for seriously interfering with the affairs of the Legislative Council; his behaviour is shameful and his conduct has brought shame to the Hong Kong Government as a whole and even Hong Kong as a whole.

As I particularly recall, he once said that he would not allow Members and political parties to investigate government officials through the procedures of the Legislative Council, including setting up select committees. He dragged civil servants and a number of government officials into the mire, subjecting them to humiliation. The allegations against LEUNG Chun-ying are purely related to his personal behaviour, including his work outside the Government, and this has nothing to do with investigations of civil servants. Being the head of the Government, LEUNG Chun-ying has done whatever he wanted. In this incident where he conspired with Mr Holden CHOW and interfered with the work of the Select Committee, he may have even used the manpower and resources of the Chief Executive's Office to deal with his personal interests and personal affairs. This conduct has brought shame to the Government as a whole. Honestly, I also hope that the Chief Secretary would investigate into the matter.

President, LEUNG Chun-ying has always stressed that he has given a clear account to members of the public on his relations with UGL. At the Question and Answer Session held last week, he also said that he had taken the initiative to explain to the Central Authorities after the matter was revealed by the media in 2014, and the Central Authorities was satisfied. However, Hong Kong people are dissatisfied and the Legislative Council is also dissatisfied. Are there acts of misconduct? Should a judgment be made on the basis of the rules and the laws of Hong Kong or should a judgment be made by the Central Authorities? Therefore, I absolutely support requesting the Chief Justice of the Court of Final Appeal to form an investigation committee on this matter.
LEUNG Chun-ying has repeatedly stressed that the agreement signed is merely a resignation agreement; hence he did not need to report to the Executive Council. Is that true? UGL is not his employer and according to the agreement, he had to do something in return; is it a resignation agreement as he claimed? This question should be decided by the investigating authorities and the court. Therefore, if LEUNG Chun-ying thought that he had given a clear account and that Hong Kong people had accepted his explanations, he was just escaping from reality, deceiving himself and others and living in his own world.

In any case, I hope the focus of the debate today will not be diverted. The focus of this debate is that LEUNG Chun-ying, being the subject of inquiry of the Select Committee of the Legislative Council, has unexpectedly conspired with a Legislative Council Member and personally amended the scope of inquiry. As the Chief Executive and the subject of inquiry, he has violently interfered with the internal affairs of the Legislative Council. We consider that he has acted in contempt of the Legislative Council and in dereliction of his duty, and he has also violated the oath taken in accordance with constitutional requirement, i.e. the Chief Executive of the Hong Kong SAR "will uphold the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, bear allegiance to the Hong Kong Special Administrative Region of the People's Republic of China and serve the Hong Kong Special Administrative Region conscientiously, dutifully, in full accordance with the law, honestly and with integrity". He has also violated his constitutional responsibilities.

We should not forget that LEUNG Chun-ying received £4 million from 2012 to 2017 during the time he served as the Chief Executive. We are not certain whether this amount of money involves a conflict of interest; the relevant system for declaration of interest and the taxation issues are also unclear. If LEUNG Chun-ying's acceptance of this amount of money has violated the relevant laws, he has interfered with the work of the Select Committee and it is not simply that he has interfered with the internal affairs of the Legislative Council.

It is really ridiculous that the subject of inquiry can determine the scope of inquiry as he knows perfectly well which direction of inquiry is most favourable to him. Let us take a look at the document personally amended by LEUNG Chun-ying. The original area of study defined by the Select Committee "the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited" is amended by LEUNG Chun-ying as "澳洲傳媒公開的UGL協議文
LEUNG Chun-ying has deliberately amended the Agreement between him and UGL to the UGL Agreement as disclosed by the Australian media; does he want the Select Committee to focus the inquiry on an agreement which had already been disclosed, and no inquiry will be conducted on other matters? As this agreement was signed in December 2011 before his election as the Chief Executive, will this be more favourable to his self-defence in the future? After the amendment, if there are other subsequent agreements between him and UGL, will they not be included in the inquiry? Is it true that there are no subsequent agreements? We are not sure but according to media reports, if LEUNG Chun-ying exercised the put option offered by UGL in the sale of his stake in DTZ Japan Ltd., there might be more than one agreement between him and UGL. According to the information on the change of shareholding of DTZ Japan Ltd., subsequent agreements, stake transactions and fees payment might happen between 2014 and 2015, i.e. after he was elected the Chief Executive, and this might involve a public officer receiving interests while in office. Of course, the authenticity of the above will have to be investigated by the court and law enforcement agencies. Members of the public have reasonable expectations of the relevant agencies and they hope that thorough inquiries will be conducted.

In addition, among the four major areas of study proposed by Mr Holden CHOW, three areas have been amended by the Chief Executive's Office. Subparagraph (f) in the first part and subparagraph (c) in the third part contain an additional provision: "UGL在2014年發出的聲明指梁先生沒有提供任何服務或協助，此等聲明的真偽及可信性"("the authenticity and credibility of the statement made by UGL in 2014 that Mr LEUNG had not provided any services or assistance"). According to the press release at that time, UGL stated that the term "secret payment" was wrongly cited in the report. The authenticity and credibility of UGL's statement is not the point of dispute or the focus of the Select Committee's inquiry; LEUNG Chun-ying obviously wanted to guide the direction of the Select Committee's discussions, from focusing on studying whether he had violated the law in receiving $50 million to focusing on studying the authenticity and credibility of UGL's statement. Does it mean that there is no problem with LEUNG Chun-ying's receiving the amount of money if the statement was really
made by UGL?  This is entirely diverting attention, obscuring the facts and blurring the focus, only to create favourable evidence which is apparently right but actually wrong.

Another major and obvious objective in making the amendments is to delay the inquiry.  LEUNG Chun-ying added a provision in subparagraph (c) in the second part of the document: "《基本法》第四十七條要求行政長官就任時申報財產的原意，以及該款項在《基本法》第四十七條是否屬於須予申報的財產"("the original intent of Article 47 of the Basic Law in requiring the Chief Executive to declare his assets on assuming office and whether the payments fell within the scope of assets to be declared under Article 47 of the Basic Law"). At the meeting on 25 April, Mr Holden CHOW also proposed to study the original intent of Article 47 of the Basic Law but Mr Paul TSE, Chairman of the Select Committee, queried the need to do so.  Mr TSE was of the view that during the inquiry, if there were no great disputes on the wordings of the legal provisions, it was not necessary to make great efforts to trace the legislative intent.  Evidently, the tasks of tracing the original intent of drafting the Basic Law and the controversies and amendments involved could not be completed within a short time.  The added provisions merely seek to delay the inquiry until it becomes meaningless.

Through the amendments, LEUNG Chun-ying intends to narrow the scope of inquiry or blur the focus by adding some trivial provisions, which definitely has the possibility of diverting the inquiry to a direction favourable to him.  He definitely might wish to achieve this objective.  He is not only interfering with the internal affairs of the Legislative Council, but also suspected of perverting the course of justice.

The motion moved by 28 Members today seeks to charge Mr LEUNG as the subject of inquiry with amending the scope of inquiry of the Select Committee of the Legislative Council in an attempt to frustrate, deflect or affect the direction, course and result of the inquiry to be carried out by the Select Committee.  His motives are apparent.  Apart from interfering with the affairs of the Legislative Council and disregarding the separation of powers, he has also violated the law and committed dereliction of duty.  Therefore, we move that this Council, in accordance with Article 73(9) of the Basic Law, gives a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to investigate the alleged serious breaches of law and/or dereliction of duty and report its findings to this Council.
Under the protection of the pro-establishment camp, I am afraid that this motion will not be passed. The pro-establishment camp has the power to vote down the motion; it also calls the shots in deciding whether the meeting can be held as usual. If they want the meeting to be adjourned due to the absence of a quorum, they can cause the adjournment of the meeting. For this reason, the public should really take a closer look. LEUNG Chun-ying said that if there were no problems, inquiry could be conducted as desired. Why did he get up to such tricks? That is absolutely unnecessary. If he found it necessary to do so, our guess is that there must be some cover-ups.

Hence, the motion moved by 28 Members today is definitely very serious. We have given thorough consideration and our request is very reasonable and necessary. We can no longer allow such a badly-behaved Chief Executive to continue to undermine Hong Kong's reputation, and to undermine the reputation of the Hong Kong Government which the Chief Secretary has served for decades. The Chief Secretary needs not and should not defend for that person. This is absolutely unacceptable to many Hong Kong people.

President, I would like to reiterate my support for this motion. I hope that Members will act according to their conscience and cast a vote based on the facts of the incident, but not for protecting members of their parties who have made mistakes or for shielding the Chief Executive, rendering it impossible for us to find out the truth of the matter.

MS STARRY LEE (in Cantonese): President, the motion moved by the opposition camp today is the most important play in their anti-Mr LEUNG Chun-ying movement. Without the support of sufficient facts, Members of the opposition camp willfully charge Mr LEUNG Chun-ying with serious breaches of law and/or dereliction of duty. They have also abused Article 73 of the Basic Law when they moved the disproportionately serious impeachment motion against the Chief Executive. What they did has completely disregarded the serious shock and impact which Hong Kong society must endure once the motion is passed. What they did has also turned the most solemn constitutional power of the Legislative Council into a political tool to suppress opposing forces. President, I feel very sorry and frustrated about the whole incident.
Members of the public can clearly see for themselves what the opposition camp has done over the past five years against LEUNG Chun-ying's Government. The opposition camp wants to paralyse the legislature, so that nothing can be done by the Government. They are the ones who have brought the Legislative Council in total disarray.

Hong Kong people are no stranger to motions like this one today because the opposition camp has always made its anti-CY stance clear. The opposition camp even asked Mr LEUNG to step down before he took office. They did not even want to at least observe how he performed in office. After the Chief Executive assumed office, the opposition camp became even more aggressive. They would oppose any proposals so long as they came from LEUNG Chun-ying, and they would jump at any opportunity to hype up every incident and discredit the Chief Executive. By hook or by crook, they intend to oust the Chief Executive, either by convicting him before trial or by strongly condemning his actions. Ultimately, their goal is to send the Chief Executive to the guillotine. For incidents that are still under investigation or even some hearsay, the opposition camp would inflate them out of proportion, so that the Chief Executive would be severely criticized, to say the least. Or they would always request to invoke the Legislative Council (Powers and Privileges) Ordinance ("the Ordinance") to conduct investigation.

Under the influence of such confrontational mentality, the opposition camp is always nit-picking when it comes to incidents related to LEUNG Chun-ying, and they launch political attacks against him time and again in this Council. The opposition camp often criticizes CY as belligerent, but should they not also take a long hard look at themselves? They stir up trouble one after another; they filibuster time and again to obstruct the proposals of the Government. Are they not the ones who are more belligerent? In short, they would sabotage whatever the Chief Executive wants to be done, so that nothing can be achieved by his Government. The opposition camp would make sure that his proposals could not get passed easily. They would take every opportunity and do whatever they can to bring LEUNG Chun-ying down.

President, within the five-year tenure of Mr LEUNG, the opposition camp has initiated two impeachment motions and two no-confidence motions against him, as well as four motions to invoke the Ordinance, that is, eight times in total. These figures have spoken for themselves. Members of the opposition camp are going after LEUNG Chun-ying. They will spare no effort to discredit the
governance of the Chief Executive's Government and hold his administration back. As a result, they have turned this solemn Council into a platform for political wrangling.

Let me go back to the motion today. Surely, arrangements to impeach the Chief Executive have been prescribed in the Basic Law, but a high threshold and various checkpoints have also been imposed. First of all, a motion has to be initiated jointly by one fourth of all the Members of the Legislative Council. If the motion for investigation is passed by the Council under the separate voting system, an independent investigation committee will be formed by the Chief Justice of the Court of Final Appeal to carry out the investigation. If the committee considers the evidence sufficient to substantiate the charges, the Council may pass a motion of impeachment by a two-thirds majority of all its Members and report it to the Central People's Government for decision of the Chief Executive's removal. One can almost say that there are hurdles after hurdles to be overcome before the Chief Executive can be impeached.

Why does the Basic Law lay down such stringent requirements? The answer is plain and clear, that is, to prevent the impeachment procedures from being willfully abused for the purpose of undermining the governance of the SAR Government. According to the Basic Law, the impeachment procedures can only be activated if the charges against the Chief Executive fall under the following two categories: "serious breach of law" and "dereliction of duty". Is it true that the acts of Mr LEUNG have already constituted "serious breach of law" or "dereliction of duty" as claimed by Members who initiate the motion? Is there sufficient doubt or information to show that this is indeed the situation?

As far as the UGL incident is concerned, Mr LEUNG had already answered the questions raised in society and by the Legislative Council on numerous occasions. Several written statements had also been issued by the Australian company, UGL. Many scholars consider that the relevant agreement is just a general commercial agreement. They also note that so far, no substantial query has been raised by the regulators in Australia and the United Kingdom or the shareholders of UGL on this incident.

President, you should recall that the matter had already been discussed by the last Legislative Council on a number of occasions, while two motions to investigate the incident by invoking the Ordinance had also been vetoed. But instead of giving up, the opposition camp just kept repeating their questions again
and again. After the new Legislative Council is formed, the opposition camp managed to establish a select committee through the presentation of a petition which does not require any voting by the Council. No wonder some members of the public, who stopped me earlier in the street, said to me that, "the purpose to set up a select committee on UGL is certainly not for investigation's sake, but to launch a new round of political attacks against Chief Executive LEUNG Chun-ying through the so-called investigation."

Given the present state of our politics, our society and the legislature, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") is indeed most reluctant to conduct such kind of investigation in a political battlefield where colour is all that matters. We are also extremely cautious to avoid such kind of investigation being exploited as a tool of suppression against political opponents. With the establishment of the Select Committee by the Legislative Council, Mr LEUNG naturally becomes a target of attack. I think Mr LEUNG is also very anxious, thinking that some members of the Select Committee are extremely biased or they may have already formed an opinion about the UGL incident. That is why when he learnt about the Select Committee's scope of inquiry and had certain views, he approached Mr Holden CHOW. In my view, this is not the right approach to take, and it would be more appropriate for Mr LEUNG to write to the Select Committee directly. However, I must point out that the scope of inquiry would ultimately be endorsed by the Select Committee, no matter whose views are raised. Besides, if we carefully examine the amendments suggested by Mr LEUNG, he has actually expanded the scope of inquiry. Hence, the actual effect is not limiting the scope of inquiry on him. Instead, he has made it possible for the Select Committee, the Council and the public to obtain additional information about the case, so that a comprehensive judgment can be made. Therefore, considering the matter as a whole, I think it is difficult to say conclusively that the Chief Executive has frustrated, deflected or affected the investigation of the Select Committee on the basis of this point alone.

President, I would like to stress that no matter how opposition Members are dissatisfied with Chief Executive LEUNG Chun-ying, they should not deprive the right of the subject of inquiry to express views. Therefore, I think it is much ado about nothing if they say that Mr LEUNG has interfered with the affairs of the select committee by expressing his views thereto.
Opposition Members have, based on the incident that the Chief Executive had expressed views to the Select Committee through one of its members, concluded that he had made serious mistakes and thus initiated the most serious impeachment motion. Evidently, they have used the incident as a pretext to attack the Chief Executive politically. By doing so, they have abused the most solemn constitutional power conferred to the Legislative Council by the Basic Law and turned it into a tool of political struggle against an individual. It is most regrettable that the opposition camp has completely disregarded the dignity of the Legislative Council for the sake of its own political gains. Mr Holden CHOW has become a pawn in their struggle against Mr LEUNG Chun-ying. Surely, the opposition camp also wants to kill two birds with one stone by discrediting DAB through their attack on Mr CHOW.

Mr Holden CHOW has not handled the matter properly. For one thing, he is too much of a "LEUNG's fan" and did not say no to Mr LEUNG; for another, he did not give an immediate account to the Select Committee that the amendments were made by the Chief Executive. President, I think Mr Holden CHOW had not handled the matter properly, but he had already apologized and accepted responsibility by withdrawing from the Select Committee. He had paid a price for it politically, and the matter should have ended. But regrettably, some Members have taken the incident as a golden opportunity and would not let go. They chase after the prey like bloodthirsty sharks, and will only stop when the prey died from bleeding.

President, given the development of the incident so far, I have also learnt a hard lesson personally.

Holden, you are inexperienced as a newbie in Council. That is why you should admit and seriously reflect on your shortcomings. You should rise from where you fell. And most importantly, do not be discouraged or fall into the death trap set by your enemies. We will not let you become another target of political attacks after CY. That is why we will staunchly fight against this round and the next round of political attacks.

The picture has become clear, and I can also see things more clearly through this incident. As I can see, there are many ugly and horrible faces who adopt double standards and whose remarks are only based on political colours. Some Members are very well aware that Mr Kenneth LEUNG has a conflict of interests for being a member of the Select Committee. He is the defendant, and
the other party is the plaintiff in a case which is also related to UGL. But Members of the opposition camp have turned a blind eye to this situation and even insisted that Mr Kenneth LEUNG should stay in the Select Committee. They do not let him quit; they want him to stick it out. Yet, President, I think members of the public can tell for themselves what is right and what is not, who is good and who is not, who has accepted responsibility and who has not.

Once again, I must say that the impeachment power is the most solemn power conferred to the Legislative Council by the Basic Law. Such a power, if exercised, will definitely create serious impact and shock in the society of Hong Kong. That is why when former Member Mr TAM Yiu-chung spoke in Council as Chairman of the Committee on Rules of Procedure ("CRoP") in 2013, he pointed out that since the reunification, CRoP and the Administration had conducted many discussions on the specific procedures of the modus operandi of the impeachment mechanism, but no consensus had been reached. There were concerns over issues such as what conducts of the Chief Executive constituted "serious breach of law" and "dereliction of duty". How should the independent investigation committee formed by the Chief Justice of the Court of Final Appeal carry out the investigation? What was the scope of power of the investigation committee?

At that time, Mr TAM pointed out, the fact that a consensus had yet to be forged on the operation of the impeachment mechanism was not because CRoP did not make decisions after discussions and did not implement the decisions made; neither had CRoP purposely let the Chief Executive "off the hook"; rather that was because CRoP understood that impeaching the Chief Executive was an issue of enormous importance. Hence, the power of impeachment should only be invoked when the Chief Executive had committed some specific, definite and grave mistakes. That was the only way to ensure that impeachment proceedings would not be hastily activated on grounds of some aggressive political accusations.

In this case, as in past cases, opposition Members are aware of such a background when they initiate the impeachment motion. But they have never requested CRoP to discuss the specific arrangements of the modus operandi of the impeachment mechanism. It will be against the principle of procedural justice, which we always emphasize, if the impeachment motion is hastily initiated even before we have a clear idea of what conducts constituted "serious breach of law" and "dereliction of duty". Hence, it is well evident that opposition Members
also understand that the nature of those charges against Mr LEUNG Chun-ying can hardly meet the requirements of Article 73 of the Basic Law, and they activate the impeachment mechanism merely for the objective of launching another political struggle to undermine the prestige of governance of Mr LEUNG Chun-ying and the SAR Government.

Therefore, President, DAB opposes today's impeachment motion. I so submit.

MR JAMES TO (in Cantonese): President, the Chief Secretary for Administration has given an initial reply on behalf of the Government. Since Ms Starry LEE comes from a big political party, I assume that her speech covers all the major arguments of pro-establishment Members. Certainly, I am not querying whether she has handed her speech to LEUNG Chun-ying for scrutiny before delivery. Having listened to their "pro-LEUNG" speeches, I have to put aside my scripted speech. In order to enable the legislature to have a more lively debate, and members of the public observing today's meeting to have a better understanding of who are in the right or what the core point of contention is, I have decided to give a point-by-point reply. I welcome LEUNG Chun-ying's team or pro-establishment Members to refute my arguments point by point in the ensuing debate.

President, since the Chief Secretary represents the Government, it is reasonable that his speech has been scrutinized by LEUNG Chun-ying beforehand. The Chief Secretary indicated in his opening remarks that he would make a detailed reply after listening to Members' speeches. That said, he should supposedly respond to pro-democracy Members' allegation against the Chief Executive, or the speech first made by Mr Alvin YEUNG on behalf of some 20 pro-democracy Members in this debate. The speech of the Chief Secretary basically contains several arguments. His first argument is that the power of impeachment is so serious that it should not be casually exercised. In this connection, I have to ask the Chief Secretary if he thinks that interference with the Legislative Council is not a serious issue; or that interference with the Legislative Council is not serious enough that warrants an investigation by the Chief Justice?

President, the Chief Secretary's second argument is that the subject of inquiry can certainly express his views on the scope of the inquiry. I find this argument even more perplexing. Many people argue that the subject of inquiry
can reasonably request to narrow or expand the scope of inquiry. A subject of inquiry is a person being investigated. Disregarding the separation of powers, the Legislative Council has, by discharging its functions under the Basic Law, formed a select committee under the Rules of Procedure to undertake an investigation. The scope of the inquiry should be decided by the 10 Members or so elected by the House Committee of the Legislative Council, and it should not be expanded or narrowed at the request of LEUNG Chun-ying, the subject of inquiry. I must hereby refute this specious argument that has been mentioned for weeks. It is indeed perplexing and absurd that the scope of inquiry should be decided by the subject of inquiry.

The subject of inquiry naturally enjoys certain rights under the Legislative Council (Powers and Privileges) Ordinance. When, for example, a certain committee goes so far as to require the subject of inquiry to wear yellow clothes when attending a meeting, he/she may naturally ask why he/she has to wear yellow clothes but not black clothes. As such, I believe that the subject of inquiry enjoys certain rights under the Rules of Procedure, and a select committee cannot impose whatever decisions it makes on the subject of inquiry. That said, it will be very ironic and absurd if the subject of inquiry can justly and forcefully request us to expand or narrow the scope of inquiry.

Even if some concessions are made and the subject of inquiry can request to expand or narrow the scope of inquiry, can he covertly convey his views to a certain member? Members must bear in mind that I am talking about the subject of inquiry covertly conveying his views. Chief Executive LEUNG Chun-ying had not conveyed his views to the Select Committee. He merely conveyed his views to a certain member, and that member did not inform the Select Committee that the views were conveyed to him by the subject of inquiry. Worse still, there are audio recordings to prove that Mr Holden CHOW had told the Select Committee that the amendments reflected his own views. Mr CHOW obviously wanted to tell the whole world that he made such amendments to revise the scope of inquiry. The problem is not whether the subject of inquiry can convey his views to the Select Committee, but the subject of inquiry had covertly conveyed his views to a certain member or the Deputy Chairman of the Select Committee, with the intent that the member (that is Mr Holden CHOW) would raise such views as if they were his own views. This reveals that the subject of inquiry, namely Mr LEUNG, had improperly interfered with the work of the Select Committee, and investigation by the Chief Justice is thus warranted.
President, the Chief Secretary's third argument is that LEUNG Chun-ying has done something good over the past five years. This is more perplexing. First I would not argue with the Chief Secretary whether Mr LEUNG has indeed done something good. Assuming that he has done something good over the past five years, does that mean he has the right to interfere with the Legislative Council? Did the Chief Secretary mean that given the good deeds done by Mr LEUNG, Legislative Council Members should strike a proper balance and refrain from moving a motion to investigate his interference with the Legislative Council? President, the Chief Secretary's argument concerning the good deeds done by Mr LEUNG can at most be considered after the completion of the investigation by the Chief Justice into the alleged interference. By then we still have to undergo two procedures, the first of which is the passage of a motion by a two-thirds majority of all the Members. The above argument may be considered at that stage for the purpose of intercession. Even if the allegation is substantiated, a two-thirds majority of all the Members may not necessarily vote in favour of the motion. Members may, for various reasons such as Mr LEUNG's having done some good deeds, object to the impeachment. The Central Government may also consider the good deeds done by one of its cadres and refrain from dismissing him.

President, the first argument of Ms Starry LEE of the Democratic Alliance for the Betterment and Progress of Hong Kong is that this impeachment motion merely aims at toppling LEUNG Chun-ying and the opposition camp aims to topple LEUNG Chun-ying in any event. In fact, people watching the television broadcast should better know that had it not been for the collusion between Mr Holden CHOW and LEUNG Chun-ying, members of the public would have treated LEUNG Chun-ying as a bygone. No one wants to remember LEUNG Chun-ying. Since a new Chief Executive has already been elected, we need to look into the future for good or for worse. Have members of the public forced the pro-democracy camp to impeach LEUNG Chun-ying? Even if the pro-democracy camp wants to do so, the public will not render support.

It is only that the collusion between Mr Holden CHOW and LEUNG Chun-ying is so serious as to interfere with the Legislative Council that we need to take action. Pro-democracy Members only hope that LEUNG Chun-ying will depart from office as soon as possible. Members of the public simply hate to speak of him, let alone talk about him in such a serious manner. People are simply disgusted by LEUNG Chun-ying. They merely hope that nothing further will be said of him. However, as he had admitted that he colluded with a Legislative Council Member to interfere with the inquiry of the Council, the
Council needs to investigate his act of colluding with a Member to revise the scope of inquiry. Some think that we are only staging a political show, and if one measures another's corn by one's own bushel, one should say that we are doing so for the purpose of canvassing votes. However, if we made members of the public to pay attention to observe LEUNG Chun-ying for no good reason, we are actually soliciting "ballot box poison". Nevertheless, we still have to take follow-up actions.

President, Ms Starry LEE's second argument is that LEUNG Chun-ying had responded time and again. First, even if he had responded many times, his response is not related to his alleged interference with the Legislative Council. Second, I reckon that Ms Starry LEE meant to say that he had responded on the UGL incident time and again. The crux of the problem, however, is that LEUNG Chun-ying has failed to answer the nine questions raised by Prof Eric CHEUNG and the three questions raised by Mrs Selina CHOW, a former Legislative Council Member. President, at the Chief Executive's Question and Answer Session last week, Mr LAM Cheuk-ting asked LEUNG Chun-ying whether the agreement concerned was a resignation agreement or a service agreement, and LEUNG Chun-ying constantly said that it was a resignation agreement. Mr LAM Cheuk-ting then read out the stipulated scope of services under that agreement, which covered the promotion of UGL. As such, the agreement was obviously a service agreement rather than a resignation agreement. If it were a resignation agreement, it would not have a second paragraph. In other words, LEUNG Chun-ying dared not reply whether the agreement was a resignation agreement or service agreement.

The second question LEUNG Chun-ying dared not answer is whether he had made proper declarations of interests. As indicated by Ms Starry LEE just now, LEUNG Chun-ying sought to expand the scope of inquiry through Mr Holden CHOW. I believe, however, that the actual scope of inquiry would be narrowed, for he proposed to change the examination of all papers pertaining to the resignation agreement or service agreement to the examination of merely one paper. As indicated by Mr Kevin LAU in his article, we wonder whether there were any other papers apart from the one paper uncovered by the media. This is a fishy point. I have to make this point clear even if one may accuse me of being a mean person. If there was really only one paper, LEUNG Chun-ying would not have colluded with Mr Holden CHOW to narrow the scope by proposing the examination of only one paper. If there was only one paper, he would have been indifferent to the inquiry by the Select Committee. For this
reason, I am reasonably convinced by Mr Kevin LAU's allegation that there were some other papers having a greater bearing on LEUNG Chun-ying, such that he must narrow the scope of inquiry.

President, the basic justification for us to support the impeachment is the Chief Executive's interference with the Legislative Council. Ms Starry LEE rendered her support to Mr Holden CHOW just now, saying that Mr Holden CHOW had erred in, first not saying no to LEUNG Chun-ying, and, second, not reporting the matter to the Secretariat. President, if an investigation committee is to be formed by the Chief Justice, one of the tasks is to investigate whether Mr Holden CHOW had said no to LEUNG Chun-ying, or whether Mr Holden CHOW had willingly colluded with LEUNG Chun-ying and misled the Legislative Council by indicating that the relevant views were his own. Last but not least, while Ms Starry LEE constantly encouraged Mr Holden CHOW to do better, has Mr Holden CHOW made any apology? Mr Holden CHOW's has avowed in the Council that the amendments were made by him, shouldn't he apologize just for this untruthful statement?

DR YIU CHUNG-YIM (in Cantonese): First of all, I want to respond to the remarks made by Ms Starry LEE. She has depicted this motion as a political struggle and an ambush, but if we look carefully, the motion merely requests the formation of an independent investigation committee. How can an investigation be a political struggle? How can an investigation be an ambush? Investigation is a way to find out the truth and do justice to society through the collection of evidence in an objective and thorough manner. Therefore, if Members oppose the mere request to conduct an investigation, they may instead give the public a wrong impression.

I must point out that this motion does not seek to look into the UGL incident, but only to find out if the head of the SAR has interfered with the affairs of the Select Committee of the Legislative Council. Even if I assume what Ms Starry LEE said is right and the head of the SAR only seeks to expand the areas of study, this still constitutes an interference. Interference refers to an act rather than the results, and this is something that Members must be very clear. Regardless of whether he intends to change, narrow or expand the areas of study, it does not affect the allegation that he has interfered with the affairs of the Select Committee. So long as he has interfered, it does not matter whether the areas of study have been narrowed, changed or expanded, he has still committed dereliction of duty.
It is interesting to note that while Ms Starry LEE also agrees that it is improper for the head of the SAR and Mr Holden CHOW to amend the document, she does not think this constitutes an interference. This precisely reflects that she is making a subjective personal judgment, trying to justify her own argument. How can she judge that an act which even she considers improper does not constitute an interference? What power does she have to make such a judgment? We have all along urged that instead of having our judgment influenced by the intricate relations, we should entrust an independent investigation committee to be formed by the completely independent, impartial and highly credible Court of Final Appeal ("CFA") to carry out an objective investigation. This is a better and more credible way to deal with the matter, and would stand a greater chance for the truth to be revealed.

Therefore, I support this motion to appoint an independent investigation committee. This motion is concerned with a serious matter related to the Select Committee under the Legislative Council with the Chief Executive being the subject of inquiry. There is sufficient evidence to support a reasonable suspicion that the Chief Executive, the subject of enquiry, has committed dereliction of duty. It is precisely because the matter involves the Legislative Council and the Chief Executive that regardless of whether the investigation is carried out by any institution or personnel of the Executive Authorities, or any institution or personnel of the Legislative Council, there are likely doubts about conflict of interests. Thus, it is most appropriate to give a mandate to the Chief Justice of CFA, who is completely independent of the Legislative Council and the Executive Authorities, to form an independent investigation committee. Only in so doing can we find out the truth in an impartial and just manner, and the incident can come to light.

What is more, given that the investigation committee is formed pursuant to Article 73(9) of the Basic Law, it is therefore provided with the power to summon witnesses and hence can win the confidence of the public. This is the best way to deal with the matter. If Members arbitrarily oppose this motion today, it will give the community a wrong impression that the Legislative Council is trying to shield the head of the SAR, and is reluctant to entrust the independent CFA to find out the truth. In that case, the truth will never be uncovered, which is unfavourable to the long-term development of society.

According to the arguments presented by the head of the SAR on public occasions, as the subject of inquiry, he has the right to express views. With regard to this argument, Members must look carefully into the facts of the matter.
The fact that he, as the subject of inquiry, requested the then Deputy Chairman of the Select Committee set up under the Legislative Council to pass the document to him for amendment has already gone beyond the argument over the right of expressing views. If any subject of inquiry wants to express views to the Select Committee, he or she must indicate his or her wish according to the established procedures and system, or express his or her views on public occasions. They should never, without the consent or knowledge of the Select Committee, secretly—this is the crux—amend any document of the Select Committee without its consent or knowledge. Obviously what he did has gone beyond the argument over the right of expressing views. Furthermore, the then Deputy Chairman of the Select Committee had not given a clear account of the clandestine amendment made by the subject of inquiry before passing the document to the Select Committee.

Such an act has completely gone beyond the argument of expressing views, and it can even be described as dereliction of duty that will likely undermine the impartiality of the inquiry. Hence, there is sufficient prima facie evidence to support the serious dereliction of duty on the part of the head of the SAR, and it is therefore fully justified to move this motion under Article 73 of the Basic Law. Honourable colleagues should note that, giving a mandate to the Chief Justice of CFA to form an independent investigation committee is the most impartial solution. If Members even oppose the proposal of forming an independent investigation committee, members of the public would think that "he who denies all confesses all" and make people think that there is something fishy going on.

As a matter of fact, in the past period of time, the incident of the head of the SAR amending the Select Committee's areas of study has already given the public an impression that he has a guilty conscience. Fearing that the Select Committee might dig out evidence, he acted unwisely to collude with the former Deputy Chairman of the Select Committee to amend the areas of study. The more reluctant Members are with regard to setting up an independent investigation committee to find out the truth, the more convinced people are about something fishy going on. Members should thus think carefully if it is worthwhile to put the credibility of the entire system and that of the pro-establishment camp at stake for the wrongdoings of just one person.

On the international front, NIXON of the United States had also been impeached for interfering with the Parliament. Even in China, after the recent implementation of the Provisions of the Chinese Communist Party Regarding
On-site Inspections, at least nine public officers have been subject to investigation for interference with inspections. For details, Members may refer to the article entitled "How they had interfered with investigations" written by Bruce LUI, Lecturer of the Hong Kong Baptist University. Thus, there are clear precedents in the international world that any act involving collusion with an investigation committee or interference with an inquiry shall warrant thorough investigation to find out the truth. And if the evidence is substantiated, the person concerned should be impeached or sanctioned as appropriate.

If Members maintain that the clandestine amendment of the document does not constitute an interference with the inquiry, please think about the serious consequences that may arise. If Members insist that there is nothing wrong with this incident, it would imply that in the future, all public documents of the Legislative Council would be uploaded to an open platform in the format of word files, such that everyone, including the subject of inquiry, can make amendments as so wishes, and such amendments would be deemed as an expression of views. By that time, an expression of view is tantamount to making amendments to the word files at will. Members must think carefully, the decision that we are going to make today does not only relate to whether an investigation committee will be formed under the Legislative Council, but also the credibility of this Council. Are we going to provide word files for amendment by one particular person alone in the future while other people under investigation or the community at large will not enjoy such a privilege? Or, even though everyone will have free access to and the right to amend any document of the Legislative Council via an open platform in the future, this will not be regarded as interfering or influencing the affairs of the Legislative Council? Our decision today will therefore determine how this Council will conduct its inquiry and how it is going to receive people's views on its public documents.

I sincerely request Honourable colleagues to support Mr Alvin YEUNG's motion as this is an important indicator of whether Hong Kong can still be regarded as the city with the highest level of probity in the world. Do Legislative Council Members have the courage to support the formation of an investigation committee to look into the incident of the head of the SAR, being the subject of inquiry, secretly requested a member of the Select Committee to amend a document with an intent to interfere, so as to do justice to society?

I so submit.
DR KWOK KA-KI (in Cantonese): President, I support impeaching "689" LEUNG Chun-ying in accordance with Article 73(9) of the Basic Law. Many people have asked why we wait till now to impeach him. In 2012, LEUNG Chun-ying won the Chief Executive Election by fraud and in the next five years he has incessantly created rifts in Hong Kong society. He is practically the "Father of Hong Kong independence" and has stirred up all kinds of troubles in Hong Kong.

Just now Ms Starry LEE said the democrats oppressed LEUNG Chun-ying. She really thinks too highly of the democratic camp. LEUNG Chun-ying oppresses his opponents every day, using the Department of Justice to disqualify one Member after another. After the Umbrella Movement, he has exploited every means to take reprisals against certain Members and scholars, and used public money to bring all people he hates to court and put them on trial. How are we capable of oppressing LEUNG Chun-ying? I would have to congratulate myself for not being trampled to death by him. We have lost count of how many evil things he has done in these five years. It is late to impeach him now.

Is it a new practice to invoke the Legislative Council (Powers and Privileges) Ordinance ("the Ordinance") to investigate LEUNG Chun-ying? Ms Starry LEE sounded like the heaven was about to fall. Before LEUNG Chun-ying assumed office of the Chief Executive, the Legislative Council had already invoked the Ordinance to inquire into his failure to declare interest in the West Kowloon Reclamation Concept Plan Competition. Do Members still remember? At that time, as everyone expected his rival Henry TANG would win the election and LEUNG Chun-ying would have no luck, even Members of the pro-establishment camp participated in the inquiry and published a report not in his favour. Is everyone still sleeping? Members from the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") also joined in the inquiry. There was irrefutable evidence that LEUNG Chun-ying, being a member of the Jury in that competition, had deliberately failed to declare his relation with a member of one of the competing teams. From this we can see how despicable he is.

Later, he used the issue of unauthorized building works ("UBWs") to attack Henry TANG. While it is a fact that Henry TANG is incompetent, but when compared with LEUNG Chun-ying, he can still be considered a person of integrity. I believe no one is worse than LEUNG Chun-ying. However, Henry TANG may be watching the live broadcast now and he may ask me, "What's wrong with you? How dare you compare me to him?" I am really sorry that I
compare Henry TANG to LEUNG Chun-ying. At that time, LEUNG Chun-ying used the issue of UBWs to defeat Henry TANG, but it turned out that he had way more UBWs in his residences, including the flat in Tung Tau Wan Road in Shek O and his mansion on the Peak now. The UBWs … President, what is the matter?

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, before the debate started, the Deputy President, Ms Starry LEE, had already stated that under Rule 41(1) of the Rules of Procedure, Members shall not introduce matter irrelevant to the subject. Please speak on the subject.

DR KWOK KA-KI (in Cantonese): No problem, I will speak on the subject. My comments are relevant. There are really many issues relating to LEUNG Chun-ying that I can talk about. President, please give me back some speaking time.

PRESIDENT (in Cantonese): This is a very simple and straight-forward subject.

DR KWOK KA-KI (in Cantonese): Alright, let me continue. LEUNG Chun-ying's UGL incident and his collusion with Mr Holden CHOW of DAB are the reasons why we have to impeach him. The impeachment has come rather late. Everything LEUNG Chun-ying has done in the past five years is to oppress the people of Hong Kong, such that public opinions cannot be reflected in the Legislative Council. Hong Kong people find this situation shameful. Do not forget that when LEUNG Chun-ying received the money from UGL, he had already assumed the office of the Chief Executive. According to the agreement, the money was to be paid by two instalments at the end of 2012 and at the end of 2013 respectively. The money was not paid according to any so-called resignation agreement. If the money was paid as prescribed by a resignation agreement, it could be made public and the Chief Executive could declare under the system of declaration of interests for Members of the Executive Council, but he did not do so. Now the Legislative Council has set up a Select Committee to investigate him, but he still refuses to be subject to investigation and conspired with Mr Holden CHOW to amend the paper on the scope of inquiry. Shame on him!
Frankly, if the Chief Executive wishes to make some fair comments about his act and if he thinks that he has been wronged in one way or another, the best way for him to defend himself is to attend the hearing of the Select Committee and openly answer Members' questions under the sun. I believe that is the best and the fairest approach. Why should he act sneakily and ask Mr Holden Chow to be his henchman? I just heard Ms Starry Lee say "we cannot do so, and Comrade Leung Chun-ying has done nothing wrong". But does she know that Leung Chun-ying once oppressed Jasper Tsang, the founding leader of DAB? If Ms Starry Lee, who is not present now, is watching the live broadcast, may I ask her to take note that Leung Chun-ying had once oppressed the founding chairman of her political party. Leung Chun-ying had also oppressed our former colleague, Miss Chan Yuen-han of the Federation of the Trade Unions, who was once known as the chairman of "Pro-Leung Kuk"…

**PRESIDENT** (in Cantonese): Dr Kwok Ka-ki, may I remind you again that you have digressed from the subject.

**DR KWOK KA-KI** (in Cantonese): I am now responding to Ms Starry Lee's comments. How come Ms Starry Lee was allowed to make those comments but I am not? When she made those comments, President, why didn't you interrupt her? I am responding to the comments made by Ms Starry Lee at the meeting. You can look up the verbatim transcript. Those were all her words, including the remark that we oppressed Leung Chun-ying. I am just responding to her remarks.

As it is known to all, we demand the Chief Executive to be "a person of integrity" as stipulated in the Basic Law. This is of paramount importance to upholding the principle of "one country, two systems" in Hong Kong and making Hong Kong distinctly different from the Mainland. Donald Tsang, the former Chief Executive, is put behind bars for merely accepting some special favours when renting an apartment and failing to declare interests about travelling on someone's private jet and yacht. President, $50 million is real cash. Why didn't the Chief Executive make declaration in accordance with the Executive Council's guidelines? It would not be an issue had he declared …

(Dr Junius HO stood up to indicate his wish to raise a point of order)

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1 Pro-Leung Kuk sounds like Po Leung Kuk, a charitable organisation in Hong Kong.
PRESIDENT (in Cantonese): Dr Junius HO, what is your point?

DR JUNIUS HO (in Cantonese): President, as the Select Committee of this Council is inquiring into the matter about Mr LEUNG Chun-ying receiving £4 million from UGL, Members cannot comment too much on that incident lest it will interfere with the inquiry work of the Select Committee. Hence, the issue discussed by Dr KWOK Ka-ki has exceeded the scope of today's motion.

PRESIDENT (in Cantonese): Dr HO, please sit down. Dr KWOK Ka-ki's comments are related to the main points of this motion. Dr KWOK Ka-ki, please continue.

DR KWOK KA-KI (in Cantonese): Thank you, President. Dr Junius HO actually needs not defend his master in this way. Please shut up.

I wish to tell Members, such matters have actually completely undermined the duties given to us by Hong Kong and by the Legislative Council. Under the Basic Law, the three powers should respect one another. In order to subject the Government, including the Chief Executive, to the monitoring of the Legislative Council, we set up the Select Committee to inquire into the incident. After the incident was exposed, LEUNG Chun-ying did not stop, on the contrary, he has been checking the Facebook page of Mr Kenneth LEUNG, our colleague, and kept questioning his suitability to be a member of the Select Committee. As regards the questions posted on his own Facebook page, he has never responded.

Eric CHEUNG, a legal scholar from the University of Hong Kong, posted nine questions on LEUNG Chun-ying's Facebook page, the contents of which tally closely with the scope of our inquiry. Eric CHEUNG asked: was the resignation agreement signed between DTZ and Mr LEUNG Chun-ying? If so, did he accept £4 million in exchange for his support for UGL's acquisition of DTZ, for not making comments on UGL's acquisition, and for providing assistance in the promotion of UGL and DTZ from 2012 to 2013 as UGL may reasonably require as long as no conflict of interest is involved? These are all the main issues that we wish to inquire into.
We all know that in this incident, all creditors of DTZ at that time, including RBS and the accountant firm Ernst & Young, were victims. Did they know about LEUNG Chun-ying's acceptance of £4 million? If they were in the dark, obviously it involved conflicts of interest and someone had violated the integrity requirement. Companies such as UGL often engage in commercial activities in Hong Kong and the Chief Executive can, in many circumstances influence the Government's decisions and such decisions will ultimately impact on the benefits received by such organizations and companies, including UGL.

The purpose of our inquiry is to let the public know the truth and do justice to the SAR Government. Many civil servants and accountability officials have privately said to us that this incident is outrageous. If someone asks whether you trust the SAR Government, everyone will think of LEUNG Chun-ying, and he has completed destroyed the credibility of the entire civil service. Are you telling me that he has not affected everyone? The pro-establishment camp will have to pay a heavy price for tagging too closely after LEUNG Chun-ying. As a matter of fact, even the Members handpicked by "Western District", like Dr HO, should also know that after they have taken the oath in the Legislative Council, they should serve the public rather than defend LEUNG Chun-ying.

In this incident, LEUNG Chun-ying was neither honest nor upright. He could have written to Mr Paul TSE, Chairman of the Select Committee or if he thought the Chairman alone did not have sufficient standing, he could have written to all Members of the Select Committee to tell them about his views on the scope of inquiry. He could have made everything public. Why did he take such clandestine actions? After taking such actions, he claimed that someone did not allow him to air his views. Who would not allow LEUNG Chun-ying to speak? He speaks to the press every Tuesday before the Executive Council meeting. He can make use of that opportunity to state openly which areas the Select Committee should look into; he can openly advise the Select Committee to extend the scope of inquiry to include the authenticity of the agreement. How is it possible that he does not have the chance to make open statements?

He can say whatever he wants. The television crew always takes shots of him, but what are his remarks? In many Question and Answer Sessions of the Legislative Council, whenever he was asked about the UGL incident, he would said that he had answered all questions. When Members further asked him when he answered the questions and what his reply was, he just repeated once again that he had answered all questions. The last time when he attended the Question and Answer Session in this Chamber, we asked him whether the
incident would affect ... He is now the Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference. According to the national law, corruption is a very serious crime and the perpetrator is subject to detention and interrogation, or even immediate imprisonment in Qincheng Prison. As such, he said that the Central Authorities were aware of the incident. What did he mean by that? Did he want to get the Central Authorities and Beijing into trouble to support his corruption?

I must warn the pro-establishment Members, especially those who are still scrambling for a position in "Pro-LEUNG Kuk". There are still people who are eager to support LEUNG! Dr HO should be more cautious. This incident has affected the entire SAR Government, not just the pro-establishment camp. A person who indulges in all sorts of evildoings has kept playing petty tricks and trying to influence the formal inquiry of the Legislative Council through illicit means. Among the members of the Select Committee, seven are pro-establishment Members and only four are democratic Members. They have practically taken everything under control, and they have a pretty good idea how the report of the Select Committee should be written. Yet, he still tries to ensure that everything is under his control. With such shameful acts, he should be impeached.

I so submit.

MR CHRISTOPHER CHEUNG (in Cantonese): I find it most regretful that 28 non-establishment Members have jointly initiated this motion today to activate the impeachment procedures against the Chief Executive in accordance with Article 73(9) of the Basic Law. As always, they are targeting the person rather than the matter itself, and it is their nature to make a mountain out of a molehill, play to the crowd and stir up trouble.

Why do I make such a stern criticism? It is because this is not the first day LEUNG Chun-ying gets embroiled in the UGL saga. It started long ago when he just took office as the Chief Executive. Back then, the pan-democratic camp already made a strong claim about LEUNG Chun-ying failing to fully declare his interests. Later in 2014 when reports were made by overseas media about LEUNG Chun-ying accepting payments of £4 million from UGL, the pan-democrats seized the opportunity to play up the story, and they have been going after him ever since.
In November 2014 alone, the pan-democrats moved two relevant motions respectively by Ms Claudia MO and former Member Ms Cyd HO, demanding that the Legislative Council (Powers and Privileges) Ordinance ("the Ordinance") be invoked to establish a select committee to inquire whether the Chief Executive had any misconduct in the UGL incident. After all, they just wanted to stir up big trouble for the Chief Executive by questioning his integrity, so that he might have to step down eventually.

Therefore, back then when I spoke on the motion moved by Ms Claudia MO, I already pointed out that the pan-democrats were going after Chief Executive LEUNG Chun-ying. Obviously, they wanted to stir up trouble again and attract public attention, with a view to undermining the popularity of the Chief Executive, thereby justifying their objective of launching the non-cooperation movement at that time, that is, to oust the Chief Executive.

Although both motions were not passed, the pan-democrats have still been pursuing the matter earnestly. They intend to hunt down the Chief Executive by repeating the same story again and again.

Eventually they used the same trick again after the new Legislative Council took office. But instead of invoking the Ordinance, they established a select committee directly. Exploiting the opportunity arising from the careless mistake made by Mr Holden CHOW, former Deputy Chairman of the Select Committee, they managed to find a new excuse to rekindle the matter. With today's motion, the pan-democrats even want to kill two birds with one stone, firstly, to oust the Chief Executive and secondly, to censure Mr Holden CHOW. After all and as always, they just want to have someone "beheaded".

But I would like to ask pan-democratic Members why do they always hold double standards? When a member of their own camp has erred, they always try to cover up the errors. For instance, when a Member failed to declare interests, they simply turned a blind eye to the matter and did not censure him. They have even given all sorts of excuses on his behalf. I think justice is always in people's heart, and people can see clearly who is right and wrong.

Mr Holden CHOW's acts have indeed created a negative public impression. But after all, the Chief Executive has not used his powers to obstruct or suspend the inquiry of the Select Committee. He was just expressing his views on the scope of inquiry. Subsequently, the Chief Executive has formally expressed his views to the Select Committee, while Mr CHOW also said that he did not cover
up anything, and he also withdrew from the Select Committee. So I do not think there are enough justifications for moving the impeachment motion today.

It is not true to say that the Chief Executive has not clarified the matter. Instead, he has clarified time and again that the payment was related to a resignation agreement and was not subject to taxation. Moreover, no tax authorities have approached him or conducted any investigation on the matter so far. Besides, the payment is not within the scope of declarable interests of the Executive Council. For the above reasons, I think it is not that the Chief Executive has not clarified or clearly explained the matter, but that the pan-democrats refuse to believe whatever he said.

Senior Counsel Ronny TONG, a former member of the pan-democratic camp, recently wrote an article on the matter. Let me quote a short passage from it: "Notwithstanding, while LEUNG Chun-ying's attempt to make those amendments as well as his remarks are most inappropriate, they do not constitute 'serious breach of law' or 'dereliction of duty' as specified in the impeachment provisions under Article 73 of the Basic Law. Moreover, isn't it awkward for the pan-democrats to activate the impeachment procedure with only less than six weeks left in the term of the Chief Executive? Facing this political farce, what do we feel in our hearts?" (End of quote).

President, Mr TONG was being polite for using the word "awkward". The problem is that even if the motion is passed today, it does not mean the Chief Executive will be impeached immediately. There is still another procedure to go through, that is, after the motion for investigation is passed by the Legislative Council, the Council may give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee to carry out the investigation. Most importantly, it is only when the investigation committee considers the evidence sufficient to substantiate the relevant charges that a motion of impeachment will be presented to the Council, and it is only when such a motion is passed by a two-thirds majority of all Members of the Council that a report will be made to the Central People's Government for decision.

How can such a complicated and meticulous procedure be completed within several weeks? Hence, this is clearly an attempt of character assassination on the part of the pan-democrats, which is unsupported by evidence or justifications. In short, they are acting like an emperor. If they want someone dead, that person must die.
Separately, I would like to point out that it is a very serious matter to impeach the Chief Executive. They cannot go after a person simply because they do not like him. As formal inquiry has yet to be conducted by the Select Committee, how can they deliver a judgment before trial?

Actually, during the Chief Executive election held earlier, didn't those in the non-establishment camp say that they no longer wanted to see further social dissension? But given their present demand for a political trial, what good can be done to society? Or is their action conducive to restoring mutual trust?

Therefore, President, I oppose this extremely boring motion.

MS CLAUDIA MO (in Cantonese): President, I hope that when Mr Christopher CHEUNG read from his scripted speech, he could pronounce the words more clearly. Just now, he said he opposed this "extremely not boring" motion. What is meant by "extremely not boring"? Is it the same as "extremely meaningful"? What he said is most strange indeed. He also said that pro-democracy Members wanted to undermine the popularity of the Chief Executive. But the Chief Executive has hardly any popularity, right? Because according to the latest findings of the opinion polls of the University of Hong Kong, LEUNG Chun-ying's net popularity has a negative rating.

President, when it comes to the emotions of love and hate, there is always a reason for how we feel. I firmly believe that a person's fate is decided by his character. LEUNG Chun-ying always prides himself on being farsighted and prudent, but in fact he is just a shortsighted person who craves for glory. Now many people are saying that he has acted in contempt of the Legislative Council, which is exactly what he has done. His stance is always clear. For instance, when he answers questions from Members during the Question and Answer Session of the Legislative Council, he laughs in a silly manner when answering the questions from our side, and he smiles subserviently when answering the questions from the other side. What sort of Question and Answer Session is that? He spends 30 minutes answering questions from pro-establishment Members, but when it comes to our questions, he is always evasive and non-committal. But we are Members of the pro-democracy camp! Most terrible of all, he even believed the officials of the Liaison Office of the Central

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2 Mr Christopher CHEUNG misread the Chinese expression "極之無聊" (extremely boring) as "極不無聊" (extremely not boring).
People's Government in the Hong Kong Special Administrative Region when they told him that the Chief Executive's status was transcendent. Obviously he is overwhelmed by the word "transcendent". LEUNG Chun-ying really thinks he is above the law because his status is transcendent and hence, he is over and above the executive, the legislature and the judiciary.

The Chief Executive thinks he can override any rules that are in force in Hong Kong. Hence, as the subject of inquiry, he thinks that he can express views on the scope of inquiry. If he has any views, just say out loud and clear; why wait and only speak before or after the weekly Executive Council meeting? If he has something to say, I am sure all reporters will flock to him. In that case, he could say whatever he wants publicly, including his views on the scope of inquiry. He could also tell members of the public what he feels loudly, clearly, openly and frankly. For example, he could say that the inquiry was meaningless, or that as the subject of inquiry, he should be able to comment on the scope of inquiry, and so on and so forth. LEUNG Chun-ying could have said what he wanted publicly, but he did not. Instead, he hid himself and was making those amendments even at 12 midnight. He also admitted that he made those amendments himself. If it is not a dereliction of duty, what is it? I even consider it a serious dereliction of duty for his collusion with Mr Holden CHOW.

As we can still recall, LEUNG has issued legal letters time and again in relation to the UGL incident. He issued legal letters not only to media organizations in Hong Kong, but also to *The Sydney Morning Herald*, the Australian newspaper which first revealed the case. I really do not understand why he is so uptight about the whole matter. If he only took the service payment … He did not admit that it was a service payment; he claimed that it was only a payment arising from his resignation, or a golden handshake, and that he was not required to pay any tax for it. If that was indeed the case, he could have said so loud and clear. But he did no such thing. Instead he was panic-stricken, and he would issue legal letters to whoever touched his weak spot.

He has acted in contempt of the Legislative Council because he believed his masters in Beijing when they told him that Hong Kong was executive-led. He really thinks he can deter us by an authoritarian rule. Talking about an authoritarian rule, there are indeed people who can do so, but firstly, they must have wide public support. I implore LEUNG Chun-ying to ask himself: does he have wide public support? Secondly, they must be able to control the legislature. But regrettably, LEUNG cannot. That is why he always wears a clown's face when he attends our meetings.
As we can all see, during his five years' governance, LEUNG Chun-ying practices cronyism and nepotism, and he is so much worse than Donald TSANG. Originally I did not intend to talk about these matters. But if all the Chief Secretary can do when speaking on this motion in the Legislative Council is to recount the good deeds done by the Chief Executive in his five-year term, the Chief Secretary might as well give us another catalogue detailing all the bad deeds done by the Chief Executive. Does the Chief Secretary mention those good deeds as some sort of mitigation? Is this the case of many people writing letters of mitigation to the Judge after LEUNG Chun-ying is convicted, saying that he is a good man, and so on? Those two matters are completely unrelated. If the public official is allowed to bring up those unrelated matters, I do not see any reason why it is irrelevant for me to respond to his statements. What I say should be equally relevant.

What has LEUNG Chun-ying told pro-democracy Members in Hong Kong? Instead of facing us directly, he always beats about the bush and speaks to other people about us. For instance, how dare he tell others to "vote them out" or "shout at them"? Those words are actually what he said. By "them", who are the people he is referring to? He is of course referring to the pro-democracy Members. What he did this time has seriously and callously interfered with the functions of the Legislative Council, or in Mainland-speak, "has hurt the hearts of Hong Kong people". Why is he so nervous? He even acted in the contrary and reminded the public (including pro-democracy Members like us) that they should say nothing more about the matter, or else they might be sued for libel. Is he trying to scare us?

Regarding the proposed amendments to the paper, LEUNG Chun-ying frankly admitted that they were made by him. Actually he dares not deny because once the matter is circulated on the Internet, everything becomes traceable. But why did he, as the Chief Executive, act like this? As we can confirm, albeit indirectly through Ms Starry LEE, the Chief Executive has taken the initiative to approach Mr Holden CHOW because she said Mr CHOW had erred for not saying no to Mr LEUNG. It is clear from this remark that LEUNG Chun-ying has an active role to play while Mr Holden CHOW's role is passive. This is exactly what has happened, right?

As LEUNG Chun-ying is the Chief Executive, what he did is simply outrageous. First, he used an evil and dirty means to interfere our business. Then he dared tell the public righteously that he had done nothing wrong.
Ms Starry LEE even said that Mr Holden CHOW had erred because he did not disclose the matter to the Legislative Council Secretariat. Buddy, should the staff of the Secretariat thank him for that? She also said that Mr CHOW was quite careless, and he had little knowledge about information technology ("IT"). "He is not IT savvy", isn't that what she said? I just have enough of her idiotic remarks. How can she say something like that? For instance, she also said that although Mr CHOW had erred, it was not so serious that he should be censured or "DQ" (that is, disqualified). Okay, she can just say what she wants!

Ms Starry LEE also remarked that the pro-democracy camp had been trying to suppress LEUNG Chun-ying. What she said is really funny because we would be laughing if LEUNG Chun-ying stops suppressing us. After the Legislative Council elections, LEUNG Chun-ying took a series of actions to "DQ" Members from the pro-democracy camp. Members of the public can see clearly for themselves how shameless, horrible and despicable he is. How can Mr Christopher CHEUNG defend him by saying that "justice is always in people's heart"? In my view, justice is always in people's heart because the public know clearly what he has done. Eventually, the matter was brought to the Standing Committee of the National People's Congress for its interpretation of the Basic Law. The interpretation can hardly make any sense because it is nothing more than putting the words in different laws together. As a result, Members must not use any props during oath-taking, and they must only read out the exact wording of the oath, nothing more. Many restrictions have been imposed on Members, and for what purpose? The purpose is to "DQ" Members from the pro-democracy camp. How shameless is our Government!

If we try to ascertain whether a public official has any misconduct, the question we would ask generally is whether he has concealed anything. So the most important point is whether that person is acting intentionally or not. People of Hong Kong, please ask yourselves honestly; Chief Secretary, please make a judgment: if it were you, would you do these acts? Were those acts intentional or not? The facts are plain for all to see.

In my view, LEUNG Chun-ying has deliberately concealed his actions. Did he have any conflict of interests? Interests do not only mean money, and they can include all sorts of things such as gifts, positions, the provision of loans, and so on. Those who are interested can check the meaning of the word as defined by the Independent Commission Against Corruption, and they will see that many items are included. Some Members hold that LEUNG Chun-ying had
not committed dereliction of duty; he made those amendments just to expand the scope of inquiry. I hope Members can be clear about the nature of his amendments. Actually he has narrowed down the scope of inquiry to the day he assumed office. It effectively means that things which happened afterwards are excluded. While the Select Committee originally intended to inquire into matters relating to his declaration of interests—as I just mentioned, the scope of "interests" can be quite extensive—LEUNG Chun-ying suggested that the scope be narrowed down to the declaration of assets, that is, only confined to money or properties, and so on.

But LEUNG Chun-ying has been acting in a strange way. He insists that the payment from UGL is a golden handshake. Generally, it means a payment, say, a cheque, made by an employer to an employee when he leaves the company. It applies if both parties have an employment relationship. But our general understanding is that he did not have any employment relationship with UGL because he was working for DTZ at that time. LEUNG Chun-ying now insists that the payment of HK$50 million simply arises out of a resignation agreement, and it has nothing to do with the provision of services. In other words, he has not provided any services to other people when he is the Chief Executive. But if no service has been provided, why was the payment only made during his tenure?

Moreover, the said agreement, with its terms of non-poach and non-compete, is more or less a consultancy agreement. But as I recall, LEUNG once said in no uncertain terms that he was not required to pay tax for the HK$50 million he received. In that case, I would also like to seek the view of the Inland Revenue Department ("IRD") because my understanding is that such offshore income is also a kind of income. As far as I know, many freelance writers in Hong Kong write news articles for famous foreign news agencies, and they are paid on a per piece basis. They must also include such income in their tax return. But why is the said offshore income exempted from tax payment? If that is really true, IRD should inform me immediately so that I can tell my friends who are freelance reporters that they no longer need to include in their tax return payments for news articles they wrote for news agencies in overseas countries such as Australia, the United States, Britain, and so on.

Separately, many people have questioned whether there is any other subsequent agreement. Apart from the agreement we already know of, is there a second agreement or a third agreement? Although LEUNG Chun-ying has said something, he did not answer all questions.
Therefore, I hope the Chief Secretary will stop telling us that we should forgive the Chief Executive because of all the good deeds he has done. Just the action taken by him to "DQ" our Members is enough to infuriate me. Being the head of the Executive Authorities, he has been using all ways and means to subvert the legislature through the judiciary. He has gone to extreme lengths trying to achieve this. Surrounding himself with law books and legal advisers, he searched high and low for specific legal provisions which can be applied to individual Members, so that they would eventually be disqualified. Later, the motion will be put to vote. For Members returned by geographical constituencies through direct elections, we barely have enough votes to pass the motion, that is, 17 versus 16. We have 17 votes. But the sum of 17 and 16 is just 33. Why don't we have 35 Members? It is because two Members have already been "DQ", how about that? Damn it!

Some people say that if we know we do not have enough votes to pass the motion, why do we still proceed? Today's news is tomorrow's history. Not only must we let today's news know how deplorable and shameless LEUNG Chun-ying is, we must also give an account to our history in future.

MR KENNETH LEUNG (in Cantonese): President, I declare on my own initiative that Mr LEUNG Chun-ying and I are involved in a private civil action. However, I have to make it clear that this civil action has nothing to do with the motion under discussion today. Furthermore, I have to clarify a few fallacies concerning this motion. First, this motion is not targeting at the UGL incident. What we have to discuss is not the UGL incident in itself, but the grossly clandestine intervention of Mr LEUNG Chun-ying in the operation of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee"). It is not necessary to entangle this individual incident with UGL. This is apparently the first fallacy held by many Members.

The second fallacy that I have to clarify is whether Members of the pan-democratic camp have abused Article 73(9) of the Basic Law in activating the impeachment procedure against the Chief Executive, as suggested by Ms Starry LEE just now. Initiating a motion is the second step stipulated by Article 73(9) of the Basic Law. The first step requires one fourth of all Members to jointly initiate the motion. Hence, we absolutely have not abused this procedure. Article 73(9) of the Basic Law has set out very stringent and
complex procedures. Even if this motion is passed—which I believe will be highly unlikely—an independent investigation committee has to be mandated for the investigation. The Chief Justice of the Court of Final Appeal may be appointed as the chairman of the independent investigation committee which is responsible for investigating all related matters, with a view to compiling a fair, transparent and just report. Members will then have to vote again on that report. The motion of impeachment can only be initiated with the approval of two thirds of Members. Eventually, it is up to the Central People's Government to decide whether the Chief Executive has to take the blame and resign. Given the six checkpoints which have to be passed, we have not moved the motion lightly.

Some pro-establishment Members have queried why we have to wait until June to propose this motion. It is necessary for us to review the ins and outs of the incident. On 15 May 2017, that is less than a month ago, the Select Committee held a closed-door meeting. As a member of the Select Committee, I knew nothing beforehand about the agenda items to be discussed on that day. A few agenda items which must be kept confidential were discussed on that day. However, eventually a number of media disclosed that Chief Executive Mr LEUNG Chun-ying had amended the areas of study of the Select Committee in a clandestine manner. According to media reports, the time of amendments shown on the relevant document was 10:00 pm on 21 April, that is, Mr Holden CHOW told the Select Committee for the first time that he made the amendments at that time. Mr CHOW submitted the amended version of the proposed areas of study four days later. It was not until 15 May that we discovered such a serious breach. Although only three weeks are left before the expiry of the tenure of the incumbent Government and of the Chief Executive, we must solemnly initiate this motion because Members are accountable to the Hong Kong people under the Basic Law. We cannot turn a blind eye simply because only the current-term Government will remain in office for just three weeks or so.

As to the third fallacy which I have to clarify, very regrettably, the Chief Secretary for Administration mentioned in his speech just now the many things done by Mr LEUNG Chun-ying during his tenure which can serve as a ground of defence. However, a motion of impeachment is different from a criminal trial in court, and no ground of defence should be sought for the offender after he has pleaded guilty. When the leader of a region or even a country has made a serious mistake, even if he has done a lot to benefit the people when he is in office, he still has to be held accountable for the serious mistake made. There are many such examples in democratic regimes or jurisdictions, and the case of
Hong Kong should be of no exception. Furthermore, for policies and measures implemented by the SAR Government that are beneficial to the public, the credit should not only go to the Chief Executive alone, but the civil service as a whole. We cannot ignore the contributions made by all the Directors of Bureaux, accountability officials, Secretaries of Departments, as well as several ten thousand civil servants under the civil service system. The credit should not only go to the Chief Executive.

The fourth fallacy concerns the query made by a Member, probably Mr Christopher CHEUNG, just now that pan-democratic Members have often staged a political show by stirring up trouble. Let us review the course of the whole incident. First, regarding the UGL incident, it was the Australian media, not pan-democratic Members, which had published the UGL documents on the Internet. The subsequent publication of the documents on the press had not been requested by us either. The Government had even made public the relevant documents later. I have repeatedly commented on the UGL incident, noting that the subject of inquiry could not stay aloof simply by claiming that he had done nothing. The Select Committee was set up to seek the truth by conducting an evidence-based enquiry. Unlike the court, the Select Committee is not bestowed with the power of criminal investigation, nor is it a committee set up under the Legislative Council (Powers and Privileges) Ordinance. Hence, the Select Committee is only responsible for seeking the truth based on the facts. Why would the subject of inquiry need to go to great lengths and hasten to take the clandestine action at such an early stage of the inquiry?

Furthermore, it was not the pan-democratic Members who had deliberately disclosed the amendments to the areas of study. The incident was brought to our attention by the Chairman at the Select Committee meeting on 15 May. Subsequently, the media had of course given extensive coverage. In his response on 16 May, Mr LEUNG Chun-ying directly admitted that he had taken the initiative to contact Mr Holden CHOW to express his views on the areas of study in private. He even said that since the document outlining the areas of study was open to the public, he was entitled to express his views on its contents.

The problem is, had the incident not been inadvertently exposed, Mr LEUNG Chun-ying might have continued to make amendments to or express his views on all public or confidential documents of the Select Committee, including the investigation report thereof. And Mr Holden CHOW would
continue to act like the mouthpiece of LEUNG Chun-ying, taking LEUNG’s views as if they were his own. Mr LEUNG Chun-ying would even make amendments to the final report of the Select Committee at will, which would be a rather frightening move.

Subsequently, Mr LEUNG Chun-ying sent a letter to the Chairman and members of the Select Committee on 18 May, requesting the inclusion in the areas of study of the following: whether the provision "provided that such assistance does not create any conflict of interest" in the agreement between Mr LEUNG Chun-ying and the UGL Limited on 2 October 2011 is forged or not. Why did Mr LEUNG provide an additional letter on 18 May? He obviously considered his previous move extremely inappropriate and erroneous.

If Mr LEUNG really wants to express his views on the areas of study, he can do so through the following three channels: first, express his views publicly; second, send a letter to the Chairman of the Select Committee; and third, send a public letter to all committee members. However, he had opted for the most clandestine way by making amendments through the Deputy Chairman of the Select Committee, who is a novice Member. This act is unfathomable and questionable indeed.

Similarly, Mr Holden CHOW has of course made a serious mistake in the incident. I do not know whether his behaviour is intentional, unintentional, negligent or due to any reasons. It is impossible for me to make a judgment based on the evidence or facts available. However, Mr Holden CHOW should have had a few options then: first, turn down the good intention of Mr LEUNG Chun-ying; and second, report the matter to the Chairman and all members of the Select Committee. Take my personal experience as an example. When I was a member of the Public Accounts Committee ("PAC"), I would from time to time receive written statements from subjects of investigation or their related persons. I would immediately pass these written statements, emails or other articles that I had received on to the PAC Chairman and the Legislative Council Secretariat. I would then ask them to bring this to the attention of all members. This is the most normal and most appropriate practice. How come Mr CHOW, Deputy Chairman of the Select Committee, had such behaviour? If he considers himself inexperienced, why did he take up the post of Deputy Chairman of the Select Committee?
Of course, a subject of inquiry absolutely has the right to express his views on the areas of study in public, and he may also express his views as far as practicable by attending the meetings of the Select Committee. As the head of the SAR, Mr LEUNG has numerous opportunities to express his views publicly on this incident on various occasions every day. Given the numerous channels, why had he opted for the most clandestine way?

In line with the established practice, the Chairmen of the investigation committees formed under the Legislative Council, such as the Select Committee formed in respect of Mr Timothy TONG in the last term of the Legislative Council, would forward the draft investigation report to the subject of inquiry for his perusal and comments. Of course, it is up to the Select Committee to decide whether or not to accept the views of the subject of inquiry. Nevertheless, Mr LEUNG Chun-ying had opted for a clandestine way instead of following the established rules.

With these remarks, President, I support the motion.

MR ANDREW WAN (in Cantonese): President, just now when Chief Secretary for Administration Matthew CHEUNG read out his scripted speech for today's meeting, I was upstairs listening. I wonder whether the speech was prepared by Chief Secretary Matthew CHEUNG himself, but I believe it is highly unlikely. As we know that Chief Secretary Matthew CHEUNG is a self-disciplined gentleman, I am saddened to hear him read out such a speech. In his speech he adopted the approach of diverting public attention, enumerating a lot of tasks performed by the SAR Government and Mr LEUNG Chun-ying as red herrings to invalidate our justification for impeaching LEUNG Chun-ying.

President, the Government has failed to give an incisive reply. The Democratic Party and I support Mr Alvin YEUNG's impeachment motion, for the reason that LEUNG Chun-ying, who worked through Mr Holden CHOW, his henchman in the legislature, to amend the paper on the scope of inquiry of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee"), has obviously committed dereliction of duty under Article 73(9) of the Basic Law. For this reason, it is perfectly justified for us 28 pan-democratic Members to jointly initiate an impeachment motion.
As far as the UGL incident is concerned, LEUNG Chun-ying has resorted to every conceivable means to obstruct the inquiry, as evidenced by, first, cancelling the acting appointment of Ms Rebecca LI in the Independent Commission Against Corruption, and, second, monitoring for weeks the Facebook posts of Mr Kenneth LEUNG and attacking him frantically and ceaselessly, with the hope of diverting public attention. President, apart from diverting public attention, there is nothing the Government can do. Furthermore, he has manipulated a Legislative Council Member, or to put it precisely, the Deputy Chairman of the Select Committee, in an attempt to control the direction of the inquiry. This is, I think, extremely absurd.

President, had it not been for the professionalism of the Legislative Council Secretariat, which detected in the computer file the traces of amendments left by LEUNG Chun-ying, Mr Holden CHOW, a double-crosser in the Legislative Council, would have continued to serve as LEUNG Chun-ying's mouthpiece or undercover agent. Apart from being tipped off by Mr Holden CHOW, LEUNG Chun-ying could also revise Mr Holden CHOW's speeches. As such, Mr Holden CHOW would speak to defend LEUNG Chun-ying and purported that those were his own speeches. President, is the issue not serious? I think this must be one of the most outrageous and ridiculous political scandals over the 20 years following the reunification.

LEUNG Chun-ying endeavoured to change the direction of the inquiry undertaken by the Select Committee, so as to serve his own ends. When Ms Starry LEE spoke just now, not in the capacity as Deputy President, she said that society was in total disarray because pan-democratic Members have never ceased attacking LEUNG Chun-ying. President, I find her remarks hilarious. As Members, are we in the wrong if we discharge our duties to look into unfair, unreasonable and illegal deeds? Can this be deemed as oppressing LEUNG Chun-ying? As the Chief Executive, LEUNG Chun-ying is the most powerful person in Hong Kong. How can one say we oppress him? Is this taking effect for cause and leading the public astray? In fact, who has broken the law and rules? Who has caused social dissension? Who has conspired with the double-crosser in the legislature in this incident? Who have sought to make grossly misleading remarks? President, we have decided to impeach LEUNG Chun-ying for he has erred. As far as this incident is concerned, no matter how he tried to whitewash his deed, many members of the public have drawn the conclusion that he has erred. President, to put it vulgarly, in terms of police investigation, he has been caught red-handed. Can he still argue after being caught red-handed? That is unfathomable.
The Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") accused us just now of censuring the Chief Executive and their fellow party member for trivial matters. They are indeed pitiable. President, such a situation can be best described by a Western expression, that is, "to punish the whistle-blowers". We, as whistle-blowers, have sought to inform the public of such a ridiculous incident, yet we are being blamed. I think the misleading logic of DAB is preposterous. In their attempts to mislead the public, they accuse us of passing a judgment before trial and finding fault with LEUNG Chun-ying. In their view, the collusion between the two persons is not a problem, and LEUNG Chun-ying takes no blame in the UGL incident. They instead query why we consider that there are problems. If we consider that there are problems, we are being unfair to LEUNG Chun-ying and we pass a judgment before trial. President, this logic is ridiculous. We raise queries to support our claim that there are problems, and we do not know the findings of the inquiry, but pro-establishment Members insist that LEUNG Chun-ying should take no blame, aren't they passing a judgment before trial? That is hilarious, and they have time and again used this reason to justify their remarks.

President, some Members have pointed out that at the last term of the Council, Ms Claudia MO and a former Member, Cyd HO had already sought to invoke the Legislative Council (Powers and Privileges) Ordinance ("the Ordinance") to investigate the incident, but the failure to pass the motion proved the innocence of the person concerned. President, this is again a logical fallacy. The failure to pass the motion was exactly due to the shielding by royalist Members, proving that justice is not served in this Council. For this reason, in the current term of the Council, 28 Members proposed by way of petition to establish the Select Committee, without having to invoke the Ordinance, in an effort to play a gate-keeping role for the public and find out the truth of the incident. However, they criticize us for using an improper way to establish the Select Committee. President, their low standard in deliberation, calling a stag a horse, is evident to all.

In addition, Ms Starry LEE said just now that Mr Holden CHOW has only made a small mistake, and we have attacked him like a group of sharks. I really want to say, "Holden, you are a liar. You are a liar". Members can watch on YouTube meetings of the Select Committee, during which Mr Holden CHOW said repeatedly that the views in question were his own, but it was later revealed that it was not the case. He obviously made a Freudian slip in his speech. How absurd! President, a statement made by Ms Starry LEE just now was, I believe, likewise very absurd. She encouraged Mr Holden CHOW, saying that
he had done nothing particularly wrong this time around—President, she criticized him lightly for the sake of doing him a great favour—she said that the only mistake that he made was that he did not act properly, implying that he should have been a more adroit thief leaving behind no fingerprints to be detected by others. President, she further encouraged Mr CHOW to rise from where he fell. Does Ms LEE hope that he will become a successful thief? I fail to see any reason on the part of pro-establishment Members, who have only kept making such arguments in this day-long debate.

President, if LEUNG Chun-ying had any views concerning the Select Committee, he should make submissions in an open and above board manner as advised by the Chairman of the Select Committee, Mr Paul TSE. Though he later made a submission, we considered it inappropriate and did not take it into account. Yet, LEUNG Chun-ying had at least made a submission in an open and above board manner, and it is up to the Select Committee to decide whether his submission should be decided. That said, LEUNG Chun-ying had clandestinely revised the scope of inquiry of the Select Committee, deleting areas that were most unfavourable to him, making some proposals that were poles apart from the subject matter to mislead the Select Committee. Given such a serious dereliction of duty, I fail to understand why pro-establishment Members are still trying to shield him today. LEUNG Chun-ying, failing to provide justifiable reasons, has kept reiterating that he had reported the case to the Central Government and the Central Government has not conducted any investigation. As advised by certain Members earlier, we should wait and see whether he will be detained and interrogated one day. I believe that justice will prevail.

LEUNG Chun-ying always says that the Australian side has not taken follow-up actions to hold him accountable, and if he had problems, he would have been investigated. He also said that the failure to pass a motion under the Ordinance at the Legislative Council of the last term had already proved his innocence. That is taking effect for cause. He has pointed out time and again that the agreement was a resignation agreement, a golden handshake. Most unfortunately, the golden handshake has turned into a Holden burlesque. As indicated by Ms Starry LEE just now, Mr Holden CHOW has paid a political price for his involvement in the alleged collusion. This is justified. He should blame no others for his falling into a trap set by himself. Should the democrats shut up, do not pursue the matter further and let him get away scot-free as in the religious ceremony of releasing fish and turtles back into the wild? That is absurd.
President, LEUNG Chun-ying has constantly mentioned several points, one of which is that the agreement is not a service agreement. I do not know if the agreement is a service agreement, and the Select Committee will certainly find out. Dr Junius HO has just now acted anxiously when expressing his views. I do not know whether he was seeking to shield the persons concerned, but he has expressed his views at the very least. I think that he needs not worry; of the members of the Select Committee, seven are from the pro-establishment camp and only four are from the pro-democracy camp. Members of the public are most concerned about three points: whether the agreement was a service agreement, whether Mr LEUNG had made any declaration of interests, and whether he had duly paid all taxes. We must strive to sort out the truth for members of the public.

If LEUNG Chun-ying is so scared of the inquiry to be carried out by the Select Committee, he has actually revealed his fox's tail. By colluding with Mr Holden CHOW, an undercover agent or a double-cropper in the legislature, LEUNG Chun-ying tried to delete statements unfavourable to him and add statements favourable to him in the paper on the scope of inquiry. President, let me give an example. He has replaced "whether or not Mr LEUNG and UGL signed and/or executed the UGL Agreement" with "澳洲傳媒公開的UGL協議文本的完整性及真偽"("the completeness and authenticity of the copy of the UGL Agreement made public by the Australian media"), in an attempt to narrow the focus of our inquiry, with the hope that we will not look into other documents apart from this one made public by the Australian media. LEUNG Chun-ying has all along said that the agreement was a resignation agreement, but President, he had, as indicated by me just now, undertaken in the agreement to discharge certain duties for that company. Let us wait and see the conclusion to be made by the Select Committee, but in any case, LEUNG Chun-ying has no right to deflect and affect, in a tricky way, the direction of the inquiry to be carried out by the Select Committee.

In addition, apart from seeking to narrow the scope of inquiry, LEUNG Chun-ying has also tried to divert public attention and put forward proposals that are totally irrelevant to the subject matter. Let me give an example for public information. He proposed to add "《基本法》第四十七條要求行政長官就任時申報財產的原意, 以及該款項在《基本法》第四十七條是否屬於須予申報的財產"("the original intent of Article 47 of the Basic Law in requiring the Chief Executive to declare his assets on assuming office and whether the payments fell within the scope of assets to be declared under Article 47 of the Basic Law").
President, as his proposal was irrelevant, obviously involving matters outside the remit of the Legislative Council of Hong Kong, did he actually wish to arrive at the conclusion that no evidence could be collected or no consensus could be reached?

President, my conclusion is that the collusion between LEUNG Chun-ying and Mr Holden CHOW in this incident has undermined the dignity of the Legislative Council and constituted a serious dereliction of duty. Had it not been for the professionalism and diligence of the staff of the Legislative Council Secretariat, who accidentally brought this incident to light, LEUNG Chun-ying would have deceived others through his tricks. As a result, the Select Committee would have a puppet on a string, namely Mr Holden CHOW, the Deputy Chairman, who would have shielded LEUNG Chun-ying, constantly expressed views purported to be his own, wasted our time and ultimately affected the outcome of the inquiry. And the person pulling the strings would be LEUNG Chun-ying. President, how can they still argue over such a serious issue? Let me reiterate, they have been caught red-handed in terms of police investigation. LEUNG Chun-ying should stop arguing, accept the reality and be impeached.

Thank you, President.

MR DENNIS KWOK (in Cantonese): President, this is the second time a motion to impeach LEUNG Chun-ying has been proposed in the Legislative Council. I recall that in 2013, soon after I was elected a Legislative Council Member, the first task I had to do was draft a motion to impeach LEUNG Chun-ying.

We all remember vividly what happened back then. LEUNG Chun-ying openly lied to the Legislative Council to cover up the problem of his unauthorized building works, and failed to truthfully account for this problem to the Legislative Council. He of course claimed that he did not lie, but justice is in people's hearts. The impeachment motion written by us back then was also targeted at LEUNG Chun-ying's contempt of the Legislative Council and his dereliction of duty in lying to the Legislative Council. In this connection, we did take reference from the practices of the parliamentary assemblies of other countries, particularly the United Kingdom: any official who has knowingly lied to the parliamentary assembly must be held accountable and step down, because such an act constitutes dereliction of duty.
Unexpectedly, a few years on, LEUNG Chun-ying has once again acted in contempt of the Legislative Council by engaging in offensive behaviour towards its inquiry work and functions. The post of Chief Executive is very important. As the Chief Executive, he has not only failed to respect the Legislative Council's functions under the provisions of the Basic Law, but even used the power of the Chief Executive to try to interfere with and influence an inquiry conducted by the Select Committee of the Legislative Council, despite the fact that he is the subject of the inquiry. If it is not an attempt to influence the Select Committee and show contempt for the functions of the Legislative Council, then what is it?

Actually, we all know that on this occasion, pro-establishment Members are very reluctant to defend Mr Holden CHOW, and it is very tough for them to defend LEUNG Chun-ying, the outgoing Chief Executive. But then, this exactly mirrors the sheer ugliness of the current political situation. Notwithstanding Mr Holden CHOW's behaviour, and the public revelation of LEUNG Chun-ying's attempt to influence the Select Committee's inquiry against him, pro-establishment Members are still defending them. This is so ugly.

In any event, Members must fulfil their duties. Pursuant to Article 73(9) of the Basic Law, if the Chief Executive has committed dereliction of duty, one of the functions or duties of Members is to propose a motion to impeach the Chief Executive for dereliction of duty. We do not have to care that this impeachment motion is likely to be voted down by the pro-establishment camp, because this motion and today's debate will be put on record, and the public can see clearly that even though the Chief Executive is so corrupt and Mr Holden CHOW has done such a scandalous thing, pro-establishment Members are still defending and protecting them by resorting to sophistry. In my view, it is absolutely necessary for us to propose this impeachment motion so that the public can see clearly that today, in the Chamber, some Members are actually trying to speak in defence of such a misdeed.

Today, not only have we tabled his motion to impeach LEUNG Chun-ying, but we have also tabled a motion to censure Mr Holden CHOW, because as far as this incident is concerned, they are inseparably connected with each other by the evidence of their guilt and the actions taken by them to shirk responsibility. As a Legislative Council Member, Mr Holden CHOW secretly communicated with LEUNG Chun-ying in an attempt to covertly affect the direction of the inquiry and work of the Select Committee of which he was the Deputy Chairman. I have no idea whether he had any other agreement with LEUNG Chun-ying behind the scenes. In this incident, the evidence of his secret communication
with LEUNG Chun-ying was uncovered because of his own stupidity and daftness, and yet he had the nerve to say that he had not breached the rules or concealed anything.

At the Select Committee's meeting held on 25 April, Mr Holden CHOW indicated repeatedly that the amendments in question were made by him, and he had no qualms about making them. How ugly that was! After the incident was exposed, as he could no longer deny, he argued that he had not concealed anything or breached the rules. Anyone with the slightest common sense will conclude that he has breached the rules. As a lawyer, he should know what "due process" means, but he actually argued that he had not breached the rules. When LEUNG Chun-ying approached him, he should have advised LEUNG Chun-ying of the proper procedure: If LEUNG Chun-ying wished to offer his views, he should write to the Clerk or the Chairman of the Select Committee to set out his views for its reference, and the Chairman would then circulate the document to members of the Select Committee, so that they would know that the contents of the document were the views offered by the Chief Executive, that is, the subject of the inquiry. LEUNG Chun-ying could do so if he wished to offer his views. This is what procedural fairness is about.

We certainly do not expect LEUNG Chun-ying to have any or the slightest respect for procedural fairness or "due process". But to our surprise, Mr Holden CHOW, as a Legislative Council Member and a lawyer, did not even know the basic procedure and went so far as to hide the truth by claiming that he had not breached the rules and arguing speciously that such amendments were "agreed facts". Mr Holden CHOW should not think that everyone in the world is as idiotic as he is. Some people are knowledgeable and know what "agreed facts" are. Such amendments are not "agreed facts". He secretly communicated with LEUNG Chun-ying and acted as a double-crosser. He betrayed the duties expected of him as a member of the Select Committee behind its back by secretly communicating with the subject of the inquiry in an attempt to affect the aim, scope and result of the inquiry.

Fortunately, this incident was exposed early on, otherwise who knows what Mr Holden CHOW and LEUNG Chun-ying would have discussed in the process of the inquiry? He might have said to LEUNG Chun-ying, "Next time when you come to the Legislative Council to attend the Select Committee's meeting, what questions do you want me to ask you? I can ask you a few more questions that are favourable to you in more depth. I can also try to ask the Chairman and other pro-establishment Members to raise some questions that will help exculpate
you.” This probably could have happened. If he was unable to meet even the basic procedural and moral standards, how could he possibly fulfill his responsibilities as a Legislative Council Member, or a member of the Select Committee? In that case, would the Select Committee have any credibility in the eyes of the public? Could we rely on the Select Committee to inquire into the UGL incident involving LEUNG Chun-ying? So when we talk about LEUNG Chun-ying's dereliction of duty, we must not ignore Mr Holden CHOW's dereliction of duty.

When we last met with the Chief Secretary for Administration, I made formal representations to him on behalf of pan-democratic Members to strongly condemn and express regret about LEUNG Chun-ying's interference with the affairs of the Select Committee of the Legislative Council in the name of the Chief Executive. As a matter of fact, this is not the first time LEUNG Chun-ying has been the subject of an inquiry by a select committee of the Legislative Council, so he should be very familiar with the operation of a select committee. He had been investigated before he took office as the Chief Executive, and after he came to power, he actually thought he could do such an act of interference in the name of the Chief Executive. This has severely affected the relationship between the executive and the legislature.

If the Chief Secretary really wants to mend the executive-legislature relationship, he must at least rebuild the general trust that should exist between the Executive Authorities and the Legislative Council. LEUNG Chun-ying's act has seriously damaged the executive-legislature relationship and affected the policy implementation and operation of the whole Government. When government officials and the Secretaries of Departments come to the Legislative Council to discuss legislative proposals with Members at, for example, meetings of the Finance Committee or the Public Works Subcommittee, is there basic trust between them and Members? Do people see the Executive Authorities and the Legislative Council respect each other? Or do they see the Chief Executive lie to the Legislative Council repeatedly, trying to affect the result of an inquiry by the Select Committee of the Legislative Council? If that is the case, how can there be a good executive-legislature relationship?

If the Chief Secretary and the incoming Government are determined to improve the executive-legislature relationship, they must not allow such things to happen again, or else the executive-legislature relationship will not be improved but will actually suffer serious damage. I understand why the Chief Secretary still defends LEUNG Chun-ying today, and that is because LEUNG Chun-ying is
still the Chief Executive today. However, I believe and hope everyone knows that such things must not happen again, for they absolutely amount to contempt of the Legislative Council's proceedings and constitute dereliction of duty. If we, as Legislative Council Members, or at least as pro-democracy Members, do not make it clear in the Chamber that we do not accept such interference or behaviour on the part of the Chief Executive, if we do not even have the courage to do such a basic thing, then we will do Hong Kong people a disservice and fail to fulfil our duties as Legislative Council Members.

Later on, in another debate, we may talk about Mr Holden CHOW's misbehaviour. In the past, the Committee on Rules of Procedure once discussed the meaning of misbehaviour, and the conclusion reached back then was that if the Council of the day considered an act to be misbehaviour, this would become a standard. I do not believe that the community and the Legislative Council of today will allow or accept this kind of concealment and breach by Mr Holden CHOW, and his secret communication with the subject of the inquiry about the scope of the inquiry. I believe that such behaviour of Mr Holden CHOW is unacceptable, whether by the basic standards upheld by the Legislative Council today or by the standards generally acceptable to members of the community today. We have reason to consider that an investigation committee should be set up to censure Mr Holden CHOW because he has, through misbehaviour, showed contempt for the proceedings and the Select Committee of the Legislative Council, thus rendering the Select Committee unable to continue to do what it should do in a credible manner.

After blatantly interfering with the functions of the Select Committee, LEUNG Chun-ying behaved as if nothing had happened and denied having done so. This is another reason why we must propose this impeachment motion.

President, I so submit.

MR SHIU KA-CHUN (in Cantonese): President, on 27 February 2017, the former President, Mr Jasper TSANG, wrote an article in a newspaper entitled "Leadership style". He described the major differences between good leaders and bad leaders: "First, good leaders treat people fairly while bad leaders form factions. Treating every member of the team fairly and impartially is the basic element of a good leader. As the leader of a team, he must treat everyone equally, including those who disagree with him or dare to challenge him. A bad leader behaves in an exactly opposite way. As he cannot win the respect and
support of his team with his actual strength, he plays tricks, forms factions, fosters confidants and cracks down dissidents to consolidate his position as a leader. For members of the team, he disregards ability and performance and he puts his confidants in important positions. Therefore, a boot-licking culture prevails; while the yes-men play the bully, the upright and capable persons cannot get a foothold." Mr Holden CHOW is exactly LEUNG Chun-ying's cup of tea.

"Second, a good leader has a passion for capable persons and intellectuals while a bad leader is jealous of able and virtuous persons. First-rate leaders will recruit first-class talents; second-rate leaders will select third-rate people; and third-rate leaders will surely take on ninth-rate people." Based on my observation of the relationships between LEUNG Chun-ying and Mr Holden CHOW, I think his remarks are very accurate.

"Third, a good leader takes up responsibilities while a bad leader lays the blame on subordinates. An important feature of a good leader is that he attributes credit to the team and bears responsibilities for mistakes. A bad leader is just the opposite: he takes all the credit for achievements but shirks responsibilities to subordinates when mistakes are made. Such a leader will certainly be unpopular" and he will even make the team feel shameful.

Regarding LEUNG Chun-ying's "hypocritical rhetoric", we need not make further explanation or elaboration, as the term "hypocritical rhetoric" is coined in Hong Kong thanks to LEUNG Chun-ying. The years with LEUNG Chun-ying being the Chief Executive is a dark period for Hong Kong; Hong Kong people should really be ashamed of "689" and I believe Chief Secretary Matthew CHEUNG should feel the same but he simply cannot express that sentiment openly.

At the last Question and Answer Session of the Legislative Council held earlier, many democrats kept putting questions to Chief Executive LEUNG Chun-ying on the UGL incident, asking him whether he had interfered with the Legislative Council's inquiry. He stressed that he had already explained to the Central Authorities and the Central Authorities had expressed satisfaction. How many evil deeds have been done in the name of the Central Authorities?

I do not know if LEUNG Chun-ying thinks that after he became the Vice Chairman of the Chinese People's Political Consultative Conference, he can act in the name of the Central Authorities and, after giving an account to himself and
deceiving himself, he regards that he has given an account to the Central Authorities. Does LEUNG Chun-ying have the guts to specify which state leaders he had reported to, what official response had been given and whether there is any official document?

We really need to get to the bottom when we ask LEUNG Chun-ying questions. In consideration of his past "hypocritical rhetoric", he really could make dishonest, childish and puerile comments. For example, he may say that the "central" he speaks of means the Central Library, the Central Restaurant, the Central Terminal and the Central Street; the problem lies with us not asking specifically. He really dares make such dishonest comments.

We are now going to inquire into the interests involved between LEUNG Chun-ying and UGL. Hong Kong people are dissatisfied and the corrupt Chief Executive LEUNG Chun-ying should be accountable to Hong Kong people. Even if state leaders are really informed, inquiry into LEUNG Chun-ying must be carried out. This is not political wrangling but defending the rule of law in Hong Kong and the integrity of Hong Kong.

LEUNG Chun-ying evidently knows that the findings of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee") are not binding, why does he still overtly or covertly interfered with the inquiry? He should know that this will only arouse widespread grievances among Hong Kong people, they will be more disgusted with him and he will have lower popularity; why then did he still act wilfully? There is only one answer i.e. he does not care about the feelings of Hong Kong people; as we can see his rating is getting lower and lower. He only cares about Beijing's opinion of him. It is despicable that LEUNG Chun-ying and Mr Holden CHOW colluded to interfere with the Legislative Council's inquiry, and if we read the amended document carefully, we will realize the ulterior motive of LEUNG Chun-ying. He blurred the focus of the inquiry and presented arguments favourable to himself in order to muddle through.

The Chief Executive's Office made 44 amendments to Mr Holden CHOW's document. It proposed changes to the authority of the Select Committee and some points are particularly noteworthy:
First, the addition of whether or not he was elected the Chief Executive on the date of signing of the agreement. One of the amendments proposes the Select Committee should study whether or not LEUNG Chun-ying "當日是否已當選行政長官" ("was elected the Chief Executive on the date") of signing of the agreement. According to the document disclosed, LEUNG Chun-ying signed the agreement with UGL on 2 December 2011, i.e. five days after LEUNG Chun-ying announced that he would stand for election. He was elected three months later. UGL later clarified and stated that LEUNG Chun-ying actually signed the agreement in 2011.

No one has ever questioned whether LEUNG Chun-ying signed the agreement after he was elected. The Legislative Council and the general public wanted to know whether LEUNG Chun-ying received the payment after he was elected but not whether he signed the agreement after he was elected. According to the information uncovered, UGL paid LEUNG Chun-ying £4 million and the second instalment of the payment was made in December 2013 after he was elected. If these facts are verified after investigation, LEUNG Chun-ying has certainly breached the law for failing to declare interests in the capacity as the Chief Executive. Obviously, this amendment intends to obscure the facts.

Second, the addition of inquiring into the authenticity of the agreement made public by the Australian media. This amendment proposes that the Select Committee should inquire into the authenticity of "澳洲媒體公開的UGL協議文本" ("the copy of the UGL Agreement made public by the Australian media") to replace "whether or not Mr LEUNG and UGL signed" any agreement. What is the consequence is this amendment is passed? The Select Committee will become entangled in the authenticity of the document and it will not have the authority to inquire into whether there are other agreements signed between LEUNG Chun-ying and UGL. Mr Andrew WAN, a member of the Select Committee, once said that the Select Committee has minimum inquiry power; if its power is further narrowed, its inquiry will eventually be futile. It is well evident how cunning LEUNG Chun-ying is.

Third, he even proposed to study the legislative intent of Article 47 of the Basic Law.

At the meeting of the Select Committee on the 25th of last month, Mr Holden CHOW suggested that the scope of the inquiry should include studying the legislative intent of Article 47 of the Basic Law, i.e. "The Chief
Executive, on assuming office, shall declare his or her assets to the Chief Justice of the Court of Final Appeal of the Hong Kong Special Administrative Region". At that time, Mr Alvin YEUNG, a pro-democracy member; Mr Paul TSE, Chairman of the Select Committee; and Mr Timothy CAO, the Legal Adviser of the Legislative Council, considered that there was something wrong with the amendment. Everything is clear today. As it turns out, this unreasonable amendment was conspired by Mr Holden CHOW and LEUNG Chun-ying. If there are no major controversies over the provisions of the Basic Law, it will be determined on the literal meaning of the provision and supported by findings of the inquiry whether LEUNG Chun-ying has violated the Basic Law and accepted advantages from UGL without making declaration in the UGL incident. In what way would LEUNG Chun-ying and Mr Holden CHOW want the Select Committee to study Article 47 of the Basic Law? How can we put questions to members of the Basic Law Drafting Committee? Should we resort to psychic media or should we seek an interpretation of the Basic Law by the Standing Committee of the National People's Congress?

Among the 11 members of the Select Committee, seven are from the pro-establishment camp. They kept obstructing the commencement of the inquiry by filibustering on technical grounds. The purpose of setting up the Select Committee is to inquire into LEUNG Chun-ying's abuse of power and dereliction of duty; yet it is uncovered that LEUNG Chun-ying interfered with the work of the Select Committee and he abused power to interfere with the inquiry on his abuse of power. We definitely should not let LEUNG Chun-ying off the hook.

LEUNG Chun-ying's collusion with Mr Holden CHOW in the UGL inquiry has caused a hubbub in society, which reflected that their acts are inappropriate. I believe that pro-establishment Members and Members of the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") also understand that something must have gone wrong. The inquiry should be open and above board, how come the two had acted clandestinely, giving rise to alleged interference of the Executive Authorities with the legislature? This reflects that LEUNG Chun-ying does not trust the Legislative Council and the executive-legislature relationship is very tense. Let me reiterate, when we are all concerned about the tense executive-legislature relationship, I hope you will see clearly that LEUNG Chun-ying is the culprit for causing the tense executive-legislature relationship and messing up everything.
As pointed out by LEUNG Chun-ying, he, being the subject of inquiry in the UGL case, has a say in how the Legislative Council conducts the inquiry. Many Members have expressed their views but the question is: he could have directly reflected his views to the Select Committee, why did he contact Mr Holden CHOW in private and amend the document to be submitted by him? Did he know how much damage is caused by his amendment of the document? At the Question and Answer Session held last week, if I had the opportunity to ask questions, I would also like to ask LEUNG Chun-ying: Of the questions asked by pro-establishment Members today, how many has been amended by you? How many speeches delivered today has been written by you? In fact, the doubts have yet to be cleared and remarks made by pro-establishment Members may be queried by others anytime whether amendments have been made by LEUNG Chun-ying or the Chief Executive's Office? I also feel sorry and aggrieved for pro-establishment colleagues.

In fact, the relevant documents are open to the public. There were similar inquires in the past. For example, in the case relating to KAM Nai-wai, a former Legislative Council Member, in drawing up the scope of inquiry, the parties concerned had also been consulted after seeking the consent of the committee. It might be argued that LEUNG Chun-ying intended to guide the inquiry of the Select Committee in a direction in his favour by amending the document. In any case, expressing views on the direction of inquiry to protect his interests certainly involves conflicts of interests and roles.

LEUNG Chun-ying made a total of 47 amendments to the scope of inquiry. It seems that there is nothing special but the problem is that LEUNG Chun-ying's views have allegedly become Mr Holden CHOW's views. Mr Holden CHOW has "stood in" for LEUNG Chun-ying. Although Mr Holden CHOW argued speciously that his views have been incorporated into LEUNG Chun-ying's amendments, he, as an undercover, cannot explain away his deed. Members from DAB cannot actively protect him and Stanley NG, Chairman of the Hong Kong Federation of Trade Unions, even criticized that he was incompetent, insolent and very foolish.

Mr Holden CHOW, I really want to see how you will express your views later, how you can continue to hold on and barefacedly offer an explanation to Hong Kong people. Naturally, supporters of the democratic camp have noticed for a long time that you are a fool, but it seems that you have even offended the supporters of the royalist camp. The political report cards of LEUNG
Chun-ying and Mr Holden CHOW are nothing but failure. Father's Day is coming and I have a gentle reminder for both of them: as fathers, you can actually take this opportunity to set a good example for your children. You should at least be guided by conscience and come clean to your children behind closed door, so as to be a father whom your children would not feel embarrassed or shameful.

On this matter, all of us have focused on the mistakes made by LEUNG Chun-ying and Mr Holden CHOW, but I would also like to point out that the current operation of the Legislative Council is one of the causes of this situation. When the royalists do not care about fairness and are only concerned about people rather than facts, this Council is ruined.

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

I am holding a book called *Evolution of a Dictator*; I support this impeachment motion today because I do not wish to see the further evolution of this dictator. I want to remind LEUNG Chun-ying and Carrie LAM, as well as every Chief Executive after Carrie LAM, we must stop or hold back dictators on the path of evolution, and the impeachment motion serves this function.

Deputy President, I so submit.

MR WU CHI-WAI (in Cantonese): Deputy President, I speak in support of the motion moved by Mr Alvin YEUNG under Article 73(9) of the Basic Law, as I think LEUNG Chun-ying has obviously committed dereliction of duty.

The theme of this motion is very clear, and its focus is on whether LEUNG Chun-ying has obstructed the work of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee"). LEUNG Chun-ying had clearly admitted on a public occasion that it was he who wrote Mr Holden CHOW's amended version of the proposed major areas of study, in which he made several dozen amendments agreeable to Mr CHOW. In this amended version submitted by Mr CHOW to the clerk of the Select Committee, there is information showing that Mr CHOW and LEUNG Chun-ying have colluded with each other.
Article 25 of the Basic Law stipulates that all Hong Kong residents shall be equal before the law. However, LEUNG Chun-ying as the Chief Executive is not subject to section 3 and section 8 of the Prevention of Bribery Ordinance, so he already enjoys certain privileges before the law. In this case, to make things worse, LEUNG Chun-ying directly influenced one of the members of the Select Committee, namely Mr Holden CHOW, who was the Deputy Chairman of the Select Committee. Through Mr CHOW, LEUNG Chun-ying tried to use his opinions to directly affect the overall direction of the Select Committee's inquiry. Is this a problem? If this happened in other circumstances, this would be a very typical case of perverting the course of justice. Just think: can a suspect discuss with the Police how he should be investigated during the investigation? Can a criminal discuss with the judge how he should be tried during the trial? Does LEUNG Chun-ying have such a privilege? Does the Chief Executive have such a privilege? If the Chief Executive has such a privilege, this is undoubtedly in conflict with Article 25 of the Basic Law. How could this not affect the public's perception of the SAR Government? How could this not affect the relationship between the executive and the legislature?

As we all know, the royalist camp commands a majority in the Legislative Council, and likewise in the Select Committee. This being the case, what does LEUNG Chun-ying have to fear? If he had not done anything wrong, why did he have to go to such great lengths and take such risks to ask Mr Holden CHOW for help in amending the proposed major areas of study? If he is innocent, he should let the Select Committee conduct its inquiry at its discretion. Besides, as the Select Committee is not vested with any power under the Legislative Council (Powers and Privileges) Ordinance, it is unable to summon him, so he can choose to attend or not to attend its meetings as he pleases. Now that he has risen to the rank of state leader, he can even argue plausibly that he has no time to attend the Select Committee's meetings when he is summoned, or rather, invited to do so.

From this point of view, the gravest wrongdoing on LEUNG Chun-ying's part is that he has, as far as the entire SAR Government is concerned, established the notion that "the head of the SAR is entitled to privileges before the law". Just think: if we give the Hong Kong community and the international community the impression that not everyone is equal before the law, is this not a fundamental challenge to the spirit of the rule of law in our society? LEUNG Chun-ying's interference with the process of the Select Committee's inquiry this time reflects that he is privileged to the extent of being allowed to pervert the course of justice without being held liable afterwards. Although the Select Committee, unlike the
Court, has no power to summon witnesses, LEUNG Chun-ying as the head of the Government should, having regard to public perception, use the Court's standard as the basis for dealing with this incident in which he is involved. If this incident was handled by the Court, would LEUNG Chun-ying dare to use the same method to influence the judge or the jury in his trial?

It is thus clear that LEUNG Chun-ying has belittled the Legislative Council on purpose. As the Select Committee is unable to summon LEUNG Chun-ying in the process of its inquiry without the power to summon witnesses under the Legislative Council (Powers and Privileges) Ordinance, the effectiveness of its inquiry is inherently limited. What LEUNG Chun-ying did this time will further undermine the credibility of the findings of this inquiry.

Deputy President, we as Legislative Council Members are duty-bound to monitor the Government's governance, and ensure that government officials of all ranks act conscientiously, dutifully, in full accordance with the law, honestly and with integrity. We have to show that everyone is equal before the law. This is the cornerstone of Hong Kong's success, but LEUNG Chun-ying has damaged it wantonly. He has completely disregarded the fact that his act will create a very bad perception in the community: as long as one is a high-powered official, one can flout the law with impunity; what does "everyone being equal before the law" have to do with the Chief Executive? This perception is very dangerous. So I hope that everyone (especially pro-establishment Members) will understand that we are not deliberately making a fuss to attack LEUNG Chun-ying. The thing is, he is damaging the core values of Hong Kong society.

On the other hand, if this motion is passed, the relevant investigation will be conducted not by the Legislative Council but by an investigation committee to be formed by the Chief Justice of the Court of Final Appeal, and upon completion of the investigation, the investigation committee will report its findings to the Legislative Council; a motion to impeach the Chief Executive may not be passed unless with the consent of a two-thirds majority of all Members. This approach can serve to manifest procedural fairness under the sun. If we do not even do so, or if we say that we do not need to do so on various pretexts such as LEUNG Chun-ying will soon leave office, we will only prompt the community to question how much determination and effort the Legislative Council puts into safeguarding one of the important core values of Hong Kong society, that is, the core value of "everyone being equal before the law".
Deputy President, as many of the specific facts to which this motion relates may have to be further examined by the Select Committee, I will not discuss them at length here. In fact, the cases in which LEUNG Chun-ying has harmed Hong Kong society over the past five years are too numerous to mention. Earlier on, I heard the Chief Secretary say in his opening remarks that LEUNG Chun-ying is very good and very hard-working, and that he has done a lot of good things for Hong Kong people, and so Hong Kong people should remember him. Of course we should remember him. We should remember that he has caused dissension and confrontation in Hong Kong society, and he has undermined various core values of Hong Kong.

As I said in the last Question and Answer Session, LEUNG Chun-ying should not think that he has been granted immunity simply because he has been promoted to the rank of state leader. Some people have criticized me for saying so, for they think that it sounded as if I was begging the Mainland authorities to be a saint. I did not mean it that way. I only want to tell him that the fact remains that even though he can avoid being taken to court in Hong Kong under the shield of the pro-establishment camp today, it does not mean that he can avoid being questioned by other legal systems about, among other things, whether he has evaded taxes payable to other jurisdictions. If he has not paid taxes due to other jurisdictions, he has deceived Hong Kong's Inland Revenue Department. All these have to be accounted for. Given LEUNG Chun-ying's doublespeak, I can hardly surmise what he has done in the process. That said, he did receive and pocket a remuneration of £4 million in two instalments from UGL Limited at the end of 2012 and the end of 2013, so how is it possible that he is not required to pay tax on such money? If he is innocent, he should show us his tax payment records. Even if he is not required to pay tax to Hong Kong on this income, he should presumably pay tax to the United Kingdom or Australia on it. Have these countries exempted him from paying tax on this income? No. Has he showed us his tax payment records to prove that he has paid tax to a particular country on this income? No. This is a case of not paying tax on an income received, and it reflects LEUNG Chun-ying's doublespeak. During the whole process, he never said that he had paid tax on this income. He only said that the tax authorities of other countries had not taken any action against him.

What LEUNG Chun-ying has brought to Hong Kong society is exactly this kind of calamity: he is telling Hong Kong society that as long as one is a liar who uses doublespeak, one is a truly smart person and will not get into trouble; the most important thing is that one must be as high-powered as he is, and must not be a low-ranking employee, or else one will suffer.
Deputy President, I support this motion. While we may not have enough time to really conduct a full investigation into LEUNG Chun-ying’s dereliction of duty, this is the last action that the Legislative Council can take against him in his tenure, so as to show that the Legislative Council is making every effort to ensure that the concept "all Hong Kong residents shall be equal before the law" as stipulated in Article 25 of the Basic Law is implemented in Hong Kong society. If this concept can be erased just because LEUNG Chun-ying is high-powered, it means that Hong Kong society has gone into a state where someone is allowed to disobey the law, and this will directly damage the core values of Hong Kong.

Deputy President, I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, this clock is for LEUNG Chun-ying, which implies paying him the last respect. Let us look at it carefully; it is meticulously made, showing a man behind bars. Also, there is a "tricky hand" for your party member. These two people have "tricky hands", both denying what have been said.

The Chief Secretary queried why we have to find fault with LEUNG Chun-ying after he has done so many good things. What he means to say is that the Chief Executive is so good and has worked so hard, but instead of glorifying him, we have given him one more kick when his popularity rating hit a new low. Deputy President, impeachment is the subject of our discussion today and in the United States, only one President had been impeached. I wonder if the Chief Secretary had studied about the case before. The only President being impeached is Richard NIXON. Americans used guns to impeach their President, that is, to gun him down and there is no need to go through the Congress. They simply shot him to death. He was the only President who had been forced to step down due to political reasons, and the other one was let off by the Congress. Therefore, Members should not be so worried that the legislature may let off LEUNG Chun-ying. All we ask for is an investigation.

First of all, NIXON had been the Vice President for two consecutive terms and then the President for two consecutive terms as well. He took office in 1968 and was re-elected in 1972. When the American astronauts landed the moon, he was the then President of the United States. Furthermore, he had saved the Americans from wars and thus had a very high popularity. What had he done
wrong then? Like LEUNG Chun-ying, he made the same mistake of interference. He vowed that he had no role to play in the Watergate scandal; he asked which idiot would make such a decision, and even queried whether there was a need to do so. Yet, he forgot that all conversations in the White House had been recorded. Thus, when the matter came to light, someone asked for the tapes and it was found that there was an 18-minute gap. Upon further investigations, he was opposed by the masses and deserted by his supporters; hence he had to step down. And yet, LEUNG Chun-ying was not even qualified to serve NIXON. While NIXON served as the Vice President and the President for two terms respectively, and he initiated the Apollo mission to send astronauts to the moon, LEUNG had caused properties to fetch astronomical prices. So, do not waste any more time on talking those nonsenses, do not glorify him and do not set bad examples for the children. His popularity rating has again hit a new low.

Secondly, are we going to kill him? Deputy President, you must be very familiar with the Basic Law. The provision that we now invoke is Article 73(9) of the Basic Law. First of all, there is no doubt that the criteria for a motion to be initiated jointly by one fourth of all the Members of the Legislative Council has been met, but approval of the Legislative Council must be sought before an investigation can be carried out. And, even if the motion is passed, no investigation can be carried out until a mandate is given to a judge to carry out the investigation, to be followed by a report to this Council. Then, the Council will have to pass a motion by a two-thirds majority of all its Members and report it to the Central People's Government. There are so many hurdles. Chief Secretary, do you know how capricious LEUNG Chun-ying is? Why are you helping with his capricious tricks? We are only using the simplest way to decide whether this Council should support the conduct of an investigation on him. However, we are going to lose today and even this action is not made possible. In fact, we have already settled for the second best. We have also resort to an alternative method of 20 Members rising in their places to request that the petition be referred to a select committee. As such, LEUNG Chun-ying cannot stop us. Yet, he can decide whether or not to attend the hearings of the Select Committee, and it turned out that he chickened out and had not attended any hearing. Worse still, he did not allow anyone to "query" his absence either. He dared not attend any hearing for fear that the Select Committee might expose some embarrassing details in the course of discussion, and this is how things have developed to such a state.
I have to vindicate Mr Kenneth LEUNG in the first place. It is straightly unimaginable for a President to sue someone for defamation as this would only happen in Singapore. There is no need for KIM Jong-il to do so because he would simply shot whoever defamed him. This would not happen in China as well as the person concerned would be arrested. Deputy President, if the President of a state called a press conference, even if it was all about his bowel problem on that day, there would still be an extensive coverage as this problem might have an implication on the President's health. So how can an ordinary citizen defame the President? The Chief Secretary was once an Information Officer and had travelled abroad, so he should know very well that if the Chief Executive said Mr Kenneth LEUNG talked nonsense and lacked integrity, this would be reported by the media. No one in this world who has public power and whatever he said will be heard will be afraid of being defamed. This is the first point.

Secondly, how come LEUNG Chun-ying is so stupid to think that a Member involved in civil litigation should not be allowed to join the Select Committee? Deputy President, as you may be aware, LEUNG Chun-ying's best friend Henry CHENG, nicknamed "small snake", had even sued the entire select committee and refused to attend any hearing. However, he did not sue us for defamation but claimed that the select committee was against him. Why didn't LEUNG Chun-ying follow suit instead of doing things covertly? Why did he collude with Mr Holden CHOW? Buddy, the hearings are held in public and everyone can ask questions. Eric CHEUNG has spoken for justice and put nine major questions to LEUNG Chun-ying openly. If I happen to find the relevant document and have a chance to join the Select Committee, I would read the questions out as the relevant document has been made known to the public. Since LEUNG Chun-ying said he would make things known to the public, Eric CHEUNG has thus taken advantage of this opportunity, but he is not a Member of the Legislative Council. If the pro-establishment camp had not stopped me from joining the Select Committee, I would have put Eric CHEUNG's questions to LEUNG Chun-ying direct. There is no need for collusion and I could simply ask those nine questions suggested by Eric CHEUNG in his article. There is no point to be like LEUNG Chun-ying, who acted like rats and dogs crawling into and out of sewers, giving out noisome smell.

The Chief Executive has personally made 43 amendments in the document. Has he made the amendments public? Chief Secretary, do you know what is meant by "The Exposure of the East Window Plot"? The wife of QIN Gui
plotted to murder YUE Fei in the eastern wing of her house and thought no one knew her plan. This is the allusion of this idiom. Chief Secretary, is this also the way how you do things? No, this is not. Then why are you covering up for your boss? If this is a court, you are perverting the course of justice. LEW Mon-hung had only written a letter to LEUNG Chun-ying, warning that he would die a dog's death, LEW was then imprisoned for one year. What has LEUNG Chun-ying done now? It is sad that this is not the Independent Commission Against Corruption ("ICAC") or police station.

But can he really take such actions? Why did he hand the letter to a third person back then? Why did he surrender only two of the three letters but not the third one? Despicable! What is it?

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please mind your words.

MR LEUNG KWOK-HUNG (in Cantonese): The word "despicable" is very common. Some people are respectable while some are despicable. LEUNG Chun-ying is not "despicable" and we should not insult the word "despicable".

Although LEW Mon-hung is a political enemy of LEUNG Chun-ying, he had assisted him to become the Chief Executive. However, they subsequently fell out with each other because LEW was not appointed as a member of the Chinese People's Political Consultative Conference. He then wrote to LEUNG accusing him of ingratitude, vowing that he would cause a scandal. Deputy President, while LEUNG Chun-ying had passed the letters to ICAC, has Mr Holden CHOW handed the relevant document to ICAC? Of course not. And yet, nothing would happen even if he has done so as there is no provision to govern such act. Buddy, this is indeed in contempt of the Legislative Council. Does LEUNG Chun-ying regard us as his servants? Since he dares do it, what else is he afraid of?

Eric CHEUNG has raised nine major questions publicly, so I would like to call on Members to ask LEUNG Chun-ying such questions. While Eric CHEUNG has openly thrown down a gauntlet to LEUNG Chun-ying on Facebook, the latter reacted like a dead dog or a slaughtered dog and merely
replied "I have answered". LEUNG Chun-ying, Eric CHEUNG has put questions to you, so sue him. If you dare to sue Eric CHEUNG, you might as well sue me. I am chiding you here today, and will continue to do so outside this Council, so you had better sue me as soon as possible. LEUNG Chun-ying, I do not need the umbrella protection of this Council and will continue to chide you outside this Council.

The inquiry of the Legislative Council has no power at all, so what is he afraid of? He is so frightened that he conspired with someone to obstruct the Legislative Council's inquiry of him, such that issues that should be pursued would not be examined carefully and the direction of inquiry would be shifted to totally irrelevant matters. Loopholes have been identified, but then he prompted us to look at the legislative intent. Deputy President, this is too mean. Are we in a position to interpret the legislative intent of the Basic Law? We should seek an interpretation, right? A member requested him to first answer some questions, but he replied that no answer would be given until we came to the 200th question. In fact, we ask him if he had killed someone, but then he asked if we knew whether he had learnt boxing at the age of 18. Buddy, this is too ridiculous.

Honourable Members, I would like to recommend the nine major questions raised by Eric CHEUNG on Facebook and I am sure you will have accounts to settle with LEUNG Chun-ying after reading those questions. LEUNG Chun-ying said he wondered how many people have read Eric CHEUNG's questions, so I urge you all to expeditiously settle scores with him on Facebook. All he needs to do is to answer those nine questions, and this saves the trouble for us to ask this and that.

Chief Secretary, why are you still defending such a boss? I advise you to take sick leave after, say, slipping in the toilet or bumping into something, so that you will not have to work for him anymore.

Deputy President, the motion under discussion today is proposed by pro-democracy Members representing the majority of Hong Kong people in the Legislative Council but they have turned out to be the minority under an unjust system. Although they have racked their brains to initiate this motion, which is not binding on the Chief Executive but simply inquiry in nature, they infuriated him and the Chief Executive thus ordered his subordinates or even "sworn brothers" to collude with him and expand the areas of study infinitely. When the
collusion was uncovered, he instead pointed his finger at Mr Kenneth LEUNG and claimed that he is no longer qualified as a member of the Select Committee for being involved in a legal action.

Dr Junius HO, please give LEUNG Chun-ying some advice. Even if he takes civil actions against a person, this is no big deal to that person so long as he or she is ready to shoulder responsibility. As a lawyer, you had better write him an email tonight and give him some good advice. If anyone can bring an inquiry to a halt on the pretext of legal actions, then what is the use of the Legislative Council? What is the big deal to spend hundreds or even a thousand dollars? What is the big deal to take legal action against the entire Select Committee? What is the big deal to make compensation when the case is lost? Is LEUNG Chun-ying sick? He even said that he would institute criminal prosecutions against Mr LAM Cheuk-ting and Mr Kenneth LEUNG. What kind of criminal prosecution? Will ICAC be asked to prosecute them for making complaints? Will ICAC do as told? ICAC did prosecute me. What kind of person is he? Never mind that he is ready to pay for the civil litigation, but how can he command ICAC? Is he going to seek help from Maria TAM? He has abused his power to the fullest.

I am so eager to ask him: What makes him so determined to stop the inquiry by all means, be it criminal or civil? Deputy President, may I ask if he can command ICAC? Yes, he can because he has commanded Rimsky YUEN to sue me for contempt of the Legislative Council, and the case will be tried on 12 June. This is criminal prosecution. What kind of government is this? How can it threaten Legislative Council Members in this way? There is no point for LEUNG Chun-ying to live. He has acted in this way.

I reiterate that we represent the majority of electors and received more than 300 000 votes in the Super District Council election, which absolutely represents major public views. Does LEUNG Chun-ying have public support? One can tell from the number of votes that we had obtained. He wants us all to withdraw from this Council (The buzzer sounded) … We have got more than 300 000 votes … What is there to speak of about public views?

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up, please stop speaking.
MS TANYA CHAN (in Cantonese): Deputy President, I really want to ask "Long Hair" to lend me a placard. I sit quite close to him and want to borrow it.

LEUNG Chun-ying is rather outstanding. What is he best at? Four years ago, he was impeached the first time. Today is the second time. Twenty-eight Members have jointly initiated this impeachment motion in accordance with Article 73(9) of the Basic Law. LEUNG Chun-ying is not only the first Chief Executive to face the impeachment procedure, but he also has to face it the second time with only 20-odd days before he steps down. This time he is charged with serious breach of law and dereliction of duty.

Four years ago, the subject of impeachment was related to the unauthorized building works ("UBWs") at his residence. I believe Members can still recall that LEUNG considered that UBWs no longer existed once they had been dealt with. In this incident, I wonder does he still think that after he has made a statement to fix the problem, there is no more problem. In the first impeachment procedure, among the Members returned by direct election in geographical constituencies, 18 supported and 14 opposed the motion, but among the Members returned by functional constituencies, 23 opposed and only 9 supported the motion. The motion was defeated under the separate voting system.

This time LEUNG Chun-ying blatantly interfered with the inquiry of this Council. Although with the shielding of Members of functional constituencies and under the separate voting system, this motion will not be passed, the Legislative Council is duty-bound to monitor the Government. Even though LEUNG will step down in less than a month, we still have to initiate the impeachment procedure to remind the Government that neither Carrie LAM nor her successor can follow the example of LEUNG Chun-ying. There is a press article today that Mr LAM Chao-ying said he began to miss Donald TSANG. I wonder if we would miss "689" under the rule of Carrie LAM. I am not particular fond of Carrie LAM nor do I have any particular expectations of her, but I believe there should not be many people worse than "689". I hope that Hong Kong people will have better luck and will not have someone worse than "689" as the Chief Executive.

Although the court in Hong Kong has repeatedly stated that separation of the three powers is implemented in Hong Kong, over the past few years, many senior officials and Hong Kong Deputies to the National People's Congress, and even the Chief Executive himself have said time and again that the Chief Executive has a transcendent status. More and more people said that separation
of the three powers did not exist in Hong Kong, and many people have been mistaken. Later someone even directly said that we have got it wrong, rather than politely said that we were mistaken. In 2008, the then Vice-President of our country, XI Jinping, who is now the President, even demanded "the mutual understanding and support among the executive, legislative and judicial organs" in Hong Kong. This kind of cooperation theory certainly aroused great resentment among the people. But for whatever reasons, we can never condone the Chief Executive's interference with the affairs of this Council and the Chief Executive can never be allowed to have absolute control over everything. If LEUNG Chun-ying could direct Mr Holden CHOW and through him interfere with this Council's inquiry, no matter what the consequence is, LEUNG Chun-ying not only had a transcendent status in Hong Kong but even a super transcendent status, transcending the legislature. Hong Kong people will never tolerate this situation.

On 2 November last year, the Legislative Council set up a Select Committee to inquire into LEUNG Chun-ying's receipt of $50 million from UGL. LEUNG Chun-ying has interfered with the Select Committee's inquiry time and again through various channels. On the day the Select Committee was set up, he could not wait to issue a statement though the Office of the Chief Executive: "On the agreement signed between Mr Leung and UGL, the Legislative Council of the previous term carried out various thorough discussions in which Mr Leung and the Hong Kong Special Administrative Region Government responded in detail. The two motions to appoint a select committee under the Legislative Council (Powers and Privileges) Ordinance to inquire into the matter were also voted down at the Legislative Council meetings on 6 November and 21 November 2014.

"The resignation agreement concluded between Mr Leung and UGL was simply a non-compete arrangement to ensure that Mr Leung, after resigning as the Asia Pacific Director of DTZ, would not move to a competitor, set up business in competition with DTZ or poach any people from DTZ, and hence to protect the interests of UGL in the acquisition process. Such an agreement is a standard business arrangement.

"In addition, UGL in its press statement on 9 October 2014 stated clearly that DTZ Holdings plc and the Royal Bank of Scotland were fully aware of the agreement and therefore the agreement was not a 'secret contract' and involved no 'secret payment'. The statement also confirmed that Mr Leung has never offered any service to UGL after the conclusion of the agreement.
"The Chief Executive has, upon assumption of office, declared his assets to the Chief Justice of the Court of Final Appeal in accordance with the Basic Law. He has also strictly observed the system of declaration of interests of the Executive Council.

"Mr LEUNG has repeatedly explained the above mentioned points to the Legislative Council and the public. Therefore, the current-term Legislative Council need not and should not set up a select committee to inquire into the matter."

This is the first piece of evidence. On the day the Select Committee was set up, he said a select committee need not be set up as he had already responded fully in detail. I do not quite understand. As Mr LEUNG Kwok-hung has said, if LEUNG Chun-ying had answered the questions so clearly, we would not have so many questions. First, my former teacher, Eric CHEUNG, posted nine questions which I find very reasonable; and then Kevin LAU also raised some very reasonable questions. When reporters asked "689" if there were questions left unanswered, he did not dare to say resolutely that he had answered all questions. He only said that he had answered some of the questions, meaning that some other questions have been left unanswered. As there are questions unanswered, he needs to explain clearly. How can he claim in the statement that he had explained everything? The fact is there are still questions unanswered.

If Members of this Council propose to invoke the Legislative Council (Powers and Privileges) Ordinance ("the Ordinance") to authorize the appointment of a select committee to inquire into the matter, it will have to undergo separate voting, and as everyone knows, it will never be passed. It is extremely difficult to set up a committee by invoking the Ordinance. Fortunately, I had taken part in the inquiry into the "West Kowloon Gate" case years ago, and I am aware of the problems arising when LEUNG Chun-ying gave evidence. The evidence he gave the second time was different to what he gave the first time. We have the verbatim transcript as proof. These are facts and I am not afraid to talk about them here. Hence, we could only resort to a secondary alternative, which is to set up by means of a petition a select committee that does not have the power to invoke the Ordinance during the inquiry.

We have to make extra efforts to carry out the inquiry and LEUNG Chun-ying claims that he, as the Chief Executive, has a special status. Since he is both the head of the Hong Kong SAR and the head of the Executive
Authorities, his status transcends the legislature and the judiciary. If the Chief Executive blatantly interferes with the affairs of the legislature and directs the Select Committee how to investigate him, as we have just said, does it mean his status is even more transcendent? Apart from issuing the aforementioned statement, he also worked through Mr Holden CHOW to secretly interfere with this Council's inquiry by telling this Council what it should and what not investigate. LEUNG even amended the paper himself but Mr CHOW claimed that he made those amendments. There are video clips of the open meeting and the incident had been reported by the media. The Legislative Council also has those video clips. The meetings were open to the public and were not held behind closed doors.

LEUNG Chun-ying amended the papers in the capacity of "CEO-CE", and Mr Holden CHOW directly sent the Word file to the Secretariat without even changing the format, or removing traces of revision. I wonder if Mr Holden CHOW treated the "CEO-CE" version as an imperial edict, which should be complied with immediately. He then immediately sent the file to the Secretariat without even taking the time to make alternations. However, one can hardly believe how brazen and shameless LEUNG Chun-ying and Mr Holden CHOW are. They even argued that if they intended to cover up, they would not have taken that action.

However, someone helped us expose the absurdity of such a claim at the City Forum. I thought Ms Starry LEE, Chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") would attend to defend Mr Holden CHOW on behalf of DAB. But it was Mr TAM Yiu-chung, the former Chairman of DAB, who attended to defend him. Just think, the issue must be of paramount importance that warrants Mr TAM Yiu-chung's attendance to defend Holden CHOW. However, at the forum a student said, "If I cheat at the examination and I am caught by the teacher, can I say how you dare say I cheat, for if I really cheat, how could I be caught?" Can we accept such an explanation of theirs? It is not acceptable, right?

After the incident came to light, LEUNG Chun-ying could only face the music. But even then, he still resorted to "hypocritical rhetoric" and argued that he was totally entitled to express his views to the Select Committee on the questions concerned. Later, to follow up what he said, he sent a letter to the Select Committee. However, expressing his views is totally different from working through a member of the Select Committee to interfere with the inquiry.
When it comes to the executive's interference with inquiry, Mr LEUNG Kwok-hung has mentioned the Watergate scandal. But I wish to talk about an incident involving the President of the United States, Donald TRUMP. TRUMP recently sacked James COMEY, the former Director of the Federal Bureau of Investigation ("FBI"), as he suspected FBI was investigating the ties between his campaign team with the Soviet Union and FBI also suspected the Soviet Union's interfered with the presidential election in the United States last year. Rumour has it that TRUMP asked COMEY to "let it go". What was to be let go? It turned out that earlier on TRUMP suspected COMEY was investigating an important National Security Adviser appointed by him and so he asked COMEY to let him go. COMEY will testify at the public hearing this Thursday. I have heard that certain Members of the Congress are prepared to impeach Donald TRUMP and I look forward to seeing how things play out.

However, there are always more crazy guys. "689" is crazy enough, as some time ago he was constantly chasing after Mr Kenneth LEUNG, accusing him of failing to declare interest and so on and so forth, and he also responded to Mr Kenneth LEUNG's comments very quickly, if not immediately. Let me quote the words of Mrs Regina IP on a radio programme in recounting what a member of the public said to her, "There are many problems in Hong Kong. Does the Chief Executive have too much free time that he can respond to Mr Kenneth LEUNG immediately? The Chief Executive has also reviewed all remarks made by Mr Kenneth LEUNG on Facebook in the past two years and commented on them. Has he nothing else to do?"

As I see it, I do not think LEUNG Chun-ying has too much free time, instead I think he may be under too much stress and pressure. I wonder if he needs to consult a doctor, especially a psychiatrist. Why did I say there are always more crazy guys just now? I thought "689" is crazy in spending hours to review another person's remarks made in the past two years and responding to that person's remarks every few hours, Deputy President, let me tell you, Donald TRUMP is even crazier. I heard that he will do "live tweet" during the hearing at which James COMEY testifies. How formidable! He will make immediate comments while listening to COMEY's testimony. I eagerly look forward to that as Donald TRUMP often makes a Freudian slip in his posts on Twitter and leaks some important information.

In the Watergate scandal mentioned just now, President NIXON resigned voluntarily before he was impeached or before an investigation was carried out. However, some people are particularly thick-skinned, with Donald TRUMP being
one of them and "689" is the other, right? One impeachment was not enough and this is the second one. He couldn't care less about the impeachment, and he goes further to interfere with the inquiry. It does not matter. He could still attend the Legislative Council meeting and told everyone that he has answered all questions. However, I do not think he has, at least not the questions raised by Eric CHEUNG and Kevin LAU.

Last Thursday, Mr Jeremy TAM asked LEUNG Chun-ying if he would come to the Legislative Council to assist in the inquiry. Since he has said he can speak frankly about anything and anything can be laid open for discussion, should it be a problem for him to testify in front of the Select Committee? Everyone will be happy then. However, to date, he still has not answered. He did not answer when asked by the press or by Members, and he even accused Legislative Council Members of making political hypes. Frankly speaking, he is already a "past tense", why should we stir up a hype over him? We will not benefit from that.

LEUNG Chun-ying said that he voluntarily gave an account of the incident to the Central Authorities in 2014, and the Central Authorities were satisfied. But all these are his version of the story. If the Central Authorities were truly satisfied, he may be able to remain in office for the second term. LEUNG Chun-ying has forgotten that he, as the Chief Executive of the Hong Kong SAR, should be accountable to the people of Hong Kong, rather than to give an account of the incident to the Central Authorities. He still thinks he has a super transcendent status and he can do whatever he likes with the support of the Central Authorities. He simply treats Hong Kong people like dirt.

Even though the composition of the Legislative Council makes it close to impossible for the impeachment motion to be passed, we will continue to monitor the Government and warn the Government of the next term. There are our duties. I support the motion that calls for the impeachment of LEUNG Chun-ying. I so submit.

MR JEREMY TAM (in Cantonese): Deputy President, it is unprecedented in Hong Kong for a Chief Executive to be made twice the subject of impeachment by the Legislative Council. On 9 January 2013, soon after LEUNG Chun-ying took office, people already called for his resignation because he had intentionally made false or misleading statements to the Legislative Council in relation to the unauthorized building works at his residence which was exposed during the Chief
Executive election, and in doing so, LEUNG had breached the provisions in the Basic Law that the Chief Executive must serve Hong Kong conscientiously, dutifully and in full accordance with law. Back then, various self-contradictory statements made by LEUNG Chun-ying had been set out in detail, item-by-item in the impeachment motion initiated by 27 pro-democracy Members, proving sufficiently that his integrity was questionable. But of course, there are many hurdles in the process of impeaching the Chief Executive. Although one fourth of all Members of the Legislative Council had jointly initiated the impeachment motion to activate the process, the motion must still be put to vote under the split voting system. Pro-establishment Members and half of the Members returned by functional constituencies voted against the motion in order to defend the new Chief Executive.

Over the past four years, LEUNG Chun-ying has acted even more recklessly as he has become used to perpetuating malpractices, and the problem has gone so serious that it can hardly be reversed. Time and again he tries to deceive Hong Kong people with "hypocritical rhetoric". In this incident, LEUNG Chun-ying even tried to do so through manipulating Mr Holden CHOW, so that he could improperly interfere with the affairs of the Select Committee to inquire into matters about the agreement between himself and the Australian firm UGL Limited ("the Select Committee") in an attempt to frustrate, deflect or affect the direction, course and result of the inquiry to be carried out by the Select Committee. Obviously, LEUNG Chun-ying has acted in contempt of the Legislative Council and in dereliction of his constitutional duty as the Chief Executive of the HKSAR under Articles 47, 60 and 64 of the Basic Law.

After the incident, LEUNG Chun-ying not only denied any wrongdoing, but he also shifted the blame to other Members in a bid to divert attention. Firstly, he accused pro-democracy Members for leaking confidential information to the media. Then he tried to drag Mr Kenneth LEUNG into the controversy, firstly by suing Mr Kenneth LEUNG for libel and then by demanding his withdrawal from the Select Committee given his involvement in the libel lawsuit. Thereafter, notwithstanding the declaration made by Mr Kenneth LEUNG at the Select Committee, as well as the acceptance of such by both the Chairman and Legal Adviser of the Select Committee, LEUNG Chun-ying still kept targeting Mr Kenneth LEUNG.

What acts would constitute "dereliction of duty" as prescribed under the Basic Law? What exactly should be the definition of "dereliction of duty"? Considering the parliamentary systems of different countries around the world,
we note that there is generally a bottom line which can be applied for the British or American systems, or in Australia or Canada, or for the Westminster system or the presidential system. The same bottom line which I am talking about is integrity. Surely, as we all know, integrity is hardly a virtue of LEUNG Chun-ying, but nonetheless, according to Articles 60 and 64 of the Basic Law, the Chief Executive, as the head of the HKSAR, has a constitutional duty to be accountable to the Legislative Council. Now the Chief Executive has manipulated a Member of the Legislative Council in an attempt to frustrate, deflect or affect the direction, course and result of the inquiry to be carried out by the Select Committee, he has not only failed to be accountable to the Legislative Council, but also offended the Legislative Council. All of these definitely constituted dereliction of duty.

I think nobody can deny that a system, no matter how perfect it is, will only be destroyed eventually if it is not respected by people. Through LEUNG Chun-ying's blatant interference with the Legislative Council, particularly his covert actions to interfere with the Select Committee which is tasked to investigate him, he is being disrespectful to the Legislative Council as well as our system, or is even undermining the entire constitutional order.

Regarding the incident concerning LEUNG Chun-ying's interference with the Select Committee, some Honourable colleagues have already given a clear account of the details, and I will not repeat the same here. What I would like to say is that this incident shows exactly how fed up the pro-establishment camp is with LEUNG Chun-ying's crude interference and offending attitude towards the Legislative Council. A number of veteran politicians in the pro-establishment camp have already lashed out at him directly.

Without naming names, Miss CHAN Yuen-han, Honorary President of the Hong Kong Federation of Trade Unions ("FTU"), criticized in her column that the incident only served to reinforce public perception that most pro-establishment Members would only dance to the tune of the Government. She wrote, "He says, writes and does whatever others tell him to say, write or do ... He has no ideas and no independence." She also mentioned that when promoting government motions, public officials were only mindful of getting enough votes to pass them in Council, and they did not even bother to lobby the support of pro-establishment Members. "On the outside, pro-establishment Members may look like righteous people who share the burden, but on the inside, they are people without a soul or vision."
Mrs Selina CHOW, Honorary Chair of the Liberal Party ("LP"), went even further when she chided LEUNG Chun-ying for three major mistakes. Firstly, he was blatantly interfering with the autonomy of the Legislative Council. Secondly, he was trying to influence the work of a select committee tasked to investigate him. Thirdly, he adamantly refused to admit his wrongdoing and even defended himself by calling wrong right. On Mr Holden CHOW's part, he was wrong because he had forgotten that as an elected Member of the Legislative Council, his should be duty-bound to safeguard the autonomy of the Legislative Council, and that as the leader of the Select Committee, he had forgotten that he was accountable to the Select Committee and not LEUNG Chun-ying. Mrs Selina CHOW even queried why had no other members of the pro-establishment camp come forward to say something fair on this matter of cardinal importance?

Apart from the criticisms made by those two veteran politicians personally, Mrs Regina IP, Chairperson of the New People's Party ("NPP"), who is in the Chamber now, has also directed some frank criticisms publicly. She pointed out that it was unwise for Mr Holden CHOW to allow Chief Executive LEUNG Chun-ying to make amendments to the proposal he intended to submit to the Select Committee. "Clearly, there is procedural injustice in the incident." She considered that as the work of the Legislative Council was to monitor the Government, Members should maintain independent thinking. She added that Mr CHOW could make reference to the views suggested by Chief Executive LEUNG Chun-ying, but he should not accept them in entirety. She also described Mr CHOW as someone who would "follow the Chief Executive's orders anytime". She even said on that day that depending on the actual wording of the censure motion, she might consider supporting it. Although Mrs IP backed down just three hours later, saying that she would not support the censure motion because Mr Holden CHOW was young and inexperienced, it is clear from her sudden U-turn that she might not be genuinely convinced deep in her heart.

As for the largest party in the pro-establishment camp, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB"), its member Mr Holden CHOW is also involved in this impeachment incident. The part concerning Mr CHOW will be dealt with under the next item on the Agenda. We will see later if DAB can sacrifice consanguinity for the sake of righteousness. By then, the public will see if DAB would stick to the principle of "calling a spade a spade" as they always claim and monitor the Government proactively.
I would like to point out that as far as this incident is concerned, the stance adopted by some pro-establishment parties is even more democratic than that of the pro-democracy camp. Compared with the situation in 2013, LEUNG Chun-ying is now more or less deserted by his followers. Actually, 28 Members, together with Members from FTU, LP and NPP I just mentioned, as well as several independent Members, are enough to pass this motion in Council today and activate the next step in the impeachment process.

Nonetheless, some Members consider that we should no longer spend time to impeach LEUNG Chun-ying because the term of this Government will expire shortly. But it is precisely because this Government is in the last month of its term and LEUNG Chun-ying is the outgoing Chief Executive that we should act righteously and courageously for the sake of Hong Kong people as well as the pro-establishment camp, so that they can also take the Chief Executive to task for always dragging their heels over the past five years.

I sincerely hope that pro-establishment Members can make their choices rationally, rather than destroying the Legislative Council as well as their dignity as members of the legislature by bundling themselves with the outgoing Chief Executive who has only 20-odd days left in his tenure. I hope Members will support the impeachment motion initiated by the 28 Members. I so submit.

DR CHENG CHUNG-TAI (in Cantonese): I believe the motion on censuring and impeaching LEUNG Chun-ying under Article 73(9) of the Basic Law has earned unanimous appreciation from all Hong Kong people. Some Members asked earlier why this method was used to resolve the dispute. LEUNG Chun-ying, as the incumbent Chief Executive, has been the subject of two impeachment motions proposed by Members during his term of office. That is unprecedented. I think there are a few points which we must understand in this discussion and so I stand up now to share my thoughts with Members. I believe the Deputy President, who is now sitting at the President's bench, must have certain political views on some matters. Similarly, the Chief Secretary for Administration who is sitting over there will have his own views. As Hong Kong people, all of us should have our views on the administration of Hong Kong and its long-term development.
Earlier, many Members have talked about why there is a need to impeach LEUNG Chun-ying and form an independent investigation committee regarding this incident. Mr Kenneth LEUNG pointed out that ... the problem is not caused by my microphone ... 

DEPUTY PRESIDENT (in Cantonese): Staff members will please handle the problem of noise interference.

DR CHENG CHUNG-TAI (in Cantonese): Mr Kenneth LEUNG pointed out that the dispute in question today was totally different from the UGL incident in which LEUNG Chun-ying was involved. We are saying that LEUNG Chun-ying has acted beyond his powers and tried to use his powers as the Chief Executive to demand the Select Committee to follow his instructions or even to set the direction of inquiry of the Select Committee. I believe Members are very clear about this point which is beyond dispute.

Although in my position, it may not be right for me to make such remarks, but I want to give some advice. Chief Secretary and Deputy President, if you are aware of the current political situation of Macao, you would know that the former Chief Executive of Macao Edmund HO is now subject to direct investigation by the Central Commission for Discipline Inspection in Beijing ("the Commission"). The corruption involving Edmund HO and the incumbent Chief Executive of Macao Fernando CHUI in the administration of Macao over the past 15 years has now become clearer. I am using the incident of the Chief Executives of Macao to remind the pro-establishment Members that the Legislative Council and the judicial system of Hong Kong are seemingly still rather independent because some elected Members of the Legislative Council can still exert a little pressure. Dr Junius HO is present here. Although his speech is rather unpleasant to my ears, he is nonetheless an elected Member.

(THE PRESIDENT resumed the Chair)

Considering the current incident, I think the Chief Secretary would clearly understand that Hong Kong is what it is today not because it is particularly privileged, but because Hong Kong is exactly a place in which money illegally obtained can be lawfully laundered. I believe many pro-establishment Members
may not directly agree with this point, but that is a fact about Hong Kong. Using the language of the United States, Hong Kong is the freest economy in the world; but to Hong Kong people, Hong Kong is actually a place which has been carved up by the big powers. After it was carved up, there were some regulations under the systems and so illegal dealings would not be done so blatantly.

In relation to the suspected violation of laws committed by LEUNG Chun-ying during his term of office, the Legislative Council is using its power to inquire into the matter and it is a rightful power which we are exercising under the principle of "Hong Kong people administering Hong Kong". LEUNG Chun-ying was recently friendly with Mr Holden CHOW and so he called Mr CHOW and asked him to amend the document of the Legislative Council. If the Legislative Council cannot form an independent investigation committee, cannot exercise its powers under the Rules of Procedure and the Basic Law, cannot impeach the Chief Executive under Article 73(9) of the Basic Law, then in case of power changes or factional struggles in Beijing or on the Mainland, what happened in Macao may soon happen in Hong Kong, i.e. the Commission in Beijing may directly administer Hong Kong. That is the most basic constitutional reason why we have responded to the situation and initiated the motion to impeach LEUNG Chun-ying by invoking Article 73(9) of the Basic Law under the principle of "Hong Kong people administering Hong Kong".

Members have continuously mentioned how malicious and detestable LEUNG Chun-ying is. We should all recall when LEUNG Chun-ying assumed office, the people chanted the slogan, "LEUNG Chun-ying, go to hell". President, this was the slogan chanted by the masses. Please do not say that I have digressed, for "LEUNG Chun-ying, go to hell" was the consensus. The slogan was chanted because members of the public did not fully understand the rule of law and constitutionalism, but today, we initiated this motion under Article 73(9) of the Basic Law and pro-establishment Members cannot say we are making a fuss. From the perspective of constitutionalism, we are upholding the residual autonomy of Hong Kong under the principle of "Hong Kong people administering Hong Kong". If we are even deprived of this autonomy, Hong Kong will become a completely lawless place like Macao. Certainly, this comment may offend the people of Macao, but it is true. I would like to raise this point in a simple way and do not want to talk about unimportant details which are beyond dispute to bore Mr Matthew CHEUNG who is sitting here.
Under the established judicial system of Hong Kong, LEUNG Chun-ying has assumed all powers. The Independent Commission Against Corruption has to obtain his approval to conduct investigations. The Legislative Council still has the power to form a select committee, but Mr Holden CHOW has conspired with LEUNG Chun-ying. Why did LEUNG Chun-ying contact Mr Holden CHOW? Why did he only contact Mr Holden CHOW and not Mr Paul TSE, Dr Junius HO or Dr Priscilla LEUNG? After considering the question for some time, I can only think of one reason, which is Mr Holden CHOW and LEUNG Chun-ying were fellow students of the London School of Economics and Political Science. However, that is irrelevant. Why did he contact Mr Holden CHOW? Was it because Mr Holden CHOW had a good personality? Or, was it because Mr Holden CHOW was more stupid and he would easily fall into the trap? These are not my concerns. As I said at the beginning of my speech, we are only hoping to exercise our rightful power against the Chief Executive who has a transcendent status outside the judicial system of Hong Kong under the established system, i.e. the power given to Hong Kong people under the principle of "Hong Kong people administering Hong Kong". We just want to find out whether the Chief Executive could call any Member and tell him to follow his instructions.

Earlier, LEUNG Chun-ying was involved in the incident about a telephone call to a staff member at the airport. Later on, he issued legal letters to sue current affairs commentators LIAN Yi-zheng and CHOY Chi-keung, saying that the article written by the latter was malicious. Over the past few years, ridiculous things have happened and today, it is most ridiculous that we cannot form an investigation committee and so 28 Members have jointly initiated this motion to impeach the Chief Executive, but the official in attendance is Matthew CHEUNG. I think the whole incident is a disgrace. If I have a choice, I would not have made the above remarks. I only wish to point out that as responsible representatives of public opinions, we are not trying to fight a life-or-death battle in exercising our right today. But, of course, "LEUNG Chun-ying, go to hell" is certain.

For the future of Hong Kong as a whole and for the benefit of Hong Kong people, we cannot refrain from exercising our rightful monitoring power under the established system to try our best in protecting Hong Kong. If the impeachment motion is not passed or if this meeting is aborted by the pro-establishment Members, Hong Kong will become like Macao one day. Then, the pro-establishment syndicates with vested interests will try to create
another type of Hong Kong independence. Do Members understand what another type of Hong Kong independence is? That is not the Hong Kong independence mentioned by the community, but that the pro-establishment camp will be totally unregulated under the administration of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region and thus creates another type of Hong Kong independence.

President, from our speeches on this motion debate, one can see that our objective is very clear. We are trying to exercise our constitutional right under the principle of "Hong Kong people administering Hong Kong" provided to Hong Kong people by the Basic Law. Under our judicial system, we could not practically monitor the Chief Executive in the past. As an elected legislature, the Legislative Council has established a select committee under the system, but the Chief Executive acted beyond his powers and an innocent pro-establishment Member submitted a document to him just like a student submitted his homework to his teacher for vetting. Thus, the Legislative Council has to follow up. The matter is just that simple.

I am speaking this time in the hope that I can leave a footnote in the record that Members or the pro-establishment Members who will vote against this motion will be ruining the systems of Hong Kong and the principles of "Hong Kong people administering Hong Kong" and "one country, two systems". By ruining the principle of "one country, two systems" and turning it into "one country, one system", the pro-establishment Members are turning Hong Kong into Macao. Certainly, Dr Junius HO, you may not agree. Go on and take note of what I said, what do you know about constitutionalism is?

President, I so submit.

MR NATHAN LAW (in Cantonese): Five years ago, the cover page of an issue of the Time Magazine showed a picture of LEUNG Chun-ying smiling with a gentle gaze, supplemented with the caption of "Can Hong Kong Trust This Man?" Interestingly, the magazine asked whether people trusted him, instead of whether he had the capability to administer Hong Kong; whether he was familiar with the operation of the Government and whether he could lead Hong Kong in the direction of an economic take-off. At the time, LEUNG Chun-ying was troubled by the uproar caused by his unauthorized building works ("UBWs") which clearly showed that he was untrustworthy. As the saying goes, "The trust
of the people can only be established with credibility." Traditional Chinese wisdom tells us that when the head of a government is not trusted by the people, he will face great difficulties in his administration. In fact, in the past five years, we have witnessed how LEUNG Chun-ying's very poor administration has put Hong Kong in a very difficult situation.

LEUNG Chun-ying's political career as the Chief Executive started with an impeachment, and it will end with an impeachment as well. He is not only the first Chief Executive who has been impeached, but one who has been impeached twice. The first impeachment was related to the scandal of his UBWs in which he had told one lie after another. We could still treat him as a plaster saint then. In order to win in the election, he pretended to be a saint and accused Henry TANG of having UBWs. Eventually Henry TANG was defeated. In fact, when LEUNG Chun-ying was pointing a finger at Henry TANG, he was also indirectly pointing his fingers at himself. Back then, he still handled the matter with common sense and in accordance with the rules. However, in the current incident, he refused to be a plaster saint and became a shameless rogue. Without the slightest sign of guilt and embarrassment, he conspired with Mr Holden CHOW and directly interfered with the operation of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited. He disregarded our common sense and tried to distort the mechanism of the Legislative Council, thinking that he was supreme because he was a state leader.

If you ask me the question "Can Hong Kong trust this man?" again after five years, my reply is "Hong Kong hates this man". The reason is that he has ruined Hong Kong, caused regression in the administration of Hong Kong over these five years and made the people disgusted with the current administration and political situation. LEUNG Chun-ying acted secretly five years ago and five years later, he is calling a stag a horse and distorting right and wrong. That is the process of LEUNG Chun-ying's change from a plaster saint to a shameless rogue and that is the tearful history of how Hong Kong has been victimized by this man.

If we had the foresight five years ago, we should have got rid of him and then Hong Kong would not have to suffer in these five years. We could not dismiss him five years ago because of the harbouring of pro-establishment Members. I will now quote the comments made by some royalists back then, e.g. Mr James TIEN who was the spokesman of the Liberal Party …
PRESIDENT (in Cantonese): Mr Nathan LAW, I remind you again that according to Rule 41(1) of the Rules of Procedure, a Member shall not introduce matter irrelevant to the subject under discussion.

MR NATHAN LAW (in Cantonese): It is relevant …

PRESIDENT (in Cantonese): You should not digress from the subject of this debate. Please focus on the subject.

MR NATHAN LAW (in Cantonese): Mr LEUNG, in order to prove LEUNG Chun-ying's dereliction of duty and blunders made in this incident, I have to support my arguments with his past actions. This is like cross-examining a witness in court to question his reliability. What LEUNG Chun-ying did in the past proves that he is an unreliable man and a notorious liar. As early as five years ago when the Legislative Council held a debate of a motion on impeachment, a Member had clearly raised this point. Let me quote the speech of former Legislative Council Member James TIEN to support my argument and explain why Members think that he is …

PRESIDENT (in Cantonese): Mr Nathan LAW, you should focus on the charges made in this motion and discuss whether you support this Council to give a mandate to the Chief Justice of the Court of Final Appeal to form an investigation committee.

MR NATHAN LAW (in Cantonese): I certainly support this Council to give a mandate to the Chief Justice of the Court of Final Appeal to form an independent investigation committee. In order to express my support for this motion, I have to recount what LEUNG Chun-ying did in the past to support my argument. Mr LEUNG, I hope you can understand my rationale and will not interrupt me again.

Back then, former Legislative Council Member James TIEN shared our views. He said that LEUNG Chun-ying's success in being elected the Chief Executive invariably involved an element of deception, as to a certain extent, he
adopted deceptive means to attain success. However, James TIEN suggested that we might as well give LEUNG Chun-ying a chance and should not dismiss him immediately. If he performed well for the first two years, he did not have to step down; otherwise, we should demand him to step down. That was what former Legislative Council Member James TIEN said. After LEUNG Chun-ying has been in the position for five years, no one has said that he performed well and he has negative net popularity ratings in public opinion polls. Members of the public regard LEUNG Chun-ying as vermin, berated him and drove him away whenever he visited local districts. It would be a joke if one says that he has performed well in these five years. Although James TIEN of the Liberal Party is no longer a Member of the Legislative Council, as a pro-establishment Member back then, he clearly said five years ago that LEUNG Chun-ying should be kicked out if he performed poorly in the first two years. After five years, "Hong Kong hates this man". How come the pro-establishment Members still not vote for this motion and support the formation of an investigation committee to investigate the dereliction of duty on his part this time around?

We understand that if this motion is only supported by pro-democracy Members, it can hardly be passed. Thus, I have quoted the speech previously made by a pro-establishment Member in the hope that Members of the pro-establishment camp will vote according to their conscience and integrity and support the formation of an investigation committee so as to find out the truth. It is very obvious that LEUNG Chun-ying has blatantly interfered with the affairs of the legislature and he also admitted that Mr Holden CHOW helped him a lot. Certainly, he later argued that he was only being frank and open; otherwise, he would not be so stupid as to submit the amended paper with tracking record to the Secretariat. He was attempting to justify his collusion with Mr Holden CHOW in amending the scope of inquiry.

Let us think about this. When a police officer is investigating a case and the suspect proposes the areas to be investigated, the police officer will certainly say, "I am a police officer. I don't need you to teach me how to conduct my work". Can a person under investigation change the scope of inquiry? Please do not mislead the public with this specious argument; we are educated people, to say the least. Even a person who has only received kindergarten education will understand that a student cannot interfere with how the teacher sets the examination questions. We put up with him when he pretended to be a gentleman in the past because although he told lies, he respected the wisdom of
the people. But now, he is insulting the wisdom of the masses and how shameful and pathetic it is. Eric CHEUNG and Kevin LAU's queries are very professional and reasonable, but LEUNG Chun-ying acted as if nothing had happened. He merely focused on the simplest viewpoint and defended himself by making empty statements.

Evidently, the Chief Executive has interfered with the affairs of the inquiry. Five years ago, some Members of the Liberal Party had made some reasonable remarks, but what did we hear today? Ms Starry LEE, Chairperson of the Democratic Alliance for the Betterment and Progress of Hong Kong said that we were waging a political struggle against LEUNG. If we watch the video recording of the proceedings, one would notice that Ms Starry LEE seemed to be reading from *Wen Wei Po* when she delivered her speech. She was staring at *Wen Wei Po* and reading out from it without looking at anyone. The words used by her were no different from those in *Wen Wei Po*, *Ta Kung Pao* and the *Global Times*. She said we were starting a political struggle against LEUNG and "colour" was the prime concern. The word "colour" reminds me of the term "colour revolution" used by *Wen Wei Po* and the *Global Times* during the Umbrella Movement. The term "political struggles" reminds me that SHIU Sin-por, Head of Central Policy Unit, once said that it was necessary to fight a battle of public opinion. It also reminds me of the gathering at Siu Tao Yuen Restaurant, attended by LEUNG Chun-ying, which marked the beginning of an era of violent politics. Who can overpower LEUNG Chun-ying in conducting political struggles? The Communist Party of China to which he belongs came to power by conducting political struggles. In the past five years, the political situation of Hong Kong has been stained and ruined by him. How can Ms Starry LEE now say that we are waging political struggle against LEUNG? Frankly speaking, I have to learn from him as to how to wage political struggles.

Since LEUNG Chun-ying assumed office, the shameless and despicable rascals of the "love Hong Kong" sects have been running amuck. The Hong Kong International Airport ("the Airport") should be the safest place in Hong Kong. Certainly, when state leaders visit Wan Chai, Wan Chai may be the safest place instead. In a place as sensitive as the Airport, I was openly assaulted and splashed with unknown liquid. The whole process was videotaped. The man who encouraged these violent acts was LEUNG Chun-ying.
In fact, it is absolutely unreasonable for Ms Starry LEE to say that we are making arbitrary accusations. Her party comrade Mr Holden CHOW has comprehensively spoken on behalf of the Chief Executive and there is really nothing we can say. Mr Holden CHOW submitted the document which has been revised in the name of "CEO-CE". If CEO is not the short form for the Office of the Chief Executive, can it possibly stand for the Executive Director of New World Development Company Limited? Stop kidding please. The evidence is clear, and yet the pro-establishment Members accuse us of abusing the Basic Law and disproportionately initiating an impeachment motion for the purpose of oppressing "CY". They also say that passing the motion will cause an uproar in society …

PRESIDENT (in Cantonese): Mr LAW, please hold on. The timer that indicated the speaking time has stopped.

(The timer that indicated the speaking time resumed operation)

PRESIDENT (in Cantonese): Mr Nathan LAW, please continue.

MR NATHAN LAW (in Cantonese): … It seems that we also have to give a new timer or "give a clock"\(^3\) to LEUNG Chun-ying.

Furthermore, Ms Starry LEE said that passing this impeachment motion will cause an uproar in society. I also agree and the uproar is a manifestation of justice served, and a revelation of who should be responsible for the degeneration over these five years. It is just that simple. Members of the Legislative Council who are present in this Chamber should take up their responsibility to cause such a positive uproar in society, so that "the mistakes can be rectified", using the words of Dr Junius HO. Ms Starry LEE also said that the motion has been used as a political tool of suppressing one's opponent. It is really very laughable for a pro-establishment Member to accuse the pan-democrats of suppressing their opponent and I am really caught between laughter and tears. "Long Hair", who is now present, and I are being politically suppressed. The

\(^3\) "送鐘" (give a clock) in Cantonese sounds the same as "送終", meaning paying someone the last respect.
Department of Justice, being a mouthpiece of the pro-establishment camp and the Government, spares no effort in suppressing its opponents. "Long Hair" has just been to court, a few Members are waiting for judicial review, and the trial for disqualifying them as Members of the Legislative Council is proceeding and coming to a close …

PRESIDENT (in Cantonese): Mr LAW, you have digressed. Please focus on the subject of this debate.

MR NATHAN LAW (in Cantonese): No problem, Mr LEUNG. We can see that LEUNG Chun-ying has used tools for political struggles and colluded with Mr Holden CHOW to make the amendments, so as to evade responsibilities. After a series of political suppressions, justice was manifested out of heavenly will and misfortune rightly happened to LEUNG Chun-ying. However, he got away craftily and did not mind playing the part of a shameless rogue in front of everyone. Since it was not necessary for him to seek re-election as Chief Executive, he was not afraid to fall out with the people; in any case, he has been appointed as one of the state leaders. LEUNG Chun-ying tore off his mask, put forward all kinds of specious arguments and clearly showed us that he is a man of no integrity.

Worse still, the pro-establishment Members are still indulging in sophistry and shielding this short-lived Chief Executive. Anyone can tell his sophistry, so why are the pro-establishment Members still shielding him? Aren't they worried that being in a sinking boat will get them into trouble? At present, only less than 10% of young people in Hong Kong support the pro-establishment camp. That is because pro-establishment Members do not attach importance to logic and values; they do not differentiate right from wrong; and they are concerned only with whitewashing those in power and fawning on them.

LEUNG Chun-ying even instituted a civil proceedings later. In fact, he can sue anyone he likes, for he has obtained $50 million and has plenty of money to spare. He not only can sue one person, but even 20 persons. Moreover, LEUNG Chun-ying has denied the accusations against him. He has written a blog in defence which is ambiguous, nonsensical and incoherent and I believe even a DSE student can do better. I do not know if the blog was written by LEUNG Chun-ying himself or by Andrew FUNG. Anyway, the tone is panicky
and the shifting of focus is unskillful. All these reflect that the writer has a very low cultural level. It can even be said that the blog brings shame to Hong Kong people and it reflects that LEUNG Chun-ying is panicky deep down and he is very afraid to be subject to inquiry. LEUNG Chun-ying put forward his defence and said that the Central Authorities were very satisfied with his explanation. I thought that the Central Authorities would surely be satisfied because they were colluding with him. Consider how much overseas assets XI Jinping owns. The Central Authorities are satisfied with LEUNG Chun-ying's explanation possibly because he has information against them and that is why he has been promoted as a state leader. Hong Kong people do not trust LEUNG Chun-ying's words and his defence will only show his faults clearer.

For the sake of public interest, there is no reason why we should not support the motion to form an independent investigation committee to investigate the whole matter. If the evidence shows that LEUNG Chun-ying is guilty, he should be punished by the law. If we make a mistake, the truth will be revealed. In fact, we are only making a very humble effort today. In the past five years, LEUNG Chun-ying has put forward all kinds of specious arguments. We are only trying to put forward rational arguments, do justice to Hong Kong people and find out the answer to the series of scandals which happened recently.

Surprisingly, a man who has negative popularity ratings over a long period can still be as bold as brass. How can there be good administration in Hong Kong when the Chief Executive is not trusted by the people? How can the entire community of Hong Kong benefit? However, the Director of the Liaison Office of the Central People's Government in Hong Kong ZHANG Xiaoming often supports LEUNG Chun-ying. In a conference held yesterday, ZHANG Xiaoming said, "The SAR Government has made great efforts in promoting employment, improving education, encouraging business start-ups and facilitating home ownership". That is nonsensical. Instead, LEUNG Chun-ying has really made great efforts in the area of creating troubles. Regarding promoting employment and improving education, there is a trend of young people committing suicides. In relation to facilitating home ownership, the general public cannot afford the high property prices at all. Today, it was reported in the news that an old man, driven by the pressure of lives and left with no other option, killed his wife who had a stroke to end her sufferings. Sad cases like this happened on the same day when we seek to impeach the Chief Executive who has received $50 million. As the saying goes, "While meat is left rotten in the kitchens of the rich, thousands of people are freezing to death in the streets".
Instead of "Hong Kong people administering Hong Kong", we are faced with the situation of "A rogue administering Hong Kong". The administration of the shameless rogue has ruined Hong Kong and that is absolutely true. I hope that Honourable Members, particularly Members of the Liberal Party with a conscience and Members who are rather neutral politically, will support this motion to form an investigation committee to impeach "689". I so submit.

MR WONG TING-KWONG (in Cantonese): President, I finally realized how vicious the words uttered by someone speaking heaps of nonsense can be. Moreover, President, I notice that he never addresses you as "President" but only "Mr LEUNG" whenever he speaks. He does not respect this Council at all.

President, the current proposal to impeach Chief Executive LEUNG Chun-ying under Article 73(9) of the Basic Law is the final shot of the anti-LEUNG movement, planned, directed and performed by the opposition camp for achieving certain political objectives over the past five years. I am no longer surprised by the opposition camp's political hype, stirring up trouble for nothing and keeps harping on the same thing. Originally, I did not want to waste my time making responses to such a repetitive, frivolous and meaningless political farce, but having read the wordings of the motion, it seems to me that it is just like "a thief calling on others to catch a thief".

For those Members who have been brought to the court for accepting bribes, and those "so-called" Members who took office as Members of the Legislative Council without sincerely swearing allegiance to the Special Administrative Region of the People's Republic of China, though they will soon be disqualified by the court, they now still brazenly point their fingers at the Chief Executive, who has done a lot of work for Hong Kong over these years and is leading HKSAR and serving Hong Kong people. Seeing such a ridiculous and hilarious political farce, I must bring the absurdities therein to light.

The origin of the incident was the signing of a non-poach agreement by LEUNG Chun-ying with UGL Limited ("UGL"), a listed company in Australia, to resign from DTZ Holdings plc while he was standing for the Chief Executive Election five years ago, under which UGL paid LEUNG a special departure compensation of £4 million. This practice is rather common in the business sector. We call it the "golden handshake", which is essentially a normal,
sensible, reasonable and lawful business practice. Over the years, LEUNG Chun-ying and the SAR Government have explained time and again the ins and outs of this matter. After the so-called exposure of the incident by the Australian media, both UGL and LEUNG Chun-ying had already given an account time and again and the matter was not mentioned in Australia thereafter. Nonetheless, the opposition camp has kept hyping the incident up over and over again. Obviously, the incident does not involve any unlawful act or irregularity, nor is there any evidence to indicate that LEUNG Chun-ying has engaged in any unlawful practice with UGL after taking office as the Chief Executive. And yet, the opposition camp simply does not let him go. What for? For some political objectives.

Initially, I thought the political hype of the opposition camp merely seeks to obtain political benefits, but after careful thinking, I realized that as the opposition camp has been accepting "black money" from the "fatty boss", thus as a conditioned reflex, it would probably think that "black money" was involved whenever it comes to payment of money. More miserable still, after accepting "black money" from the "fatty boss", Members of the opposition camp are not only required to organize processions and assemblies, they even have to sleep on the roads. For those professionals who have accepted the "black money", they have disregarded their professional ethics and made groundless accusations. The Member concerned is now being sued for defamation and may end up losing his professional qualification. Moreover, another Member has been taken to court after he was found to have accepted "black money", and it is likely that he would be put behind bars again. This is surely a case of "he who offends is always the first to complain".

That "fatty boss" has offered "black money" to various organizations, which in turn "nurture" a large group of people to stir up troubles. Recently, a group of the so-called militant young radical localists are competing with organizations which have all along received "black money" from the "fatty boss". From this, we can see that competition for financial aids has become more and more intense. I have no idea whether there is a change in the genuine paymaster behind the "fatty boss"—I mean the Westerners—and the new paymaster plans to cut down on the budget, hence causing those who have been receiving "black money" feeling unsettled. Therefore, they have to put up their last ditch struggle by all means and created troubles for LEUNG Chun-ying. Or else, how can they get paid?
Nevertheless, what is black cannot be confounded as white or vice versa. No matter how the opposition camp distorts and fabricates facts, they can never succeed in smearing a righteous person. The Central People's Government and members of the general public have sharp eyes, thus the opposition camp is never going to succeed.

Finally, I hope the opposition camp could sober up. No matter how they attack LEUNG Chun-ying, there is no way they can shift people's attention and be acquitted of their charges. There is solid proof that they had accepted "black money" from the "fatty boss" and would possibly be sentenced to imprisonment.

As for those Members of the Legislative Council who took office without sincerely swearing allegiance …

PRESIDENT (in Cantonese): Mr WONG, I remind you that Members should focus on the subject under debate.

MR WONG TING-KWONG (in Cantonese): What do you mean?

PRESIDENT (in Cantonese): You have strayed from the subject under debate. Please focus on the subject.

MR WONG TING-KWONG (in Cantonese): … I was just about to do so. In fact, they must think twice about these matters.

With these remarks, I oppose the motion.

MR CHEUNG KWOK-KWAN (in Cantonese): President, the origin of this motion initiated jointly by 28 opposition Members today stemmed from the work of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited ("the Select Committee"), and the establishment of the Select Committee is a request put forward by opposition Members to conduct a thorough X-ray examination by the Legislative Council in an attempt to find out the Archilles' heel that can possibly be attacked or followed up.
President, since the incident arises from the UGL incident, we have to brief Members on the circumstances leading to it. Just now, some Members mentioned that the cause of the incident is the signing of a resignation agreement between Mr LEUNG Chun-ying and UGL in December 2011, whereby the former received a payment of £4 million. The incident was revealed by the Australian media in as early as 2014, and then in the following two years or so, the opposition camp has been chasing after Mr LEUNG Chun-ying vigorously and spared no effort in filing reports to tax authorities and law enforcement agencies in different parts of the world. However, an objective outcome is that the law enforcement agency of the United Kingdom has stated specifically in writing that it would not conduct any investigation into the incident. Another objective outcome is that Hong Kong's law enforcement agencies and the Inland Revenue Department also remained impervious to the report filed by the opposition camp. At least, as at today, we fail to see any action taken, and even the complainant cannot point out what kind of tax Mr LEUNG Chun-ying should pay in relation to the money he received under the resignation agreement. Over the past two years or so, in the absence of concrete evidence, the opposition camp has kept investigating the UGL incident on all fronts from different perspectives. The only excuse that they can be offer is "Why should the innocent fear an investigation?"

Recently, fellow colleagues of the opposition camp finally identified a gap in the Rules of Procedure ("RoP") of the Legislative Council. They learnt that according to RoP, if not less than 20 Members requested the President of the Legislative Council, by way of petition, to refer the UGL incident to a select committee, then even if other Members do not support, a select committee will still be formed. Such a gap has provided a new platform for opposition Members to continue to pursue the UGL incident. Today, I still heard from the speeches of opposition Members that they hope the select committee would play the role of tax authorities of Hong Kong or other places to examine if Mr LEUNG Chun-ying should be subject to any tax payment in Hong Kong or abroad. However, they failed to provide any evidence incriminating Mr LEUNG Chun-ying.

Regarding the Select Committee involved in today's motion, if colleagues from the opposition camp do attach importance to procedural justice, they must also value the credibility of the Select Committee and should not have double standard. Undoubtedly, given that the Legislative Council is an independent elected institution, whether or not our colleague Mr Kenneth LEUNG, a member
of the Select Committee, should withdraw his membership shall be decided by him and the Select Committee. Unlike the court, no mechanism has been put in place to compel him to withdraw from the Select Committee.

Nevertheless, I hope opposition Members would understand, just as Senior Counsel Ronny TONG has said, "If an investigator has special connection with either party of the proceeding, he or she should withdraw from discussion automatically for the sake of justice." Generally speaking, if an investigator has a close and good relationship with either party of the proceeding, it will give people an impression that it might be difficult for the investigator to uphold justice, he or she must therefore withdraw from discussion. As regards the relationship between Mr LEUNG Chun-ying and Mr Kenneth LEUNG, it seems that they have longstanding grudges and their animosity is so intense that a legal proceeding is initiated. Hence, an objective judgment is that it would be difficult for Mr Kenneth LEUNG to set aside his personal grudges for a fair inquiry of the UGL incident. Even if he can do so and so under the sun as he claimed, there may be doubts on whether the inquiry may be partial to the prosecutors, thereby seriously undermining its credibility. What is the point of doing this? However, colleagues of the opposition camp simply turned a blind eye to this situation and stand by his side, ignoring completely the credibility of the Select Committee. Is it because they have already taken side and the investigation is nothing but a gesture?

The remaining tenure of the current-term Government is just less than a month, yet colleagues of the opposition camp still try to initiate the impeachment procedure. I would consider this their final shot of a political attack against LEUNG Chun-ying. Mr Holden CHOW has undoubtedly handled the matter improperly, but he has already apologized and resigned from the position of Deputy Chairman of the Select Committee. As he has assumed his due responsibilities, the relevant disputes should come to an end as well. Hence, I oppose the two motions of today to impeach the Chief Executive and censure Mr Holden CHOW.

President, I so submit.

MR ABRAHAM SHEK: President, the recent saga arising from the Chief Executive C Y LEUNG's alleged interference in the work of the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG
Chun-ying and the Australian firm UGL Limited ("the Select Committee") has, unfortunately, dented the rule of law, the reputation of the Legislative Council and the essence of the Basic Law about checks and balances.

I urge both the Government and Legislative Council Members to refresh their memory about the very concept of checks and balances for the sake of good governance and the protection of "one country, two systems", as it is high time for those in power, one way or the other, to do so.

To talk about Article 73(9) of the Basic Law on the impeachment of the Chief Executive is indeed a very solemn issue. And to discuss this issue, one must really understand the roles and functions of the different aspects of the Government. The roles and functions of the Chief Executive, the executive, the legislature and the judiciary are intertwined as stipulated in the various Sections under "Chapter IV: Political Structure" of the Basic Law, particularly with regard to Articles 47, 48, 50, 64, 73, 85 and 88.

According to Article 47, the Chief Executive of the HKSAR must be a person of integrity, dedicated to his or her duties. Under Article 64, the HKSAR Government must abide by the law and be accountable to the Legislative Council; it shall implement laws passed by the Council and already in force; and, amongst other things, it shall answer questions raised by Members of the Council. Similarly, Article 73 stipulates that the Legislative Council's powers and functions include the making and amending of laws, approving taxation and public expenditure, debating issues concerning public interests and monitoring the work of the Government for the interests of the public. On the other hand, Articles 64, 85 and 88 of the Basic Law guarantee judicial independence free from any interference—with this in mind, I think we then can look into Article 73(9), on which the motion under debate is based.

President, although the above provisions suggest that Hong Kong's political system is executive-led, as manifested in the power conferred on the Government to formulate and propose policies and legislation, the Basic Law does not use the term "separation of powers" to describe the relationship between the Executive Authorities, the legislature and the judiciary. The nature of their relationship is one founded upon effective checks and balances. Each of the three branches has enjoyed de facto independence in performing its respective roles and functions for enhancing the governance of the HKSAR, with no single branch having absolute and unrestrained power over the others.
Clearly, the legislature is not subservient to the Executive Authorities, nor are legislators the servants of the Chief Executive. Interference in the work of the legislature, direct or indirect, was unprecedented in the history of the HKSAR—regrettably, Mr LEUNG has now been alleged to have made history for all his wrongdoings.

President, the intimacy between the Chief Executive and Honourable Holden CHOW is irrelevant in this case, for everyone has his or her right to develop personal relationship with others. While Honourable Holden CHOW might be too green to have fully appreciated the dos and don'ts when assuming the role as a legislator or a Select Committee member, Mr LEUNG, as a veteran in politics, should have grasped the fine line between the roles and functions of the Chief Executive and those of a legislator.

Without the Select Committee's prior acknowledgement, the Chief Executive has made amendments to the document thereof. The then Select Committee Deputy Chairman Honourable Holden CHOW has fully adopted all the changes and returned the amended documents to the Select Committee as if it were his own work. In this particular incident, the Chief Executive has been perceived and alleged to be a shadow legislator pulling the strings of the puppet named "Holden" who, unfortunately, might merely have acted in good faith for the sake of the legislature and in the genuine belief that the Chief Executive is well-intentioned. On prima facie evidence, the accusation is based no more than mere perception, as I have just noted. It is up to everyone to choose what to believe.

However, in politics, perception is everything. In the public eye, the unfolding of the incident in itself is awfully appalling, whatever the truth behind the dealings between LEUNG and CHOW. It is categorically wrong for the Chief Executive to do anything to assume, or likely to enable him to assume, the role of a legislator.

Should the Chief Executive have qualms about the impartiality of the Select Committee, there are other formal and transparent alternatives he can pursue, as indicated earlier by Honourable Starry LEE. He could have sent a formal letter to the Select Committee expressing his worries and concerns, submitted proposals to the Select Committee for its consideration, requested to attend the Select Committee's preparatory meetings to express his views, and so
on. Through these formal means, the Chief Executive could exhibit his respect for the legislature and the established rules and procedures, which are important nowadays particularly for mending the fences, especially in view of the fact that Mr LEUNG has never been on good terms with some Members of this Council, and that building a cordial and constructive relationship between the Executive Authorities and the legislature has seemingly never been on the Chief Executive's agenda.

President, I was taken aback when the Chief Executive's alleged interference was exposed. I can't make heads or tails of why the Chief Executive did that. Was he aimed to take a shortcut to save time or a detour to avoid something? No one except Mr C Y LEUNG could tell what his actual intent was, and that is not important. But with the benefit of hindsight, any reasonable man in Mr LEUNG's circumstances would probably have not done what he had done, particularly given the current highly politicized atmosphere surrounding Hong Kong, where both the extreme left and right would exploit every opportunity to strike a blow against their opponents. It was either bold or stupid for the Chief Executive to have stepped in the muddy waters to get himself dirty. Perhaps, apart from his self-willed and overbearing style, the Chief Executive was overly-confident about his ability. Nevertheless, many things in this world go beyond one's manipulations or calculations and subjective wishes. For instance, he might never have envisaged that the electronic version of his amended document would be submitted directly to the Legislative Council Secretariat.

Notwithstanding all the criticisms against Mr C Y LEUNG, I doubt if he has had any serious breach of law or dereliction of duty in respect of Article 73(9) of the Basic Law. The impeachment mechanism under Article 73(9) is very solemn, which must not be triggered by perception alone as has earlier suggested by the mover of this motion, but should only be triggered based on sound reasoning and established facts.

First, the concept of checks and balances between the Executive Authorities and the legislature manifested in the Basic Law is more a "soft law" than a typical "hard law". In other words, while full compliance is duly encouraged, legal consequences have not been set out in respect of a breach.
Second, Mr LEUNG seems to have overdone his duty rather than having dereliction of duty. It appears that Honourable Holden CHOW has somehow fully endorsed the Chief Executive's amendments without questions. Had Honourable Holden CHOW been coerced, induced or unduly influenced by the Chief Executive before he submitted the amended document to the Select Committee, then it would have been a different story that is worth pursuing by this Council. Based on the facts, however, I believe that is not the case.

Third, Mr LEUNG had not benefited materially from this alleged interference. Since the Select Committee is still at the preparatory stage of its work, and Honourable CHOW's position in the Select Committee has been replaced by another Member, investigation will continue unaffected. Under the test of probability and that test of materiality, I do not see why we should really support the motion under Article 73(9).

For these reasons, there is little point in setting up an independent investigation committee chaired by the Chief Justice of the Court of Final Appeal to investigate Mr C Y LEUNG's alleged interference. While the lengthy process required for the entire impeachment procedure against Mr C Y LEUNG will be "past tense" as his tenure will end soon, the available evidence lacks a prima facie case justifying further investigation of the alleged interference in the Select Committee's work by Mr LEUNG. If it can be foreseen that the suggested investigation committee will unlikely adduce sufficient evidence to substantiate the Chief Executive's serious breach of law or dereliction of duty concerning his alleged interference, except for venting the anger of those who bear a grudge against Mr C Y LEUNG, no one will benefit from a separate investigation. In contrast, Article 73(9) could reasonably be resorted to if the Select Committee would subsequently establish that the Mr LEUNG was legally wrong for his receipt of £4 million from UGL, and this is yet to be a foregone conclusion as the Select Committee shall continue its work.

That being said, any form of interference into the Legislature's work will undermine good governance and the longevity of "one country, two systems", which is therefore totally unacceptable. We must not sacrifice our well-established rules and procedures implied by the Basic Law for the effective checks and balances between the three branches of the Government. I wish the next Chief Executive can be squeaky-clean and learn from this incident, with a
view of fostering a less strained relationship between the executive and the legislature through trust and respect, rather than contempt and conceitedness.

Thank you.

MR HUI CHI-FUNG (in Cantonese): I am speaking in support of the motion to form an independent investigation commission and to impeach LEUNG Chun-ying.

When Mr Wong Ting-kwong spoke earlier, he started off by saying that the democrats had used very unpleasant, very disrespectful and very rude words to describe "689". In response, I would like to ask in what areas LEUNG Chun-ying are worthy of Hong Kong people's respect. He abused his power, committed dereliction of duty, received benefits without making declaration, practised the art of doublespeak, interfere with the Legislative Council's statutory inquiry on him, deceived the public and exploited his power to the fullest. Are these qualities worthy of respect by the public? Does he deserve to be called "Chief Executive"? I will only call him "689".

Thus, we have to rely on the power of the Legislative Council to find out the faults of this Chief Executive so as to tell the public the truth. Why do we have to adopt such a high-level approach as impeachment and make such serious accusations against LEUNG Chun-ying in handling this incident? The reason is that LEUNG Chun-ying has nakedly interfered with the inquiry and the affairs of the Legislative Council. He wanted to control the Legislative Council to get the result he wanted, i.e. the Legislative Council would draw the conclusion that it was not necessary for him to declare interests and that he had neither abused his power nor committed dereliction of duty. Anyway, he had not done anything wrong. In order to get this result, what means did he use? He conspired with pro-establishment Member Mr Holden Chow such that the latter was like being possessed by him. All the amendments that Mr Holden Chow made to the document were actually made by LEUNG Chun-ying.

If the Chief Executive can interfere with the affairs and the statutory inquiry of the Legislative Council in such a way, the Legislative Council will lose its credibility and the public will no longer trust the Legislative Council. When a Member speaks in future, the public will doubt whether the Member is speaking
on behalf of LEUNG Chun-ying; whether the Member is possessed by LEUNG Chun-ying; whether LEUNG Chun-ying has passed a document to the Member, telling him what to say in the Legislative Council to serve his purpose. When a Member submits a document or makes any amendments in future, the public will doubt whether the Member has acted on the instructions of LEUNG Chun-ying. If members of the public have this kind of doubts about the Legislative Council, it will be meaningless for the Legislative Council to conduct any inquiry in future.

The acts of LEUNG Chun-ying and Mr Holden CHOW have completely ruined the good practices and procedures established by the Legislative Council over a long period, as Mr Abraham SHEK mentioned earlier. The fine traditions of the Legislative Council have been destroyed completely. Obviously, their acts constitute abuse of power and dereliction of duty. If LEUNG Chun-ying was so keen to interfere with the affairs of the Legislative Council and was so eager to get Members to speak for him, it would be better for him to become a Member of the Legislative Council through direct election instead of interfering with the affairs of the Legislative Council by such means.

In fact, many legal scholars, taxation experts and members of the public have made many criticisms regarding the UGL incident. There are many questions which LEUNG Chun-ying has not answered to the public. These questions include: has the Board of Directors of DTZ Holdings plc given approval at the time for him to receive a huge reward from UGL? If it has not, will LEUNG Chun-ying's act constitute a corrupt practice under the Prevention of Bribery Ordinance? If the contract provided that he had to provide certain services—certainly, he said that he eventually did not provide the services—and he obtained the relevant reward, was the amount really not taxable? He has not openly answered any of these questions and these are exactly the areas which the Select Committee will investigate.

However, it turned out that LEUNG Chun-ying wanted to interfere with the scope of our inquiry secretly. He said that he was not acting secretly, but he only became frank and honest after his clandestine acts were uncovered. All of a sudden, he openly expressed his views on the scope of inquiry. The public can see very clearly whether he has been frank and honest or whether he has acted secretly. If what happened could pass "the sunshine test", why did he not tell us earlier?
Subsequently, LEUNG Chun-ying has done many things to divert people's attention. How many times have the pro-establishment Members mentioned "diverting people's attention" today? They also said that some Members accepted dirty money and some Members did not declare interests. Even if some Members have omitted to declare interests or made some mistakes, does it mean that LEUNG Chun-ying has acted properly? That really is diverting attention. The pro-establishment Members said that Mr Kenneth LEUNG should definitely not stay in the Select Committee and they demanded for his resignation. If these arguments stand, it would mean that Mr Kenneth LEUNG really has conflict of interests. Many Members disapprove of LEUNG Chun-ying, they oppose him politically and may even have preconceptions about him; does it mean that they cannot be members of the Select Committee? If so, no Member from the opposition camp can join the Select Committee because all Members of the camp oppose LEUNG Chun-ying.

If a Member should not join the Select Committee because he is involved in a lawsuit in which LEUNG Chun-ying is the plaintiff and he is the defendant, the situation can be dealt with in a much simpler way. LEUNG Chun-ying may as well sue all opposition Members so that not a single Member of the Legislative Council can investigate allegations against him and then he can become an emperor! That is a specious argument and a very good example of diverting people's attention. I find it really laughable that the pro-establishment Members have accused the pro-democracy Members of diverting people's attention.

How many Members have stood up to shield LEUNG Chun-ying today? In fact, they have done so not just today. A typical example is Mr WONG Ting-kwong. Members of the Democratic Alliance for the Betterment and Progress of Hong Kong and the pro-establishment Members are also filibustering in the Legislative Council. I am not saying that it is wrong to filibuster, but what these Members did was really an eye-opener. I heard someone say that the Legislative Council has become the "Pro-LEUNG Kuk" to shield and protect LEUNG Chun-ying. In my view, to stop the discussion on the motion of impeachment by filibustering is an act of lackeys to protect their master and it is just another act to work to the advantage of LEUNG Chun-ying.

LEUNG Chun-ying has said that the pan-democratic Members have abused the power of investigation of the Legislative Council because under the existing mechanism, when 20 Members stand up to submit a petition, a select committee can be formed. Is that an abuse of power? LEUNG Chun-ying seemed to treat
the matter lightly when he said that it only required 20 Members to stand up. How many members of the public do these 20 Members represent? Considering that the Legislative Council is composed of 70 Members, is the number of 20 Members a low threshold? The practice of 20 Members standing up to submit a petition asking the Legislative Council to conduct a statutory investigation complies with the procedures of the Legislative Council, and the Basic Law also provides the Legislative Council with the power of investigation. The Legislative Council has the constitutional role to monitor the Government. Since we have this power, we can exercise check and balance against any abuse of power and dereliction of duty on the part of public officials and blunders in administration on the part of the Government. If the exercise of this power by the pro-democracy Members is regarded as an abuse of power, can LEUNG Chun-ying and the pro-establishment Members tell me whether the Legislative Council no longer needs this power because anyone who tries to investigate LEUNG Chun-ying or other public officials will be accused of abusing power? On the other hand, in demanding to investigate the National Flag incident in which Dr CHENG Chung-tai is involved, are the pro-establishment Members abusing their power?

Even if the motion of impeachment is passed today and an independent investigation committee can be formed, some pro-establishment Members and members of the public say that the committee can only be formed after 1 July and LEUNG Chun-ying will have stepped down by then. What is the point of initiating this motion? The answer is that we have to tell the public that people should not think that this matter will end because LEUNG Chun-ying has left public office and "689" is no longer the Chief Executive. Hong Kong people and the pro-democracy Members will not let go. You may say that is a political gesture, but we have to tell the public that when "689" or any future public official abuses his or her power and commits dereliction of duty, deceives the people and even interferes with the affairs of the Legislative Council and attempts to take away the power of the Legislative Council in monitoring the Government, we will perform our constitutional role and exercise the power given by the Basic Law to pursue the matter to the very end. That is what the public has expected us to do and the public has given us this power to exercise in the Legislative Council. We will pursue the matter to the very end. Even though LEUNG Chun-ying will leave office eventually, it will be put on the historical records of the Legislative Council that this Chief Executive was impeached because he abused his power, committed dereliction of duty, involved in corruption and improperly interfered with the affairs of the inquiry to be conducted by the
Legislative Council. I do not know how far pro-establishment Members will go in shielding LEUNG Chun-ying, whether they will crazily filibuster and abort meetings to protect LEUNG Chun-ying and Mr Holden CHOW. No matter whether they will succeed or not, history will record that this Chief Executive has left a big blemish in the history of Hong Kong. Hong Kong people will not let go of the matter; we will definitely pursue the matter to the very end to uphold the core values of probity and due process in Hong Kong.

Mr LEUNG, I so submit.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9:00 am tomorrow.

*Suspended accordingly at 7:38 pm.*
Annex I

Inland Revenue (Amendment) (No. 3) Bill 2017

**Committee Stage**

Amendments moved by

the Secretary for Financial Services and the Treasury

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<tr>
<th>Clause</th>
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<td>4</td>
<td>In the proposed entry relating to “Korea, Republic of”, by deleting “2018” and substituting “2019”.</td>
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<tr>
<td>4</td>
<td>By adding in alphabetical order to the proposed entries—“Turkey, Republic of 2018”.</td>
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Written answer by the Secretary for Food and Health to Mr SHIU Ka-fai's supplementary question to Question 5

As regards restriction on the export of as well as the supply of and demand for powdered formula for infants and young children, the survey results indicated that the supply and price situation of the local powdered formulae remained stable in general for the period from February 2016 to March 2017. Nevertheless, there were varying degrees of shortage (20%-30%) of products of individual brands in certain districts.

We will continue to keep in view the operation of the supply chain of powdered formulae, and review the effectiveness of the relevant measures.