

~~PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, I have warned you several times. If you yell at your seat again, I will order you to leave the Chamber immediately.~~

MR ALVIN YEUNG (in Cantonese): *President, an unprecedented personnel upheaval occurred in the Independent Commission Against Corruption (ICAC) last week. Ms Rebecca LI, acting Head of Operations, and a senior investigator resigned one after the other, thus dealing a serious blow to the morale of ICAC staff. It is even rumoured that the ICAC has to postpone its annual dinner scheduled to be held tonight as the dinner is boycotted by about 80% of its staff.*

This incident has seriously eroded Hong Kong people's confidence and trust in the ICAC. It is widely suspected that the personnel upheaval has something to do with the ICAC's investigation into the \$50 million payment that LEUNG Chun-ying received from the UGL. The case of the UGL has been delayed for a long time. Whenever LEUNG Chun-ying was invited to give an account of the case in this Council, he kept saying that he had nothing to add. But the case has caused unprecedented damage to our time-tested system of anti-corruption.

President, Ms Rebecca LI can no longer probe further into the case now. As a Legislative Council Member, I would like to ask LEUNG Chun-ying a question on behalf of Ms LI here, so that he can have an opportunity to explain clearly to the people of Hong Kong whether he has ever received any payment from UGL since assuming office as Chief Executive; and whether he has made any declaration of interest to the Executive concerning this payment? Does he have the courage to disclose the relevant documents exchanged between him and UGL, so that the public can check whether he has received any bribe? Moreover, please do not treat Hong Kong people like a fool and keep saying that he has "nothing to add". We are so sick of hearing that answer ...

PRESIDENT (in Cantonese): Mr YEUNG, you have raised your question. Please sit down.

MR ALVIN YEUNG (in Cantonese): *President, let me make my last point. I must make it a point to warn LEUNG Chun-ying that when he is no longer the Chief Executive, when his protective shield is taken away, he will be the next Rafael HUI.*

CHIEF EXECUTIVE (in Cantonese): President, we strongly support the work of the ICAC and attach a great deal of importance to it. In respect of the question raised by Mr Alvin YEUNG just now, if he is genuinely concerned about the case, he should have known that I, the SAR government and the ICAC have already offered an explanation again and again over the past two years. The UGL documents he referred to just now were disclosed in October of the year before last. All these questions and doubts have long since been clarified.

The Chief Executive cannot possibly interfere with the work of the ICAC. And, in fact, the ICAC also released a statement in this regard in the past two days. These questions are easy to answer. My concern is not that answering these questions may put me in any unfavourable position, but that the ICAC, the complainant and respondent shall not discuss the details of the complaint case once it is lodged.

MR ALVIN YEUNG (in Cantonese): *President, I only want to ask if the Chief Executive has in fact admitted indirectly that he is now under investigation by the ICAC and must therefore get rid of Rebecca LI. I must make it a point to remind him not to play any more tricks as he has already stifled a lot of things in Hong Kong.*

PRESIDENT (in Cantonese): Mr YEUNG, you can only raise a short supplementary question.

CHIEF EXECUTIVE (in Cantonese): There are established systems and rules to address the staffing issues of the ICAC. The Chief Executive and the ICAC Commissioner have been strictly following the systems.

~~MR JAMES TO (in Cantonese): President, let us look at the following: Mr LEUNG has been in office for three years or so. To date, the Chief Executive still refuses to amend the Prevention of Bribery Ordinance to bring himself under the regulation on forbidding acceptance of advantages. It has been reported that the Office of the Chief Executive and the Executive Council Secretariat have yet to provide, after a one-year delay, the declaration of interests of the Chief Executive.~~

~~Mr LEUNG appointed Simon PEH as Commissioner of the Independent Commission Against Corruption (ICAC), and he recently terminated the acting appointment of Rebecca LI as Head of Operations. With 30 years of experience and outstanding performance, Ms LI is well respected by her colleagues in her acting post, and the termination, in a way, is an act to force her to leave the ICAC. However, we have reasons to believe that Rebecca LI was investigating the case involving Mr LEUNG's alleged acceptance of \$50 million from a firm called UGL. PEH's decision has eroded the morale of ICAC staff and 70% of his staff refused to attend the annual dinner.~~

~~President, Mr LEUNG appointed Maria TAM with strong political inclination as Chairman of ICAC's Operations Review Committee (ORC,) which has the power to give the go-ahead to stop the investigation into any corruption cases, including the one involving Mr LEUNG.~~

~~President, may I ask Mr LEUNG how we can still have any confidence in the anti-corruption system in Hong Kong under his administration? President, I am saddened by the fact that the faith and the system painstakingly established by Hong Kong people are now buried by Mr LEUNG. Even the Central Government is apparently stepping up its anti-corruption operation on the Mainland. Why does he insist on harming Hong Kong and bring disgrace to the Country?~~

CHIEF EXECUTIVE (in Cantonese): President, a large part of what Mr James TO said is premised on guesses. Actually, we are not supposed to publicly comment on the personnel arrangements of the ICAC or other government departments. But due to the public concern about the work of the ICAC, the ICAC Commissioner gave a clear and comprehensive account to the public and answered questions from the media a few days ago. Details concerning the acting appointment of Rebecca LI a year ago, the background and causes of the

cessation of her acting appointment and who was responsible for the decision are all explained clearly in the public statement issued by the ICAC Commissioner several days ago.

MR JAMES TO (in Cantonese): *President, may I ask the Chief Executive ... What I said just now are all facts. Mr LEUNG has sought to protect himself in all matters relating to himself, including statutory regulation for the Chief Executive, the appointment and removal of investigation officers, his refusal to provide information and the appointment of ORC members. How can we still have any confidence in the independence of the investigations conducted by the ICAC Commissioner, particularly those that are mainly directed at the Chief Executive? How can the Chief Executive face Hong Kong and China?*

CHIEF EXECUTIVE (in Cantonese): President, what Mr James TO has just said is unfair not only to me but also to all ICAC staff.

(A Member yelled)

PRESIDENT (in Cantonese): Will Member please be quiet.

MS STARRY LEE (in Cantonese): *President, 19 years have passed since the return of Hong Kong to the Motherland, and "one country, two systems" has likewise been implemented for 19 years. In the process, Hong Kong has made quite some accomplishments. And, Hong Kong has certainly enjoyed many advantages under "one country, two systems". But President, it is undeniable that Hong Kong has encountered many new challenges during the implementation of "one country, two systems" over these 19 years. Many Hong Kong people have invariably asserted that Hong Kong is now plagued by many conflicts, and such conflicts are manifesting themselves vigorously all at the same time, one example being the tension between the executive and the legislature since the reunification.*

We are aware that the conflicts between both places in recent years have turned increasingly complex, numerous and acute. Some say that such conflicts are a result of the changing environment. Some assert that they are caused by

~~the system, including certain designs of the Basic Law, and also the structure and operation of the Government. Yet some others are of the view that such conflicts are largely man-made. May I ask how the Chief Executive perceives the various kinds of conflicts in Hong Kong today? As the Chief Executive, how will he cope with such conflicts to ensure that "one country, two systems" can be implemented more satisfactorily?~~

CHIEF EXECUTIVE (in Cantonese): President, "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy" are the most advantageous arrangements for Hong Kong. Hong Kong enjoys the dual advantage of "one country, two systems" in various respects. By this, I mean we enjoy the advantage of "one country", and also the advantage of "two systems". When compared to our foreign competitors, we enjoy the advantage of "one country" — China. The reason is that China is a vast country with rapid development in various respects which ranks second in GDP in the world, and it is very supportive of Hong Kong's development. This is our advantage of "one country". As for our advantage of "two systems", we practise another system as opposed to the system adopted by the 600 or so Mainland cities. This is where our advantage of "two systems" lies. Capitalizing on the dual advantage of "one country, two systems", we can play the role of a "super-connector" and in turn contribute to the development of Hong Kong and also the country. For these reasons, "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy" are the most advantageous arrangements for Hong Kong at all times — not only today and yesterday, but also in the long run. So, we must vigorously uphold "one country, two systems".

Today, "one country, two systems" is no longer a mere concept as in the times of the Sino-British negotiations back in 1982. After 15 years of preparation, including five years of drafting and consultation, the Basic Law was promulgated in 1997 to implement "one country, two systems", "Hong Kong people administering Hong Kong" and especially "a high degree of autonomy". By now, a legal basis for all these concepts is already firmly established. Therefore, concerning the operation of "one country, two systems", we are no longer talking about mere and abstract concepts like "one country, two systems", "Hong Kong people administering Hong Kong" and "a high degree of autonomy". Instead, we are involved in the actual implementation of the 160 provisions of the Basic Law.

~~I remember that almost 30 years ago in 1987, I participated in many discussions on introducing directly elected Members of the Legislative Council in 1988 for the first time ever. Even today, I can still remember a viewpoint put forth by a member of the pan-democratic camp at that time. He said, "Social conflicts are bound to exist in the objective reality. To resolve such social conflicts, we must count on the law and undergo a political process." Generally speaking, I think this remark is still sensible today in some way. The present-day social conflicts in Hong Kong society, be they class conflicts or non-class conflicts (such as the conflicts between development and conservation), are bound to exist in the objective reality. We should seek to resolve such conflicts through a political process, including discussions among us in this Chamber and also executive-legislature interactions.~~

Let me reiterate one point again. Our social conflicts can be explained by many reasons, probably including most of the issues mentioned by Ms Starry LEE just now. But the point is that "one country, two systems" is the most advantageous arrangement for us. We should not allow our conflicts to affect our perception of "one country, two systems".

MS STARRY LEE (in Cantonese): *President, I agree to the Chief Executive's remark that we should vigorously uphold "one country, two systems". I also agree that "one country, two systems" is the most advantageous arrangement for Hong Kong and the country alike. But can the Chief Executive explain in greater detail what strategies he and the SAR Government will put in place in the future to deal with the various social conflicts at present?*

CHIEF EXECUTIVE (in Cantonese): First and foremost, I must state one point, the point that we must act on the basis of the law. We must act on the basis of the Basic Law and also all the other laws of Hong Kong. This is fundamental. As for daily operation, I wish to say that we are willing to listen to the views of various social sectors, in the hope of seeking common ground while accommodating differences. Our tasks also include the proper handling of executive-legislature interactions and also such relationships as mutual co-operation and mutual checks and balances between the executive and the legislature. I believe such conflicts can probably be solved if everybody upholds the spirit of seeking common ground while accommodating differences. ~~In fact, we have resolved many conflicts over the past 19 years. In the case of~~

~~class conflicts, we have successfully resolved many of them (such as the poverty problem) over the past four or five years through the efforts of Chief Secretary for Administration Carrie LAM, Secretary Matthew CHEUNG and other colleagues. For these reasons, I believe with confidence that we can continue to deal with such tasks properly in the future.~~

MR KWOK WAI-KEUNG (in Cantonese): *President, I wonder if the Chief Executive can still remember what this thing is. It is his election manifesto. Four years ago, as a pledge to the FTU, he included issues like standard work hours (SWHs) and the abolition of the arrangement for offsetting severance payments and long service payments against MPF accrued benefits (the offsetting arrangement) in his manifesto, thus giving a glimmer of hope to the labour sector. However, four years on, the discussions on legislating for SWHs and setting up a retirement protection regime are still going on, and the offsetting arrangement is merely under consultation. All these are empty talks only. Does he have any genuine intention of properly addressing the various issues of the labour sector? All the gravest concerns of employees still remain unanswered and unresolved. We in the labour sector have thus started to ask many questions in our minds. Is that because the business sector is too unreasonable? Is that because he is a "jinx" to employees and has brought them bad luck? Or, is that because he has long since forgotten all about this election platform?*

(Some Members yelled)

PRESIDENT (in Cantonese): Will Members please keep quiet.

MR KWOK WAI-KEUNG (in Cantonese): *President, only one year is now left before this glimmer of hope vanishes. We can see that after three years of discussions, the Standard Working Hours Committee has managed to give us a "rotten orange" only — the drawing up of contractual working hours ...*

PRESIDENT (in Cantonese): Mr KWOK, please state your question and stop making comments.

~~MR KWOK WAI-KEUNG (in Cantonese): ... thus forcing the labour sector to withdraw from the Committee. May I ask the Chief Executive whether he is no longer able to honour his pledge to the labour sector, now that only one year is left in his term of office?~~

CHIEF EXECUTIVE (in Cantonese): President, we will continue to do our utmost to fulfil all the pledges in my election manifesto. When submitting this manifesto to Members at that time, I said that it was not only an election manifesto but also my policy agenda after assumption of office. Therefore, I have taken the initiative to report to the public our achievements on a yearly basis since I took office. This practice was not adopted by the last two or three governments.

The issue of SWHs, the offsetting arrangement and the provision of retirement protection mentioned by Mr KWOK Wai-keung are all perennial, major and thorny problems. Yet, we are not afraid of difficulties. The Medical Registration Ordinance is an example. In the last decade or so, during the time of successive governments, people within or outside the government already talked about amending the Ordinance. The current-term Government is the only government that has actually embraced the difficulties and introduced legislative amendments. However, we now face the same problem confronting the issue of SWHs, the offsetting arrangement and the provision of retirement protection mentioned just now by Mr KWOK Wai-keung — how we can achieve consensus in the Legislative Council.

We believe that the legislative amendments to the Medical Registration Ordinance are comparatively simple and have been held up for much too long. We also think that there is already a general consensus in society, and patients are eager to see the passage of the amendments. But despite the unanimous support expressed by society and newspaper editorials, the headcount requests and filibustering of just a handful of Members in the Legislative Council have rendered it impossible to tell whether in the remaining 23 ...

(Some Members yelled)

PRESIDENT (in Cantonese): Will Members please keep quiet immediately. Chief Executive, please go on.

~~CHIEF EXECUTIVE~~ (in Cantonese): ... whether in the remaining 23 hours the bill can be passed. For all such issues involving the interests of both employers and employees, we must put in extra efforts to reach a consensus in society and the Legislative Council. Members must understand that the problem actually has nothing to do with the SAR Government's unwillingness to get the job done. As a matter of fact, in the case of retirement protection, for example, Chief Secretary for Administration Carrie LAM and Secretary Matthew CHEUNG have already held quite a number of consultation sessions. And, they have also explained and clarified the various issues on various occasions outside the Council in an attempt to lobby for the public. The SAR Government has already done its best. I very much hope we can have a magic button today, so that we can accomplish these tasks by a simple press of the button.

MR KWOK WAI-KEUNG (in Cantonese): *Chief Executive, having listened to your reply, we all understand why there has been no progress at all over the past four years. I hope he can stop giving such a perfunctory reply. I just want to ask if he will give us a solution during his remaining term of office*

CHIEF EXECUTIVE (in Cantonese): I really hope that Mr KWOK Wai-keung and other Members of the Legislative Council, including Members representing the commercial and industrial sector and other sectors, can join hands with the Government to complete these tasks for the sake of Hong Kong's overall long-term interests. Members can all witness the enormous work done by the SAR Government for the grassroots, employees included, over the past four years. The Government's social welfare expenses have risen by 55%, that is, 55%, over the previous five years, benefiting the grassroots, including employees. Social welfare is now the SAR Government's second largest expenditure, second only to education.

MR KWOK WAI-KEUNG (in Cantonese): *President, I do not want to waste any more time on him. Please let other Members ask their questions!*

~~(Some Members tapped on the benches and exclaimed in approval)~~

~~PRESIDENT (in Cantonese): Will Members please keep quiet. Mr Tommy CHEUNG, please ask your question.~~

MR TOMMY CHEUNG (in Cantonese): *First of all, I wish to thank the Chief Executive for submitting to the Legislative Council the Medical Registration (Amendment) Bill 2016 (the Bill), which incorporates the private bill proposed by me late last year. I would also like to thank the Secretaries of Departments, Directors of Bureaux and their teams for making such hard efforts and spending so much time over the past few months. By now, we still have 23 hours for the Bill. The Chief Executive likewise said that there are 23 hours left, though he also remarked that the passage of the Bill should be very much unlikely. That said, I am a person who believes in miracles.*

Chief Executive, I always believe that tiny, small and medium enterprises are the most vulnerable group in Hong Kong. This is particularly true for those of us engaging in the catering industry, as we are always unsure about what will happen next. Another vulnerable group is the middle class. The implementation of the minimum wage has substantially increased the wages of low-income earners. However, the salaries of those at middle and top levels have been compressed for the purpose of making up for the increased spending on grass-roots wages, and the pace of their pay increases has thus been very slow. Coupled with inflation, the minimum wage regime has given a very hard time to the middle class. Of course, the middle class are also faced with many other problems.

In 2012, Miriam LAU, then the Chairman of the Liberal Party, put forward a motion in the Legislative Council. Yet, because of the delay caused by filibuster, the motion could not be moved due to the lack of time. I once thought that I was cleverer, but it turns out that I am in fact not clever enough. I joined the queue around March and April last year, and in January this year, my motion was already the first in the queue of motions to be moved at the Legislative Council.

~~PRESIDENT (in Cantonese): Mr CHEUNG, please state your question as soon as possible.~~

~~MR TOMMY CHEUNG (in Cantonese): Yet, it still cannot be moved even now. What is my motion about? Simple, I hope the Chief Executive can establish a middle-class commission. I want to ask the Chief Executive if he will establish a middle-class commission in the remaining few months of his term.~~

CHIEF EXECUTIVE (in Cantonese): President, I thank Mr Tommy CHEUNG for his recommendation. Regarding the middle class, it should be said that Mr Tommy CHEUNG and I happen to share the same view. It can be said that over the past four years, the SAR Government has already done quite some work for the grassroots. We will not give up. We will keep working on this, as there is still much work to do. The next target group, I believe, should be the middle class. Their problems are many, certainly not limited to business-related problems of small and medium enterprises (SMEs). Unlike other social strata, middle-class people may have more variegated aspirations in life. Therefore, I think all in society must give their views on how to address the aspirations of middle-class people, including proprietors of SMEs and young and newly qualified professionals.

As for whether we need to establish a commission specially for SMEs or the middle class in general to gauge their opinions, we will take this into consideration. However, as the middle class is the pillar of society and SMEs are the main components of our economy, both groups still deserve our attention as a matter of fact. I really hope that Mr Tommy CHEUNG can formulate some concrete recommendations in this respect.

~~MR TOMMY CHEUNG (in Cantonese): President, I thank the Chief Executive for his reply. However, I must still say that over all these years, your government and also the previous ones have all been slicing up the "pie" for distribution to everyone except SMEs and the middle class, who are never entitled to even a morsel. Therefore, I hope the Chief Executive can really establish a middle-class commission in order to focus attention. I may keep arguing for my case here, but the effect can never compare with the effectiveness of establishing a high-level commission, because it can enable all to put their heads together.~~

CHIEF EXECUTIVE (in Cantonese): President, I agree with Mr Tommy CHEUNG that focus is very important, as this is indeed a subject with a broad coverage. ~~Simply taking SMEs as an example, I would think that SMEs owning~~

~~factories in Hong Kong or in the Mainland and small and medium travel agencies will have to deal with different sorts of problems. So, we must start with considering how to focus and set priorities, and tackle the relatively easier problems first. Thank you, President and Mr CHEUNG.~~

DR FERNANDO CHEUNG (in Cantonese): *President, I wonder if the Chief Executive has ever heard of this saying, "There is no standing for the state if the people have no faith in their rulers". Many of our problems today are mainly connected with the integrity of LEUNG Chun-ying. Today is the last time and last chance for us to monitor and question this Chief Executive of no integrity in the term of the current Legislative Council.*

When he was running for the office of the Chief Executive, he accused his opponent of building illegal structures but subsequently, Ming Pao Daily News uncovered that there were at least six unauthorized building structures at his residence. What is even more astonishing is that he received a payment of \$50 million from UGC ... UGL Limited (UGL) but refused to admit it. There is widespread suspicion among the public that he has neither made a declaration of interest ...

PRESIDENT (in Cantonese): Please raise your question.

DR FERNANDO CHEUNG (in Cantonese): *... nor paid any tax for the sum received. As far as our understanding goes, an investigation is being conducted by the Independent Commission Against Corruption (ICAC) into the case. Moreover, the validity period of the agreement he signed with the UGL partly overlapped his term as the Chief Executive, meaning that he was engaged in moonlighting. These are the common feelings of the general public, but he has tried to get away by means of prevarication and doublespeak.*

Many of the disputes we have today, including those concerning the Medical Registration (Amendment) Bill 2016 he mentioned just now, stem from the fact that we have no faith in him ...

PRESIDENT (in Cantonese): Please state your question and do not make any further comments.

DR FERNANDO CHEUNG (in Cantonese): *President, the core problem of the current-term Government is the Chief Executive's lack of integrity. He has even tried to meddle with the appointment of the Deputy Commissioner of the ICAC now by removing Ms Rebecca LI suddenly from her acting post ...*

PRESIDENT (in Cantonese): You are repeating the viewpoints expressed by other Members. Please ask your question immediately.

DR FERNANDO CHEUNG (in Cantonese): *President, may I ask the Chief Executive whether he admits that my words just now are all true? Is it true that the Executive Council has refused to co-operate with the ICAC and declined to provide information concerning whether he has made a declaration of interest for the payment he received from the UGL? Has he paid any tax for this? Has he ever made a declaration of interests? Is he aware that his own lack of integrity has already become the core problem of Hong Kong? Can he tell Hong Kong people that he will not seek re-election?*

CHIEF EXECUTIVE (in Cantonese): President, I have gone through the records of proceedings of the Council before I came, and I thus know that with regard to all the questions raised by Dr Fernando CHEUNG in his speech just now, I already gave a reply here in this Council. Dr Fernando CHEUNG has even mistaken the name of the company, thus reflecting how well does Dr Fernando CHEUNG know about the matter.

The agreement mentioned ...

(Some Members talked loudly)

PRESIDENT (in Cantonese): Please keep quiet.

CHIEF EXECUTIVE (in Cantonese): ... is a termination agreement under which I undertook not to compete with and poach employees from the company within two years after my resignation, and an explanation has already been given in this respect previously.

In some media reports published on the case again last week, it was alleged that the contract I signed was an agreement on commission rebate. Such reports or public conjecture and rumours in the community are all unsubstantiated, but I will not time to do anything else if I am to clarifying all these rumours. No one ever suggested two years ago that the contract was an agreement on commission rebate, and as the agreement is an open agreement made available to the public, anyone can check to see if any part of it has mentioned anything about commission rebate.

Hence, the important thing is that we should all tell the facts. We should tell the truth in this Chamber of the Council; we should also speak the truth in society. We should tell the facts when talking about Members of this Council; and we should also tell the facts when talking about the Chief Executive.

DR FERNANDO CHEUNG (in Cantonese): *He has not answered my question. He is a man of no integrity; he can command no public trust and his integrity has already gone bankrupt. My question for him is: will he tell Hong Kong people that he will not seek re-election?*

CHIEF EXECUTIVE (in Cantonese): President, I have answered questions about re-election many times before, and I have nothing new to tell Dr Fernando CHEUNG today.

~~**PRESIDENT** (in Cantonese): Mr Tony TSE, please raise your question.~~

(Dr KWOK Ka-ki stood up)

~~**PRESIDENT** (in Cantonese): Dr KWOK Ka-ki, what is your point?~~