OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 2 May 2018

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, G.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, G.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 PAUL TSE WAI-CHUN, J.P.
THE HONOURABLE MARTIN LIAO CHEUNG-KONG, S.B.S., J.P.

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

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

IR DR THE HONOURABLE LO WAI-KWOK, S.B.S., M.H., J.P.

THE HONOURABLE CHUNG KWOK-PAN

THE HONOURABLE ALVIN YEUNG

THE HONOURABLE ANDREW WAN SIU-KIN

THE HONOURABLE CHU HOI-DICK

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

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

THE HONOURABLE HO KAI-MING

THE HONOURABLE LAM CHEUK-TING

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI

THE HONOURABLE SHIU KA-CHUN

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

THE HONOURABLE YUNG HOI-YAN

DR THE HONOURABLE PIERRE CHAN

THE HONOURABLE CHAN CHUN-YING

THE HONOURABLE TANYA CHAN

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.
THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG

THE HONOURABLE LAU KWOK-FAN, M.H.

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

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE JEREMY TAM MAN-HO

THE HONOURABLE GARY FAN KWOK-WAI

THE HONOURABLE AU NOK-HIN

THE HONOURABLE VINCENT CHENG WING-SHUN, M.H.

THE HONOURABLE TONY TSE WAI-CHUEN, B.B.S.

PUBLIC OFFICERS ATTENDING:

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

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

THE HONOURABLE MS TERESA CHENG YEUK-WAH, G.B.S., S.C., J.P.
SECRETARY FOR JUSTICE

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

THE HONOURABLE NICHOLAS W. YANG, G.B.S., J.P.
SECRETARY FOR INNOVATION AND TECHNOLOGY
THE HONOURABLE LAU KONG-WAH, J.P.
SECRETARY FOR HOME AFFAIRS

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

DR THE HONOURABLE LAW CHI-KWONG, G.B.S., J.P.
SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE JOSHUA LAW CHI-KONG, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JOHN LEE KA-CHIU, S.B.S., P.D.S.M., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE FRANK CHAN FAN, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

PROF THE HONOURABLE SOPHIA CHAN SIU-CHEE, J.P.
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE EDWARD YAU TANG-WAH, G.B.S., J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE MICHAEL WONG WAI-LUN, J.P.
SECRETARY FOR DEVELOPMENT

THE HONOURABLE KEVIN YEUNG YUN-HUNG, J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE PATRICK NIP TAK-KUEN, J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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

DR RAYMOND SO WAI-MAN, B.B.S., J.P.
UNDER SECRETARY FOR TRANSPORT AND HOUSING
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/Instruments

<table>
<thead>
<tr>
<th>Description</th>
<th>L.N. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Council (Election and Appointment of Lay Members) Regulation</td>
<td>67/2018</td>
</tr>
<tr>
<td>Dutiable Commodities (Amendment) Ordinance 2018 (Commencement) Notice</td>
<td>68/2018</td>
</tr>
<tr>
<td>Inland Revenue Ordinance (Amendment of Schedule 16) Notice 2018</td>
<td>69/2018</td>
</tr>
<tr>
<td>Smoking (Public Health) (Designation of No Smoking Areas) (Amendment) Notice</td>
<td>70/2018</td>
</tr>
<tr>
<td>Trade Descriptions Ordinance (Amendment of Schedule 1) Notice 2018</td>
<td>71/2018</td>
</tr>
</tbody>
</table>

Other Papers

No. 100 — Gifted Education Fund
Financial statements and Report of the Director of Audit for the period from 15 November 2016 (date of establishment) to 31 August 2017
PRESIDENT (in Cantonese): Address. Mr Abraham SHEK will address the Council on the "Public Accounts Committee Report No. 69A".

MR ABRAHAM SHEK: President, on behalf of the Public Accounts Committee, I have the honour to table our Report No. 69A which contains our conclusions and recommendations on Chapter 1 of the Director of Audit's Report No. 69 on Administration of lump sum grants by the Social Welfare Department ("SWD").

SWD provides subventions to non-governmental organizations ("NGOs") for the provision of welfare services in Hong Kong. Starting from 2001, a lump sum grant ("LSG") subvention system was rolled out with a view to allowing NGOs management autonomy and flexibility in the deployment of subvention resources. In 2016-2017, $12.5 billion of LSG subventions was allocated to 165 NGOs.
The Committee wishes to affirm the indispensable role of NGOs in providing a wide range of services to meet the divergent needs of different social strata in Hong Kong. Given substantial public resources involved and the importance of NGOs' work to Hong Kong, the Committee stresses that there should be a proper and transparent accountability mechanism for SWD and the public to monitor LSG subvention from a value-for-money perspective.

In this Chapter, the Audit Commission has revealed some incidents in which NGOs have not complied with the guidelines issued by SWD, including the LSG manual and the relevant financial circulars as well as the performance outcomes and standards stipulated in the Funding and Service Agreements ("FSAs") signed between NGOs and SWD. The Committee expresses grave concern and dissatisfaction about SWD's failure to effectively monitor NGO's service delivery, and strongly urged SWD to closely monitor NGOs with persistent underperformance and devise with them appropriate follow-up measures.

The Committee expresses concern about the persistent LSG operating deficits incurred by some NGOs. The Committee considers that the persistent LSG deficit coupled with a depleted LSG reserve of an NGO might serve as a reminder for SWD to take a more proactive role and be alert to NGOs' possible financial viability issues. SWD is urged to ensure that the provision of quality services would not be affected by NGOs' LSG deficits.

The Committee expresses dissatisfaction about the inadequacies of SWD and the Labour and Welfare Bureau, the Policy Bureau of SWD, in implementing the disclosure requirements which are aimed at enhancing NGOs' transparency and accountability to the public. In 2003, the Director of Administration issued a Memorandum promulgating a set of guidelines for the control and monitoring of remuneration practices in subvented bodies. The guidelines require a subvented body to review and disclose annually in a Review Report the remunerations of its top three-tier staff unless it meets certain exemption criteria. However, SWD only implemented these requirements from 2009-2010, a delay of some six years. The Committees also expresses grave concern about SWD's lax attitude and the serious delay in seeking clarification with the Administration Wing and the Financial Services and the Treasury Bureau on the calculation of the "50% income threshold", one of the exemption criteria. SWD's calculation
The Committee expresses concern that some NGOs had not apportioned the head office overheads between FSA and non-FSA activities or used an inappropriate basis for apportionment. The Committee considers that while it is important for NGOs to follow guidelines on the use of LSG subventions, SWD should enhance its communication with those NGOs which have encountered genuine difficulties in the apportioning process, and offer advice to them in a timely manner, taking into account actual circumstances of individual NGOs.

Pointing out that people are the most valuable assets of NGOs in providing quality service, the Committee expresses grave concern and dissatisfaction about SWD's slow and inadequate actions to tackle the problem of high turnover of social work personnel in Hong Kong. SWD is strongly urged to take a more proactive lead to address the problem of staff turnover.

As the Administration has formed a Task Force to review the enhancement of the LSG subvention system, the Committee recommends the Task Force to take into consideration a host of issues, such as engaging different stakeholders, including frontline staff, in taking forward the review.

The Report has touched upon issues relating to the governance and management of NGOs, and management of conflicts of interest by the LSG Independent Complaints Handling Committee. Details of the Committee's conclusions and recommendations are set out in the Report, comprising about 97 paragraphs. Lastly, I wish to record my appreciation of the contribution made by members of the Committee, particular the lead member, Mr LAM. Our gratitude also goes to the witnesses who attended the hearings held by the Committee. I would like to express our gratitude to the Director of Audit and his colleagues for their unfailing support. Lastly, but not the least, to our Secretariat for their hard work.

Thank you, President.
WRITTEN ANSWERS TO QUESTIONS

Liquor licensing and combating unlicensed bars

1. **MR HUI CHI-FUNG** (in Chinese): President, under the existing requirements, the Liquor Licensing Board ("LLB"), after consultation with the Police or other government departments, may grant a liquor licence with additional conditions with which a licensee must comply (e.g. restrictions on liquor selling hours), in order to strike a balance between the commercial interests of the operator and the peace and law and order of the area. With regard to applications for renewal of liquor licences, LLB will consider the track record of the licensed premises concerned, including whether the premises have caused any nuisance to nearby residents. In addition, the Police may recommend to LLB the revocation of a liquor licence if they find that the licensed premises concerned are associated with serious crimes or in serious breach of the licensing conditions. Since 3 August 2015, the validity period of a liquor licence has been extended from one year to two years or a shorter period as LLB so decides. On the other hand, some licensed bar operators have relayed to me that the incessant increase in the number of unlicensed bars in recent years has seriously affected their business environment. In this connection, will the Government inform this Council of:

   (1) the current number of premises issued with a liquor licence, and among such premises, the number of those which have been granted renewed licence of two years (and set out a breakdown by District Council ("DC") district);

   (2) (i) the number of times for which the Police recommended the inclusion of additional conditions in a liquor licence intended to be granted by LLB, and (ii) the number of liquor licences granted by LLB with additional conditions as per such recommendations, in each of the past three years (and set out a breakdown by the DC district to which the relevant licensed premises belonged);

   (3) (i) the number of liquor licences the revocation of which was recommended by the Police, and (ii) the number of liquor licences revoked by LLB as per such recommendations, in each of the past three years (and set out a breakdown by the DC district to which the relevant licensed premises belonged); and
(4) the number of law enforcement operations carried out by the Police to combat unlicensed bars, and the respective numbers of persons arrested and prosecuted for allegedly operating unlicensed bars, in each of the past three years?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Liquor Licensing Board ("LLB") is the approving authority for liquor licence applications under the Dutiable Commodities (Liquor) Regulations ("the Regulations") (Cap. 109B). Regulations 17(1) and 21 of the Regulations empower LLB to impose, where justified on reasonable grounds, specific additional licensing conditions on liquor licences. Regulation 23 of the Regulations also empowers LLB to revoke any liquor licence as it considers necessary.

Under the existing requirements, the Food and Environmental Hygiene Department ("FEHD") will approve liquor licence applications with no adverse comment or objection under the authority delegated by LLB. Other applications will be approved by LLB through internal meetings or open hearings. In considering liquor licence applications, LLB will consult the relevant government departments, including the Hong Kong Police Force ("the Police"), the Buildings Department and the District Offices via the Licensing Offices of FEHD. Leveraging their professional knowledge and experience, these government departments will examine the applications in respect of the background of the applicant, environment of the premises and possible reaction of the neighbourhood. Based on their analysis and assessment, these government departments will then tender their impartial advice to LLB through the established mechanism. LLB will arrive at an independent decision on each case after taking into full consideration the views of the relevant government departments, the applicant and the objector(s). Depending on the circumstances of each case, LLB may impose additional licensing conditions on individual liquor licences, such as restrictions on liquor selling hours, closing time of doors and windows, playing of music or use of amplifiers or karaoke equipment at such premises.

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

(1) Starting from 3 August 2015, the maximum validity period of a liquor licence has been extended from one year to two years. Only liquor-licensed premises with a good track record for at least two consecutive years immediately before the liquor licence renewal application will be granted licence renewal for two years by LLB.
As at 31 March 2018, there were a total of 8,126 liquor-licensed premises in Hong Kong, of which 4,090 were holding a two-year licence. A breakdown by District Council ("DC") district is as follows:

<table>
<thead>
<tr>
<th>DC district</th>
<th>Liquor-licensed premises (figures in bracket refer to the number of liquor-licensed premises holding a two-year licence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td>1,074 (532)</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>1,235 (630)</td>
</tr>
<tr>
<td>Eastern</td>
<td>374 (202)</td>
</tr>
<tr>
<td>Southern</td>
<td>156 (101)</td>
</tr>
<tr>
<td>Islands</td>
<td>280 (179)</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>1,913 (1,031)</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>335 (156)</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>445 (232)</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>185 (84)</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>317 (173)</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>155 (76)</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>275 (128)</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>207 (93)</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>365 (118)</td>
</tr>
<tr>
<td>North</td>
<td>116 (50)</td>
</tr>
<tr>
<td>Tai Po</td>
<td>186 (67)</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>286 (144)</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>222 (94)</td>
</tr>
<tr>
<td>Total:</td>
<td>8,126 (4,090)</td>
</tr>
</tbody>
</table>

(2) Regarding liquor licence renewal applications, the number of liquor licences intended to be granted by LLB for which imposition of additional licensing conditions was recommended by the Police and the number of liquor licenses granted by LLB with additional licensing conditions imposed as per such recommendations, broken down by the DC district, in each of the past three years are tabulated as follows:
<table>
<thead>
<tr>
<th>DC district</th>
<th>Number of liquor licences for which imposition of additional licensing conditions was recommended by the Police</th>
<th>Number of liquor licences on which LLB decided to impose additional licensing conditions as recommended by the Police&lt;sup&gt;Note&lt;/sup&gt;</th>
<th>Number of liquor licences for which imposition of additional licensing conditions was recommended by the Police&lt;sup&gt;Note&lt;/sup&gt;</th>
<th>Number of liquor licences on which LLB decided to impose additional licensing conditions as recommended by the Police&lt;sup&gt;Note&lt;/sup&gt;</th>
<th>Number of liquor licences on which LLB decided to impose additional licensing conditions as recommended by the Police&lt;sup&gt;Note&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td>287</td>
<td>286</td>
<td>290</td>
<td>290</td>
<td>206</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>126</td>
<td>126</td>
<td>132</td>
<td>132</td>
<td>146</td>
</tr>
<tr>
<td>Eastern</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Southern</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Islands</td>
<td>3</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>237</td>
<td>237</td>
<td>156</td>
<td>156</td>
<td>189</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>9</td>
<td>9</td>
<td>12</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>14</td>
<td>14</td>
<td>32</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>14</td>
<td>14</td>
<td>19</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>13</td>
<td>13</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>23</td>
<td>23</td>
<td>20</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>North</td>
<td>8</td>
<td>8</td>
<td>14</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Tai Po</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

Note:

including those with partial adoption of the Police's recommendations.
(3) The number of liquor licences the revocation of which was recommended by the Police and the number of liquor licences revoked by LLB as per such recommendations, broken down by the DC district, in each of the past three years are tabulated as follows:

<table>
<thead>
<tr>
<th>DC district</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yau Tsim Mong</td>
<td>3</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note:
In districts not shown in the above table, there were no premises against which revocation of liquor licence was recommended by the Police.

(4) The number of law enforcement operations carried out by the Police to combat unlicensed bars and the respective numbers of persons arrested and prosecuted for allegedly selling liquor without a licence in each of the past three years are tabulated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Police operations against premises selling liquor without a licence</td>
<td>155</td>
<td>225</td>
<td>225</td>
</tr>
<tr>
<td>Number of persons arrested for selling liquor without a licence</td>
<td>126</td>
<td>132</td>
<td>176</td>
</tr>
<tr>
<td>Number of persons prosecuted for selling liquor without a licence</td>
<td>76</td>
<td>102</td>
<td>110</td>
</tr>
</tbody>
</table>

The practice of placing several mobile phones or tablet computers on a vehicle's dashboard

2. **MR FRANKIE YICK** (in Chinese): President, in recent years, more and more members of the public use telephones or mobile phone applications to call taxis or goods vehicles. It has been reported that most of the drivers of such vehicles place several mobile phones or tablet computers (the highest number of devices being 13) on the dashboard so that they can communicate with their customers at any time. It is not uncommon for such drivers to get distracted as...
a result of their communicating with customers while driving, which jeopardizes road safety. As indicated by the Police's figures, the resultant casualties of last year's traffic accidents which were caused by inattentive driving were 5 735, of which 50 persons were killed and 608 persons were seriously injured. In this connection, will the Government inform this Council:

(1) of the respective numbers of drivers who were charged with the offences of dangerous driving and careless driving in each of the past five years because their using mobile phones or tablet computers while driving had undermined driving safety;

(2) of the measures to eradicate the situation of drivers being distracted due to their using multiple mobile phones or tablet computers while driving; and

(3) of the progress so far of the Government's study on the introduction of legislation to regulate the number of mobile phones or tablet computers permitted to be placed on a dashboard?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, to ensure road safety, motorists should always drive attentively and avoid being distracted. Therefore, motorists should avoid using smart phones/devices (including tablets) as far as possible while driving. The Road Traffic Ordinance (Cap. 374) has stipulated stringent provisions on "dangerous driving" and "careless driving". If a motorist uses a smart phone/device while driving or uses such equipment in any way that affects his driving, he may have committed the "dangerous driving" or "careless driving" offence, irrespective of whether his driving has caused a traffic accident. In addition, under the Road Traffic (Traffic Control) Regulations (Cap. 374G), if a motor vehicle is in motion, it is an offence for the motorist to use a mobile phone or telecommunications equipment while holding it in his hand or between his head and shoulder.

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

(1) The Hong Kong Police Force ("Police") have not maintained statistics on motorists who had been charged with "dangerous driving" or "careless driving" for placing several smart phones/devices on the dashboard at the front of their vehicles. Based on data from the Police, in the past five years, the number of enforcement actions taken by the Police against motorists who, while
driving, used a mobile phone or telecommunications equipment while holding it in their hand or between their head and shoulder are set out in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enforcement actions</td>
<td>27 254</td>
<td>22 015</td>
<td>22 270</td>
<td>17 749</td>
<td>20 329</td>
</tr>
</tbody>
</table>

(2) and (3)

The Transport Department ("TD"), the Police and the Road Safety Council have been promoting to motorists the importance of driving attentively and avoid using smart phones/devices as far as possible. In 2017, an announcement in the public interest and a leaflet on "Driving Attentively" were released. In such publicity, there was a reminder to motorists that when they are driving, they should not use smart phones/devices so as to avoid hampering their driving. The Government has also promoted the message from time to time through channels such as social media platforms and carnival activities, and the message will continue to be a highlight in the publicity efforts in 2018. In addition, through regular meetings with the transport trades, TD has also called on commercial vehicle drivers to drive attentively and avoid using smart phones/devices while driving.

As regards law enforcement, the Police will continue, through the "Selected Traffic Enforcement Priorities", to step up enforcement actions to enhance road safety. This year, the Police have launched a new territory-wide enforcement operation ("Operation Clearview") to more vigorously combat offences related to inattentive driving. The operation serves to remind motorists of the need to stay focused and drive attentively.

The Government notes the concern of society on some motorists placing several smart phones/devices on the dashboard. We understand that motorists may have practical needs for using smart phones/devices, for example, for obtaining navigational information. As to whether further restrictions should be imposed on motorists' use of smart phones/devices, the Government is examining the impact of such restrictions on drivers and other road users, as well as
the regulation, enforcement and other related details. Once there are specific proposals, the Government will consult various stakeholders and the Legislative Council.

Using child restraint device in private cars

3. **DR PIERRE CHAN** (in Chinese): President, in December 2013, the Government consulted the Panel on Transport of this Council on a proposal to raise the mandatory requirement of using child restraint device in private cars. The Government indicated that after conducting an opinion survey and drafting the legislation, it would introduce a legislative proposal into this Council in the 2014-2015 legislative session. However, no progress of the relevant work has been seen so far. In this connection, will the Government inform this Council:

(1) of the casualties of passengers under the age of 12 in traffic accidents in each of the past five years and the percentage of such numbers in the relevant total casualties (set out in tables of the same format as the table below);

<table>
<thead>
<tr>
<th>Year: _______</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vehicle class</strong></td>
</tr>
<tr>
<td>Private car</td>
</tr>
<tr>
<td>Student service vehicle</td>
</tr>
<tr>
<td>Public bus</td>
</tr>
<tr>
<td>Public light bus</td>
</tr>
<tr>
<td>Taxi</td>
</tr>
<tr>
<td>Others (if any)</td>
</tr>
</tbody>
</table>

(2) of the details of the work (e.g. research studies, consultation exercises and opinion surveys) undertaken by the Government since the aforesaid proposal was put forward in December 2013; and

(3) why the Government has not yet introduced the relevant legislative proposal into this Council; whether it will strive to have the relevant legislative proposal passed before the end of the current term of the Government; if so, of the timetable?
SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the various parts of Dr Pierre CHAN's question is as follows:

(1) The number of casualties of passengers under the age of 12 in traffic accidents in the past five years and the percentage of such numbers in the relevant total casualties are tabulated at Annex. There has been a continuous decline in the total number of casualties of passengers under the age of 12 in traffic accidents, from 656 cases in 2013 to 493 cases in 2017, representing a reduction of 25%. In the past three years, there was no traffic accident causing death of passengers under the age of 12 in private cars.

(2) and (3)

On 20 December 2013, the Government consulted the Panel on Transport of the Legislative Council ("Transport Panel") on a proposal to tighten the mandatory requirement of using child restraint device in private cars. At the meeting, some members of the Transport Panel expressed concerns, including the possible financial impact for private car owners due to more stringent standards of the use of child restraint devices, the impact of the proposed legislative requirements on private car drivers who carry child passengers occasionally or during emergencies, the penalty and enforcement arrangements for violating the relevant requirements, as well as whether there was any plan to gauge the views of private car owners on the legislative proposal.

The Transport Department followed up and studied the views of Transport Panel, including conducting an opinion survey of private car owners, as well as consulting the Department of Justice and the Police on the enforcement aspects, such as the penalty levels, the collection of evidence, the circumstances for motorists to establish a reasonable defence and other enforcement details. In addition, the Police has enquired about the regulatory experience of law enforcement agencies in other jurisdictions. We are now formulating a detailed legal framework based on the views gathered. We will consult the Transport Panel and the stakeholders again as soon as a specific proposal is available.
Casualties of passengers under the age of 12 in traffic accidents by class of vehicle and degree of injury from 2013 to 2017\(^{(1)}\)

<table>
<thead>
<tr>
<th>Class of vehicle</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Killed (%)</td>
<td>Seriously injured (%)</td>
<td>Slightly injured (%)</td>
<td>Killed (%)</td>
<td>Seriously injured (%)</td>
</tr>
<tr>
<td>Private car</td>
<td>2 (1.0%)</td>
<td>5 (2.4%)</td>
<td>19 (6.6%)</td>
<td>206 (0.0%)</td>
<td>6 (3.4%)</td>
</tr>
<tr>
<td>Student service vehicle</td>
<td>0 (0.0%)</td>
<td>1 (0.0%)</td>
<td>15 (99.4%)</td>
<td>160 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>Public bus</td>
<td>0 (0.0%)</td>
<td>5 (0.1%)</td>
<td>117 (55.5%)</td>
<td>122 (0.0%)</td>
<td>3 (2.4%)</td>
</tr>
<tr>
<td>Public light bus</td>
<td>0 (0.0%)</td>
<td>1 (0.0%)</td>
<td>34 (97.1%)</td>
<td>35 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>Taxi</td>
<td>0 (0.0%)</td>
<td>5 (0.0%)</td>
<td>73 (93.6%)</td>
<td>78 (0.0%)</td>
<td>4 (5.1%)</td>
</tr>
<tr>
<td>Other(^{(2)})</td>
<td>1 (1.8%)</td>
<td>3 (5.5%)</td>
<td>51 (92.7%)</td>
<td>55 (0.0%)</td>
<td>2 (3.6%)</td>
</tr>
<tr>
<td>Total</td>
<td>3 (0.5%)</td>
<td>20 (3.0%)</td>
<td>633 (96.5%)</td>
<td>656 (0.0%)</td>
<td>15 (2.3%)</td>
</tr>
</tbody>
</table>

Notes:

\(^{(1)}\) The sum of individual percentages as shown in the table may not add up to 100% owing to rounding.

\(^{(2)}\) Other motor vehicles include trailer, special purpose vehicle, private light bus, private bus, golf car, village vehicle and other vehicle types.
The barrier-free facilities in commercial premises

4. **MR JAMES TO** (in Chinese): President, in the three years from 2015 to 2017, the authorities received each year 19, 44 and 49, or a total of 112, reports that some people had undertaken unauthorized building works to remove or alter approved barrier-free facilities. Under the existing requirements, after finding the reports to be substantiated, the Buildings Department ("BD") will issue statutory orders to the persons concerned in accordance with the requirements of the Buildings Ordinance (Cap. 123) to order such persons to undertake rectification works. In addition, BD has been conducting the Operation Check Walk ("OCW") each year since 1997 to inspect the approved barrier-free facilities in target commercial buildings across the territory to ascertain whether such facilities have been removed or altered, or are obstructed as a result of other addition works. Regarding the barrier-free facilities in commercial premises, will the Government inform this Council:

(1) of a breakdown of the aforesaid 112 reports on removal or alteration of approved barrier-free facilities by (i) type of the barrier-free facility concerned, and by the (ii) age and (iii) location of the building concerned, as well as by (iv) BD's way of handling (set out in a table by year); as the number of such reports has shown an upward trend in recent years, whether BD has plans to inspect more commercial buildings; if so, of the details; if not, the reasons for that;

(2) in each year since the launch of OCW, of the number of (i) commercial buildings inspected by BD, (ii) statutory orders issued by BD to the persons concerned and (iii) cases in which prosecutions were instituted by BD against persons who had failed to comply with the statutory orders (with a breakdown by District Council district);

(3) of the criteria based on which BD currently selects commercial buildings for inclusion into OCW, and the procedure and methodologies adopted for inspecting such buildings;

(4) as I have learnt that quite a number of members of the public do not know OCW, whether the authorities will step up publicity and public education efforts to enable more members of the public to understand the importance of barrier-free facilities; if so, of the details; if not, the reasons for that;
(5) whether the authorities will consider requiring restaurants to designate, for use by wheelchair diners, part of the dining area access to which by wheelchairs is relatively easy; if so, of the details; if not, the reasons for that; and

(6) whether the authorities will enact legislation to require that audible vehicle motion sensors be installed at the entrances and exits of public car parks to avoid the occurrence of traffic accidents of blind persons being knocked down by vehicles entering and leaving the car parks; if so, of the details; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, to enable persons with disabilities to participate fully in all aspects of life, the Government has been taking appropriate measures to ensure their barrier-free access, on an equal basis with others, to facilities and services open or provided for the public. The Disability Discrimination Ordinance ("DDO") aims to, amongst others, render unlawful discrimination against persons on the ground of their disability in respect of provision of accommodation, access to premises and the provision of goods, services and facilities to such persons. Providers of facilities or services are required to adopt measures to ensure their compliance with the legislation. The Government also encourages these providers to implement, where practicable, other measures that exceed statutory requirements to provide convenience for persons with disabilities.

To comply with DDO, section 72 of the Building (Planning) Regulations under the Buildings Ordinance ("BO") (Cap. 123) prescribes design requirements on barrier-free access and facilities to ensure that suitable barrier-free access and facilities are provided in buildings to meet the needs of persons with disabilities. All newly constructed buildings and any alterations or additions to existing buildings are required to comply with the relevant regulations.

According to the Buildings Department's ("BD's") prevailing enforcement policy against unauthorized building works ("UBWs"), unauthorized removal or alteration of approved barrier-free facilities for persons with disabilities is classified as "actionable" UBWs. BD takes enforcement actions against "actionable" UBWs according to BO. Specifically, unless the owner proactively handles the relevant UBWs, say by appointing an Authorized Person to submit rectification proposals, BD will issue a removal order requiring the owner concerned to carry out rectification works, and register the removal order in the Land Registry. Since 1997, through the "Operation Check Walk" ("OCW"), BD
inspects the approved barrier-free facilities of target commercial buildings every year to ascertain whether such facilities have been illegally removed or altered. OCW aims to let building owners understand their responsibility to properly maintain and repair barrier-free facilities in their buildings.

In consultation with Labour and Welfare Bureau, Transport and Housing Bureau and Food and Health Bureau, my reply to the various parts of the question is as follows:

(1) For the 112 reports received by BD from 2015 to 2017, the number of such reports and the number of statutory orders issued by District Council districts and building age distribution are tabulated below:

<table>
<thead>
<tr>
<th>District(1)</th>
<th>50 years or above</th>
<th>30 to 49 years</th>
<th>Below 30 years</th>
<th>Total number of reports (Number of statutory orders issued)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and Western</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>14 (1)</td>
</tr>
<tr>
<td>Eastern</td>
<td>0</td>
<td>6</td>
<td>44</td>
<td>50 (7)</td>
</tr>
<tr>
<td>Islands</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2 (1)</td>
</tr>
<tr>
<td>Kowloon City</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>6 (1)</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1 (0)</td>
</tr>
<tr>
<td>Kwun Tong</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2 (0)</td>
</tr>
<tr>
<td>North</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1 (0)</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1 (0)</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1 (7)</td>
</tr>
<tr>
<td>Southern</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2 (0)</td>
</tr>
<tr>
<td>Tai Po</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2 (0)</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>6 (0)</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>5 (0)</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>9 (0)</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>5 (0)</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>5 (1)</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>23</td>
<td>77</td>
<td>112 (18)</td>
</tr>
</tbody>
</table>

Notes:

(1) BD did not receive report in Sha Tin District and Yuen Long District.

(2) One report may involve multiple illegal items; one item may involve multiple reports.
BD does not compile statistics on the type of reported barrier-free facilities. Nevertheless, the reports generally involved barrier-free access, removal of accessible toilets as well as handrails and ramps for persons with a disability, alteration, or obstruction by UBWs. Upon receipt of reports, BD will conduct inspections and take enforcement actions in accordance with the prevailing UBWs enforcement policy.

(2) The number of commercial buildings inspected by BD, numbers of statutory orders issued and cases in which prosecutions were instigated against persons who had failed to comply with the statutory orders under OCW tabulated by District Council districts are appended at Annex 1.

(3) When selecting target buildings, apart from consulting relevant rehabilitation-related non-governmental organizations and making reference to the advice of District Councils, BD will also consider the locality of the buildings and the number of previous irregularities. After selecting the target buildings, BD will conduct site inspection to ascertain whether the approved barrier-free facilities in the buildings have been illegally removed, altered or obstructed by UBWs. Where irregularities of barrier-free facilities in the buildings are found, BD will issue statutory orders under BO to require the owners to rectify the irregularities.

Any person who, without reasonable excuse, fails to comply with the order after the specified date shall be guilty of an offence. BD would, in accordance with the requirements of BO, instigate prosecution against the owners concerned. Such persons shall be liable on conviction to a fine of $200,000 and to imprisonment for one year, and to a fine of $20,000 for each day during which the offence has continued.

(4) BD will step up promotion efforts OCW, for example by updating BD's website, so that to heighten public awareness of the illegality in illegally removing or altering barrier-free access facilities for persons with disabilities.

(5) In respect of the proposal requiring restaurants to designate part of the dining area for easier access by wheelchairs, the Food and Environmental Hygiene Department issues relevant food business licences in accordance with the Food Business Regulation with a
view to protecting public health and food safety. The Food Business Regulation does not require restaurant licence applicants to designate accessible area or facilities for persons with disabilities.

At the moment, the Government does not have any plan to further mandate restaurants in designating part of the dining area for easier access by wheelchairs further to the requirements of DDO being met.

(6) Regarding the suggestion to legally require public car parks to install vehicle motion detection sound emitting devices at run-in/run-outs, the Transport Department ("TD") has been in close contact with the disabled groups to seek their views on traffic and transport matters, including suggestions on barrier free access and facilities, and will install tactile warning strips on the footpath and hazard warning tiles at both sides of the entrance and exits of driveways to assist the visually impaired where needed. At the same time, the Government has reminded road users through the Road Users' Code to pay particular attention to the surroundings when crossing entrances and exits of driveways. TD has made reference to the practices of overseas countries (e.g. the United Kingdom, the United States, Singapore and Australia) and noted that mandatory installation of sound emitting devices at the run-in/run-outs of car parks is not common. The Government does not have any plan to require the mandatory installation of sound emitting devices at the run-in/run-outs of public car parks but will monitor the trends in the relevant standards and review when necessary.

Annex 1

(i) Number of commercial buildings inspected by BD under OCW:

| District          | Year 1997 | Year 1998 | Year 1999 | Year 2000 | Year 2001 | Year 2002 and 2003<sup>1)</sup> | Year 2004 | Year 2005 | Year 2006 | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 | Year 2013 | Year 2014 and 2015<sup>1)</sup> | Year 2016 | Year 2017 | Total<sup>2)</sup> |
|-------------------|-----------|-----------|-----------|-----------|-----------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------------------|-----------|-----------|--------------|
| Central and       | 2         | 0         | 1         | 1         | 2         | 0                               | 1         | 1         | 1         | 1         | 2         | 1         | 0         | 2         | 1             | 4           | 0         | 3            | 23          |
| Western           |           |           |           |           |           |                                 |           |           |           |           |           |           |           |           |               |             |           |              |              |
| Eastern           | 0         | 1         | 0         | 0         | 1         | 0                               | 0         | 2         | 0         | 1         | 1         | 2         | 0         | 2         | 1             | 0           | 2         | 0            | 14           |
| Islands           | 0         | 0         | 0         | 0         | 0         | 0                               | 0         | 1         | 0         | 0         | 0         | 0         | 0         | 0         | 0              | 0           | 0         | 0             | 1            |
|---------------|------|------|------|------|------|------|------|----------------|------|------|------|------|------|------|------|------|------|----------------|------|--------|--------|
| Kowloon City  |      | 0    | 1    | 1    | 0    | 0    | 0    | 3               | 1    | 0    | 1    | 1    | 2    | 0    | 1    | 1    | 0    | 2               | 1    | 2      | 17     |
| Kwai Tsing    |      | 0    | 1    | 0    | 1    | 0    | 0    | 0               | 0    | 0    | 1    | 1    | 1    | 0    | 0    | 1    | 0    | 0               | 0    | 0      | 7      |
| Kwun Tong     |      | 0    | 0    | 0    | 0    | 0    | 0    | 0               | 1    | 1    | 2    | 1    | 3    | 2    | 2    | 0    | 1    | 0               | 0    | 1      | 14     |
| Northern      |      | 0    | 0    | 0    | 0    | 0    | 0    | 1               | 2    | 0    | 0    | 1    | 1    | 0    | 1    | 0    | 0    | 0               | 0    | 6      | 6      |
| Sai Kung      |      | 0    | 0    | 0    | 0    | 1    | 0    | 0               | 1    | 2    | 0    | 1    | 1    | 1    | 1    | 1    | 1    | 0               | 0    | 1      | 11     |
| Sha Tin       |      | 0    | 0    | 0    | 0    | 0    | 1    | 0               | 0    | 1    | 1    | 1    | 1    | 2    | 1    | 1    | 0    | 0               | 1    | 0      | 10     |
| Sham Shui Po  |      | 1    | 0    | 0    | 0    | 0    | 0    | 0               | 1    | 0    | 0    | 0    | 1    | 0    | 1    | 1    | 3    | 2               | 2    | 2      | 14     |
| Southern      |      | 0    | 0    | 0    | 1    | 0    | 0    | 0               | 2    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1    | 0               | 1    | 0      | 6      |
| Tai Po        |      | 0    | 0    | 0    | 1    | 0    | 0    | 0               | 1    | 1    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 1               | 0    | 1      | 5      |
| Tsuen Wan     |      | 0    | 0    | 1    | 1    | 1    | 1    | 1               | 2    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1               | 1    | 1      | 17     |
| Tuen Mun      |      | 0    | 0    | 0    | 0    | 0    | 0    | 0               | 0    | 1    | 2    | 1    | 1    | 1    | 0    | 1    | 0    | 0               | 0    | 1      | 7      |
| Wan Chai      |      | 1    | 1    | 1    | 0    | 0    | 0    | 3               | 1    | 1    | 1    | 1    | 3    | 2    | 2    | 2    | 1    | 2               | 1    | 2      | 25     |
| Wong Tai Sin  |      | 0    | 0    | 0    | 0    | 0    | 1    | 0               | 1    | 0    | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0               | 1    | 0      | 3      |
| Yau Tsim Mong |      | 6    | 1    | 1    | 1    | 0    | 6    | 6               | 1    | 3    | 2    | 3    | 1    | 3    | 1    | 1    | 5    | 2               | 3    | 3      | 49     |
| Yuen Long     |      | 0    | 0    | 0    | 0    | 0    | 0    | 2               | 1    | 0    | 0    | 0    | 0    | 1    | 0    | 0    | 0    | 0               | 1    | 0      | 5      |
| Total         |      | 10   | 5    | 5    | 6    | 4    | 9    | 15              | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15               | 15   | 15     | 234    |

Notes:

(1) The number of commercial buildings is the total number of inspections in these two years.

(2) The total number of buildings may involve inspecting the same building.

(ii) Number of statutory orders issued by BD on illegal removal or alteration of approved barrier-free facilities inspected under OCW.(3)
### Legislative Council — 2 May 2018

#### Table: Yearly Figures of Inspections

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
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<tbody>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>13</td>
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<td>0</td>
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</tr>
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<td>1</td>
<td>0</td>
<td>0</td>
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<td>16</td>
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<td>3</td>
<td>0</td>
<td>15</td>
</tr>
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<td>Wong Tai Sin</td>
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</tr>
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<td>0</td>
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<td>1</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>1</td>
<td>6</td>
<td>8</td>
<td>24</td>
<td>25</td>
<td>22</td>
<td>29</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>136</td>
</tr>
</tbody>
</table>

**Notes:**


(4) One building may involve multiple illegal removal or alteration of approved barrier-free facilities or multiple ownership.

(iii) Number of prosecution cases initiated by BD against persons who had failed to comply with a statutory order relating to illegal removal or alteration of barrier-free facilities (including cases under OCW and reported cases):**(5)**

<table>
<thead>
<tr>
<th>District</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2011</th>
<th>2014</th>
<th>2016</th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

**Note:**

(5) The figures do not necessarily correspond to the number of buildings inspected and the number of statutory orders issued in the same year. Other than the above listed District Councils and years, other relevant statutory orders have largely been complied.
Concerns for young people's career pursuit

5. **MR MARTIN LIAO** (in Chinese): President, the findings of a survey on career aspirations of Hong Kong and Taiwan university students, published recently by the City University of Hong Kong ("CityU"), have aroused concerns among some members of the community about the issue of the relatively narrower and greater uniformity of Hong Kong university students' career path choices. It has been reported that the survey has found that most young people wish to look for their future jobs according to their interest. However, as in reality quite a number of the industries concerned offer relatively low salaries coupled with uncertain prospect of advancement, the young people may, out of practical considerations, end up choosing to join the civil service that offers a high pay with good fringe benefits, as indicated in the survey's findings that more than half (50.2%) of Hong Kong university students aspire to become civil servants after graduation. On the other hand, among the Hong Kong respondents, 62% indicated that they would consider leaving Hong Kong to work elsewhere and such percentage was far lower than that of about 82% of the Taiwan university students who indicated that they would consider developing their career overseas. Also, when compared with the nearly 46% of the respondents in Taiwan indicating a willingness to develop their career in Mainland China, only 28% of those in Hong Kong were willing to do so. On individual entrepreneurial aspirations, over 66% of the respondents in Taiwan had thoughts of starting up a business, but only about 42% of those in Hong Kong had such thoughts. Given that the Government is doing its best in work relating to young people's concerns about their education, career pursuit and home ownership, and encouraging their participation in politics as well as public policy discussion and debate, will the Government inform this Council:

(1) whether it knows the aspirations in the past three years of Hong Kong's university students and other young people studying in school in areas such as career choices, pursuing career development outside Hong Kong and starting up businesses; if so, please set out the details, including (i) the types of jobs that they aspired to take up and the relevant numbers and percentages of such people, (ii) the number and percentage of those who considered pursuing career development outside Hong Kong and the places outside Hong Kong that they considered leaving Hong Kong for to pursue career development, and (iii) the number and percentage of those who considered starting up a business;
whether it knows the actual situations in the past three years of Hong Kong's university graduates and young people with other academic qualifications in areas such as career choices, pursuing career development outside Hong Kong and starting up businesses; if so, please set out the details, including (i) the types of jobs that they took up and the relevant numbers and percentages of such people, (ii) the number and percentage of those who pursued career development outside Hong Kong and the places outside Hong Kong that they left Hong Kong for to pursue career development, and (iii) the number and percentage of those who started up businesses; and

whether it will take effective measures to address the concerns about Hong Kong young people's career paths aroused by the aforesaid survey by CityU, and create favourable conditions, so that Hong Kong young people can truly make more diversified career choices according to their interest and potentials and put to use what they have learnt, as well as facilitate them to broaden their horizons so that they will consider career development outside Hong Kong as a viable option, particularly in grasping the opportunities brought about by the Guangdong-Hong Kong-Macao Bay Area as encouraged by the authorities; if so, of the details?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, having consulted the relevant bureaux and the Census and Statistics Department ("C&SD"), our consolidated response to the question raised by the Member is set out below:

According to C&SD, based on data obtained from the General Household Survey, there were 279,700, 277,600 and 264,900 employed persons aged 15 to 24 (excluding foreign domestic helpers) in 2015, 2016 and 2017 respectively, among which 700 (0.3%), 600 (0.2%), and 300 (0.1%) were employers respectively. The number of employed persons aged 15 to 24 (excluding foreign domestic helpers) by occupation in 2015 to 2017 is set out at Annex 1. C&SD does not compile statistics on the
aspirations of Hong Kong's university students and other young people attending school in areas such as career choices, pursuing career development outside Hong Kong and starting up businesses.

For local university graduates, according to the Education Bureau, the University Grants Committee ("UGC")-funded universities conduct graduate employment surveys annually to collect employment information of the graduates of their full-time UGC-funded programmes. Universities submit the survey results to the UGC Secretariat for reference within the first half of the following year. Based on the results of the graduate employment surveys from 2014 to 2016, the employment statistics of local graduates of full-time UGC-funded undergraduate programmes are set out at Annex 2. UGC does not possess any information regarding the number and percentage of university graduates who started their own business or their aspirations in areas such as career choices, pursuing career development outside Hong Kong and starting up businesses.

(3) The Government attaches great importance to the career path of local youth and adopts multi-pronged measures, including:

On supporting start-ups and facilitating creative industries

According to the Commerce and Economic Development Bureau:

(i) Creative industries are new industries and are providing careers that are popular among young people. The current-term Government attaches great importance to their development, and has proposed to inject $1 billion into the CreateSmart Initiative ("CSI") in fiscal year 2018-2019 to strengthen the Government's financial support for the seven specified creative sectors (namely, advertising, architecture, design, digital entertainment, printing and publishing, television and music) for implementation of projects that are conducive to their further development.

(ii) Of the new injection of $1 billion, no less than 50% will be earmarked for projects related to the strategic focus of nurturing talents (especially for grooming young talents in different sectors) and facilitating start-ups. For example, the
Government will seek to expand the collaboration with different cities of design and creative sectors to identify more exchange opportunities for tertiary students. The Government will work with industry stakeholders to support students or young practitioners for internships, exchange programmes, work placements or further studies in the Mainland or overseas. CSI could also sponsor young practitioners' participation in different local and international festivals and competitions to help broaden their exposure and enrich their experience, and provide platforms for them to explore business opportunities and showcase their talents.

(iii) The Bay Area Development presents valuable opportunities to creative industries in Hong Kong. In 2018-2019, the Government will support local industries to explore new markets in the Bay Area through CSI so as to further drive Hong Kong's economic growth.

According to the Innovation and Technology Bureau, Cyberport has been supporting digital start-ups through its Smart-Space co-working space which is well-equipped with office facilities to enable start-ups to rent ready-built offices at an all-inclusive fixed monthly rental. Through participation in the Space Sharing Scheme for Youth, Cyberport will set up a Smart-Space co-working space of around 20,000 sq ft in an industrial building in Tsuen Wan for digital start-ups and young entrepreneurs at a concessionary rate of no higher than half of the market rental. This Smart-Space co-working space is expected to start operation in the second quarter of 2018, housing a maximum of around 140 start-ups.

On broadening horizons and career development in the Mainland and other economies

According to the Home Affairs Bureau:

(i) As stated in the Chief Executive's Policy Address 2017, the Government is committed to providing more internship opportunities on the Mainland, in the Belt and Road countries and other parts of the world for our young people, with a view to enhancing their understanding of the work culture and career prospects in the Mainland and overseas, helping them
set career development goals, gain more working experience and establish business networks, so as to enhance their competitiveness in employment in the future.

(ii) Starting from 2014-2015, the Home Affairs Bureau has been organizing the Funding Scheme for Youth Internship in the Mainland to provide more internship opportunities for young people in Hong Kong to work in Mainland enterprises and organizations. The Scheme provides internship opportunities in a wide variety of industries, most of which are offered by well-established enterprises, spanning various provinces and major cities on the Mainland. For 2018-2019, it is estimated that about 3,600 Hong Kong young people will participate in the Scheme, including over 1,000 who will undertake internships in Guangdong and thus be able to know more about the opportunities available in the Guangdong-Hong Kong-Macao Bay Area. Moreover, the Government launched the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas in March 2018. Under the Pilot Scheme, 16 major Hong Kong enterprises will provide a total of 255 internship places this summer. These places span different provinces on the Mainland and seven overseas countries, covering a wide range of industries.

(iii) The Youth Development Commission ("YDC"), chaired by the Chief Secretary for Administration and with relevant Directors of Bureau as ex officio members, has been established with effect from 1 April 2018. It strives to promote cross-bureau and cross-department collaboration and address young people's concerns about education, career pursuit and home ownership, and encourage their participation in politics as well as public policy discussion and debate. At its first meeting held on 24 April 2018, YDC agreed that it would explore ways to facilitate young people's career development and promote their upward mobility, for example through grasping opportunities arising from the development of the Guangdong-Hong Kong-Macao Bay Area. YDC will closely liaise with relevant bureaux and stakeholders to take forward initiatives in the above priority policy areas.
To facilitate job seekers, particularly young people, to deepen their understanding of employment opportunities on the Mainland and find suitable jobs with a view to broadening their job choices, the Labour Department ("LD") has, since 2015, organized nine large-scale job fairs with employment and vacancy information on the Mainland. A total of 219 Mainland and local enterprises, offering more than 13,300 vacancies, participated in these nine job fairs. Nearly 8,300 job seekers visited the events and among them, more than 80% were young people with post-secondary education.

To provide more opportunities for Hong Kong youth to appreciate different cultures and the development of other economies, the Government has since 2001 established bilateral Working Holiday Scheme ("WHS") arrangements with 13 economies, namely, New Zealand, Australia, Ireland, Germany, Japan, Canada, Korea, France, the United Kingdom, Austria, Hungary, Sweden and the Netherlands. WHS enables young people aged 18 to 30 to gain living and working experience while travelling abroad. WHS has been well received by Hong Kong youth. So far, more than 85,000 Hong Kong youth have participated in WHS.

On career choice and seeking employment

LD operates two Youth Employment Resource Centres named Youth Employment Start ("Y.E.S."), which provide personalized advisory and support services on employment and self-employment to young people aged 15 to 29. Through a variety of services including career assessment and guidance, professional counselling, self-employment support, training on vocational skills and workshops on job search techniques, Y.E.S. encourages students and young people to make early and better career planning, and assists young people who aspire to self-employment in mapping out their career path. Furthermore, to enhance the employability of young people, LD launches the Youth Employment and Training Programme in collaboration with training bodies and employers to provide a full range of pre-employment and on-the-job training, as well as career guidance and employment support services rendered by registered social workers to young school leavers aged 15 to 24 with educational attainment at sub-degree level or below.
Annex 1

Number and percentage of employed persons aged 15 to 24 (excluding foreign domestic helpers) by occupation in 2015 to 2017

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2015 No.</th>
<th>2015 %</th>
<th>2016 No.</th>
<th>2016 %</th>
<th>2017 No.</th>
<th>2017 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and administrators</td>
<td>3,800</td>
<td>1.3%</td>
<td>2,800</td>
<td>1.0%</td>
<td>2,700</td>
<td>1.0%</td>
</tr>
<tr>
<td>Professionals</td>
<td>12,000</td>
<td>4.3%</td>
<td>9,800</td>
<td>3.5%</td>
<td>9,600</td>
<td>3.6%</td>
</tr>
<tr>
<td>Associate professionals</td>
<td>63,900</td>
<td>22.9%</td>
<td>66,400</td>
<td>23.9%</td>
<td>70,200</td>
<td>26.5%</td>
</tr>
<tr>
<td>Clerical support workers</td>
<td>59,000</td>
<td>21.1%</td>
<td>57,500</td>
<td>20.7%</td>
<td>51,700</td>
<td>19.5%</td>
</tr>
<tr>
<td>Service and sales workers</td>
<td>99,500</td>
<td>35.6%</td>
<td>100,100</td>
<td>36.0%</td>
<td>90,900</td>
<td>34.3%</td>
</tr>
<tr>
<td>Craft and related workers</td>
<td>15,500</td>
<td>5.6%</td>
<td>15,300</td>
<td>5.5%</td>
<td>16,700</td>
<td>6.3%</td>
</tr>
<tr>
<td>Plant and machine operators and assemblers</td>
<td>2,100</td>
<td>0.7%</td>
<td>1,500</td>
<td>0.5%</td>
<td>2,700</td>
<td>1.0%</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>24,000</td>
<td>8.6%</td>
<td>24,200</td>
<td>8.7%</td>
<td>20,400</td>
<td>7.7%</td>
</tr>
<tr>
<td>Other occupations</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Overall</td>
<td>279,700</td>
<td>100.0%</td>
<td>277,600</td>
<td>100.0%</td>
<td>264,900</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes:

There may be a slight discrepancy between the sum of individual items and the total as shown in the table owing to rounding.

Figures less than 3,000 persons are compiled based on a small number of observations and hence with relatively large sampling errors and should be interpreted with caution.

* Figures are not released due to large sampling errors.

Source: General Household Survey, Census and Statistics Department

Annex 2

Employment statistics of local graduates of full-time UGC-funded undergraduate programmes (2014 to 2016)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Graduates of Full-time Programmes</td>
<td>16,089</td>
<td>17,116</td>
<td>18,553</td>
</tr>
<tr>
<td>Responded Graduates**(1)**</td>
<td>14,703</td>
<td>15,704</td>
<td>16,511</td>
</tr>
<tr>
<td>Response Rate</td>
<td>91.4%</td>
<td>91.8%</td>
<td>89.0%</td>
</tr>
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</table>
### Employment Situation of Responded Graduates

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-time Employment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Usual Working Location</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Hong Kong</td>
<td>9969</td>
<td>10530</td>
<td>10996</td>
</tr>
<tr>
<td>Outside Hong Kong</td>
<td>1534</td>
<td>1899</td>
<td>1524</td>
</tr>
<tr>
<td>The Mainland of China</td>
<td>948</td>
<td>1232</td>
<td>1013</td>
</tr>
<tr>
<td>Macao</td>
<td>61</td>
<td>82</td>
<td>47</td>
</tr>
<tr>
<td>Taiwan</td>
<td>37</td>
<td>39</td>
<td>33</td>
</tr>
<tr>
<td>Other Asian countries</td>
<td>112</td>
<td>199</td>
<td>171</td>
</tr>
<tr>
<td>Canada</td>
<td>@</td>
<td>@</td>
<td>6</td>
</tr>
<tr>
<td>The United States</td>
<td>16</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>The United Kingdom</td>
<td>16</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Other European countries</td>
<td>27</td>
<td>29</td>
<td>23</td>
</tr>
<tr>
<td>Australia</td>
<td>12</td>
<td>13</td>
<td>@</td>
</tr>
<tr>
<td>The Rest of the World</td>
<td>109</td>
<td>68</td>
<td>41</td>
</tr>
<tr>
<td>Undeclared</td>
<td>194</td>
<td>193</td>
<td>159</td>
</tr>
<tr>
<td>Not Specified</td>
<td>915</td>
<td>784</td>
<td>897</td>
</tr>
<tr>
<td><strong>Occupation Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers; Business Professionals</td>
<td>3758</td>
<td>3831</td>
<td>3886</td>
</tr>
<tr>
<td>Physical and Life Scientists and</td>
<td>357</td>
<td>344</td>
<td>420</td>
</tr>
<tr>
<td>Science Technicians; Economists,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statisticians and Mathematicians;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineers; Architects and</td>
<td>1488</td>
<td>1557</td>
<td>1626</td>
</tr>
<tr>
<td>Surveyors;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical and Health Profession</td>
<td>1181</td>
<td>1422</td>
<td>1390</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
<td>752</td>
<td>796</td>
<td>913</td>
</tr>
<tr>
<td>Engineering Technicians; System</td>
<td>924</td>
<td>942</td>
<td>917</td>
</tr>
<tr>
<td>Analysts and Computer Programmers;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Profession; Other Professionals and Technical Workers</td>
<td>398</td>
<td>488</td>
<td>470</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Insurance, Real Estate, and Business Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executives/Salesmen</td>
<td>159</td>
<td>195</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>1.1%</td>
<td>1.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Teaching Profession</td>
<td>1460</td>
<td>1543</td>
<td>1507</td>
</tr>
<tr>
<td></td>
<td>9.9%</td>
<td>9.8%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Authors, Journalists and Related Writers; Artists</td>
<td>702</td>
<td>714</td>
<td>757</td>
</tr>
<tr>
<td></td>
<td>4.8%</td>
<td>4.5%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Clerical and Related Workers; Other Sales/Service Worker</td>
<td>803</td>
<td>724</td>
<td>779</td>
</tr>
<tr>
<td></td>
<td>5.5%</td>
<td>4.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Occupation Unknown/Unclassifiable</td>
<td>436</td>
<td>657</td>
<td>621</td>
</tr>
<tr>
<td></td>
<td>3.0%</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Further Studies(^{(2)})</td>
<td>1315</td>
<td>1420</td>
<td>1635</td>
</tr>
<tr>
<td></td>
<td>8.9%</td>
<td>9.0%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>250</td>
<td>258</td>
<td>341</td>
</tr>
<tr>
<td></td>
<td>1.7%</td>
<td>1.6%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Underemployed(^{(3)})</td>
<td>514</td>
<td>597</td>
<td>872</td>
</tr>
<tr>
<td></td>
<td>3.5%</td>
<td>3.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Others(^{(4)})</td>
<td>206</td>
<td>216</td>
<td>246</td>
</tr>
<tr>
<td></td>
<td>1.4%</td>
<td>1.4%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Notes:

1. The employment information of graduates from full-time UGC-funded programmes in a given year is collected through the Graduate Employment Survey which is conducted annually by the UGC-funded institutions with a time frame up to December of the same year. Graduates covered in the Graduate Employment Survey refer to the students graduated from the year in which the Survey was conducted. However, for first degree graduates of medical programmes, they refer to those students who graduated one year immediately before the survey year.

2. "Full-time employment" and "further studies" refer to full-employment and further studies in or outside Hong Kong.

3. Underemployed includes graduates who were available for full-time employment but were involuntarily working less than 35 hours a week; and those who were employed on a part-time or temporary basis.

4. "Others" include those local graduates who (a) did not seek employment for the time being, and (b) migrated elsewhere.

5. "-" denotes nil.

6. "0.0" denotes less than 0.5

7. "@" denotes figures of small value suppressed to ensure confidentiality of data relating to individual person.

8. Figures may not add up to totals due to rounding.
Restriction on height above the ground floor imposed on residential care homes for the elderly

6. **MR LAU KWOK-FAN** (in Chinese): President, section 20 of the Residential Care Homes (Elderly Persons) Regulation (Cap. 459 sub. leg. A) stipulates that no part of a residential care home for the elderly ("RCHE") shall be situated at a height more than 24 metres above the ground floor. Some members of the public have pointed out that with the population of Hong Kong ageing continuously, the problem of a shortage of RCHE places has become more acute in recent years, but the aforesaid provision has hindered the supply of RCHE places. In this connection, will the Government inform this Council:

(1) as the aforesaid provision stipulates that the Director of Social Welfare may, by notice in writing served on an RCHE operator, authorize that any part of such RCHE may be exempted from the provision, whether the Director granted such authorization in the past 10 years; if so, of the reasons for granting such authorization and other details;

(2) whether the existing legislation has imposed restrictions on height above the ground floor on other buildings with relatively more elderly persons staying overnight (e.g. hospitals); if not, of the reasons for that;

(3) as it has been mentioned in this year's Budget that the Government will pursue a "single site, multiple use" model in multi-storey developments on "Government, Institution or Community" sites, whether the Government will grant authorization to exempt across the board RCHEs located at mixed-use high-rise buildings from the provision; if so, of the details; if not, the reasons for that; and

(4) whether it will expeditiously amend the Residential Care Homes (Elderly Persons) Regulation to relax the restriction on height above the ground floor imposed on RCHEs; if so, of the details and the legislative timetable; if not, the reasons for that?

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, residential care homes for the elderly ("RCHEs") are regulated under the Residential Care Homes (Elderly Persons) Ordinance. According to
section 20(1) of the Residential Care Homes (Elderly Persons) Regulation ("the Regulation"), subject to section 20(2), no part of an RCHE shall be situated at a height more than 24 m above the ground floor. This requirement is safety considerations for elderly residents. As at the end of March 2018, there were 734 RCHEs in Hong Kong, amongst which 726 were care-and-attention homes. Many of the elderly residents therein are wheelchair-bound or even bed-ridden. In the event of fire or other emergencies, they need extensive assistance to escape. Furthermore, the difficulties of fire personnel and other rescue teams in evacuating a large number of frail elderly persons with mobility problems to the ground floor cannot be neglected. Therefore, stipulating a height restriction for RCHEs helps protect the safety of elderly persons in the event of fire or other emergencies, and can effectively shorten the time for fire personnel to rescue or evacuate residents. My reply to the Member's question is as follows:

(1) Under section 20(2) of the Regulation, the Director of Social Welfare may by notice in writing served on an operator authorize that any part of such RCHE may be situated at a height more than 24 m above the ground floor as may be indicated in the notice. In the past 10 years, the Social Welfare Department has not received any applications made pursuant to the above provision.

(2) At present, the height of hospitals is not subject to any restrictions under prevailing legislation. As hospitals are normally situated in stand-alone and purpose-built premises, with the facilities within the whole building under a single management, and where the fire-resisting construction, design of the means of escape, as well as fire services installations and equipment, etc. of the premises must comply with relevant requirements, the spread of fire and smoke can be effectively controlled. Hospital patients can also be evacuated temporarily to other locations of the same floor not affected by a fire.

(3) and (4) The 2018-2019 Budget announced that the Government will pursue the "single site, multiple use" model in multistorey developments on "Government, Institution or Community" sites. In planning multipurpose complexes, the Government will place RCHEs on storeys not exceeding 24 m above the ground floor, while placing other service units or facilities without similar height restrictions on higher storeys, so as to optimize land use.
As mentioned above, stipulating a height restriction for RCHEs helps protect the safety of elderly persons in the event of fire or other emergencies, and can effectively shorten the time for fire personnel to rescue or evacuate them. As the height restriction on RCHEs involves safety considerations, whether the requirement should be relaxed has to be carefully studied. At the same time, the Government will continue to increase subsidized residential care places for the elderly under a multipronged approach.

Work of the Working Group on eMPF

7. MR CHAN KIN-POR (in Chinese): President, the Government set up a Working Group on eMPF in June last year to steer the development of an electronic infrastructure to enable standardizing, streamlining and automating Mandatory Provident Fund schemes administration. In the initial stage after establishment, the prime task of the Working Group is to build a centralized electronic administration platform ("e-platform"). In this connection, will the Government inform this Council:

(1) of the latest work progress of the Working Group;

(2) of the latest timetable for launching the e-platform; and

(3) whether it has plans to apply various types of financial technologies to enhance the effectiveness of the e-platform?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the replies to the questions raised by Mr CHAN are as follows:

(1) The Working Group on eMPF ("the Working Group") is preparing for launching a centralized electronic administration platform ("the eMPF"). The work includes formulating the technical specifications which comprise two parts—the functional specifications and system specifications.
The formulation of the aforementioned specifications is based on the various processes involved in administering Mandatory Provident Fund ("MPF") schemes, for example, registration with the platform and enrolment in MPF schemes, handling of contributions and scheme members' investment instructions, transfer and payment of benefits, reporting and documentation of information, etc. Representatives of MPF trustees in the Working Group have been actively participating in the formulation of the aforementioned specifications. We have completed the functional specifications and have commenced formulating the system specifications.

On the other hand, the Working Group is also developing strategies to encourage employers and employees to handle MPF contributions and related matters through electronic means.

(2) The Working Group seeks to complete the technical specifications by August this year. Upon finalizing the technical specifications, we can estimate the costs for developing the platform and the implementation date, and will consult the Legislative Council thereon. Our target is to launch the eMPF centralized electronic administration platform in 2022.

(3) During the process of formulating the technical specifications, the Working Group will keep in view the development of financial technology and how it could be applied to eMPF to enhance its functions and effectiveness.

Promoting the professional autonomy of the nursing and supplementary medical professions

8. PROF JOSEPH LEE (in Chinese): President, it is learnt that members of the nursing and supplementary medical professions have all along been requesting the Government to amend the relevant ordinances so as to enhance the credibility, transparency and governance capabilities of the Nursing Council of Hong Kong ("NCHK") and the Supplementary Medical Professions Council ("SMPC"), and to achieve professional autonomy. In this connection, will the Government inform this Council:
given that a number of amendments to the Nurses Registration Ordinance (Cap. 164) were passed by the former Legislative Council in as early as June 1997, including the addition of section 3(2)(ca), which stipulates that six of the members of NCHK should be elected among registered nurses and enrolled nurses in a manner provided for by the Ordinance, but this provision has not yet been implemented, of the progress of the work undertaken by the authorities for implementing the provision and the timetable for the implementation of the provision; and

whether it will consider amending the Supplementary Medical Professions Ordinance (Cap. 359) to stipulate that the chairmanship of the five Boards under SMPC shall be taken up by members of the respective supplementary medical professions for the embodiment of professional autonomy; if so, of the details and the implementation timetable; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, in June 2017, the Government published the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development ("the Strategic Review"), which primarily covers 13 health care professions that are subject to statutory registration, including nurses and the five allied health care professions (namely occupational therapists, physiotherapists, medical laboratory technologists, optometrists and radiographers). The Strategic Review put forward five recommendations on manpower planning, and another five on regulation and development of the health care professions. It has also looked into specific issues of concern in individual professions ("profession-specific issues").

As regards the composition of the regulatory bodies of health care professionals ("regulatory bodies"), the Strategic Review recommends that the minimum lay membership of regulatory bodies should be 25% so as to enhance their credibility and accountability. The Strategic Review considers that the regulatory bodies may, where necessary, make suggestions on refinement to their respective composition to ensure appropriate involvement of lay persons.

The Food and Health Bureau will shortly invite regulatory bodies, including the Nursing Council of Hong Kong ("NCHK"), and the Supplementary Medical Professions Council ("SMP Council") and its five boards, to follow up
and consider the recommendations of the Strategic Review and the
profession-specific issues, with a view to submitting proposals after consulting
their respective professions. The Government will conduct a comprehensive
review of the existing legislation governing various health care professions after
taking into account profession-specific issues, present circumstances,
international practices, and possible legislative amendments arising from the
implementation of the proposals.

(1) During the Strategic Review, we note the concern of the nursing
sector on the progress of introducing six elected members into
NCHK.

After enactment of the Nurses Registration (Amendment) Ordinance
1997 ("the Amendment Ordinance"), the Government started to
work on the drafting of subsidiary legislation for election of the six
members of NCHK. Back then, legal advice further pointed out
that the subsidiary legislation could not be introduced until
appropriate amendments were made to the Nurses Registration
Ordinance, which should include stipulation of clearer empowering
provisions in the primary legislation to prescribe the grounds for
disqualifying elected members.

As mentioned above, the Food and Health Bureau will invite NCHK
to submit proposals to the Government to follow up on the
recommendations of the Strategic Review and related matters. The
issue of the outstanding provisions of the Amendment Ordinance
will then be dealt with together.

(2) During the Strategic Review, there were suggestions that the
Chairman of each of the boards under SMP Council should be a
member of their respective allied health professions.

Section 5 of the Supplementary Medical Professions Ordinance
(Cap. 359) ("the Ordinance") provides that the Chairman of each of
the five boards under SMP 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 SMP Council.
Section 3 of the Ordinance provides that SMP 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 (one from each of the University of Hong Kong, The Chinese University of Hong Kong and The Hong Kong Polytechnic University), five practitioners (one from each of the five supplementary medical professions), and four other persons who are not public officers. Section 5 of the Ordinance stipulates that the Chairman appointed by the Chief Executive from among the members of the SMP Council shall not be "the person appointed from each supplementary medical profession".

At present, the appointment of the Board Chairman is made on ad personam basis, taking into consideration the candidates' abilities, expertise, experience, integrity and commitment to public service. The candidates' professional background can be one of the considerations. The decision of appointment is made after all factors have been fully considered.

As mentioned above, the Food and Health Bureau will invite SMP Council and its five boards to submit proposals to the Government to follow up on the recommendations of the Strategic Review and related matters, which include those on the composition of SMP Council and its Boards.

**Review of textbooks**

9. **MR IP KIN-YUEN** (in Chinese): President, currently, publishers may submit their textbooks to the Education Bureau ("EDB") for review. Textbooks which have been reviewed and considered as acceptable by the relevant textbook review panels in terms of content, learning and teaching, structure and organization, language, textbook layout, etc. will be included in the Recommended Textbook List ("RTL") issued by the Bureau for reference by schools in the selection of textbooks. It has been reported that recently, the textbook review panels of the Chinese History subject and the History subject made negative comments on the contents of certain textbooks submitted for review. If the publishers concerned do not revise the relevant contents, the textbooks in question will not be included in next year's RTL. In this connection, will the Government inform this Council:
whether it knows the justifications based on which the relevant textbook review panels made the comments in the right column of the table below in respect of the words and sentences contained in the textbooks submitted for review, as shown inside double quotes in the left column;

<table>
<thead>
<tr>
<th>Extracts from textbooks</th>
<th>Comments made by textbook review panels</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Hong Kong lies to the south of China&quot;</td>
<td>Inappropriate wording</td>
</tr>
<tr>
<td>The rise of &quot;modern&quot; Europe, an important episode in world history, has laid &quot;the foundation of western predominance nowadays&quot;, resulting in the current globalization process being led by European and American models.</td>
<td>Debatable viewpoints</td>
</tr>
<tr>
<td>The outbreak of &quot;the Second Sino-Japanese War in 1937&quot;</td>
<td>Inappropriate choice of diction</td>
</tr>
</tbody>
</table>
| 1. "one-party dictatorship" of CPC  
  It was stipulated in the Common Programme dated as early as 1949 that the People's Republic of China was under "one-party dictatorship" of CPC … | Inappropriate choice of diction and unclear concepts |
| 2. "Relationship between the party and the government: the government is inseparable from the party, and under one-party dictatorship of CPC" … | |
| In 1949, "the communist China was established and a large number of mainlanders relocated to Hong Kong" | Vulnerable to misinterpretation as there is no direct causal relationship between the incidents |
| "China recovered Hong Kong" | Inappropriate wording |
| "The transfer of Hong Kong's sovereignty to Mainland China" | Inappropriate wording |
| "China insisted on recovering Hong Kong's sovereignty" | Inappropriate wording |
(2) whether the relevant textbook review panels have suggested directions and provided examples to the publishers concerned on ways to amend the textbook contents mentioned in (1);

(3) whether the comments made by the textbook review panels represent the stance of EDB;

(4) whether there is currently a mechanism for handling complaints lodged by publishers who disagree with the comments made by textbook review panels on the textbooks submitted by them for review; if so, of the details; if not, the reasons for that;

(5) whether EDB made public, in the past five years, the textbook review reports of the Chinese History subject and the History subject; whether there is currently a mechanism requiring EDB to make public, on a regular basis or after a certain number of years, textbook review reports; if so, of the details; if not, the reasons for that;

(6) of the reasons for not making public the membership of textbook review panels; the criteria and mechanism for selecting members of textbook review panels; the respective numbers of members in the textbook review panels of (a) the Chinese History subject and (b) the History subject in each of the past five years, with a tabulated breakdown by whether they were (i) primary school teachers, (ii) secondary school teachers, (iii) university teachers, (iv) officials of EDB or (v) other types of persons (please specify); and

(7) whether the textbook review panels of the Chinese History subject and the History subject have put forward suggestions to publishers that, in the course of compiling the contents on certain topics in modern Chinese history (e.g. "the rivalry and cooperation between the Kuomintang and the Communist Party of China", "socialist construction" and "reform and opening up") to be used in the textbooks for the subjects, certain historical standpoints should be adopted in relation to the use of historical materials, choice of diction, presentation of viewpoints, making of analyses and selection of pictures; if so, whether the principles for the adoption of historical standpoints must be similar to those adopted by the Mainland authorities; if so, of the details and examples?
SECRETARY FOR EDUCATION (in Chinese): President, the Education Bureau sets up a textbook review mechanism to ensure that textbooks included on the Recommended Textbook List are accurate in content, in line with the curriculum, of good quality and fit for student learning. Generally speaking, publishers are required to make reference to the latest guidelines on textbook printing and review issued by the Curriculum Development Institute of the Education Bureau as well as the Textbook Writing Guidelines for each subject. Textbooks submitted for review are assessed by relevant subject review panels. Each textbook is to be assessed by about five reviewers of the subject review panel drawn from within and outside the Education Bureau. Internal reviewers are members of relevant subject sections of the Education Bureau, while external ones include serving principals, teachers, academics, and other professionals well versed in the subjects concerned. External reviewers are appointed on the recommendation of the relevant subject sections for a term of two years, and take turns to review different textbooks. The procedure is fair and impartial.

There were about 57 to 74 members in the textbook review panel of the subject of History and about 45 to 85 members in the textbook review panel of subject of Chinese History in the past five years. We adjust the number of panel members according to actual needs. When an individual member ceases serving as a member of a textbook review panel prematurely for various reasons, the number of members of the relevant subject review panel might be adjusted accordingly.

The textbook review and its content must be kept confidential. Textbook publishers (including authors), reviewers and the Education Bureau are required to observe this rule of confidentiality. As the contents of review are for internal reference of textbook publishers only, they would not be disclosed to the public. This is to prevent such information from being used for publicity purpose or for tarnishing the reputation of the publishers/individuals concerned. The identity of reviewers should also be kept confidential. This long-standing mechanism has been in place for many years. Relevant arrangements are formulated in consultation with textbook publishers with input from the Independent Commission Against Corruption. The rule of confidentiality ensures that textbook review can be conducted fairly, objectively and professionally free from interference, pressure and bias. It is also an important safeguard against corruption. Textbooks that have passed the review mechanism will be available for sale in the market and members of the public will be able to monitor their contents.
Incorporating the views of all reviewers, comments of review reports serve as reference for textbook publishers and authors to improve the quality of textbooks. Textbook writing includes making revision to textbooks upon receiving review reports. Textbook publishers are obliged to select the approach to writing and presentation. The textbook review panels and the Education Bureau will not provide specific suggestions on how the text should be written in this regard, nor is it appropriate for them to do so.

As the quality of textbooks would affect student learning, it is our duty to place serious requirements on textbooks. The basic requirements which are applicable to textbooks of all subjects include: the textbook should meet the aims and objectives of relevant curricula, learning objectives of the topics, as well as the needs of student learning, teaching and assessment. Moreover, as one of the aims of history education is to enable students to learn how to approach past events in an impartial and empathetic manner from different perspectives, and to help them acquire the methods to study history, including the skills to present objective, balanced, logical and coherent arguments supported by appropriate use of historical data. As such, contents of textbooks should serve this aim. The accuracy of information, comprehensiveness of contents, objectivity and rationality of arguments, and clarity of presentation and writing are also the requirements to be met by textbooks. If textbooks contain citations taken from historical materials/documents or various perspectives of historians and viewpoints of textbook authors (if any), it should be clearly stated to avoid causing misconception or confusion to students. Different historical perspectives or viewpoints should be presented clearly and logically together with arguments and conclusions. Unsupported conclusions are not desirable. Textbooks should be penned accurately with a smooth flow rather than abstractly, and displaying fluency in writing.

Textbook review panels conduct their work in accordance with the above requirements. They examine textbook contents in context as a whole. The appropriateness of specific phrases is determined having regard to whether the phrases in question help provide clarity within the relevant context and support the arguments, as well as their impact on the presentation of the writing, etc.

On the premise of integrity and confidentiality, we will not comment on media coverage of the review report of individual textbooks. The following lists out a few examples of the circumstances in which textbook review panels perform their professional duty of advising textbook publishers to revisit and revise certain parts of the textbooks submitted for review:
(a) mentioning the background and development of an event without clearly stating when it took place in history (ill-defined terms such as contemporary times, modern times, today are being used);

(b) citing certain features (such as geographical locations) to illustrate the advantages enjoyed by a place or the causes of a historical event but failing to give explanation as to how the features contribute to the advantages/historical event (why places with similar features are not able to enjoy similar advantages or trigger similar historical events); and

(c) inconsistency in terminology, such as using different terms to refer to the "War of Resistance against Japanese Aggression" in the same textbook.

In addition, if unsupported viewpoints and stances, over-simplification of the cause-and-effect relationship of historical events, and inconsistency in presentation of viewpoints between textbooks and primary source materials, which may mislead students about the sources of the viewpoints concerned, are spotted in textbooks, textbook review panels will comment on them.

As can be seen from the examples stated above, comments cannot be taken out of context. They should be read as a whole. On the understanding that textbook authors will for certain read and consider the comments together with the textbooks submitted for review, the comments are concise and precise. We have made it clear in our letter sent to textbook publishers together with the review reports that should they have any questions about the comments of review reports, they can approach us directly. We will be happy to explain the comments to them face to face. As a matter of fact, we have received such requests for meeting from time to time so that textbook publishers may explain their approach to writing and presentation.

Cross-boundary portability arrangements for welfare benefits

10. **MR LEUNG CHE-CHEUNG** (in Chinese): President, some members of the public have relayed that the current cross-boundary portability arrangements for welfare benefits have a very narrow scope, as only those elderly people who are receiving the Comprehensive Social Security Assistance ("CSSA") payments
or the Old Age Allowance ("OAA") may continue to enjoy such benefits after they have moved to reside in Guangdong and Fujian Provinces in the Mainland. On the other hand, the then Chief Executive indicated in the 2011 Policy Address that "[w]e need to conduct a comprehensive study on the portability of various welfare benefits, including services provided by residential care homes for the elderly, hospitals and clinics. We will consider whether such services should be extended for our elderly people residing in the Mainland from the perspectives of law, policy and public finance." In this connection, will the Government inform this Council:

(1) of the latest progress of the aforesaid study on the portability of welfare benefits, and when the outcome of the study will be published;

(2) whether it will consider expanding the territorial scope of the portability arrangements for CSSA and OAA to cover other provinces of the Mainland and overseas places; if not, of the reasons for that;

(3) whether it will consider introducing a portability arrangement applicable to the Disability Allowance; if not, of the reasons for that; and

(4) as a research report has pointed out that the citizens of Canada and member states of the European Union may still enjoy certain benefits even if they live abroad, whether the Government will draw reference from such practices and consider comprehensively deleting the permissible limit of absence from Hong Kong from the eligibility criteria for the various welfare initiatives?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the Member's question is as follows:

(1) The Government appreciates that some Hong Kong elderly persons, especially those who came to Hong Kong from the Mainland at a younger age, may choose to reside on the Mainland after retirement. The Government respects their wish and provides assistance for them through various measures.
On social security, the Social Welfare Department ("SWD") implements various portable welfare measures to provide cash allowance to elderly persons who choose to reside on the Mainland. The Portable Comprehensive Social Security Assistance ("CSSA") Scheme under the CSSA Scheme allows eligible Hong Kong elderly persons who have received CSSA continuously for at least one year and choose to retire in Guangdong or Fujian to continue to receive the monthly standard rates and annual long-term supplement. As at the end of March 2018, 1,329 elderly persons (1,205 residing in Guangdong and 124 residing in Fujian) benefitted from the Scheme, representing around 1% of all CSSA elderly recipients. In 2018-2019, the estimated recurrent expenditure for the Portable CSSA Scheme (excluding two-month additional allowance) is about HK$68 million.

SWD introduced the Guangdong Scheme under the Social Security Allowance ("SSA") Scheme in 2013 to enable eligible Hong Kong elderly persons who choose to reside in Guangdong to receive the Old Age Allowance ("OAA"; currently at HK$1,345 per month) without having to return to Hong Kong every year. As at the end of March 2018, about 17,000 elderly persons benefitted from the Guangdong Scheme. With reference to the arrangements of the Guangdong Scheme, SWD introduced the Fujian Scheme on 1 April 2018 to enable eligible Hong Kong elderly persons who choose to reside in Fujian to receive monthly OAA. In 2018-2019, the estimated recurrent expenditures for the Guangdong Scheme and the Fujian Scheme (excluding two-month additional allowance) are about HK$300 million and HK$95 million respectively.

On the provision of services, SWD has implemented the Pilot Residential Care Services Scheme in Guangdong ("the Pilot Scheme") since June 2014. Under the Pilot Scheme, the Government purchases places from two residential care homes for the elderly ("RCHEs")(1) located in Yantian, Shenzhen and Zhaoqing and operated by Hong Kong non-governmental organizations. The Pilot Scheme enables elderly persons waiting for subsidized

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(1) Namely the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights and the Hong Kong Jockey Club Helping Hand Zhaoqing Home for the Elderly.
care-and-attention places in Hong Kong to choose to reside in the
two participating RCHEs. Elderly persons are offered full subsidy
on the home accommodation fees. The Government also requires
the two participating RCHEs to provide medical support services.
In January 2017, the Government announced the extension of the
Pilot Scheme for three years. As at the end of March 2018, a total
of 180 elderly persons participated in the pilot scheme.

(2) The Portable CSSA Scheme, the Guangdong Scheme and the Fujian
Scheme only cover eligible elderly persons residing in Guangdong
and Fujian mainly because there are more Hong Kong people
residing in these two provinces. In terms of geographical proximity
and community bonding, elderly persons residing in Guangdong and
Fujian could maintain a close connection with their relatives and
friends in Hong Kong and obtain more readily support. Moreover,
the two provinces are uniquely and closely connected with Hong
Kong on the social, economic and transport fronts.

(3) The Disability Allowance ("DA") under the SSA Scheme is provided
for Hong Kong residents with severe disabilities to meet special
needs arising from their severe disabling conditions. An applicant
must be assessed to be severely disabled, as a result require
substantial help from others to cope with daily life, and his/her
severe disabling condition will persist for at least six months. In
general, medical assessment for DA must be conducted by doctors of
the Department of Health or the Hospital Authority. Currently,
most DA recipients are subject to regular medical assessments.
Due to differences in professional training and clinical protocols, it is
difficult to ensure the standard and quality of medical assessments
conducted by doctors outside Hong Kong. There is therefore no
arrangement for DA recipients to receive medical assessments
outside Hong Kong, and it is unlikely that such a mechanism will be
established in near future. The Government has no plan to extend
DA's portability to cover places outside Hong Kong at this juncture.

(4) The current social security system (including the CSSA Scheme and
the SSA Scheme) is non-contributory and wholly funded by the
Government's general revenue, which involves substantial public
funds. In view of an ageing population, the Government has to ensure prudent use of public funds. The residence requirement during receipt of allowance aims to ensure that social security payment is only provided for people who have a long-term connection with Hong Kong.

Having regard to some social security recipients' needs for temporary absence from Hong Kong (e.g. seeking medical treatment or visiting families), permissible absence limits are put in place under the CSSA Scheme and the SSA Scheme. The permissible absence limit for CSSA recipients is 60 days per year, whereas that for elderly and disabled CSSA recipients is 180 days per year. The permissible absence limit for persons receiving subsidies under the SSA Scheme is 305 days per year, i.e. recipients may receive full-year allowance as long as they have resided in Hong Kong for not less than 60 days per year. The permissible absence limits are also applicable to recipients under the Portable CSSA Scheme, the Guangdong Scheme and the Fujian Scheme, so as to take care of their needs for temporary absence from Guangdong or Fujian.

The permissible absence limits mentioned above have struck a balance between effective allocation of public resources and the needs of elderly persons. The Government has no plan to change the relevant arrangements at this moment.

Employment of staff in aided schools

11. **MR HO KAI-MING** (in Chinese): *President, regarding the employment of staff in aided schools, will the Government inform this Council:*

   (1) *of the respective numbers of teaching staff and non-teaching staff employed by aided schools at the beginning of the current school year, with a breakdown by type of school (i.e. secondary and primary schools), type of position, salary level and mode of employment; the respective ratios of the number of these two types of staff to that of students; and*
(2) whether the authorities conducted reviews in the past five years of the establishment and salary structures of the various types of teaching staff and non-teaching staff employed by aided schools; if so, of the details; if not, the reasons for that?

SECRETARY FOR EDUCATION (in Chinese): President, our reply to the questions raised by Mr HO Kai-ming is as follows:

(1) A breakdown of the number of teachers employed by aided schools (rounded to the nearest 10) by type of school, type of position and mode of employment, and the student-to-teacher ratio of aided schools in the 2017-2018 school year are set out below:

<table>
<thead>
<tr>
<th>Type of school</th>
<th>Type of position</th>
<th>Mode of employment</th>
<th>Student-to-teacher ratio *#</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Graduate teacher*</td>
<td>Non-graduate teacher*</td>
<td>Teacher within establishment*</td>
</tr>
<tr>
<td>Primary</td>
<td>8 490</td>
<td>11 190</td>
<td>17 890</td>
</tr>
<tr>
<td>Secondary</td>
<td>16 310</td>
<td>4 390</td>
<td>18 600</td>
</tr>
</tbody>
</table>

Notes:

* Estimate for the 2017-2018 school year. Figures by type of position do not add up to the totals calculated by mode of employment owing to rounding.

# The student-to-teacher ratio listed above is calculated on the basis of the total number of teachers (i.e. including teachers within and outside the establishment) in school.

The Education Bureau provides schools with operating expenses block grant and other grants for specific educational purposes which enable schools to employ and deploy teaching and non-teaching staff outside the establishment flexibly to promote student learning and whole-person development. In view of the specific circumstances of schools, schools may recruit additional teaching and non-teaching staff with those grants to cater for school-based needs. We have not captured detailed information in this regard. In the same vein, we are unable to provide statistical information on teaching and non-teaching staff by salary level, but the salaries of aided school staff within the establishment are all along determined by the Codes of Aid and subject to rules and regulations issued by the Education Bureau.
(2) The grade structure and pay scale of staff within the establishment are established after taking into account a score of factors, such as entry qualification requirements, academic qualifications, year of service and duties. As the subject of grade structure is complex and involves a wide scope of issues, we have communicated closely with the school sector and improved the provision of staff resources on a need basis in response to the calls of the sector, the challenges of school administration and public expectation on quality education over the years. For example, we have established the deputy head rank, enhanced the teacher-to-class ratio (such as increasing the teacher-to-class ratio for public sector primary and secondary schools, including special schools, by 0.1 across-the-board starting from the 2017-2018 school year), created additional posts to facilitate or coordinate the implementation of new education policies/initiatives (such as Special Educational Needs Coordinator), enhanced the ratio of graduate teacher posts, and provided regular posts in place of relevant cash grants and time-limited posts (such as the Career and Life Planning Grant, the Senior Secondary Curriculum Support Grant and the Primary School Curriculum Leader post).

As for staff employed outside the establishment, schools may determine the ranks and salaries of staff in the light of their school-based situation.

The Education Bureau set up the Task Force on Professional Development of Teachers ("Task Force") in November 2017, to follow up on the review of professional development of teachers announced in the Chief Executive's 2017 Policy Address. Members of the Task Force include representatives from primary, secondary and special schools, school sponsoring bodies, teacher education universities, teacher groups, and an expert on human resources as well as the Education Bureau's representative. The work of the Task Force includes establishing a platform to discuss and gauge professional views on enhancing and promoting professional development of teachers, and making recommendations to the Secretary for Education on related issues. In addition to exploring feasible options of establishing a professional ladder for teachers, the
study areas of the Task Force also cover the ranking arrangement of school management of primary, secondary and special schools as well as the timetable for an all-graduate teaching force.

The Task Force attaches great importance to the views of the community. In January 2018, a number of focus group meetings were held with various stakeholders to listen to their views. Between June and August 2018, the Task Force will also conduct an extensive consultation on preliminary recommendations to be drawn up in due course. It aims at completing its work by end 2018 for submission of a report with relevant recommendations to the Education Bureau.

Policy on and support for homeless people

12.  **MR LEUNG YIU-CHUNG** (in Chinese): President, the findings of some surveys have shown that the number of homeless people increased from 1,414 in 2013 to 1,614 in 2015. There were 57, 256 and 384 homeless people in 2013, 2015 and 2017 respectively who stayed overnight in fast food restaurants operating 24 hours a day, showing an upward trend in such numbers in recent years. However, the number of homeless people as recorded by the computerized registry of the Social Welfare Department ("SWD") as at February 2018 was only 1,091. Some members of the social welfare sector have pointed out that the Government has failed to put in place a homeless-friendly policy, and the existing measures are not conducive to helping homeless people overcome their difficulties and reducing the number of homeless people. In this connection, will the Government inform this Council:

(1) of the number of homeless people in each of the past five years, with a tabulated breakdown by (i) their gender, (ii) the age group to which they belonged, (iii) for how long they had been sleeping outdoors, (iv) the reason(s) for them to sleep outdoors, (v) the location where they slept outdoors and (vi) the District Council district to which such location belonged, as well as the latest number of homeless people who currently stay overnight in fast food restaurants operating 24 hours a day and the criteria adopted in the surveys; if such figures are unavailable, of the reasons for that, and whether it will consider compiling such statistics; whether it will
consider streamlining SWD's current procedure for registering homeless people, and reviewing the criteria adopted for the registration and surveys concerned, so that the data collected can more accurately reflect the number of homeless people; if so, of the details; if not, the reasons for that;

(2) whether SWD will review and improve the approaches adopted for compiling statistics on the number of homeless people, and include people residing in urban hostels for single persons and temporary shelters ("hostels/shelters") in the relevant statistics; if so, of the details; if not, the reasons for that;

(3) as currently there are only a total of 640 accommodation places which are subvented by SWD or offered by non-governmental organizations ("NGOs") on a self-financing basis, and such number is far below the actual number of homeless people, whether the Government will consider increasing the number of accommodation places; if so, of the details; if not, the reasons for that;

(4) whether the Government has studied the reasons why some homeless people (i) are reluctant to move into the hostels/shelters, and (ii) have reverted to sleeping outdoors after living in the hostels/shelters for a period of time; if not, whether it will conduct such a study; if it has studied, of the reasons for homeless people's reluctance to move in and for checking out from the hostels/shelters (whether such reasons include the poor hygiene conditions inside and outside the hostels/shelters as well as air conditioning not being provided in such hostels/shelters), and a breakdown, by the reason for checking out, of the number of people who checked out from such hostels/shelters in each of the past five years; whether the Government will conduct a comprehensive review on the effectiveness of the hostels/shelters and take improvement measures (including improving the hygiene conditions of the hostels/shelters); if so, of the details; if not, the reasons for that;

(5) in respect of the homeless people who stayed in each hostel/shelter in each of the past three years, of (i) their respective average, shortest and longest periods of stay, and (ii) a breakdown on the
number of such people by the number of months for which they had stayed in the hostel/shelter; whether the Government will consider extending the six-month maximum period for staying in hostels/shelters; if so, of the details; if not, the reasons for that;

(6) whether it will consider providing additional hostels for the female homeless people; if so, of the details (including the locations of and the numbers of places in such hostels as well as the implementation timetable); if not, the reasons for that;

(7) of the respective numbers of operations of removing the property of homeless people placed at public places which were carried out in each of the past five years by the government departments concerned (i) with and (ii) without prior notices; whether it will formulate policies, enact legislation and establish mechanisms for protecting the personal property of homeless people (including a mechanism for homeless people to reclaim their property); if so, of the details; if not, the reasons for that;

(8) as currently there are only three integrated services teams operated by NGOs that provide services for homeless people, whether the Government will consider allocating additional resources to expand such services; if so, of the details; if not, the reasons for that; and

(9) whether the Government will consider (i) conducting a comprehensive study on the reasons for homeless people to sleep outdoors, and (ii) conducting a comprehensive review on the existing policies and measures as well as drawing reference from overseas practices, so as to draw up a comprehensive policy on and service guidelines for homeless people; if so, of the details and the timetable; if not, the reasons for that; whether it will consider setting up a dedicated department to deal with matters relating to homeless people; if so, of the details (including the scope of work and staff establishment of such department and the implementation timetable); if not, the reasons for that?
SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, after consulting the Home Affairs Bureau and the Food and Health Bureau, my consolidated reply to the various parts of the question is as follows:

(1) and (2)

The Social Welfare Department ("SWD") has been collecting information of street sleepers in Hong Kong through its units and the four non-governmental organizations ("NGOs") that serve street sleepers. The information concerned will be input into the SWD's "Street Sleepers Registry" ("the Registry") with periodic updates.

The total numbers of street sleepers registered in the Registry in the past five years, by gender, age group, duration of street sleeping and reason of street sleeping, are set out in Tables 1 to 4 at Annex. As regards the number of registered street sleepers by location of street sleeping, SWD has the relevant information only for 2017-2018 (Table 5 at Annex), of which the field of "Others" has included the number of registered street sleepers staying in 24-hour fast food restaurants. SWD has not compiled the information on which District Council districts the street sleeping points are located. At present, SWD has no plan to change the Registry's registration procedures and statistical standards, but will continue to closely monitor the condition of street sleepers and conduct professional assessments through social workers in order to continuously upload information onto the Registry, and review the methods for collecting data from time to time to ensure the data accuracy.

For those staying in urban hostels for single persons and emergency shelters ("hostels/shelters"), social workers will not deregister them from the Registry unless it has been confirmed that they have quit street sleeping. If the deregistered cases resume street sleeping, social workers have to re-register the cases in the Registry so that the Registry would keep the most updated data.

(3) To address the emergency and short-term accommodation needs of street sleepers, SWD subsidizes six NGOs to operate hostels/shelters. In 2016-2017, SWD provided 20 additional
subvented hostels/shelters places, increasing the total number of subvented places to 222. Taking into account the 418 places provided by 11 hostels operated by other NGOs on a self-financing basis, there are a total of 640 subvented/self-financed places providing over-night or temporary accommodation for street sleepers.

As at the third quarter of 2017-2018, the average utilization rate of subvented hostels was about 80%. Therefore, SWD has no plan to increase the number of places for the time being. However, SWD will, in response to changes in social circumstances, closely monitor the supply and demand of places and conduct service planning regularly.

(4) SWD does not have available information on the reasons for street sleepers being reluctant to move into hostels/shelters or for them to resume street sleeping after staying at hostels/shelters for a certain period of time. SWD has no plan to conduct any such study or review, but will continue to monitor the performance of all subvented service operators in accordance with the requirements stipulated under the "Funding and Service Agreement", so as to ensure that their services meet the standards. In addition, NGOs may, when necessary, apply for the Lotteries Fund to meet the non-recurrent expenses incurred for environment improvement measures.

(5) In respect of the service users staying in each hostel/shelter, SWD does not have available information on their respective average, shortest and longest periods of stay, or a breakdown of the number of such service users by the number of months for which they have stayed in the hostel/shelter.

Since the service objective of the above hostels/shelters is to provide transitional placements to assist street sleepers' transition to long-term accommodation arrangements, the maximum period of stay is normally six months. However, the social workers responsible may consider extending the service users' period of stay in accordance with the needs of individual cases. According to the "Funding and Service Agreement" of subvented hostels, a hostel can
flexibly extend about half of its service users' duration of stay, so that they can carry out their long-term accommodation plans smoothly.

(6) Among the 20 subvented hostels/shelters places increased by SWD in 2016-2017, five are female places situated in West Kowloon, increasing the number of subvented female places to 31. Together with the 132 female places provided by other NGOs on a self-financing basis, there are a total of 163 female places. As at 2017-2018, the number of female street sleepers was 104. SWD will closely monitor the relevant supply and demand condition, and will conduct service planning regularly.

(7) The Home Affairs Bureau and the Food and Health Bureau advised that, to deal with problems as arising from unlawful occupation of Government land by street sleepers or the environmental hygiene of street sleeping locations, etc., the relevant departments (including the respective District Offices, District Lands Offices and the Food and Environmental Hygiene Department) will conduct interdepartmental joint operations when necessary, so as to improve the situation.

The relevant departments will post notices at prominent positions prior to the joint operations, so as to inform street sleepers of the date and time of the relevant operations, and require street sleepers to cease the unlawful occupation of Government land and remove their personal belongings before a deadline. The relevant departments will also deploy staff to remind street sleepers of the joint operation at least one day in advance. In the morning of the operation day, the relevant departments will designate an area for street sleepers to dispose of their articles. After the street sleepers have left, the relevant departments will, in accordance with their respective purviews, clear the illegal structures, clean up the public places, and clear the articles voluntarily discarded by street sleepers. Any valuable items (such as purses or identity documents), if found by the cleaning staff, will be passed to the Police immediately for handling.

The Government has not compiled the number of interdepartmental joint operations in the past five years.
(8) At present, apart from the three Integrated Services Teams for Street Sleepers ("ISTs") operated by NGOs providing services to street sleepers, there is another NGO assisting the vulnerable groups (including street sleepers) in West Kowloon to reintegrate into society, through outreaching service, case counselling, groups service and support service. Besides, the 65 Integrated Family Service Centres and the two Integrated Services Centres operated by SWD or NGOs also provide outreaching, counselling, crisis intervention, enquiry and referral services (including short-term accommodation), etc. Therefore, SWD has no plan to allocate additional resources to expand the ISTs' services, but will, in response to changes in social circumstances, closely monitor the supply and demand of places and conduct service planning regularly.

(9) Street sleeping is a complex social problem, involving various policy bureaux and departments. Various government departments and service units in districts have been collaborating closely to support street sleepers and improve their motivation for receiving support, with the hope to encourage them to quit street sleeping as soon as possible.

SWD and some NGOs provide appropriate assistance to street sleepers, including, providing annual resources to various ISTs as emergency fund for eligible service users to pay for various expenses; referring needy persons to apply for the Comprehensive Social Security Assistance, or arranging them to apply for charitable/trust funds; as well as subsidizing NGOs to operate hostels/shelters to cater the emergency and short-term accommodation needs of street sleepers.

On medical services, needy street sleepers can use various medical and mental health services under the Hospital Authority and the Department of Health.

The Government will continue to closely monitor the situation of street sleepers and take appropriate measures in response to the changing service demands.
Table 1: Number of Registered Street Sleepers by Gender

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>35</td>
<td>51</td>
<td>55</td>
<td>61</td>
<td>104</td>
</tr>
<tr>
<td>Male</td>
<td>711</td>
<td>774</td>
<td>827</td>
<td>863</td>
<td>1 020</td>
</tr>
<tr>
<td>Unknown</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>746</td>
<td>825</td>
<td>896</td>
<td>924</td>
<td>1 127</td>
</tr>
</tbody>
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Table 2: Number of Registered Street Sleepers by Age Group

<table>
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<tr>
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<td>25</td>
<td>24</td>
<td>24</td>
<td>20</td>
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<tr>
<td>Aged 29 or below</td>
<td>27</td>
<td>25</td>
<td>17</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Aged 30 to 49</td>
<td>281</td>
<td>301</td>
<td>316</td>
<td>297</td>
<td>365</td>
</tr>
<tr>
<td>Aged 50 to 69</td>
<td>383</td>
<td>430</td>
<td>487</td>
<td>529</td>
<td>634</td>
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<td>Aged 70 or above</td>
<td>31</td>
<td>44</td>
<td>52</td>
<td>58</td>
<td>87</td>
</tr>
<tr>
<td>Total</td>
<td>746</td>
<td>825</td>
<td>896</td>
<td>924</td>
<td>1 127</td>
</tr>
</tbody>
</table>

Table 3: Number of Registered Street Sleepers by Duration of Street Sleeping

<table>
<thead>
<tr>
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<tr>
<td>0-1 month</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Above 1 month to 1 year</td>
<td>86</td>
<td>69</td>
<td>88</td>
<td>30</td>
<td>164</td>
</tr>
<tr>
<td>Above 1 year to 5 years</td>
<td>348</td>
<td>364</td>
<td>338</td>
<td>348</td>
<td>325</td>
</tr>
<tr>
<td>Above 5 years to 10 years</td>
<td>172</td>
<td>207</td>
<td>271</td>
<td>319</td>
<td>392</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>138</td>
<td>183</td>
<td>196</td>
<td>224</td>
<td>244</td>
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<tr>
<td>Total</td>
<td>746</td>
<td>825</td>
<td>896</td>
<td>924</td>
<td>1 127</td>
</tr>
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</table>
Table 4: Number of Registered Street Sleepers by Reason of Street Sleeping

<table>
<thead>
<tr>
<th>Reason of street sleeping</th>
<th>Number of registered street sleepers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed and hence unable to pay rent</td>
<td>358</td>
</tr>
<tr>
<td>Unable to identify accommodation with affordable rent</td>
<td>89</td>
</tr>
<tr>
<td>Unable to identify accommodation after discharge from hospital/prison/addiction treatment centre</td>
<td>129</td>
</tr>
<tr>
<td>Personal choice</td>
<td>49</td>
</tr>
<tr>
<td>Others (for reasons such as saving money, convenience, etc.)</td>
<td>97</td>
</tr>
<tr>
<td>Unknown</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>746</td>
</tr>
</tbody>
</table>

Table 5: Number of Registered Street Sleepers by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of registered street sleepers (2017-2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadside</td>
<td>97</td>
</tr>
<tr>
<td>Space underneath flyover</td>
<td>155</td>
</tr>
<tr>
<td>Park/playground/car park</td>
<td>633</td>
</tr>
<tr>
<td>Staircase/corridor</td>
<td>51</td>
</tr>
<tr>
<td>Lane</td>
<td>14</td>
</tr>
<tr>
<td>Others (e.g. lorry, inside/near the public lavatory/temple, 24-hour fast food restaurant, pier, bus stop, subway, etc.)</td>
<td>177</td>
</tr>
<tr>
<td>Total</td>
<td>1 127</td>
</tr>
</tbody>
</table>
Sites on loan to the MTR Corporation Limited for use as temporary supporting works areas

13. **MR WU CHI-WAI** (in Chinese): President, to facilitate the construction works of the Shatin to Central Link ("SCL") and the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), the Government has loaned a number of sites (e.g. Ma Chai Hang Recreation Ground in Wong Tai Sin and part of the land of the Nam Cheong Park in Sham Shui Po) to the MTR Corporation Limited ("MTRCL") for use as temporary supporting works areas. With the imminent completion of the Hin Keng to Hung Hom section of SCL and XRL, such temporary works sites will be returned to the Government. Regarding the uses of those sites, will the Government inform this Council:

   (1) of the information on each of the sites which are currently on loan to MTRCL to facilitate the aforesaid construction works, including the (i) location, (ii) area, (iii) expected date of return to the Government, and (iv) proposed long-term use (if any); and

   (2) regarding those sites which will be returned to the Government but whose long-term use has not yet been determined at present, whether the authorities will invite various government departments or public organizations (e.g. the Social Welfare Department and the Hospital Authority) to apply for using those sites; if so, of the details?

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, having consulted the Transport and Housing Bureau, my reply to the question is as follows:

   The Shatin to Central Link ("SCL"), with a total length of 17 km, consists of two sections, namely the Tai Wai to Hung Hom Section and the Hung Hom to Admiralty Section. SCL will have ten stations. Apart from bringing improvements to the existing Tai Wai Station, the project will involve construction of new stations or extension of existing stations at Hin Keng, Diamond Hill, Kai Tak, Sung Wong Toi, To Kwa Wan, Ho Man Tin, Hung Hom, the Hong Kong Convention and Exhibition Centre, and Admiralty. The estimated completion dates of the Tai Wai to Hung Hom Section and the Hung Hom to Admiralty Section are mid-2019 and 2021 respectively.
The Hong Kong section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") is approximately 26 km long, which will run from the boundary at Huanggang to West Kowloon Terminus located at the north of the West Kowloon Cultural District, and between the Airport Express Kowloon Station and the West Rail Austin Station. The estimated completion date is September 2018.

At present, a total of six sites covering a total area of about 156,500 sq m have been directly leased to the MTR Corporation Limited ("MTRCL") by way of short-term tenancies ("STT") for the construction works of SCL (three sites covering a total area of about 23,900 sq m) and HKS of XRL (three sites covering a total area of about 132,600 sq m). Please see Annex for the relevant information.

On the other hand, a total of 97 sites covering a total area of about 1,320,500 sq m have been allocated to the Highways Department by way of temporary Government land allocations to facilitate MTRCL's implementation of the works of SCL (70 sites covering a total area of about 693,500 sq m including part of the land of the Ma Chai Hang Recreation Ground in Wong Tai Sin as mentioned in the question) and HKS of XRL (27 sites covering a total area of about 627,000 sq m, including part of the land of the Nam Cheong Park in Sham Shui Po as mentioned in the question). These sites are located along and around the alignment of the two railway projects.

Some of the sites used for carrying out the works will eventually become part of the land required for the operation of the two railways. The Lands Department ("LandsD") will by then make appropriate arrangements for granting the land required for railway operation for the purposes of railway management and operation of the facilities concerned. At the meeting of the Executive Council on 12 September 2017 and 6 February 2018, the Council advised and the Chief Executive ordered that the land or interests or other rights in respect of land for the operation of HKS of XRL and SCL should be vested in the Kowloon-Canton Railway Corporation at nominal value.

As for the works sites not necessary to be included as part of the transport infrastructure, MTRCL will need to handle and arrange to return these sites to the Government as appropriate taking into account the completion schedules of different parts of works upon near completion of the construction works of these two railway projects.
Among them, some of the sites were used for designated purposes prior to the implementation of the two railway projects (such as part of the land of the Ma Chai Hang Recreation Ground in Wong Tai Sin and the Nam Cheong Park in Sham Shui Po as mentioned in the question). As for the land or part of the land not required for railway operation, MTRCL will hand over the sites to the original managing department (e.g. Leisure and Cultural Services Department) to resume the original use upon completion of the necessary re-provisioning or reinstatement works.

As for the other sites which will be returned by MTRCL to the Government, some have long-term planned uses with implementation schedules (e.g. West Kowloon Cultural District development, topside property development above West Kowloon Station, and Diamond Hill Comprehensive Development Area projects). The long-term planned uses of other sites are pending implementation. Regarding the long-term or short-term use of such land, the Planning Department and LandsD will respectively consult relevant Policy Bureaux and government departments in accordance with the established mechanism.

Annex

Sites leased to MTRCL by way of short-term tenancies for the works of SCL and HKS of XRL

SCL

<table>
<thead>
<tr>
<th>Tenancy Number</th>
<th>Location</th>
<th>User</th>
<th>Area (sq m) (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDS/SCL-001</td>
<td>Olympic Avenue, Sung Wong Toi</td>
<td>Works site for construction of SCL and works site in connection with Civil Engineering and Development Department entrustment works to SCL for infrastructure in Kai Tak</td>
<td>22 100</td>
</tr>
<tr>
<td>RDS/SCL-007</td>
<td>Adjoining MTR Diamond Hill Station, Lung Cheung Road</td>
<td>Work Site for construction of SCL including carrying out of ancillary and enabling works for the future development of the Premises</td>
<td>1 100</td>
</tr>
<tr>
<td>Tenancy Number</td>
<td>Location</td>
<td>User</td>
<td>Area (sq m) (approx.)</td>
</tr>
<tr>
<td>----------------</td>
<td>----------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>RDS/SCL-009</td>
<td>Lung King Street, Wan Chai</td>
<td>Works site for construction of SCL including carrying out of ancillary and enabling works for the future development of the Premises</td>
<td>700</td>
</tr>
</tbody>
</table>

HKS of XRL

<table>
<thead>
<tr>
<th>Tenancy Number</th>
<th>Location</th>
<th>User</th>
<th>Area (sq m) (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDS/XRL-STT/1</td>
<td>At the junction of Jordan Road, Lin Cheung Road, Austin Road West and Wui Man Road</td>
<td>Works site for the construction of HKS of XRL</td>
<td>58 800</td>
</tr>
<tr>
<td>RDS/XRL-STT/2</td>
<td>At Austin Road West</td>
<td>Works site for the construction of HKS of XRL and the associated road works</td>
<td>37 900</td>
</tr>
<tr>
<td>RDS/XRL-STT/3</td>
<td>At the junction of Jordan Road, Lin Cheung Road, Austin Road West and Wui Man Road</td>
<td>Works site for the construction of HKS of XRL and the associated road works</td>
<td>35 900</td>
</tr>
</tbody>
</table>

**Improving Lantau Island's traffic and transport infrastructure**

14. **MR HOLDEN CHOW** (in Chinese): President, some Tung Chung residents working at the airport have relayed to me that, at present, they mainly rely on franchised bus services to travel to and from the airport. However, given that the bus routes concerned are circuitous and traffic congestion frequently occurs in Tung Chung Town Centre during rush hours, they have to spend a lot of time on traffic. Moreover, the population of Tung Chung will
increase substantially in the coming few years upon the completion of a number of development projects. This will inevitably aggravate the traffic load in the district. On the other hand, the Civil Engineering and Development Department ("CEDD") is currently conducting a Study on Traffic, Transport and Capacity to Receive Visitors for Lantau ("the first Study"), which will cover ways to improve the traffic within Lantau Island (such as the traffic network between Tung Chung Town Centre and the Airport Island). Also, CEDD and the Planning Department ("PlanD") are jointly conducting a Planning, Engineering and Architectural Study for Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge ("the second Study") to consider, among others, the transport connectivity proposals for the Hong Kong Boundary Crossing Facilities ("HKBCF") Island ("the Island") of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), North Lantau and the Airport Island. Regarding issues concerning improvements to Lantau Island's traffic and transport infrastructure, will the Government inform this Council:

(1) given that some Tung Chung residents have suggested extending the Tung Chung Line to the Airport Island, whether the scope of the first Study covers such suggestion; if so, of the details; whether the authorities have discussed the suggestion with the MTR Corporation Limited ("MTRCL"); if so, of the outcome;

(2) of the latest progress of the second Study; whether CEDD and PlanD have studied my suggestion below: constructing a regional elevated monorail system with stops to be built at places such as Tung Chung, the Airport Island, the Island; if so, of the outcome; if not, the reasons for that; and

(3) given the expected completion of HZMB in the third quarter of this year, of the details of the authorities' plans for public transport plying HKBCF and various districts in Hong Kong upon the completion of HZMB; whether the authorities will work with MTRCL to explore the feasibility of building an additional HKBCF Station of the Tung Chung Line?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the various parts of Mr Holden CHOW's question is as follows:
(1) According to the information from the Development Bureau, the Civil Engineering and Development Department ("CEDD") is carrying out the "Study on Traffic, Transport and Capacity to Receive Visitors for Lantau". The study does not clearly specify the suggestion to examine the extension of the terminus of Tung Chung Line to the Airport Island, but it will examine the needs and feasible options of transport connection between North Lantau and the Airport Island from the perspective of holistic Lantau planning. The study is expected to complete in 2019.

(2) According to the information from the Development Bureau, CEDD and the Planning Department are jointly carrying out the "Planning, Engineering and Architectural Study for Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge". It includes the study on the feasibility of possible transport connection options (including Environmentally Friendly Linkage System) between Hong Kong Boundary Crossing Facilities ("HKBCF") Island, North Lantau and the Airport Island. The relevant part of the study is expected to complete by the end of 2018.

(3) To tie in with the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), the Transport Department ("TD") issued a paper to the Traffic and Transport Committee of all District Councils in May last year to introduce the local public transport arrangements for HKBCF of HZMB. Upon the commissioning of HZMB, nine airport bus "A" routes with higher patronage and frequencies\(^1\) will be extended to HKBCF of HZMB for the convenience of the public. TD will also introduce three new feeder franchised bus routes plying to and from the Airport (with an en-route stop at the AsiaWorld-Expo), Tung Chung (with en-route stops at Yat Tung Estate and MTR Tung Chung Station), and Sunny Bay (with an en-route stop at Hong Kong Disneyland at specific time); and a new green minibus route plying to and from Tung Chung North with

\(^1\) The nine airport bus "A" routes are A11 (plying to and from North Point), A21 (plying to and from Hung Hom), A22 (plying to and from Lam Tin), A29 (plying to and from Tseung Kwan O), A31 (plying to and from Tsuen Wan), A33X (plying to and from Tuen Mun), A35 (plying to and from Mui Wo), A36 (plying to and from Yuen Long), and A41 (plying to and from Sha Tin).
en-route stop at the Catering Services Area. In addition, all types of taxis can be operated at the public transport interchange at the HKCBF of HZMB. Non-franchised buses that have made prior applications to and obtained approval from TD can also use the public transport interchange at HKCBF of HZMB.

In response to our invitation, the MTR Corporation Limited submitted a proposal for the Tung Chung West Extension (and Tung Chung East Station) in end January 2018, taking into consideration the conceptual railway connection between the Airport Island and the future Tung Chung East Station. The proposal is being evaluated by the Transport and Housing Bureau, the Highways Department and relevant bureaux/departments.

**Work-related injuries and employees' compensation claims**

15. **MR JIMMY NG** (in Chinese): President, the Labour Department received more than 50,000 employees' compensation claims for work-related injuries reported under the Employees' Compensation Ordinance (Cap. 282) in each year from 2013 to 2017. In this connection, will the Government inform this Council:

1. of a breakdown, by industry and cause of the work injury incidents, of the number of compensation claims for work-related injuries in each of the past five years (set out in a table);

2. whether it has explored new measures that may reduce the occurrence of work injury incidents; if so, of the details; if not, the reasons for that; and

3. in respect of those industries with a higher number of work injury incidents, whether the Government will allocate additional resources (including manpower) to (i) step up training for the employers and employees of such industries so as to raise their awareness of occupational safety and health ("OSH"), and (ii) draw up more stringent OSH guidelines for such industries; if so, of the details; if not, the reasons for that?
SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the Member's question is as follows:

(1) From 2013 to 2017, the number of employees' compensation claims reported under the Employees' Compensation Ordinance ("ECO") and received by the Labour Department ("LD") in each year is provided below:

<table>
<thead>
<tr>
<th>Duration of incapacitation of employees</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than three days</td>
<td>16 096</td>
<td>15 531</td>
<td>14 994</td>
<td>15 134</td>
<td>14 645</td>
</tr>
<tr>
<td>More than three days*</td>
<td>39 072</td>
<td>38 386</td>
<td>36 923</td>
<td>36 420</td>
<td>36 463</td>
</tr>
<tr>
<td>Total</td>
<td>55 168</td>
<td>53 917</td>
<td>51 917</td>
<td>51 554</td>
<td>51 108</td>
</tr>
</tbody>
</table>

Note:

* Figures include fatal cases.

If the employees sustain work injuries which result in incapacitation for not more than three days and no permanent incapacity is involved, the employers should make direct payment of compensation to the employees in accordance with ECO. LD does not keep a breakdown of the above compensation claims involving incapacitation of employees for not more than three days by industry. As for compensation claims involving incapacitation of employees for more than three days, a breakdown by industry is provided below:

<table>
<thead>
<tr>
<th>Industry</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration, Social and Personal Services</td>
<td>8 057</td>
<td>7 927</td>
<td>7 394</td>
<td>7 641</td>
<td>7 376</td>
</tr>
<tr>
<td>Finance and Insurance, Real Estate, Professional and Business Services</td>
<td>6 887</td>
<td>6 886</td>
<td>6 892</td>
<td>7 100</td>
<td>7 205</td>
</tr>
<tr>
<td>Food and Beverage Services</td>
<td>6 431</td>
<td>6 192</td>
<td>5 944</td>
<td>5 540</td>
<td>5 621</td>
</tr>
<tr>
<td>Import/Export, Wholesale and Retail Trades, Accommodation Services</td>
<td>5 831</td>
<td>5 642</td>
<td>5 315</td>
<td>5 206</td>
<td>5 013</td>
</tr>
<tr>
<td>Industry</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Transportation, Storage, Postal and Courier Services, Information and Communications</td>
<td>5 013</td>
<td>4 779</td>
<td>4 154</td>
<td>4 103</td>
<td>4 213</td>
</tr>
<tr>
<td>Construction</td>
<td>3 343</td>
<td>3 597</td>
<td>3 955</td>
<td>3 847</td>
<td>4 143</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2 495</td>
<td>2 448</td>
<td>2 313</td>
<td>2 034</td>
<td>1 950</td>
</tr>
<tr>
<td>Others</td>
<td>1 015</td>
<td>915</td>
<td>956</td>
<td>949</td>
<td>942</td>
</tr>
<tr>
<td>Total</td>
<td>39 072</td>
<td>38 386</td>
<td>36 923</td>
<td>36 420</td>
<td>36 463</td>
</tr>
</tbody>
</table>

LD does not keep a breakdown of compensation claims by cause of the work injury incident.

(2) and (3)

LD always keeps occupational safety and health ("OSH") enhancement strategies under review and adjusts the approach, focus and intensity of its work from time to time in light of the changes of work practices of different industries as well as the corresponding changes in the OSH risks they face.

LD will continue to adopt a multi-pronged strategy to enhance OSH in various industries through inspection and enforcement, education and training as well as publicity and promotion.

As the construction industry records the highest industrial accident rate and number of fatalities while the catering industry has the highest number of industrial accidents amongst all industries, we have always been particularly concerned about OSH of these two industries. Having regard to changing risk situations, LD launches special enforcement operations from time to time and conducts surprise inspections, so as to enhance the OSH awareness of duty holders engaged in these industries, and to safeguard OSH of the employees involved. Besides, LD collaborates with the Occupational Safety and Health Council, major trade associations and workers' unions concerned to organize promotional activities. These activities include large-scale promotional campaigns, training courses, seminars, health talks, roving exhibitions, out-reaching promotional visits, etc. LD also disseminates OSH messages
through television and radio Announcements in the Public Interest, newspapers and LD's homepage. Moreover, LD from time to time compiles and updates safety guidelines, particularly on high risk processes, to promote safe operation and to enhance the safety performance of various industries. Examples are the "Guidance Notes on Safety and Health of Hand-dug Tunnelling Work" published at the end of last year and the "Guidance Notes on the Selection, Use and Maintenance of Safety Helmets" that will soon be issued.

As in the Appropriation Bill 2018, there will be an increase of 98 posts in LD. In addition to strengthening the above mentioned work, the new resources will also be deployed to undertake a series of new measures to reduce accidents at work, including:

(i) to intensify inspection and enforcement efforts, which include conducting in-depth surprise inspections, and to step up monitoring the work of safety professionals, etc.;

(ii) to step up monitoring public works projects through greater participation in meetings of site safety management committees;

(iii) to step up the OSH publicity efforts including enhancing the promotion of complaint channel and encouraging construction workers to report unsafe working condition, thus enabling LD to conduct prompt and targeted inspections;

(iv) to promote the requirement for workers to wear safety helmets with chin strap, and to produce new animated "Work Safety Alert", etc.; and

(v) to review penalties of the OSH legislation so as to achieve greater deterrent effect.

LD will continue to adopt risk-based approach in formulating targeted measures to enhance the overall OSH performance of Hong Kong.
Surrender of fugitive offenders to each other by the authorities of Hong Kong and Taiwan

16. **MR PAUL TSE** (in Chinese): President, in February this year, a Hong Kong woman went missing during a tour to Taiwan. It has been reported that Taiwan Police found, after investigation, that the woman had been killed and they suspect that a Hong Kong man who went to Taiwan with the woman and subsequently returned to Hong Kong alone is the murderer. Under general legal principles, the courts in Hong Kong may not have jurisdiction to hear the case in question which occurred outside Hong Kong, unless there is evidence showing that certain acts of the suspect (e.g. the plotting of the murder) were committed in Hong Kong. Moreover, as the Hong Kong Government has yet to enter into with the Taiwan authorities an agreement on the surrender of fugitive offenders under the Fugitive Offenders Ordinance (Cap. 503), the law enforcement authorities in Hong Kong probably may not surrender the suspect, who has the right of abode in Hong Kong, to the Taiwan authorities. In this connection, will the Government inform this Council:

(1) of the progress made so far by the Hong Kong Police and the Department of Justice ("DoJ") in handling the aforesaid case;

(2) when it can confirm whether the case will be heard by the courts in Hong Kong or in Taiwan;

(3) apart from the suspect voluntarily going to Taiwan, whether there are policies, legislation and procedure based on which the Government may transfer him to Taiwan for trial; if so, of the details;

(4) whether DoJ and the Police of Hong Kong may provide, and have provided, assistance to the Taiwan authorities in respect of case investigation (including gathering of evidence); if they may provide and have provided assistance, of the details; if not, the reasons for that; and

(5) when and how the authorities will plug the loophole in the law which has rendered the authorities of Hong Kong and Taiwan unable to surrender fugitive offenders to each other, in order to prevent offenders who have committed very serious crimes from getting away without being punished?
SECRETARY FOR SECURITY (in Chinese): President, my reply to the various parts of the question is as follows:

Hong Kong has been committed to cooperating with other jurisdictions in combating crimes. Articles 95 and 96 of the Basic Law provide that the Hong Kong Special Administrative Region ("HKSAR") may make appropriate arrangements for reciprocal juridical assistance with the judicial organs of other parts of the country (through consultations) and foreign states (with the assistance or authorization of the Central People's Government). Since Hong Kong's return to the Motherland, the HKSAR Government has been expanding such arrangements to widen its juridical assistance network by signing relevant agreements with more jurisdictions. So far, Hong Kong has signed agreements on mutual legal assistance in criminal matters ("MLA") with 32 jurisdictions\(^1\) and agreements on surrender of fugitive offenders ("SFO") with 20 jurisdictions.\(^2\) Currently, there is no MLA or SFO arrangement between Hong Kong and Taiwan.

Besides, the Hong Kong Police and other law enforcement agencies liaise and cooperate with their counterparts in other places from time to time to exchange intelligence for combating crimes. Parties concerned are required to fully comply with their respective laws and requirements in the liaison and cooperation.

The HKSAR Government attaches great importance to the case mentioned in the question. The Police have maintained close contact with the Department of Justice ("DoJ") in examining the appropriate way to handle the case. Police officers were sent to Taiwan on 21 March 2018 to follow up on relevant matters. The body of the deceased was also examined by forensic pathologists on 4 April after its repatriation to Hong Kong, with a view to collecting all evidence which may be useful. As the case involves two jurisdictions, we have to check it out

\(^1\) Argentina, Australia, Belgium, Canada, Czech, Denmark, France, Finland, Germany, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mongolia, the Netherlands, New Zealand, the Philippines, Poland, Portugal, the Republic of Korea, Singapore, Sri Lanka, South Africa, Spain, Sweden, Switzerland, the United Kingdom, the United States and Ukraine.

\(^2\) Australia, Canada, Czech, France, Finland, Germany, India, Indonesia, Ireland, Malaysia, the Netherlands, New Zealand, the Philippines, Portugal, the Republic of Korea, Singapore, South Africa, Sri Lanka, the United Kingdom and the United States.
and conduct in-depth investigation into what had happened, what crimes had been involved and what evidence had been collected in both jurisdictions before further determining how the case should be handled and pursued. Investigation of the case and related legal proceedings are still in progress.

Currently, there is no MLA or SFO arrangement between Hong Kong and Taiwan. According to the Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525 of the Laws of Hong Kong) and the Fugitive Offenders Ordinance (Cap. 503 of the Laws of Hong Kong), the applicability of the said ordinances does not cover "Central People's Government or the government of any other part of the People's Republic of China" or "any other part of the People's Republic of China".

The HKSAR Government is now working hard and is diligently handling this case which involves two jurisdictions. At present, the alleged person has been arrested by Hong Kong Police and is under detention by order of the Court. The Police will handle the case in a serious manner, and act in accordance with Hong Kong law and in light of its scope of work and the actual circumstances of collecting evidence. DoJ will consider the appropriate arrangement for handling the case under the existing legal framework. As the legal proceedings of the case are under way, it is not appropriate for us to disclose details of the handling of the case at this stage.

**Fulfillment of land lease covenants by developers**

17. **MR CHAN HAK-KAN** (in Chinese): President, it has been reported that between 2000 and 2004, the Town Planning Board approved with conditions the planning applications made by a developer for its residential development projects in Fung Yuen, Tai Po. Those conditions were subsequently incorporated into the relevant land lease, stipulating that the developer is responsible for the management and maintenance of a garden next to the residential projects. However, some members of the public have complained to me that the developer concerned has not fulfilled those land lease covenants so far. On fulfilling by developers the responsibilities under land lease covenants on the management and maintenance of the sitting-out facilities surrounding development projects, will the Government inform this Council:
(1) of the number of planning applications for which approval was granted, by the authorities in the past three years, with the conditions of managing and maintaining the sitting-out facilities surrounding development projects, and the area of the sitting-out facilities involved in each approval;

(2) whether the authorities received complaints in the past three years about developers failing to fulfill the relevant land lease covenants; if so, of the number of such cases and the details of each case; and

(3) whether it has issued warning letters to those developers in (2) who failed to fulfill the relevant land lease covenants; if so:

(i) of the number and other details;

(ii) in respect of those developers who made rectifications, of the time lapse after warning letters were issued to them and before they did so;

(iii) of the number of developers who have not made any rectifications after the deadlines concerned; the average time lapse before further actions were taken by the authorities; and

(iv) of the number of developers who have not made rectifications even after the authorities had taken further actions; whether the authorities will consider recovering the sites concerned by invoking the relevant land lease covenants; if so, of the area of the site involved in each case; if not, the other measures in place to press the developers to fulfill the relevant land lease covenants?

SECRETARY FOR DEVELOPMENT (in Chinese): President, regarding the development project in Fung Yuen, Tai Po ("Fung Yuen"), the planning application earlier approved by the Town Planning Board ("TPB") allows residential development at the private lot concerned on condition that the developer must maintain part of the land for agricultural purposes, and submit a Detailed Maintenance and Management Plan ("DMP") for the agricultural portion where the relevant proposals outlined in DMP must be implemented to the
satisfaction of the Director of Planning or of TPB. Under the aforesaid planning application, there is no requirement for the agricultural portion and the garden thereon to be made available for public use. Hence the agricultural portion is not by nature a public open space. The relevant planning requirements have been incorporated in the land lease. The Lands Department ("LandsD") is following up the complaints about the management and maintenance of the garden concerned.

For those cases similar to that in Fung Yuen (i.e. part of the land is required to be used for agricultural purposes under the planning permission and relevant lease conditions), we do not have readily available information.

In general, LandsD will follow up the relevant complaints by conducting on-site inspection and clarifying with the owners and/or the management companies in respect of the problems encountered and the relevant requirements. Depending on practical circumstances, LandsD may in individual cases seek legal advice on the breaching of lease conditions with a view to issuing warning letters to urge for rectification. LandsD will subsequently conduct follow-up visits or undertake monitoring or investigative actions so as to ensure that any non-compliance situation has been rectified. For cases that involve major breaches of lease conditions, LandsD reserves all rights to re-enter the land lots concerned.

Privacy issues arising from the installation of camera systems in public spaces

18. **MR CHARLES PETER MOK** (in Chinese): President, it has been reported that some members of the public have recently found that video cameras were strapped onto and notices issued by the Food and Health Bureau ("FHB") were hung at certain lampposts, stating that the camera systems have been installed for traffic census purposes. Some members of the public are concerned that such practice may infringe upon their privacy. Regarding the installation of camera systems by the Government in public spaces, will the Government inform this Council:

(1) of the detailed use of the data collected through the aforesaid camera systems of FHB;
(2) of (i) the setting up procedure (including the party responsible for the installation) for such cameras, (ii) the total number of them and (iii) their locations;

(3) of the duration of the aforesaid traffic census; the use of the camera systems so far, including (i) the number of times for which video records were made, (ii) the number of video footages taken, (iii) the total length of the video footages, and (iv) the respective numbers of such footages still being kept after 31 days and after six months from the date on which the video records were made;

(4) whether FHB has commissioned contractors to undertake the video recording work; whether the video footages contain data (i) which can be used to identify the identities of individuals and (ii) on the interiors of residential units; if so, of the procedures to ensure that the staff of the government departments and/or contractors concerned will properly and conscientiously store, use and destroy such data;

(5) as data protection principle ("DPP") 1(1) under the Personal Data (Privacy) Ordinance (Cap. 486) requires that personal data should not be collected unless the data are collected for a lawful purpose directly related to a function or activity of the data user who is to use the data and the collection of the data is necessary for or directly related to that purpose, whether the Government has formulated guidelines on the collection of personal data by using camera systems installed in public spaces, particularly when contractors are involved, to ensure compliance with that principle; if so, of the details; if not, the reasons for that;

(6) as DPP 4(1) requires that a data user shall take all practicable steps to ensure that personal data held by the data user are protected against unauthorized or accidental access, processing, erasure, loss or use, whether the Government has, in respect of the retention and use of the video footages taken through the camera systems installed in public spaces, (i) consulted the views of the Office of the Privacy Commissioner for Personal Data, (ii) conducted risk and impact assessments of privacy infringement, and (iii) monitor the compliance with that principle by the staff of the government.
departments and/or contractors responsible for the relevant work; whether it has put in place a mechanism for the public to lodge complaints about matters relating to the retention and use of such video footages by the Government; and

(7) whether it has required staff of government departments and/or contractors responsible for the operation of camera systems as well as retention and use of such video footages to receive training on privacy protection; if so, of the average number of hours of training they received?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, as indicated in the Legislative Council Brief titled "Implementation of Private Columbaria Ordinance—Issues on Land Premium and Traffic Impact Assessment", which was issued by the Government on 22 November 2017, the Food and Health Bureau would commission a counting survey to collect data about the actual traffic and pedestrian flow data around the Ching Ming Festival of 2018 of columbaria claiming pre-cut-off status (i.e. those that were in operation and in which ashes were interred in niches before 8:00 am on 18 June 2014). The purpose of the survey is to facilitate relevant departments and authorities to have a better grasp of the impact of private columbaria on the vehicular and pedestrian flow in their vicinities during the Ching Ming Festival period. A consultant has been commissioned to undertake the work. My reply to various parts of the question is as follows.

On the basis of the information about the 130 private columbaria joining the Notification Scheme administered by the Food and Environmental Hygiene Department in 2014, the Government has identified some 135 road junctions and 169 pedestrian access points. Due to technical manpower constraints, the vehicular and pedestrian flow of roughly more than 20% of the road junctions (33 in number) and pedestrian access points (38 in number) was captured by video recording on the Ching Ming day (i.e. 5 April 2018). The consultant will then review the video records subsequently and turn them into numerical data. Only numerical data will be made public in future.

The video records are only used for collecting data about vehicular and pedestrian flow (including the type and the number of vehicles), and not for identification of any personal data. Notwithstanding this, there is provision in
the agreement between the Food and Health Bureau and the consultant ("the agreement"), requiring the consultant and the contractor to comply with the guidance note titled "Guidance on CCTV Surveillance and Use of Drones" promulgated by the Privacy Commissioner for Personal Data. For example, a notice was affixed to every lamppost installed with a camera, informing members of the public in the vicinity that a traffic survey was being conducted at the location, with the Food and Health Bureau hotline provided for public enquiries.

The contractor commissioned by the consultant was responsible for the installation of cameras. The locations involved are set out in the Annex. As it took time to complete the installation procedure, the cameras were installed in batches from 29 March 2018 but it was not until 5 April 2018 that the video recording was activated. The video recording period was from 8:00 am to 5:00 pm, and the total length of the video footage recorded at each location was about nine hours. All cameras were dismantled in batches between 5 and 7 April 2018.

According to the agreement, the contractor is required to return the video records to the consultant within 10 days from the date on which the video recording was completed (i.e. by 15 April 2018) and the consultant is required to return such records to the Food and Health Bureau by 31 July 2018. The Food and Health Bureau has planned to complete the destruction of these video records by 5 October 2018 (i.e. within six months from the date on which the video recording was completed).

The Government, the consultant and the contractor have ensured that the video records are only used for counting purpose and no identification of personal data is involved. The view coverage of the video recording was targeted at public areas and that no views within any private development were captured. The procedure and data of video recording are properly and prudently handled, including the return of all video records to the Government for destruction after use.

When collecting personal data, the government departments will ensure that the requirements under the Personal Data (Privacy) Ordinance are complied with. Departmental and grade managements will also arrange various training courses for their staff according to operational needs, including those on privacy protection.
Annex

The locations of cameras installed in the counting survey conducted in 2018 Ching Ming Day and commissioned by the Food and Health Bureau

<table>
<thead>
<tr>
<th>District</th>
<th>Lamp post number</th>
<th>Road junction/pedestrian access point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>44652</td>
<td>Pok Fu Lam Road Bus Stop Layby</td>
</tr>
<tr>
<td></td>
<td>39718</td>
<td>Victoria Road/Sandy Bay Road Junction</td>
</tr>
<tr>
<td></td>
<td>34169</td>
<td>Pok Fu Lam Road (Eastbound and Westbound) Footpath</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sandy Bay Road (Northbound and Southbound) Footpath</td>
</tr>
<tr>
<td>Kowloon</td>
<td>E0669</td>
<td>Baker Street/Lo Lung Hang Street Junction</td>
</tr>
<tr>
<td></td>
<td>AA5218</td>
<td>Lo Lung Hang Street/Winslow Street Junction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Winslow Street Northside Footpath near Lo Lung Hang Street</td>
</tr>
<tr>
<td></td>
<td>AF3530</td>
<td>Chatham Road North Eastside Footpath near Baker Street</td>
</tr>
<tr>
<td></td>
<td>E0667</td>
<td>Cooke Street Northside Footpath near Walker Road</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Baker Street Southside Footpath near Walker Road</td>
</tr>
<tr>
<td></td>
<td>K8775</td>
<td>Winslow Street Northside Footpath near Lo Lung Hang Street</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lo Lung Hang Street Northside Footpath</td>
</tr>
<tr>
<td></td>
<td>AB4553</td>
<td>Cumberland Road/Essex Crescent junction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Essex Crescent Westside Footpath</td>
</tr>
<tr>
<td></td>
<td>AB2671</td>
<td>Rutland Quadrant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rutland Quadrant Eastside Footpath</td>
</tr>
<tr>
<td></td>
<td>SF0898</td>
<td>Lei Yue Mun Path Footpath</td>
</tr>
<tr>
<td></td>
<td>CF0058</td>
<td>Shung Shun Street/Lei Yue Mun Path Junction</td>
</tr>
<tr>
<td></td>
<td>AA0886</td>
<td>Tsui Ping Road/Tsui Ping South Estate Roundabout</td>
</tr>
<tr>
<td></td>
<td>J2424BF</td>
<td>Tsui Ping Road/Hiu Ming Street Junction</td>
</tr>
<tr>
<td></td>
<td>AB3148</td>
<td>Hui Kwong Street/Sau Lai Street Junction</td>
</tr>
<tr>
<td></td>
<td>AA1046</td>
<td>Tsui Ping Road (Eastbound and Westbound) Footpath</td>
</tr>
<tr>
<td></td>
<td>GF2849B</td>
<td>Kai Lim Road (Northbound and Southbound) Footpath</td>
</tr>
<tr>
<td>District</td>
<td>Lamp post number</td>
<td>Road junction/pedestrian access point</td>
</tr>
<tr>
<td>----------</td>
<td>------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>AA1059</td>
<td>Upper Staircase link between Hiu Kwong Street and Tsui Ping Road</td>
<td></td>
</tr>
<tr>
<td>AB2241</td>
<td>Lower Staircase link between Hiu Kwong Street and Tsui Ping Road</td>
<td></td>
</tr>
<tr>
<td>K7788</td>
<td>Fa Yuen Street/Fife Street Junction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fa Yuen Street Footpath</td>
<td></td>
</tr>
<tr>
<td>AB4043</td>
<td>Soy Street/Reclamation Street Junction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reclamation Street Footpath</td>
<td></td>
</tr>
<tr>
<td>AB6024</td>
<td>Tsz Wan Shan Road/Shatin Pass Road Junction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shatin Pass Road Upper (Eastbound and Westbound) Footpath</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shatin Pass Road Lower (Eastbound and Westbound) Footpath</td>
<td></td>
</tr>
<tr>
<td>AA7068</td>
<td>King Tung Street/Hammer Hill Road Junction</td>
<td></td>
</tr>
<tr>
<td>AA6054</td>
<td>Fung Shing Street/Po Kong Village Road Junction</td>
<td></td>
</tr>
<tr>
<td>AA2584</td>
<td>Chi Lin Drive/Fung Tak Road Junction</td>
<td></td>
</tr>
<tr>
<td>E1156</td>
<td>Wan Wah Street/Tsz Wan Shan Road Junction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Wah Street (Eastbound and Westbound) Footpath</td>
<td></td>
</tr>
<tr>
<td>AA6776</td>
<td>Po Kong Village Road/Fung Tak Road Junction</td>
<td></td>
</tr>
<tr>
<td>AA6779</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AA1883</td>
<td>Fung Tak Road (Northbound and Southbound) East of Chi Lin Drive Footpath</td>
<td></td>
</tr>
<tr>
<td>AB4005</td>
<td>Fung Tak Road (Northbound and Southbound)</td>
<td></td>
</tr>
<tr>
<td>AB4002</td>
<td>West of Chi Lin Drive Footpath</td>
<td></td>
</tr>
<tr>
<td>AA2265</td>
<td>Lung Poon Street (Eastbound and Westbound) Footpath</td>
<td></td>
</tr>
<tr>
<td>AA7070</td>
<td>King Tung Street (Northbound and Southbound) Footpath</td>
<td></td>
</tr>
<tr>
<td>GF0064</td>
<td>Tsz Wan Shan Road (Northbound and Southbound) Footpath East of Wan Wah Street</td>
<td></td>
</tr>
<tr>
<td>GF0065</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E5520</td>
<td>Tsz Wan Shan Road (Northbound and Southbound) Footpath</td>
<td></td>
</tr>
<tr>
<td>E6389</td>
<td>Reclamation Street/Wing Sing Lane Junction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reclamation Street Footpath</td>
<td></td>
</tr>
<tr>
<td>District</td>
<td>Lamp post number</td>
<td>Road junction/pedestrian access point</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>New Territories</td>
<td>BC0539</td>
<td>Tung Chung Road/Shek Mun Kap Road Junction</td>
</tr>
<tr>
<td></td>
<td>BC0540</td>
<td>Shek Mun Kap Road (Northbound and Southbound) Footpath</td>
</tr>
<tr>
<td></td>
<td>AA0083</td>
<td>Tai O Road/Lung Tin Street Junction</td>
</tr>
<tr>
<td></td>
<td>AJ1338</td>
<td>Wo Hing Road/Wo Ka Lau Road Junction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wo Ka Lau Road Footpath</td>
</tr>
<tr>
<td></td>
<td>EC0371</td>
<td>Wo Ka Lau Road Access Road Junction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wo Ka Lau Road Access Road Footpath</td>
</tr>
<tr>
<td></td>
<td>N1150</td>
<td>Chui Tin Street/Public Car Pak Access Road Junction</td>
</tr>
<tr>
<td></td>
<td>EB3287</td>
<td>Che Kung Miu Road/Sha Tin Tau Road Junction</td>
</tr>
<tr>
<td></td>
<td>EA6194</td>
<td>Kak Tin Street Public Car Park Entrance</td>
</tr>
<tr>
<td></td>
<td>EC0928 (EC0934)</td>
<td>Wo Liu Hang Street/Wo Shui Street Junction</td>
</tr>
<tr>
<td></td>
<td>N0240</td>
<td>Mei Tin Road/Mei Chung Court Entrance Junction</td>
</tr>
<tr>
<td></td>
<td>EA7038</td>
<td>Tai Po Tau Shui Wai Road near Wilson Trail Section 8</td>
</tr>
<tr>
<td></td>
<td>FC0189</td>
<td>Fu Yung Shan Road/Tung Lam Terrace Junction</td>
</tr>
<tr>
<td></td>
<td>AC3049</td>
<td>Fu Yung Shan Road Roundabout</td>
</tr>
<tr>
<td></td>
<td>FB9248</td>
<td>Northbound Footpath along Tuen On Lane</td>
</tr>
<tr>
<td></td>
<td>FC2220</td>
<td>Tuen Fu Road Footpath</td>
</tr>
<tr>
<td></td>
<td>FC2217</td>
<td>Tuen Fu Road Footpath linked to MTR station</td>
</tr>
<tr>
<td></td>
<td>FC0794</td>
<td>Ming Kum Road/Hing Fu Street Junction</td>
</tr>
<tr>
<td></td>
<td>AD0728</td>
<td>Hing Fu Street footpath near Basketball Court</td>
</tr>
<tr>
<td></td>
<td>BD2489</td>
<td>Tai Shu Ha Road West</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tai Shu Ha Road West Footpath</td>
</tr>
<tr>
<td></td>
<td>BE0151</td>
<td>Shek Lin Road Upper Footpath</td>
</tr>
<tr>
<td></td>
<td>EC0018</td>
<td>Shek Lin Road Under Bridge Link</td>
</tr>
<tr>
<td></td>
<td>EC0016</td>
<td>Shek Lin Road Lower Footpath</td>
</tr>
<tr>
<td></td>
<td>N6182</td>
<td>Two Staircases in Kam Shan Road Footpath</td>
</tr>
<tr>
<td></td>
<td>EC0462</td>
<td>Kam Shan Road/Hon Ka Road Junction</td>
</tr>
</tbody>
</table>
Protection of consumers' rights and interests of online shoppers and the development of e-commerce

19. MR KENNETH LEUNG (in Chinese): President, regarding the protection of consumers' rights and interests of people who purchase goods and services online ("online shopping") and the development of e-commerce, will the Government inform this Council:

(1) whether it has compiled statistics on (i) the person-times of online shopping, (ii) the penetration rate of online shopping, (iii) the total value of online retail sales, and (iv) the per capita spending on online shopping, in each of the past five years; if so, of the details (set out in a table); if not, the reasons for that;

(2) of the number of complaints about online shopping received by the authorities in each of the past five years, with a breakdown by nature of complaint; among such complaints, of the number of those involving online stores which have only set up accounts on social media platforms and have not undergone business registration nor operated a physical shop, and whether the authorities have taken the initiative to monitor the business practices of this type of online stores; if so, of the details; if not, the reasons for that;

(3) given that the Expert Group on E-commerce ("EGE") was established in May 2015 under the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries of the Economic Development Commission, of EGE's current membership as well as (i) the number of meetings held, (ii) the specific work carried out, (iii) the recommendations put forward for promoting e-commerce, and (iv) the achievements made, so far; and

(4) whether the authorities have monitored and studied the development trends of e-commerce in Hong Kong and around the world, and reviewed if the existing legislation and regulatory regimes can keep abreast of the latest development, so as to effectively protect the consumers' rights and interests of online shoppers and maintain the market's level playing field; if so, of the details; if not, the reasons for that?
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, having consulted the Innovation and Technology Bureau, the Census and Statistics Department ("C&SD") and the Consumer Council ("CC"), my reply to the four parts of the question is as follows:

(1) C&SD conducted the "Thematic Household Survey on Information Technology Usage and Penetration" during June to August 2014 and April to July 2016 respectively. Information collected includes usage of online purchasing services, and the relevant statistics are set out at Annex 1. C&SD does not have statistics on the total amount of online retail sales.

(2) Consumers' rights are protected by different legislation, including the Trade Descriptions Ordinance ("the Ordinance"), and consumers who have disputes with online traders may seek assistance from various agencies, such as CC. The Ordinance, which took effect from 19 July 2013, prohibits some common unfair trade practices, including false trade descriptions and misleading omissions etc., and is equally applicable to both online traders and physical stores. The Customs and Excise Department ("C&ED") is the principal enforcement agency of the Ordinance, while the Communications Authority ("CA") enforces the provisions of the Ordinance that prohibit unfair trade practices in relation to the commercial practices of licensees under the Telecommunications Ordinance and the Broadcasting Ordinance that are connected with the provision of a telecommunications service or broadcasting service under the two Ordinances. The numbers of complaints received by CC, C&ED and CA on online shopping are set out at Annex 2. CC, C&ED and CA do not maintain statistics on number of complaints involving online shops which only have accounts at social media platforms but without business registration or physical stores. According to the study report on online shopping published by CC in 2016, online shoppers in Hong Kong were highly satisfied with their experiences, with 79% of the respondents expressing confidence in online shopping, and some 98% being satisfied or very satisfied. The law enforcement agencies will take necessary follow-up actions in response to every complaint, regardless of the sales channels involved, and keep watch on online commercial activities proactively.
(3) The Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission set up the Expert Group on E-commerce ("EGE") in May 2015, comprising representatives from the e-commerce sector, local enterprises, relevant government and public bodies, to study the development potential of e-commerce in Hong Kong. EGE held six meetings and met with the trade and relevant organizations multiple times to exchange views on policies and measures to promote the development of e-commerce. EGE drafted initial recommendations to promote and strengthen the development of e-commerce in Hong Kong at the end of 2016, and relevant government bureaux (including the Innovation and Technology Bureau and the Office of the Government Chief Information Officer) are examining the relevant ideas recommended.

(4) As stated in part (2) above, relevant government departments have been keeping watch on the regulation on e-commerce, closely monitoring online sales practices, and proactively enforcing various legislation against unfair trade practices online, in order to protect consumer rights and maintain fair competition in the market.

Annex 1

Relevant statistics in "Thematic Household Survey on Information Technology Usage and Penetration"

<table>
<thead>
<tr>
<th></th>
<th>June to August 2014</th>
<th>April to July 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons aged 15 and over who had used online purchasing services for personal matters during the 12 months before enumeration</td>
<td>1 415 600</td>
<td>1 701 200</td>
</tr>
<tr>
<td>Percentage of persons aged 15 and over who had used online purchasing services for personal matters during the 12 months before enumeration among all persons aged 15 and over</td>
<td>23.4</td>
<td>27.8</td>
</tr>
<tr>
<td>Median amount spent in purchasing products/services online during the 6 months before enumeration for persons aged 15 and over who had used online purchasing services for personal matters during the period (HK$)</td>
<td>1,500</td>
<td>2,100</td>
</tr>
</tbody>
</table>
Annex 2

Number of complaints on sales and services through online platforms received by CC in the past 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of complaints</td>
<td>3 202</td>
<td>5 442</td>
<td>3 466</td>
<td>3 202</td>
<td>3 928</td>
</tr>
</tbody>
</table>

Number of complaints on sales and services through online platforms received by CC in the past 5 years (by nature of complaints)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales practice</td>
<td>272</td>
<td>1 943</td>
<td>375</td>
<td>199</td>
<td>434</td>
</tr>
<tr>
<td>Delayed delivery</td>
<td>1 358</td>
<td>1 748</td>
<td>877</td>
<td>1 043</td>
<td>999</td>
</tr>
<tr>
<td>Price/charge dispute</td>
<td>454</td>
<td>568</td>
<td>643</td>
<td>700</td>
<td>893</td>
</tr>
<tr>
<td>Product quality</td>
<td>301</td>
<td>229</td>
<td>231</td>
<td>236</td>
<td>343</td>
</tr>
<tr>
<td>Service quality</td>
<td>307</td>
<td>461</td>
<td>588</td>
<td>599</td>
<td>568</td>
</tr>
<tr>
<td>Repair and maintenance services</td>
<td>28</td>
<td>28</td>
<td>25</td>
<td>43</td>
<td>50</td>
</tr>
<tr>
<td>Contract variation/termination</td>
<td>98</td>
<td>145</td>
<td>377</td>
<td>74</td>
<td>320</td>
</tr>
<tr>
<td>Suspected counterfeit goods</td>
<td>27</td>
<td>37</td>
<td>66</td>
<td>41</td>
<td>110</td>
</tr>
<tr>
<td>Expired product</td>
<td>75</td>
<td>43</td>
<td>38</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Wrong model</td>
<td>78</td>
<td>69</td>
<td>101</td>
<td>41</td>
<td>50</td>
</tr>
<tr>
<td>Gifts/Discounted goods</td>
<td>37</td>
<td>26</td>
<td>57</td>
<td>78</td>
<td>72</td>
</tr>
<tr>
<td>Closing down of shop</td>
<td>37</td>
<td>22</td>
<td>23</td>
<td>62</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>130</td>
<td>123</td>
<td>65</td>
<td>44</td>
<td>47</td>
</tr>
</tbody>
</table>

Number of complaints related to online shopping received by C&ED in the past 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>2013 (from 19 July)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of complaints</td>
<td>131</td>
<td>487</td>
<td>296</td>
<td>586</td>
<td>1 227</td>
</tr>
</tbody>
</table>
Number of complaints related to online shopping received by C&ED in the past 5 years (by nature of complaints)

<table>
<thead>
<tr>
<th></th>
<th>2013 (from 19 July)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>False trade descriptions</td>
<td>76</td>
<td>260</td>
<td>215</td>
<td>451</td>
<td>1188</td>
</tr>
<tr>
<td>Misleading omissions</td>
<td>20</td>
<td>56</td>
<td>28</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Bait advertising</td>
<td>10</td>
<td>18</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bait and switch</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Aggressive commercial practices</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Wrongly accepting payment</td>
<td>21</td>
<td>137</td>
<td>45</td>
<td>125</td>
<td>36</td>
</tr>
<tr>
<td>Others (e.g. entirely commercial dispute)</td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

Number of complaints under the Trade Descriptions Ordinance related to online shopping received by CA in the past 5 years

<table>
<thead>
<tr>
<th></th>
<th>2013 (from 19 July)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>False trade descriptions</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Misleading omissions</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Bait advertising</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bait and switch</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Aggressive commercial practices</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wrongly accepting payment</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Others (e.g. out of TDO purview)</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note:

The number of complaints by nature exceeds the total number of complaints because some complaint cases involve more than one accusation under the Trade Descriptions Ordinance.
Protection of animal welfare and prevention of cruelty to animals

20. **DR ELIZABETH QUAT** (in Chinese): President, incidents of cruelty to animals have occurred from time to time in recent years. Last month, a total of 17 dogs in Tai Po and Fanling died of suspected wrong intake of poisoned baits, and a Japanese spitz was allegedly thrown from a height and died tragically. Recently, a mongrel in Wan Chai was also allegedly thrown from a height and died at the scene. Some members of the public have pointed out that such incidents have shown that there are loopholes in the animal protection legislation in Hong Kong, and that the Police have not formulated a proper mechanism for handling cases of cruelty to animals. They hope that the Government will expeditiously review the laws and enact legislation in response to social needs in order to better safeguard animal welfare. In this connection, will the Government inform this Council:

(1) as the Government has indicated that it will study the existing legislation related to animal welfare, such as the Prevention of Cruelty to Animals Ordinance (Cap. 169), and explore the introduction into the law of a concept of positive duty of care of animals on animal keepers, of the latest progress of such work; whether the authorities will (i) create an offence of aggravated cruelty to animals to address certain acts of extreme cruelty to animals (e.g. serial killing of animals by poisoning them) and stipulate a penalty for such offence which is more severe than that under Cap. 169 to enhance the deterrent effect, and (ii) make it mandatory for convicted persons to receive psychological counselling and attend courses on animal-friendly practices; if so, of the details and timetable; if not, the reasons for that;

(2) whether the authorities will explore empowering frontline law enforcement officers to take rescue actions when animals are in danger and establishing a system whereby law enforcement departments may issue, to persons who are negligent in taking care of animals, Care Enhancement Notices setting out the areas of improvement which they need to make, so as to prevent more animals from being harmed; if so, of the details and timetable; if not, the reasons for that;
(3) as the Commissioner of Police has recently announced that the number of police districts which have assigned a dedicated team to handle cases of cruelty to animals will increase from 13 to 22, of the scope of work of those police officers belonging to such dedicated teams; how the Hong Kong Police Force will deepen its existing work on animal protection to enhance the efficiency of current law enforcement efforts;

(4) whether there was an upward trend in the number of cases of cruelty to animals in the past five years; if so, whether the authorities will (i) actively consider establishing an animal police team dedicated to investigating cases of cruelty to and abandonment of animals, stepping up training for frontline law enforcement officers to enhance their ability and alertness in handling such cases, as well as enhancing the knowledge of prosecutors on animal welfare-related legislation to ensure the strict enforcement of the legislation, and (ii) set up a hotline for reporting cruelty to animals; if so, of the details and timetable; if not, the reasons for that;

(5) as it has been reported that there are greater difficulties in collecting and adducing evidence for dog poisoning cases when compared with other dog abuse cases in general, including the requirement for the prosecution to prove that a person who places/feeds poisoned baits has a motive to poison dogs in order to stand a better chance of convicting him, whether the authorities will explore the enactment of a dedicated legislation on deliberate acts of animal poisoning and actively review the investigation and prosecution procedures on related offences, so as to ensure that offenders will be brought to justice; if so, of the details and timetable; if not, the reasons for that; and

(6) whether the authorities will, by making reference to the United Kingdom's enactment of a new and comprehensive Animal Welfare Act in 2006, expeditiously commence a study and a legislative exercise on introducing an Animal Welfare Ordinance in Hong Kong, so as to ensure that animals are taken care of properly; if so, of the details and timetable; if not, the reasons for that?
SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Government attaches great importance to protecting animal welfare, and implements a series of measures, including prohibiting and punishing acts of animal cruelty under the Prevention of Cruelty to Animals Ordinance (Cap. 169) ("the Ordinance"). In 2011, the Hong Kong Police Force ("the Police"), together with the Agriculture, Fisheries and Conservation Department ("AFCD"), the Society for the Prevention of Cruelty to Animals (Hong Kong) ("SPCA") and veterinary associations, introduced the Animal Watch Scheme ("the Scheme") to strengthen efforts in tackling animal cruelty cases.

Having consulted the Security Bureau, my reply to various parts of the question is as follows:

(1), (2), (5) and (6)

Under the Ordinance, any person who, by wantonly or unreasonably doing or omitting to do any act, causes any unnecessary suffering to any animal commits an offence. The Government amended the level of penalty provided in the Ordinance in 2006, by substantially increasing the maximum fine from $5,000 to $200,000, and the maximum imprisonment from six months to three years. The maximum penalty under the Ordinance is in fact higher than most developed places.

Poisoning of animals will cause unnecessary sufferings to animals, and may be prosecuted under the Ordinance. We trust that the Court will take into account the circumstances and gravity of individual cases in determining sentences. Upon receiving reports of suspected animal cruelty cases, AFCD and the Police will conduct investigations. Under Section 4 of the Ordinance, the Police and the relevant government officers may enter and search any building if they have reason to suspect that any offence against the Ordinance is being or has been committed. The animals concerned may be seized and suitably taken care of by AFCD.

To further enhance protection of animal welfare, we are reviewing the existing legislation relating to animal welfare, in particular the Ordinance, including exploring the introduction of a concept of
positive duty of care on animal keepers, and authorizing government officers to issue "animal care improvement notices" to persons failing to take proper care of animals. We will formulate relevant legislative proposals by making reference to overseas experience, and considering the actual situation in Hong Kong and views of animal welfare organizations and other stakeholders. Although the maximum penalty under the Ordinance is higher than that of many overseas places, we will also re-examine the penalty level under the Ordinance. We plan to formulate preliminary proposals and consult stakeholders in the second half of 2018.

The Government currently has no plan to amend the legislation to make it compulsory for persons convicted of animal cruelty offences to receive psychological counselling or attend courses on caring for animals. As the motives and underlying reasons for committing such offences could vary from one case to another, requiring each and every person convicted of animal cruelty offences to receive mandatory psychological counselling may not be most appropriate.

(3) and (4)

The Scheme combats animal cruelty cases mainly through a four-pronged approach covering education and training, publicity, intelligence gathering and investigation, and aims to reinforce collaboration among various stakeholders and strengthen Police efforts in the investigation of animal cruelty cases. Since 2017, the College of Veterinary Medicine and Life Sciences of the City University of Hong Kong has also joined the Scheme.

On education and training, the Police invite officers from AFCD and SPCA to explain the multi-agency approach for the investigation of animal cruelty cases to police officers participating in foundation training and criminal investigation courses. In addition, the Police invite relevant officers to share their experience at seminars organized from time to time, and also plan to incorporate the handling of animal cruelty in the training days of various police districts, so that frontline officers can have a better grasp of the latest situation and trend of animal cruelty.
On publicity and promotion, the Police promote the Scheme to members of the public through various channels, and also encourage frontline units to organize various publicity campaigns in collaboration with AFCD, SPCA, veterinarian associations and animal welfare organizations to engage and secure support from the community, with a view to enhancing public awareness of prevention of cruelty to animals. The Police organized the "One-Arm Push Up" charity fundraising event earlier on to express their full support for animal care and to draw the public's attention to this problem.

On intelligence gathering, the Scheme encourages SPCA, veterinarians, animal concern groups and members of the public to report any persons or activities suspected to be involved in animal cruelty, so as to strengthen the intelligence gathering network.

On case investigation, in the light of public demand to have dedicated criminal investigation teams set up in police districts to handle animal cruelty cases, the Police announced in mid-April this year that dedicated investigation teams, comprising police officers with criminal investigation experience and skills in handling other serious crimes, have been set up in 22 police districts with criminal investigation teams across the territory. Furthermore, a platform is in place for dedicated investigation teams of various districts to exchange their experience in crime investigation. The Police also provide training on the handling of animal cruelty cases for relevant officers to ensure they are able to conduct thorough investigations into such cases. Moreover, the Police, AFCD and SPCA have established a cooperation mechanism, whereby officers from AFCD and SPCA will provide professional advice and assist in investigation at the scene of an animal cruelty case where necessary.

There was fluctuation in the number of animal cruelty cases in the past five years, and there is no obvious upward trend. Members of the public may call 999 to report a suspected act of animal cruelty to
the Police, or 1823 Call Centre to AFCD. Upon receipt of a report, the relevant departments will conduct investigations and take appropriate actions.

Rehabilitation services for employees with work-related injuries

21. **MR CHAN KIN-POR** (in Chinese): *President, it is learnt that since 2011, the Department of Orthopaedics and Traumatology of The Chinese University of Hong Kong has run a Multidisciplinary Orthopaedics Rehabilitation Empowerment ("MORE") programme under the sponsorship of the Hong Kong Federation of Insurers. Through early referrals and rehabilitation interventions, the MORE programme enables patients with orthopaedic problems arising from work-related injuries to achieve maximum rehabilitation and return to work as early as possible. The relevant data show that employees with work-related injuries who had joined the MORE programme took shorter periods of sick leave before they returned to work and their return-to-work percentages were also higher as compared with other employees with work-related injuries. In this connection, will the Government inform this Council:

(1) of the respective numbers of (i) work injury incidents and (ii) confirmed cases of occupational diseases, reported in each of the past five years, with a breakdown by trade; and

(2) whether it will consider, by setting up an inter-departmental task force and making reference to the MORE programme, promoting in Hong Kong the full introduction of orthopaedic rehabilitation services comprising early referrals and rehabilitation interventions, with a view to enabling patients with orthopaedic problems arising from work-related injuries and occupational diseases to recover and return to work as early as possible; if so, of the details; if not, the reasons for that and the other measures in place to help such employees to recover and return to work as early as possible?

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, my reply to the question raised by the Member is as follows:
(1) (i) From 2013 to 2017, the number of employees' compensation claims reported under the Employees' Compensation Ordinance and received by the Labour Department ("LD") in each year is provided below:

<table>
<thead>
<tr>
<th>Duration of incapacitation of employees</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than 3 days</td>
<td>16,096</td>
<td>15,531</td>
<td>14,994</td>
<td>15,134</td>
<td>14,645</td>
</tr>
<tr>
<td>More than 3 days*</td>
<td>39,072</td>
<td>38,386</td>
<td>36,923</td>
<td>36,420</td>
<td>36,463</td>
</tr>
<tr>
<td>Total</td>
<td>55,168</td>
<td>53,917</td>
<td>51,917</td>
<td>51,554</td>
<td>51,108</td>
</tr>
</tbody>
</table>

Note:
* Figures include fatal cases.

(ii) The number of Confirmed Cases of Occupational Diseases from 2013 to 2017 is provided below:

<table>
<thead>
<tr>
<th>Confirmed Cases of Occupational Diseases</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>231</td>
<td>267</td>
<td>256</td>
<td>334</td>
<td>304</td>
</tr>
</tbody>
</table>

LD does not keep statistics on compensation claims and confirmed cases of Occupational Diseases with a breakdown by type of work.

(2) LD recognizes that rehabilitation services are very important to ensure the recovery and early return to work of employees injured at work.

At present, for employees who sustain work injuries or suffer from occupational diseases prescribed by the Employees' Compensation Ordinance ("ECO"), hospitals and clinics under the Hospital Authority ("HA") provide integrated treatment and rehabilitation services which include, among other things, specialist treatment, physiotherapy and occupational therapy.
The Occupational Health Clinics of LD provide medical treatment and occupational health counselling to employees who have sustained injuries at work or contracted occupational diseases. Besides, subject to the patients' clinical conditions and needs, the occupational health doctors in the clinics will refer the patients to hospitals and clinics under HA for rehabilitation treatment to facilitate their early recovery from the injury. The occupational health doctors will also give advice to the patients on resumption of work. Depending on considerations including patients' rehabilitation progress, the occupational health doctors will provide recommendations to the employers on relevant work adjustments to facilitate the patients' gradual return to work.

In addition, the insurance industry has launched the Voluntary Rehabilitation Programme ("VRP") since March 2003 to provide injured employees with an additional channel to receive free rehabilitation services in the private sector through the insurers' arrangements to facilitate their speedy recovery and early return to work under safe circumstances. Under VRP, the participating insurers identify appropriate cases, initiate contacts with the injured employees and invite them to participate in the programme on a voluntary basis. Injured employees can decide on their own whether to accept the insurers' invitation or not and participation in VRP will not affect their rights and benefits under ECO.

LD has been monitoring whether the above mentioned work can provide appropriate rehabilitation services for employees injured at work. LD will also pay close attention to different modes of referral and rehabilitation for occupational injury cases with a view to promoting early recovery and return to work of the injured workers, and consult other government departments and relevant organizations when necessary.

**Manpower planning of and training for allied health professionals**

22. **MR IP KIN-YUEN** (in Chinese): President, the Report of Strategic Review on Healthcare Manpower Planning and Professional Development released last year put forward a number of recommendations on future healthcare manpower planning in Hong Kong, including making better use of the
self-financing sector in the provision of healthcare training to help meet the increasing demand in Hong Kong for manpower in the various healthcare professions. In this connection, will the Government inform this Council:

(1) in each of the past five years, of (i) the respective attendances of inpatients and outpatients for the various allied health services at public hospitals under the Hospital Authority ("HA"), and (ii) the number of new outpatients waiting for such services and their average waiting times;

(2) of the (i) number of post, (ii) number of vacancy and (iii) wastage rate in respect of each allied health grade within the establishment of the public sector in each of the past five years (with a breakdown by HA and each relevant government department);

(3) given that the Government is implementing a number of healthcare improvement measures, including implementing the Pilot Scheme on Residential Care Service Voucher for the Elderly, strengthening district-level primary healthcare services, extending the scope of the Visiting Medical Practitioner Scheme to cover privately-run residential care homes for persons with disabilities, providing more allied health professionals at special schools, and achieving the objective of "zero-waiting time" for on-site pre-school rehabilitation services, whether it has assessed the additional manpower demand for each allied health grade to be brought about by the implementation of the various measures;

(4) whether it knows the following information in respect of the bachelor's degree and master's degree programmes in occupational therapy and physiotherapy currently offered by the various institutions: (i) name of institution, (ii) name of programme, (iii) number of places, (iv) entrance requirements, (v) ratio of full-time teachers to students, (vi) number of practicum hours, (vii) tuition fees, and (viii) unit costs (with a breakdown by whether the programmes are publicly funded or self-financed);

(5) given that The Hong Kong Polytechnic University has, since 2012, launched two-year master's degree programmes separately in occupational therapy and physiotherapy on a self-financing basis,
and the Social Welfare Department ("SWD") has implemented a training sponsorship scheme to provide funding support for non-governmental organizations ("NGOs") to sponsor the tuition fees for students recruited by these NGOs and the sponsored students must work for the NGOs concerned for at least two years after graduation, in respect of each of these programmes in each academic year since the implementation of the sponsorship scheme, of the (i) number of sponsored places and the amount of sponsorship approved, and (ii) number of graduates serving in the NGOs concerned under the sponsorship conditions; the respective numbers of sponsored places and the amounts of sponsorship approved under such programmes in the next academic year as estimated by SWD; and

(6) whether it knows the following information on the academic and professional accreditation conducted for self-financing degree programmes in occupational therapy and physiotherapy:

(i) the respective numbers of meetings held by the boards of the relevant professionals and the attendance rates of their members, in each of the past five years;

(ii) the names of the accreditation committees, their memberships and the organizations for which their members work, as well as the time needed for the tasks at various accreditation stages;

(iii) the accreditation criteria currently adopted by the various accreditation committees, and the professional organizations consulted prior to the formulation of the accreditation criteria and procedure;

(iv) in respect of programmes that have not been granted pre-launch accreditation, the measures to ensure the early announcement of the accreditation results, so as to reduce the number of students who have to bear the risks of not being qualified for registration as a result of the programmes they enrolled for not being accredited;
(v) the respective provisions and ordinances pursuant to which self-financing, publicly funded and non-local programmes as well as their graduates are required to apply for registration, and the criteria for making the relevant arrangements;

(vi) whether licensing examination with professional accreditation will be introduced; if so, of the timetable; if not, the reasons for that; and

(vii) whether the relevant accreditation committees will make reference to the practices of the Nursing Council of Hong Kong and upload various information such as the content of the handbook for accreditation of training institutions and the progress of accreditation of the relevant training onto the Internet for public access, so that those interested in enrolling for the relevant programmes can learn about the accreditation arrangements for such programmes; if so, of the details (including the timetable); if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the six parts of the question raised by Mr IP Kin-yuen is as follows:

(1) The respective allied health attendances of inpatients and outpatients for occupational therapy, physiotherapy and optometry services under the Hospital Authority ("HA"), and the numbers of allied health outpatients new cases and the average waiting time for such services in the past five years are set out at Annex 1.

Owing to the nature of the allied health services of radiographers/radiotherapists and medical laboratory technologists, HA does not keep statistics on the attendances of inpatients and outpatients, the number of new cases and the average waiting time for such services.

(2) The number of posts, number of vacancies and wastage rate in respect of each allied health grade within the establishment of the public sector (including HA, the Department of Health, the Social Welfare Department ("SWD") and the Correctional Services Department) in each of the past five years are set out at Annex 2.
The Government published in 2017 the Report of Strategic Review on Healthcare Manpower Planning and Professional Development ("the Strategic Review"). The Strategic Review preliminarily covers 13 health care professions that are subject to statutory registration, including occupational therapists, physiotherapists, medical laboratory technologists, optometrists and radiographers.

The Strategic Review adopted 2015 as the base year to project the manpower demand based on the existing service level and model, having regard to the known shortage of health care professionals in the public and subvented sectors as at the end of 2015 (e.g. the shortfalls of about 300 doctors and about 600 nurses in HA at the end of 2015) and the demand for health care professionals arising from policy initiatives, including the latest development of public and private hospitals, as well as the known and planned projects in the public and subvented sectors.

The utilization of services in the social welfare sector (including programmes for elderly and rehabilitation services) and the education sector (including programmes for special education services) has also been taken into account in projecting the demand for various health care professionals, such as the service support for children in need in special schools, care support services for persons in need including tetraplegic patients, persons with disabilities and persons with autism as well as their parents/carers, the pilot scheme on community support services for elderly persons suffering from dementia. In addition, in projecting the demand for dentists, dental initiatives introduced by the Government have been taken into account, including the Outreach Dental Care Programme for the Elderly, the Community Care Fund Elderly Dental Assistance Programme and the Dental Service for People with Intellectual Disability. In projecting the demand for pharmacists, the enhanced clinical pharmacy services of HA have been taken into consideration.

Information about the bachelor's degree and master's degree programmes in occupational therapy and physiotherapy currently offered by various institutions is at Annex 3.
(5) (i) Details of the SWD's Training Sponsorship Scheme for two-year entry level Master in Occupational Therapy and Master in Physiotherapy programmes provided by The Hong Kong Polytechnic University ("PolyU") on a self-financing basis are at Annex 4.

(ii) Students of the first and second cohorts graduated in January 2014 and January 2016 respectively. The numbers of graduates serving in non-governmental organizations ("NGOs") as required by the Training Sponsorship Scheme are at Annex 5.

(6) The Occupational Therapists Board and the Physiotherapists Board are statutory bodies established under the Supplementary Medical Professions Council ("SMPC") under section 5 of the Supplementary Medical Professions Ordinance (Cap. 359) ("the Ordinance"). Their statutory functions include ensuring that practising occupational therapists or physiotherapists are qualified for registration, and meet adequate standards of professional practice and professional conduct to safeguard public health.

(i) The numbers of meetings held by the two Boards and the attendance rates of their members in each of the past five years are at Annex 6.

(ii), (iii) and (iv)

The Hong Kong Council for Accreditation of Academic and Vocational Qualifications conducts quality assurance accreditation for programmes conducted by non-self-accrediting institutions. For those programmes provided for health care professions that are subject to statutory registration, professional accreditation by SMPC and the Boards concerned are also required. This is to ensure that all graduates have obtained the qualifications for registration in their respective profession. To this end, SMPC developed in 2013 a Handbook on Accreditation of Educational Programmes for the Purpose of Registration as Supplementary
Medical Professions Practitioners ("the Handbook") (<http://www.smp-council.org.hk/pt/file/pdf/Handbook.pdf>), setting out a professional accreditation system and relevant procedures to provide its Boards with a mechanism for conducting evaluation of educational programmes. Under the framework of the Handbook, the Occupational Therapists Board and the Physiotherapists Board formulated their detailed accreditation criteria according to their own professional requirements in July 2014 and February 2015 respectively. Upon receipt of formal applications for professional accreditation and the necessary detailed information submitted by educational institutions, SMPC and the Boards concerned will conduct accreditation in accordance with the procedures and accreditation criteria set out in the Handbook, including the teacher-to-student ratio and the number of hours of clinical practicum. The Boards concerned will also set up accreditation panels comprising the following persons as stipulated in the Handbook:

- a chairman not affiliated with or employed by the educational institutions concerned;

- an overseas expert renowned in education in the relevant field or in accreditation;

- a local expert renowned in education in the relevant field or in accreditation;

- two local members of the profession concerned from different employment backgrounds;

- a representative from the relevant specialty college of the Hong Kong Academy of Medicine; and

- a lay member.

The membership of the accreditation panels approved by the Boards concerned are at Annex 7.
The professional accreditation process covers the whole duration of the programme so as to continuously monitor the progress of its development and ensure that it has met the minimum requirements before the application for accreditation is approved. Once the programme is accredited, graduates of the programme may apply for registration as an occupational therapist or a physiotherapist. SMPC and the Boards concerned will also develop accreditation mechanisms so as to continuously monitor the standard of the accredited programmes in future.

(v) and (vi)

In accordance with the Ordinance and its subsidiary legislations, an applicant who has the local qualifications prescribed in the relevant subsidiary legislation may be registered according to section 12(1)(a) of the Ordinance, whereas an applicant who has the qualifications not prescribed in legislation may apply for registration according to section 12(1)(b) of the Ordinance. In general, currently non-locally trained allied health professionals (including occupational therapists and physiotherapists) who have recognized qualifications may be registered without taking licensing examinations. Applications for registration are subject to the approval of the Boards concerned on individual merits. The Government has no plans to change the mode of operation as the system has been working effectively.

(vii) At present, the Occupational Therapists Board and the Physiotherapists Board have uploaded the Handbook and announced the current status of accreditation of new programmes on their websites (<http://www.smp-council.org.hk/ot/tc/content.php?page=reg_atp> and <http://www.smp-council.org.hk/pt/tc/content.php?page=reg_atp>). The Boards also request institutions to inform students who have enrolled in or any persons who are interested in signing up for the programmes of the status of accreditation.

The detailed accreditation criteria, which are used for assessment of new programmes of local institutions, will only be given to institutions for reference or programme planning purpose.
The respective allied health attendances of inpatients and outpatients for occupational therapy, physiotherapy and optometry services under HA from 2013-2014 to 2017-2018 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupational therapy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient and day inpatient allied health attendances</td>
<td>1 472 113</td>
<td>1 524 841</td>
<td>1 599 815</td>
<td>1 725 007</td>
<td>1 784 515</td>
</tr>
<tr>
<td>Allied health (outpatient) attendances</td>
<td>467 098</td>
<td>487 766</td>
<td>498 045</td>
<td>526 256</td>
<td>528 442</td>
</tr>
<tr>
<td><strong>Physiotherapy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient and day inpatient allied health attendances</td>
<td>2 540 197</td>
<td>2 627 600</td>
<td>2 751 240</td>
<td>2 903 109</td>
<td>3 060 342</td>
</tr>
<tr>
<td>Allied health (outpatient) attendances</td>
<td>1 226 654</td>
<td>1 271 397</td>
<td>1 307 320</td>
<td>1 397 989</td>
<td>1 405 966</td>
</tr>
<tr>
<td><strong>Optometry service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient and day inpatient allied health attendances</td>
<td>2 741</td>
<td>2 806</td>
<td>2 845</td>
<td>2 559</td>
<td>2 821</td>
</tr>
<tr>
<td>Allied health (outpatient) attendances</td>
<td>75 231</td>
<td>83 063</td>
<td>87 817</td>
<td>90 165</td>
<td>98 694</td>
</tr>
</tbody>
</table>

The numbers of allied health outpatient new cases for the occupational therapy and physiotherapy services under HA triaged as Priority 1 (urgent), Priority 2 (semi-urgent) and Routine (stable) cases and their respective median (50th percentile) waiting time from 2013-2014 to 2017-2018 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Routine</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of new cases</td>
<td>Median waiting time (week)</td>
<td>Number of new cases</td>
</tr>
<tr>
<td>2013-2014</td>
<td>27 231</td>
<td>&lt;1</td>
<td>37 324</td>
</tr>
<tr>
<td>2014-2015</td>
<td>25 852</td>
<td>&lt;1</td>
<td>38 211</td>
</tr>
<tr>
<td>2015-2016</td>
<td>28 302</td>
<td>&lt;1</td>
<td>34 621</td>
</tr>
<tr>
<td>2016-2017</td>
<td>28 448</td>
<td>&lt;1</td>
<td>37 028</td>
</tr>
<tr>
<td>2017-2018</td>
<td>28 880</td>
<td>&lt;1</td>
<td>39 272</td>
</tr>
<tr>
<td>(provisional figures)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Priority 1</td>
<td>Priority 2</td>
<td>Routine</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>------------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>Number of new cases</td>
<td>Median waiting time (week)</td>
<td>Number of new cases</td>
</tr>
<tr>
<td>Physiotherapy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-2014</td>
<td>58 156</td>
<td>&lt;1</td>
<td>56 057</td>
</tr>
<tr>
<td>2014-2015</td>
<td>59 366</td>
<td>&lt;1</td>
<td>56 081</td>
</tr>
<tr>
<td>2015-2016</td>
<td>63 254</td>
<td>&lt;1</td>
<td>50 706</td>
</tr>
<tr>
<td>2016-2017</td>
<td>68 685</td>
<td>&lt;1</td>
<td>55 993</td>
</tr>
<tr>
<td>2017-2018</td>
<td>67 860</td>
<td>&lt;1</td>
<td>59 287</td>
</tr>
</tbody>
</table>

The numbers of allied health outpatient new cases for the optometry service under HA and their respective median (50<sup>th</sup> percentile) waiting time from 2013-2014 to 2017-2018 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of new cases</th>
<th>Median waiting time (week)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optometry service*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-2014</td>
<td>37 244</td>
<td>12</td>
</tr>
<tr>
<td>2014-2015</td>
<td>34 280</td>
<td>12</td>
</tr>
<tr>
<td>2015-2016</td>
<td>37 714</td>
<td>12</td>
</tr>
<tr>
<td>2016-2017</td>
<td>39 366</td>
<td>13</td>
</tr>
<tr>
<td>2017-2018</td>
<td>41 748</td>
<td>13</td>
</tr>
</tbody>
</table>

Notes:

(1) "*" Figures do not include joint clinical consultations provided by the Department of Optometry and doctors.

(2) The triage system is not applicable to the optometry outpatient service.
(1) HA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full-time equivalent (&quot;FTE&quot;) strength</td>
<td>Full-time attrition (wastage) rate</td>
<td>Full-time equivalent (&quot;FTE&quot;) strength</td>
<td>Full-time attrition (wastage) rate</td>
<td>Full-time equivalent (&quot;FTE&quot;) strength</td>
</tr>
<tr>
<td>Occupational Therapist</td>
<td>698 4.3%</td>
<td>731 3.9%</td>
<td>772 5.0%</td>
<td>815 5.0%</td>
<td>853 5.2%</td>
</tr>
<tr>
<td>Physiotherapist</td>
<td>869 6.4%</td>
<td>886 6.9%</td>
<td>969 3.9%</td>
<td>1 028 5.5%</td>
<td>1 059 7.6%</td>
</tr>
<tr>
<td>Medical Laboratory Technologist</td>
<td>1 310 2.7%</td>
<td>1 347 2.4%</td>
<td>1 406 2.8%</td>
<td>1 457 3.9%</td>
<td>1 498 2.4%</td>
</tr>
<tr>
<td>Optometrist</td>
<td>67 4.6%</td>
<td>67 1.5%</td>
<td>67 1.5%</td>
<td>70 1.5%</td>
<td>70 4.3%</td>
</tr>
<tr>
<td>Radiographer (Diagnostic Radiographer and Radiation Therapist)</td>
<td>815 2.6%</td>
<td>827 4.0%</td>
<td>855 4.1%</td>
<td>1 102 3.0%</td>
<td>1 145 2.3%</td>
</tr>
</tbody>
</table>

Notes:

(1) The above manpower figures are calculated on an FTE basis, including permanent, contract and temporary staff in HA.

(2) Attrition (wastage) is calculated on a headcount basis, including all types of cessation of service from HA for permanent and contract staff.

(3) Since April 2013, attrition for HA’s full-time and part-time workforce has been separately monitored and presented by full-time attrition (wastage) rate and part-time attrition (wastage) rate.

(4) Rolling attrition (wastage) rate = Total number of staff left HA in the past 12 months/Average strength in the past 12 months x 100%.

(5) As the number of local graduates of the above allied health programmes will increase, vacancies that arise in 2018-2019 are expected to be filled through active recruitment exercises.

(2) Department of Health

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of posts</td>
<td>Number of vacancies</td>
<td>Wastage rate</td>
<td>Number of posts</td>
<td>Number of vacancies</td>
</tr>
<tr>
<td>Occupational Therapist</td>
<td>15 1 7.1%</td>
<td>15 0 0.0%</td>
<td>15 0 0.0%</td>
<td>16 0 0.0%</td>
<td>17 0 0.0%</td>
</tr>
<tr>
<td>Physiotherapist</td>
<td>13 0 0.0%</td>
<td>13 0 0.0%</td>
<td>13 1 8.3%</td>
<td>14 0 0.0%</td>
<td>15 0 0.0%</td>
</tr>
</tbody>
</table>
### Allied health grade

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Laboratory Technician</strong></td>
<td>259</td>
<td>6</td>
<td>4.7%</td>
<td>2014-2015</td>
<td>259</td>
<td>4</td>
<td>2.0%</td>
<td>2015-2016</td>
<td>259</td>
<td>4</td>
<td>5.1%</td>
<td>2016-2017</td>
<td>259</td>
<td>9</td>
<td>5.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Optometrist</strong></td>
<td>15</td>
<td>0</td>
<td>0.0%</td>
<td>2016-2017</td>
<td>16</td>
<td>0</td>
<td>0.0%</td>
<td>2017-2018</td>
<td>16</td>
<td>0</td>
<td>0.0%</td>
<td>2018-2019</td>
<td>16</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Radiographer</strong></td>
<td>38</td>
<td>2</td>
<td>8.3%</td>
<td>2017-2018</td>
<td>37</td>
<td>1</td>
<td>5.6%</td>
<td>2018-2019</td>
<td>37</td>
<td>0</td>
<td>2.7%</td>
<td>2019-2020</td>
<td>37</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

(3) SWD

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupational Therapist</strong></td>
<td>16</td>
<td>0</td>
<td>0.0%</td>
<td>2014-2015</td>
<td>18</td>
<td>0</td>
<td>0.0%</td>
<td>2015-2016</td>
<td>18</td>
<td>0</td>
<td>0.0%</td>
<td>2016-2017</td>
<td>19</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Physiotherapist</strong></td>
<td>6</td>
<td>0</td>
<td>0.0%</td>
<td>2016-2017</td>
<td>7</td>
<td>0</td>
<td>0.0%</td>
<td>2017-2018</td>
<td>7</td>
<td>0</td>
<td>0.0%</td>
<td>2018-2019</td>
<td>7</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

(4) Correctional Services Department

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
<th>Year</th>
<th>Number of posts</th>
<th>Number of vacancies</th>
<th>Wastage rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupational Therapist</strong></td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>2014-2015</td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>2015-2016</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td>2016-2017</td>
<td>1</td>
<td>1</td>
<td>Note</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physiotherapist</strong></td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>2017-2018</td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>2018-2019</td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>2019-2020</td>
<td>1</td>
<td>0</td>
<td>Note</td>
</tr>
</tbody>
</table>

**Note:**

There is no person in the post. The service is currently outsourced and provided by a contractor selected through tendering exercise.
Bachelor's degree programmes in occupational therapy and physiotherapy funded by the University Grants Committee ("UGC")

Information on the full-time Bachelor of Science degree programmes in occupational therapy and physiotherapy funded by UGC from 2014-2015 to 2016-2017 academic years is set out below (figure for the 2016-2017 academic year is the latest figure):

(i) name of institution; (ii) name of programme; (iii) number of approved student intake; and (iv) tuition fee

<table>
<thead>
<tr>
<th>Academic year</th>
<th>Institution</th>
<th>Level</th>
<th>Programme</th>
<th>Mode</th>
<th>Duration (Year)</th>
<th>Number of approved student intake*</th>
<th>Total tuition fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>PolyU</td>
<td>Bachelor's degree</td>
<td>Bachelor of Science (Honours) in Occupational Therapy</td>
<td>Full-time</td>
<td>4</td>
<td>90</td>
<td>42,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bachelor of Science (Honours) in Physiotherapy</td>
<td>Full-time</td>
<td>4</td>
<td>110</td>
<td>42,100</td>
</tr>
<tr>
<td>2015-2016</td>
<td>PolyU</td>
<td>Bachelor's degree</td>
<td>Bachelor of Science (Honours) in Occupational Therapy</td>
<td>Full-time</td>
<td>4</td>
<td>90</td>
<td>42,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bachelor of Science (Honours) in Physiotherapy</td>
<td>Full-time</td>
<td>4</td>
<td>110</td>
<td>42,100</td>
</tr>
<tr>
<td>2016-2017</td>
<td>PolyU</td>
<td>Bachelor's degree</td>
<td>Bachelor of Science (Honours) in Occupational Therapy</td>
<td>Full-time</td>
<td>4</td>
<td>100</td>
<td>42,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bachelor of Science (Honours) in Physiotherapy</td>
<td>Full-time</td>
<td>4</td>
<td>130</td>
<td>42,100</td>
</tr>
</tbody>
</table>

Note:
* FTE numbers

(v) minimum entrance requirements

According to the information provided by PolyU, the minimum entrance requirements for the UGC-funded programmes in occupational therapy and physiotherapy from 2015-2016 to 2016-2017 are as follows:
Since 2017-2018, the minimum entrance requirements for elective subjects have been changed:

<table>
<thead>
<tr>
<th>HKDSE subject</th>
<th>Chinese Language</th>
<th>English Language</th>
<th>Mathematics</th>
<th>Liberal Studies</th>
<th>First elective subject</th>
<th>Second elective subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKDSE results</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Note:

Since 2017-2018, the minimum entrance requirements for government-funded full-time Bachelor’s degree programmes offered by PolyU have been changed as follows: four core subjects plus two elective ones.

(vi) ratio of full-time teachers to students; and (vii) number of hours of clinical practicum

According to the information provided by PolyU, the ratios of full-time teachers to students and numbers of hours of clinical practicum for the respective programmes are as follows:

<table>
<thead>
<tr>
<th>As at 23 April 2018</th>
<th>Bachelor of Science (Honours) in Occupational Therapy</th>
<th>Bachelor of Science (Honours) in Physiotherapy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of full-time teachers to students</td>
<td>1:13</td>
<td>1:17.7</td>
</tr>
<tr>
<td>Number of hours of clinical practicum</td>
<td>1 015 hours</td>
<td>1 015 hours</td>
</tr>
</tbody>
</table>
Notes:

(1) The Occupational Therapists Board recommends that the ratio of teachers to students should be 1:15 to 1:20.

(2) The World Federation of Occupational Therapists and the World Confederation for Physical Therapy require students in the respective professions to complete at least 1 000 hours of clinical training as part of the programme.

(viii) unit cost

Provision for the UGC-funded programmes is included in the block grant to the universities. UGC does not specify how the block grant should be used. The universities enjoy autonomy in their internal allocation of resources to programmes of different levels and under various subjects according to their needs. Therefore, UGC is unable to define or provide information on the actual grant for any particular programme.

Self-financing degree/master programmes in occupational therapy and physiotherapy

Information of self-financing degree and above level programmes in occupational therapy and physiotherapy in the 2015-2016 to 2017-2018 academic years are as follows:

<p>| Academic Year | Institution       | Level                  | Programme                           | Mode    | Duration (year) | Total tuition fee ($) |
|---------------|-------------------|------------------------|                                    |         |                |                      |
| 2015-2016     | PolyU             | Master's degree        | Master of Science in Manipulative Physiotherapy* | Part-time | 2.5     | 96,000               |
|               |                   |                        | Master of Science in Occupational Therapy* | Part-time | 2.5     | 90,000               |
|               |                   |                        | Master of Science in Sports Physiotherapy* | Part-time | 2.5     | 90,000               |
|               |                   |                        | Master in Occupational Therapy% | Full-time | 2       | Not applicable       |
|               |                   |                        | Master in Physiotherapy% | Full-time | 2       | Not applicable       |
|               |                   |                        | Master of Science in Neurological Physiotherapy# | Part-time | 2.5  | 90,000               |
|               | Tung Wah College  | Bachelor's degree      | Bachelor of Science (Honours) in Occupational Therapy^ | Full-time | 4       | 462,400               |</p>
<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Institution</th>
<th>Level</th>
<th>Programme</th>
<th>Mode</th>
<th>Duration (year)</th>
<th>Total tuition fee ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>PolyU</td>
<td>Master's degree</td>
<td>Master of Science in Manipulative Physiotherapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>96,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master of Science in Occupational Therapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>90,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master of Science in Sports Physiotherapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>90,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master in Occupational Therapy</td>
<td>Full-time</td>
<td>2</td>
<td>540,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master in Physiotherapy</td>
<td>Full-time</td>
<td>2</td>
<td>540,000</td>
</tr>
<tr>
<td>Tung Wah College</td>
<td>Bachelor's degree</td>
<td>Bachelor of Science (Honours) in Occupational Therapy</td>
<td>Full-time</td>
<td>4</td>
<td>462,400</td>
<td></td>
</tr>
<tr>
<td>2017-2018</td>
<td>PolyU</td>
<td>Master's degree</td>
<td>Master of Science in Manipulative Physiotherapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>114,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master of Science in Occupational Therapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>96,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master of Science in Sports Physiotherapy*</td>
<td>Part-time</td>
<td>2.5</td>
<td>105,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master in Occupational Therapy</td>
<td>Full-time</td>
<td>2</td>
<td>540,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Master in Physiotherapy</td>
<td>Full-time</td>
<td>2</td>
<td>540,000</td>
</tr>
<tr>
<td>Tung Wah College</td>
<td>Bachelor's degree</td>
<td>Bachelor of Science (Honours) in Occupational Therapy</td>
<td>Full-time</td>
<td>4</td>
<td>499,392</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

* The programme has one intake every two years

% The programme had no intake in 2015-2016.

# The programme has not been offered since the 2016-2017 academic year.

^ Starting from 2018-2019, students of the programme are granted an annual subsidy of $70,000 under the Study Subsidy Scheme for Designated Profession/Sectors. The subsidy is tenable for the normal duration of the programme (i.e. four years).

Due to the nature of the self-financing programmes and the fact that their unit costs depend on many factors, the two institutions indicated that they were unable to provide information on the unit cost of a programme.

According to the information provided by the Tung Wah College, it offered 50 places for the programme of Bachelor of Science (Honours) in Occupational Therapy in each of the past three academic years; the ratio of full-time teachers to students was 1:18; and the number of hours of clinical practicum was 1 120. The general entrance requirements are as follows:
(1) Level 3 in Chinese Language and English Language and Level 2 in Mathematics and Liberal Studies plus Level 2 in one Elective/Applied Learning Subject in HKDSE; or

(2) Five passes (including specific subjects) in the Hong Kong Certificate of Education Examination with Level 2/Grade E for Chinese Language and English Language and Hong Kong A-level/AS-level (specific results/subjects) two AS-level subjects (Use of English + Chinese Language) + one A-level subject or two AS-level subjects; or

(3) Equivalent qualification as assessed by the institution.

According to the information provided by PolyU, the entrance requirements, the annual intake, the ratio of full-time teachers to student and the number of hours of clinical practicum of the programmes in the past three years are as follows:

<table>
<thead>
<tr>
<th>Programme</th>
<th>Entrance Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master of Science in Manipulative Physiotherapy</td>
<td>- A Bachelor's degree in physiotherapy or related rehabilitation disciplines from PolyU or a recognized institution, preferably with one year of post-qualification work experience in a related rehabilitation field; or - A professional diploma in physiotherapy</td>
</tr>
<tr>
<td>Master of Science in Occupational Therapy</td>
<td>- A Bachelor's degree in occupational therapy from PolyU, preferably with one year of post-qualification work experience in occupational therapy; or - A professional diploma in occupational therapy from PolyU (the then Hong Kong Polytechnic) or the</td>
</tr>
<tr>
<td>Master of Science in Sports Physiotherapy</td>
<td>- A Bachelor's degree in physiotherapy or related rehabilitation disciplines from PolyU or a recognized institution, preferably with one year of post-qualification work experience in occupational therapy; or - A professional diploma in physiotherapy</td>
</tr>
<tr>
<td>Master in Occupational Therapy</td>
<td>- A Bachelor's degree. - Obtained credits for undergraduate-level courses in the following disciplines before admission to the programme: - Human Anatomy (3 credits); and - Human Physiology (3 credits). - Applicants are required to fulfil the</td>
</tr>
<tr>
<td>Master in Physiotherapy</td>
<td>- A Bachelor's degree. - Obtained credits for undergraduate-level courses in the following disciplines before admission to the programme: - Human Anatomy (3 credits); and - Human Physiology (3 credits). - Applicants are required to fulfil the</td>
</tr>
</tbody>
</table>
### Master of Science in Manipulative Physiotherapy
- from PolyU (the then Hong Kong Polytechnic) or the equivalent, with two years of work experience in a related rehabilitation field and proof of continuous education for two years.
- Applicants are required to fulfil the English language requirement of PolyU for admission purpose.

### Master of Science in Occupational Therapy
- equivalent, with two years of work experience in a related field and proof of continuous education for two years.
- Applicants are required to fulfil the English language requirement of PolyU for admission purpose.

### Master of Science in Sports Physiotherapy
- from PolyU (the then Hong Kong Polytechnic) or the equivalent, with two years of work experience in a related rehabilitation field and proof of continuous education for two years.
- Applicants are required to fulfil the English language requirement of PolyU for admission purpose.

### Master in Occupational Therapy
- English language requirement of PolyU for admission purpose.

### Master in Physiotherapy
- English language requirement of PolyU for admission purpose.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of full-time teachers to students</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
<td>1:17.9**</td>
</tr>
<tr>
<td>Number of hours of clinical practicum</td>
<td>168</td>
<td>0</td>
<td>132</td>
<td>1 050</td>
<td>1 015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

* For details, please visit Study@PolyU (<www.polyu.edu.hk/study>).

** The ratio of full-time teachers to students is calculated on the total numbers of full-time teachers and students of the programmes of the faculty.
Details of SWD's Training Sponsorship Scheme for two-year entry level Master in Occupational Therapy and Master in Physiotherapy programmes provided by PolyU on a self-financing basis are set out below:

<table>
<thead>
<tr>
<th>Training Sponsorship Scheme</th>
<th>PolyU Master in Occupational Therapy and Master in Physiotherapy programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participating occupational therapy students</td>
<td>32</td>
</tr>
<tr>
<td>Number of participating physiotherapy students</td>
<td>27</td>
</tr>
<tr>
<td>Total amount of sponsorship from SWD under the Training Sponsorship Scheme ($'000)</td>
<td>17,700</td>
</tr>
</tbody>
</table>

The numbers of graduates serving in NGOs as required by SWD's Training Sponsorship Scheme are as follows:

<table>
<thead>
<tr>
<th></th>
<th>First cohort</th>
<th>Second cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of graduates of the Master in Occupational Therapy programme serving in NGOs</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Number of graduates of the Master in Physiotherapy programme serving in NGOs</td>
<td>27</td>
<td>26</td>
</tr>
</tbody>
</table>
Annex 6

The numbers of meetings held by the Occupational Therapists Board and the Physiotherapists Board and the attendance rates of their members in each of the past five years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupational Therapists Board</th>
<th>Physiotherapists Board</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of meetings</td>
<td>Attendance rate</td>
</tr>
<tr>
<td>2013</td>
<td>2</td>
<td>73% 91%</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
<td>91%</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>1</td>
<td>100%</td>
</tr>
</tbody>
</table>

Annex 7

The Accreditation Panels as endorsed by the Occupational Therapists Board and the Physiotherapists Board are as follows:

<table>
<thead>
<tr>
<th>Programme Title</th>
<th>Member of Accreditation Panel</th>
<th>Master in Physiotherapy offered by PolyU</th>
<th>Master in Occupational Therapy offered by PolyU</th>
<th>Bachelor of Science (Honours) in Occupational Therapy offered by Tung Wah College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Mr Charles LAI Wai-kin</td>
<td>Dr Bacon NG Fung-leung</td>
<td>Dr Bacon NG Fung-leung (Dec 2013 to Jan 2016)</td>
<td>Ms Anita FONG Kin-han (since Jan 2016)</td>
</tr>
<tr>
<td>Overseas Expert</td>
<td>Prof Gwendolen Anne JULL</td>
<td>Dr Ingrid M. PROVIDENT</td>
<td>Dr Louise FARNWORTH</td>
<td></td>
</tr>
<tr>
<td>Local Expert</td>
<td>Dr Edwin LEE Wai-chi</td>
<td>Dr Kathleen Allred SINCLAIR</td>
<td>Prof Hector TSANG Wing-hong</td>
<td></td>
</tr>
<tr>
<td>Programme Title</td>
<td>Member of Accreditation Panel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master in Physiotherapy offered by PolyU</td>
<td>Master in Occupational Therapy offered by PolyU</td>
<td>Bachelor of Science (Honours) in Occupational Therapy offered by Tung Wah College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Members</td>
<td>Dr Rosanna CHAU Mei-wa</td>
<td>Ms Louisa LAI Shuk-yi</td>
<td>Dr Paul LAM Chi-wai</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr Chris KAN Kin-ho</td>
<td>Dr Raymond AU Wing-cheong</td>
<td>Ms Magdalene POON Yan-che</td>
<td></td>
</tr>
<tr>
<td>Representative nominated by the Hong Kong Academy of Medicine</td>
<td>Dr LAM Chor-yin</td>
<td>Prof Peter CHIU Kwok-yuen</td>
<td>Dr LAM Chor-yin</td>
<td></td>
</tr>
<tr>
<td>Lay Member</td>
<td>Mr LI Yum-kwok, Francis</td>
<td>Ms KWOK Yuk-sim (Jan 2014 to Dec 2014)</td>
<td>Mr CHAN Kwong-fat</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mrs Eliza LO CHAN Woon-ching (since Jan 2015)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GOVERNMENT BILLS

First Reading and Second Reading of Government Bill

First Reading of Government Bill


INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2018


Bill 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 Bill


INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2018

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese):
President, I move the Second Reading of the Inland Revenue (Amendment) (No. 3) Bill 2018 ("the Bill").

The purpose of the Bill is to amend the Inland Revenue Ordinance ("IRO") for the implementation of measures announced by the Chief Executive in her Policy Address in October 2017, with a view to encouraging more enterprises to conduct research and development ("R&D") activities in Hong Kong by providing enhanced tax deduction for spending on qualifying R&D activities.

Drawing from the experience of other countries and having regard to the actual needs of Hong Kong, we put forward the following proposals on the regime of enhanced tax deduction:

(a) in defining "R&D activities", the present definition of "research and development" under section 16B(4)(a) of IRO will be adopted; and "qualifying R&D activities" is defined as "R&D activities" taking place in Hong Kong, which cover such activities as original and applied researches on science and technology but exclude market, business or management researches, nor do they include certain activities not relating to the advancement of science and technology or innovation, such as efficiency survey and sales promotion. The aforementioned definition is in line with international practices;

(b) all in all, R&D expenditures incurred by enterprises will be classified into either "Type A expenditures" which qualify for 100% deduction or "Type B expenditures" which qualify for the enhanced tax deduction;

(c) Type B expenditures comprise payments to "designated local research institutions" for "qualifying R&D activities", and "qualifying expenditures" incurred by enterprises in conducting
"qualifying R&D activities". The deduction will be 300% for the first $2 million of the aggregate amount of such payments and expenditures, and 200% for the remaining amount. There is no cap on the amount of enhanced tax deduction;

(d) expenditures incurred or payments made by enterprises for R&D research activities other than "qualifying R&D activities", such as payments made to overseas universities or colleges, market, business or management researches conducted by "designated local research institutions", "R&D activities" taking place outside Hong Kong, and non-qualifying expenditures (such as director's remuneration, fees paid for leasing or maintenance of plant and machinery) incurred by enterprises when engaging in "qualifying R&D activities", will be classified as "Type A expenditures" and qualify for 100% deduction, which is commensurate with the existing arrangements under IRO. Hence, the proposed regime of enhanced tax deduction will not bring any negative impacts on the business sector; and

(e) to safeguard public coffers and align with relevant international tax rules, we will propose other safeguards and miscellaneous amendments in order to handle such issues as grants and subsidies, as well as preventing artificially inflated claims.

To guard against potential revenue loss due to wrongful claims, we proposed to empower the Commissioner of Inland Revenue to seek advice from the Commissioner for Innovation and Technology for qualifying R&D claims and advance rulings applications; and empower the Commissioner for Innovation and Technology to designate any university or college located in Hong Kong, or any other institute, association, organization or corporation located in Hong Kong that undertakes "qualifying R&D activities" in Hong Kong, as "designated local research institution" for tax deduction purposes.

President, the proposed regime of enhanced tax deduction will help boost the competitiveness of Hong Kong as an R&D base, attracting enterprises to invest more in R&D in Hong Kong, promoting local R&D activities and grooming local R&D talents. We have consulted the industries, professional bodies in accountancy or tax and the Committee on Innovation, Technology and Re-industrialization on the legislative proposals, which they generally welcome. In January this year, we also briefed the Panel on Commerce and Industry of the
Legislative Council about the relevant proposals and gained the support of members in general. I hope Members will support the Bill so that the regime of enhanced tax deduction can be implemented in 2018 for the benefit of companies early.

President, I so submit.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2018 be read the Second time.

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

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): Council now continues the debate on the Second Reading of the Appropriation Bill 2018. The relevant Directors of Bureaux will speak first, and then the Financial Secretary will reply.

APPROPRIATION BILL 2018

Resumption of debate on Second Reading which was moved on 28 February 2018

SECRETARY FOR EDUCATION (in Cantonese): President, a number of Honourable Members presented their views on education during the Second Reading debate on the Appropriation Bill 2018 last week. I now give some focused responses to some of them.

President, the Government has made vigorous investments in education to nurture talent and strengthen Hong Kong's competitiveness in the long term so that young people in Hong Kong can bring their strengths into play and seize future opportunities to make contribution to society. The total expenditure on education in 2018-2019 will significantly increase by 28.4% to $113.7 billion, accounting for 20.4% of the total government expenditure. Of this, the recurrent
education expenditure will increase by 5.6% to $84.6 billion, accounting for 20.8% of the total government recurrent expenditure. Some Members hold that, compared to last year, the percentage of expenditure on education has dropped. It is only the result of greater growth in expenditures on welfare and health care in the past few years. In fact, both the recurrent and total expenditures on education will still take up the largest share in government expenditure among all policy areas. The recurrent expenditure on education has, over the 10 years from 2009-2010 to 2018-2019, cumulatively increased by 67% with an average growth rate of 5.8% per annum. This demonstrates the Government's long-term commitment to investment in education.

The Chief Executive introduced numerous new measures in the Policy Address last year, including the provision of a recurrent air-conditioning grant for public schools, setting up of a hostel development fund and an injection into the research fund. We will implement the various new measures announced in the Policy Address through the estimates of expenditure of the 2018-2019 financial year and continue to take forward other policies on education.

Some Members have mentioned the additional recurrent expenditure on education earmarked. The Chief Executive already pledged to increase recurrent expenditure on education by $5 billion, of which $3.6 billion has been approved by the Legislative Council. The Education Bureau is conducting reviews of a number of policy areas of education, including professional development of teachers, curriculum arrangement, assessment system, vocational and professional education and training, self-financing post-secondary education, school-based management, parent education and research policy and funding. The work of the relevant task force is in full swing. We anticipate that additional resources are needed to take forward various recommendations proposed by the task force. As a result, on top of the remaining $1.4 billion of the funding earmarked for the new education resources in the Policy Address this year, the Financial Secretary has committed an additional recurrent expenditure of $2 billion to further improve the quality of education. Related work includes introducing measures to enhance the professional development of teachers, strengthening support for kindergartens, reviewing integrated education and supporting schools in further promoting life-wide learning. Under the principles of "Led by Professionals" and "Listening to Views Directly", the Government will, after forging a consensus within the sector, announce the arrangements for the new additional recurrent expenditure on education as soon as possible.
Some Members have expressed concern about the "one school social worker for each school" initiative. To cater for students' needs, starting from the 2018-2019 school year, the Government will provide extra resources to public sector primary schools and special schools through a new funding mode to enable them to progressively implement the "one school social worker for each school" policy according to their school-based circumstances, with a view to improving the overall quality of guidance and social work services. The annual additional recurrent expenditure required ultimately is expected to be $138 million.

The existing Top-up Student Guidance Service Grant will also be enhanced to enable all public sector schools to receive more resources for strengthening their social work and guidance services so that the needs of students, including students with special education needs, can be better satisfied.

For schools currently receiving the Student Guidance Service Grant or employing Student Guidance Officers, the Education Bureau will provide a three-year transitional period for them to switch to the new funding mode before the 2021-2022 school year. If serving student guidance personnel meet the qualification requirements, the Education Bureau encourages schools to give priority to recruiting such personnel. If schools require more time to handle the personnel matters concerning their serving student guidance personnel, they can discuss it with the Bureau separately.

For schools currently employing Student Guidance Teachers, they can continue the current arrangements. The Education Bureau will maintain communication with the education sector to explore long-term options so that schools can adopt the best way to provide guidance and social work services for their students.

The Government will pay examination fees for candidates sitting for the 2019 Hong Kong Diploma of Secondary Education ("HKDSE") Examination. It is a one-off concessionary measure. Eligible candidates must be studying at the registered schools approved for participation in the 2019 HKDSE Examination in the 2018-2019 school year and be entered for the 2019 HKDSE Examination through their schools. The proposed measure is expected to benefit around 50 000 candidates with an expected expenditure of $170 million.

When finalizing the arrangements, our prime consideration is the interests of candidates sitting for the 2019 HKDSE Examination so that they can take the examination at ease without being stressed unnecessarily. The measure was
originally intended to benefit private candidates as well. But to pre-empt the
situations where someone might sit for the examination for fun because of free
examination fees or intentionally disturb the order at examination venues, and to
minimize the uncertainty to be brought to the public examination, we thus
proposed to restrict the eligibility. We believe those situations can then be
eliminated. Most importantly, the arrangements can reduce the worries of
candidates, including private candidates, and parents.

Some Members have expressed concern about the development of
vocational and professional education and training. The Government has all
along been promoting vocational and professional education and training, with a
view to encouraging young people to select further education pathways and join
different trades and industries according to their abilities and interests, so as to
meet the manpower needs of Hong Kong. The Education Bureau has
established the Task Force on Promotion of Vocational and Professional
Education and Training, which comprises representatives from various sectors,
such as schools, parents, employers, community and labour. The Task Force
will examine how to foster closer business-school collaboration, how vocational
and professional education and training can be better promoted through life
planning education, and make recommendations based on students' abilities and
interests.

President, there is no doubt that the Government is determined in making
investments in education. We will continue to implement various measures
conducive to the development of schools, teachers and students so as to create a
stable, caring, inspiring and satisfying teaching and learning environment for all.
We will also continue our close collaboration with the education sector and
various sectors of society to improve the quality of education in Hong Kong.

With these remarks, President, I implore Members to support the
Appropriation Bill 2018.

Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I
thank Members for their views on labour and social welfare. I will give a
concise response as follows.
Compared with the $65.8 billion of revised estimate in 2017-2018, the estimated recurrent expenditure allocated by the Government to social welfare and woman matters rose to $79.8 billion, representing an increase of $14 billion, or 21.3%. There will be 1,200 additional posts over the next year to boost the manpower of social workers alone. Despite this, many Members still find the growth of the Government's welfare expenditure less than satisfactory. I hope Members can understand that, given the two big bottlenecks of manpower and land, the increase in the relevant expenditure cannot possibly go any higher than that proposed in the 2018-2019 Budget. Even if the Financial Secretary can allocate more resources to welfare, the Labour and Welfare Bureau and the Social Welfare Department will not be able to do any magic trick, conjuring up a couple of residential care homes for the elderly or hundreds of additional professional workers within the next year. An increase of 21.3% in recurrent expenditure on social welfare in a year can be regarded as an historical peak indeed.

In respect of elderly services, there is an 18% increase in the recurrent expenditure on elderly services in 2018-2019 compared to the revised estimate of 2017-2018. A research report recently published by the Legislative Council highlighted the lack of a significant increase in expenditure on elderly services as a percentage of the overall welfare expenditure, and thus concluded that the development of our welfare services had been slow. I am a bit skeptical about using that figure as the basis for such an analysis. An increase of 18% in estimated recurrent expenditure in a year is a far faster pace of growth than the increase in the number of elderly persons which is 4.3% in a year. If such a pace of increase is slow, I have no idea what constitutes a fast pace of growth. Certainly, on the face of it, the growth of expenditure on elderly services as a percentage of the overall welfare expenditure is not significant, since the expenditure on social security increases at an even faster pace, thanks to the introduction of the Old Age Living Allowance. With each elderly recipient collecting an additional $885 a month, 400,000 recipients times 12 months will result in an additional $4.2 billion in recurrent expenditure every year.

Some Members suggested that the minimum age limit for receiving the non-means-tested Old Age Allowance ("OAA", commonly known as "fruit grant") should be relaxed, being lowered from 70 to 65. According to projection by the Census and Statistics Department, the number of elderly persons aged 70 or above is set to increase from 770,000 in 2016 to about 1.86 million in 2036, and to 2.18 million in 2066, which is about three times the figure of 2016. Imagine the situation in 1978 when the age requirement for receiving OAA was
set at 70 or above by the Government of Hong Kong. The average life expectancy back then was about 74 years, whereas in 2017, that figure was about 84 years. If we were to consider an adjustment of the age requirement for receiving OAA today, should we lower the age threshold by five years, or raise it by 10 years? The Government, of course, has no plans to adjust the age requirement for OAA at the moment.

As regards services for persons with disabilities, we attach great importance to support provided for them, just like all Members here. The relevant estimated recurrent expenditure budgeted for 2018-2019 saw an increase of around 15%, or some $450 million in additional provision, with 2,469 more places for subverted rehabilitation services on offer.

Insofar as child protection is concerned, the Government will allocate some $504 million from the Lotteries Fund to launch, for the 2018-2019 school year, a three-year pilot scheme to provide social work services in phases for children and their families in all aided child care centres, kindergartens and kindergarten-cum-child care centres. Implementation details are yet to be finalized, pending consultation with the sector on feasible options for the roll-out of social work services.

Quite a few Members pointed out that, in view of the recruitment difficulties faced by individual sectors suffering from a chronic shortage of manpower, the Government should relax restrictions on labour importation. I understand that this is an issue of great contention. The relevant Policy Bureaux and departments of the Government will continue to closely monitor the manpower demand and supply for different sectors, strengthen training initiatives and attract new entrants to the sectors. On the premise of according priority in employment to local workers, the Government will explore with stakeholders the possibility of increasing imported labour, such as carers for elderly care homes, on an appropriate and limited scale to relieve the manpower shortage of individual sectors.

In respect of improving labour rights, the Government has proposed to increase the duration of paternity leave from three days to five days. The statutory maternity leave is now under review and the result, having regard to the affordability of enterprises, will be submitted to the Labour Advisory Board for consultation.
On the issue of abolishing the arrangement for "offsetting" severance payment and long service payment with Mandatory Provident Fund ("MPF") contributions of employers, the Government has already set out a preliminary proposal, as Members may well know. I have been in recent days, and will be in future, proactively meeting with various employers' organizations, trade associations, major labour unions, political groupings and parties, etc. explaining the preliminary proposal of the Government and gauging their views. After gauging the views of stakeholders, the Government will consider how best to take on board their opinions to optimize and improve the proposal. I wish to stress that the current-term Government has both the ability and resolve to address the problem of abolishing the MPF offsetting mechanism, finalize early a proposal for abolishing the offsetting arrangement and expeditiously conduct the necessary legislative exercise for a resolution to this perennial problem that has been plaguing us.

Lastly, I wish to thank Members for their concerns over the issue of encouraging the participation of women and ethnic minorities in the labour force, and over measures for improving the Continuing Education Fund. I will not repeat the relevant measures in store for the next year.

With these remarks, President, I implore Members to support the Appropriation Bill 2018.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I thank Members for the views on such issues of major public concern as health care and municipal services. I will now respond to the various suggestions made by Members during the debate in a focused manner.

Many Members requested the Government to allocate more resources to public health care services. A total recurrent funding of $61.5 billion is allocated to the Hospital Authority ("HA") in 2018-2019—up by nearly $6 billion from the previous financial year—to increase, among others, the number of hospital beds and operating theatre sessions, as well as the quotas for general outpatient and specialist outpatient consultation. The relevant resources will also be deployed to rehire retired health care professionals and employ non-locally trained doctors under limited registration. HA will also strengthen its support for medical training to improve the ability of medical professionals.
These measures, undertaken to help alleviate the pressure on frontline health care personnel and increase the service capacity of HA, will serve to tackle the challenges brought forth by an ageing population.

Moreover, HA has decided to abolish, from 1 April this year onwards, the policy on incremental pay freeze in the first two years of service in respect of certain new recruits. A new arrangement will also be introduced under which the recurrent provision for HA will be increased progressively on a triennium basis, having regard to population growth and demographic changes. That will enable HA to respond on a sustained basis more effectively to service demand arising from population growth.

Many Members are concerned about health care manpower. The Government has increased substantially the number of health care training places funded by the University Grants Committee ("UGC"), from about 1,150 to some 1,800 at the moment. It is now discussing with UCG a further increase in UGC-funded training places for doctors, dentists, nurses and relevant allied health professionals in the three-year period of 2019-2020.

Besides, the Legislative Council just passed the Medical Registration (Amendment) Bill 2017. The Medical Council of Hong Kong ("MCHK") will expeditiously implement arrangements in relation to improving the complaint handling and disciplinary inquiry mechanism. MCHK will also be able to approve applications for limited registration for an extended period of not exceeding three years, enabling qualified non-locally trained doctors to practise in Hong Kong. And we have submitted to the Legislative Council today the subsidiary legislation on the election of lay members of MCHK by patient organizations.

The Government will amend the law to allow tax deduction for relevant premiums paid under the Voluntary Health Insurance Scheme. Premiums paid by a person for himself/herself and their dependants will be allowed for deduction. The deduction ceiling is $8,000 per insured person per year. There is no cap on the number of dependents that are eligible for tax deduction.

It was announced in the Budget that a recurrent funding of $50 million will be allocated to the implementation of a mental health education and destigmatization campaign. We will also provide an extra provision of
$140 million to HA to recruit additional staff and meet other relevant expenditures, with a view to enhancing mental health services for children, adolescents, adults and elderly.

Members are also concerned about the 10-year Hospital Development Plan. We will continue our efforts to implement the 10-year Hospital Development Plan for which a sum of $200 billion has already been earmarked. The Government has invited HA to start planning the second 10-year Hospital Development Plan to deliver additional hospital beds and provide additional facilities and quota for consultation.

In respect of drug subsidization, the Community Care Fund ("CCF") has launched an assistance programme to provide eligible patients with subsidies for the purchase of ultra-expensive drugs. We will also extend the scope of the programme to provide patients with subsidies for specific drug treatments according to individual patient's special clinical needs.

HA will also expedite the review of the patient's co-payment mechanism under CCF with improvement measures to be proposed in the first half of this year to alleviate the financial burden on patients. A provision of $500 million has been set aside in the Budget as financial support.

In addition, we further propose to raise the accumulation limit of Elderly Health Care Vouchers ("EHCV") from $4,000 to $5,000 this year, and provide, on a one-off basis, an additional $1,000 worth of vouchers to eligible elderly persons. In considering further enhancement measures, a detailed assessment must be made of the long-term financial impacts.

As regards the monitoring of EHCV, a matter about which a number of Members have expressed concern, the Department of Health ("DH") conducts routine inspections of registered providers of medical services, monitors aberrant patterns of transactions relating to the use of EHCV and follows up every complaint, media reports and relevant intelligence, etc. HD also issues regularly to participating service providers the relevant practices and reminds elderly persons, through different channels, the points to note when using vouchers.

Insofar as the development of Chinese medicine is concerned, the Food and Health Bureau will set up a dedicated unit to oversee Chinese medicine development in 2018-2019. We have also commissioned a consultancy to
conduct a consultation on the positioning of a Chinese medicine hospital. The relevant study result is expected to be published in the first half of this year. We will also establish a $500 million fund to support the development of Chinese medicine.

As regards whether and how Chinese medicine should be incorporated into the public health care system, the Government needs to give consideration to various aspects, including the public demand for Chinese medicine services, salaries and training of Chinese medicine practitioners and professions related to Chinese medicine services, as well as the recurrent financial commitments of the Government. The Government is now conducting a study with HA on the positioning of Chinese medicine in the local health care system and will consider the overall development of the industry.

Some Members raised the issue of health care development in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"). The Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA") provides a platform for the medical services sector of Hong Kong, promoting exchange and cooperation in health care between the two places. Through this arrangement, Hong Kong service suppliers can set up in the Mainland, wholly-owned medical institutions or medical institutions in the form of equity joint venture or contractual joint venture with, among others, medical institutions and other economic organizations in the Mainland. Hong Kong service suppliers have now set up 27 such medical institutions as clinics, hospitals and outpatient clinics in Guangdong Province.

We will continue to maintain close liaison with the Guangdong Provincial Government, strengthen the exchange and cooperation in health care manpower training in the Bay Area and encourage more service suppliers in Hong Kong and Macao to set up medical institutions in the Mainland, with a view to providing residents of Guangdong, Hong Kong and Macao with more favourable conditions for seeking medical consultation.

In respect of fisheries development, the Government has implemented a series of management measures to control fisheries development, including a ban on trawling in local waters and collaborating with the Marine Police, the Marine Department and the relevant Mainland departments in combatting illegal fishing activities. As actions taken against an offender, we will institute prosecution,
apart from confiscating his fishing gear. Any person engaging in illegal fishing activities is liable to a maximum fine of $200,000 and imprisonment for six months. We believe such penalties have a deterrent effect. We will also assist fishermen and fish farmers in switching to high value-added and sustainable modes of development.

On public markets, a provision of $2 billion has been earmarked in the Budget for implementing a Market Modernisation Programme over the next 10 years. The Food and Environmental Hygiene Department has formed a dedicated team to conduct a comprehensive review of nearly 100 public markets for the improvement of their facilities and management in a systematic manner. The relevant improvement works could include installation of air-conditioning systems, major overhaul or even redevelopment.

Furthermore, we will process as soon as possible the applications submitted by 143 columbaria. Many Members are concerned about the supply and regulation of niches. The Government is committed to pursuing a district-based columbarium development scheme and has so far obtained support from the District Councils for 14 identified sites, which involve more than 590,000 new niches. We will conclude in the second quarter this year the consultation work with District Councils on the proposal of extendable niches. And the Government will continue to step up promotion of green burial.

As regards animal welfare, the Government attaches great importance to this issue and is now studying the existing legislation related to animal welfare in the local context by drawing reference from international experiences, in which we will explore the introduction of a concept of positive duty of care on animal keepers. We will consult the stakeholders in due course.

With these remarks, President, I hope Members will pass the Appropriation Bill 2018.

PRESIDENT (in Cantonese): Secretary for Home Affairs, please speak.

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

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

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

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

PRESIDENT (in Cantonese): Secretary for Home Affairs, please speak.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, a considerable part of this year's Budget speech is devoted to increasing the investment in culture and sports. On the arts and culture front, our vision is to develop Hong Kong into an international cultural metropolis and create more cultural exchange opportunities in the Mainland and overseas for the local art community. To accomplish this vision, the Government will strengthen the financial support to Hong Kong's arts groups. The recurrent provision to nine major arts groups will be increased by about 10% and the funding allocated to the Hong Kong Arts Development Council will be increased by about 30%.

The Government fully supports Hong Kong's arts groups to conduct cultural exchanges in the Mainland and overseas and act as cultural ambassadors of Hong Kong. In fact, the Government will progressively increase the recurrent provision to $50 million to support Hong Kong's arts groups in conducting outbound cultural exchanges. The provision can be used for exchanges in the Mainland and overseas. Besides, the Budget has also allocated $140 million to support local arts groups and artists to conduct cultural exchanges in the Guangdong-Hong Kong-Macao Bay Area. The amount is to be used in the next five years. Performance venues meeting international standards to be gradually completed in the area in recent years, such as the Zhuhai Opera House and the Guangzhou Opera House, may attract Hong Kong's arts groups to a certain degree. As a matter of fact, local arts groups are venturing into the area and the Government can play the role of a facilitator in this regard.
Insofar as local cultural facilities are concerned, the venues in the West Kowloon Culture District will be completed one after another, whereas the East Kowloon Cultural Centre is under construction and the New Territories East Cultural Centre is under planning. Meanwhile, the Heritage Conservation and Resource Centre in New Territories West is pending Members' approval in the Legislative Council, while the Hong Kong City Hall and the Hong Kong Cultural Centre with decades of history require upgrades and enhancements. I have noticed that Members and the public are very supportive of the Government's proposal to earmark $20 billion for the enhancement and development of cultural facilities in the next 10 years.

In terms of sports development, the Government will continue to promote sports development in Hong Kong under the policy objectives of promoting sports in the community, supporting elite sports and developing Hong Kong into a prime destination for hosting major international sports events. The Government will inject a total of $6 billion into the Elite Athletes Development Fund so as to provide greater support for elite athletes. Another $1 billion will be injected into the sports portion of the Arts and Sport Development Fund to support sports organizations in the training of athletes and hosting competitions.

The Government will allocate $100 million for the launch of a five-year District Sports Programmes Funding Scheme in order to encourage the organization of more sports events by district sports associations making use of their community networks and $300 million for training programmes and promotional activities by sports associations. The Government will also allocate $500 million for the Major Sports Events Matching Grant Scheme to encourage the business sector to support and sponsor large-scale sports events.

With the aforementioned software support combined with the construction of the Kai Tak Sports Park as well as the construction of 26 and planning of 15 sports facilities in 18 districts, plus the promotion of sports at school venues after school hours, we hope to further promote the development of sports in Hong Kong in the future. We are also committed to developing Hong Kong as a prime destination for hosting major international sports events, supporting our elite athletes to achieve outstanding results in the international sports arena and popularizing sports in the community for the benefit of the public.
As regards youth development, the Government has always been committed to promoting and improving various projects on this front so that young people can broaden their horizons from different perspectives. With its rapid development, the country is playing a significant role in the world. It is, therefore, the right direction to let the young generation of Hong Kong know more about the situation and development of the country. Apart from internships in the Mainland, the Government will also endeavour to arrange more overseas internship opportunities for young people in the coming year. Internship opportunities will be extended to cover seven foreign countries in addition to the Mainland. We will also strengthen international youth exchange by allocating additional resources. Last year, $100 million was earmarked for implementing the Funding Scheme for International Youth Exchange. Starting from this year, the Funding Scheme for International Youth Exchange and the Funding Scheme for Exchange in Belt and Road Countries will be merged to ensure more effective use of resources and more international youth exchange opportunities. We expect more quality and in-depth proposals on international exchange from the participating non-governmental organizations once they have accumulated a certain amount of experience in organizing international exchange projects, so as to benefit more young people.

I so submit. Thank you, President.
To achieve this goal, we will increase public-sector R&D investment, including financing the various R&D schemes under the Innovation and Technology Fund ("ITF"), at the same time encouraging private enterprises to conduct more R&D activities. To this end, we have introduced a Bill into the Legislative Council to provide additional tax deduction for expenditure incurred by enterprises on R&D. Subject to it being passed by the Legislative Council, the first $2 million qualifying domestic R&D expenditure will enjoy a 300% tax deduction and 200% for the remainder. There is no cap on the amount of the relevant tax deduction. The relevant measures will encourage more enterprises to conduct R&D activities in Hong Kong. I thank the Members concerned for agreeing that these measures can support SMEs and start-ups and drive "re-industrialization", and I hope Members will pass the Amendment Bill as soon as possible.

In addition, it is announced in the Budget that $10 billion will be set aside to support the establishment of research clusters on health care technologies and on artificial intelligence and robotics technologies at the Science Park. We will provide financial support to non-profit-making scientific research institutions that will establish their presence in these two clusters to attract the world's top scientific research institutions and technology enterprises to Hong Kong for conducting more midstream and downstream R&D projects in collaboration with local universities and scientific research institutions. Apart from enhancing Hong Kong's R&D capabilities, these two clusters will also pool and nurture more technology talent in Hong Kong. We will also allocate $10 billion to the Hong Kong Science and Technology Parks Corporation ("HKSTPC") to construct research-related infrastructure and facilities, including a biotechnology laboratory, a small batch experimental production facility and a robot testing facility, so as to further reinforce and develop Hong Kong's R&D capabilities. HKSTPC will also use the relevant resources to enhance support for its tenants and incubatees, and set up a Smart Campus in the Park to tie in with the development of a smart city.

We will also inject $10 billion into ITF to keep up our support for local applied R&D work and innovation and technology projects through its various funding schemes.

We attach great importance to nurturing innovation and technology talents. The Government is committed to refining an innovation and technology ecosystem with the necessary hardware and software to provide scope for the
development of innovation and technology talents. We will set aside $500 million under ITF to implement, in the third quarter of this year, the Technology Talent Scheme comprising a Postdoctoral Hub programme to provide funding support for designated institutions to recruit postdoctoral talent for R&D efforts. In addition, we will also introduce the Reindustrialization and Technology Training Programme to subsidize local enterprises on a matching basis to train their staff in advanced technologies, especially those related to "Industry 4.0", with a view to driving re-industrialization. We have also optimized the Internship Programme. Following an increase of the monthly allowance for interns and an extension of the Programme to cover all innovation and technology tenants of HKSTP and the Cyberport, more enterprises and STEM graduates will be benefited.

HKSTP and the Cyberport will also use the additional resources provided by the Government to optimize their incubation programmes and provide more comprehensive support to start-ups.

Some Members expressed concern about the economic benefits of the Hong Kong-Shenzhen Innovation and Technology Park ("the Park") in the Lok Ma Chau Loop. The Park is adjacent to Shenzhen, so the geographical location of the Park enjoys a strategic edge. With a maximum total gross floor area of about 1.2 million sq m, the Park will be Hong Kong's largest-ever innovation and technology platform. The Park will be developed with innovation and technology as the main focus, where a key base for cooperation in scientific research, and relevant higher education, cultural and creative and other complementary facilities will be set up to attract top-notch enterprises, R&D institutions and higher education institutions around the world to establish their presence there, thus creating a synergy effect. The Park is an important infrastructure in promoting R&D and re-industrialization in Hong Kong and is also a key base for transforming the Guangdong-Hong Kong-Macao Bay Area into an international innovation and technology centre.

Some Members mentioned the use of technology to solve problems in society. The Innovation and Technology Bureau ("ITB") has all along devoted a great deal of effort to the application of technology. Apart from subsidizing local small and medium enterprises in using technological services and solutions to improve productivity, or upgrade or transform their business processes through enhancing the Technology Voucher Programme, we also introduced the
TechConnect Block Vote with a funding of $500 million and the Innovation and Technology Fund for Better Living with a funding of HK$500 million respectively to support government departments and non-governmental organizations in implementing technology projects to enhance operational efficiency, public service delivery and the public's quality of life. The benefits of various projects will emerge successively and the public will stand to reap them.

Some Members expressed views on the transfer of the Efficiency Office ("EO") to ITB, so I wish to give a response here. EO was formerly the Efficiency Unit under the Chief Secretary for Administration's Office and the Business Facilitation Division under the Economic Analysis and Business Facilitation Unit. Upon joining ITB, EO will aim for better use of resources to drive technology application, foster innovation and collaboration, use design thinking and creativity, streamline procedures to assist Policy Bureaux/departments in improving services and enhancing operational efficiency, thus fostering smart city development. I wish to take this opportunity to thank the Finance Committee for approving the reorganization of ITB and our staff increase proposals, thus enabling us to move ahead with our agenda with adequate manpower and resources.

Since setting up ITB in November 2015, the Government has put in a huge amount of resources for fostering innovation and technology development and the measures range from encouraging R&D, promoting re-industrialization, supporting start-ups, to forging ahead with smart city development. In recent years, public understanding and awareness of innovation and technology are on the increase and the view that innovation and technology can have a positive effect on society is gaining traction. The new measures proposed in the Budget this year will create a more vibrant ecology and provide greater scope for development of innovation and technology in Hong Kong.

With these remarks, President, I hope Members will pass the Appropriation Bill 2018.

PRESIDENT (in Cantonese): I now call upon the Financial Secretary to reply.
FINANCIAL SECRETARY (in Cantonese): Good Morning, President, and Honourable Members. Following the presentation of the 2018-2019 Budget at the end of February, I have attended numerous forums, interviews and exchange sessions and met with different political parties and organizations, explaining to the public the philosophy and various measures of the Budget on the one hand and, and listening to the people, Members and various sectors of the community about their views on the Budget on the other.

I am very grateful to Members for their many valuable suggestions on the Budget made in the Legislative Council meeting last week. Five of our Policy Bureau Directors have just now given their concise replies on some policy areas that are of concern to Members.

I will now give an account on the latest economic situations of the world and Hong Kong and elaborate further measures concerning the Caring and Sharing Scheme ("the Scheme") in the Budget.

The growth momentum of the global economy holds up this year. The International Monetary Fund last month maintained its forecast for global economic growth in 2018, expecting a pace of growth that will slightly quicken to 3.9%. However, uncertainties abound in the outlook of the external economy, especially in respect of trade and the financial markets, which warrant close monitoring and continual vigilance.

The economy of the United States notched up solid growth in the first quarter of this year with the unemployment rate hovering at low levels. The pace of economic growth of the United States is expected to pick up this year and inflationary pressure is likely to intensify. The Federal Reserve of the United States raised interest rate again in March and signalled further tightening at a gradual pace. Though the markets expect the Federal Reserve will leave interest rate unchanged tonight when it holds its meeting on monetary policy, the chance of a rate hike in June is overwhelmingly high, with further tightening later this year and continual reductions of the Federal Reserve's balance sheet holding on the cards. It stands to reason that the normalization process of the monetary policy of the United States will continue, exerting great impacts on the global monetary environment and capital flows in the future. The Hong Kong Interbank Offered Rate rebounded from low levels in recent months. As the
United States continues to raise the interest rate gradually, the interest rates of Hong Kong, under the linked exchange rate system, will follow the interest rates of the United States and move higher. We must pay attention to how that will influence the asset prices and economic sentiment in Hong Kong.

The trade friction between China and the United States has recently become a global focus of concern. The United States in recent months announced restrictive measures against imported goods and investments from the Mainland. The Mainland responded in kind immediately after, putting forth counter-measures. Meanwhile, the United States announced further measures targeting semiconductor exports, with some Chinese-funded technology enterprises being singled out for sanctions. As the threats of rate hikes in the United States and trade friction between China and the United States loom, the volatility of global stock markets increases. The United States and China are the world's two biggest trading nations and economies, sharing close economic and trading ties. A deterioration in trade relations between the two countries will invariably deal a blow to global trading activities and sour economic sentiment.

Insofar as Hong Kong is concerned, the list of Mainland imports targeted for new tariffs which was published by the United States in recent months will affect Mainland goods bound for the United States that are re-exported via Hong Kong and offshore trading activities in which shipments of Hong Kong companies are arranged to be exported directly to the United States from the Mainland. Although, according to the latest list from the United States, the types of goods being hit accounted for only a small share of the total trade of Hong Kong and the direct impact of which on the overall economy is expected to be limited, Hong Kong—being an important link of trade and investments between the two powers—will suffer negative consequences on its economy if the trade friction escalates with the imposition of more restrictive measures, taking its toll on global trade and economic sentiment.

As a founding member of the World Trade Organization ("WTO"), Hong Kong always pursues a free trade policy, adhering to the commitments and rules of WTO and rejecting any restrictive trade measures that are inconsistent with WTO agreements. In respect of the tariffs recently announced by the United State on steel and aluminium imported from places including Hong Kong, we have taken immediate follow-up actions to protect Hong Kong's rights and
interests. We hope the American Government will continue to resolve the issue through dialogue and negotiation. The Government will continue to closely monitor further developments.

In Europe, the growth momentum of the economies in the Euro area remains solid. The markets predict the European Central Bank may well scale back or even suspend its asset purchase programme later this year. Attention should be paid to whether this will trigger fluctuations in global capital flows. Meanwhile, although the European Union and the United Kingdom have reached a preliminary agreement on a transitional period after Brexit, both sides need to engage in further negotiations regarding their future relations, with significant implications for the global economy.

As regards Asia, the overall growth of exports across Asia has been impressive so far this year, thanks to the expansion of the global economy. Having registered a steady and sound performance of 6.8% of growth in the first quarter with strong showing in exports and solid domestic demand, the Mainland economy remains an important driver of economic growth for Asia and the world.

As stated clearly in both the report of the 19th National Congress of the Chinese Communist Party of China and the Report on the Work of the Government, the Central Government will deepen supply-side structural reform and achieve high-quality development through industry upgrades and bolstering of innovation as an economic driver. Enhancing financial regulation, meanwhile, is also a priority geared towards ensuring steady market liquidity and a financial regime that serves the real economy in practice. Moreover, the State will open up more to the outside world in a two-way manner and take forward such key development strategies as the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"). An economic development of higher quality and sustainability on the Mainland will be beneficial to the Hong Kong and global economies in their long-term development.

The economic momentum of Hong Kong remains strong this year. Thanks to increasing global demands, the value of total exports of goods in the first quarter of this year rose by 9.7% over the same period in 2017, while the total visitor arrivals surges 9.6% year on year. As consumer confidence in Hong
Kong blossoms and the tourism industry continues to recover, the pace of growth in retail sales by volume noticeably picked up, with the total sales of the first two months having grown by 13.9% year on year.

The labour market remains in a state of full employment with the latest unemployment rate hitting 2.9%, a 20-year low. Total employment grew robustly while wages and earnings generally sustained gains in real terms.

The underlying inflation rate rose to 2.4% in the first quarter this year. As the global and domestic economies continue to expand, overall inflationary pressure has increased slightly so far this year.

All in all, the favourable trends of the domestic and external economies remain intact. In spite of the existence of the aforementioned uncertainties that bears close monitoring, I am cautiously optimistic about the economic outlook of Hong Kong this year. In formulating the Budget, I forecast an economic growth of 3% to 4% in 2018. As long as the favourable external environment continues, I am confident that my growth forecast will be achieved.

President, in this year's Budget, I specifically highlighted the new fiscal philosophy of the current-term Government and the strategy of utilizing public resources in the formulation of the Budget, i.e., on the premise of ensuring the health of our public finance, the Government should adopt a forward-looking strategy in optimizing the use of surplus to invest for Hong Kong and relieve our people's burdens.

In accordance with the three main objectives of diversified economy, investing for the future and caring and sharing, the Budget proposed an increase of $42.8 billion, or 11.8% year on year, in recurrent expenditure of the Government, bringing the total to $406.5 billion. Among the various areas of expenditure, the recurrent expenditure on education, social welfare and health care accounts for about 58% of government recurrent expenditure, exceeding $230 billion in total. In fact, recurrent expenditure in these three areas recorded a cumulative increase of 42.8% over the past five years, which bear testimony to the proactive efforts of the Government in ploughing resources into nurturing talent and improving people's livelihood.
More importantly, in responding proactively to the various needs of society and the economy, the public expenditure will be slightly higher than 21% of our Gross Domestic Product in this year's Budget and in the Medium Range Forecast for the next four years. Such a breakthrough is broadly in line with the affordability of Hong Kong in the long run.

President, in light of the current financial position of the Government, the Budget proposed an array of tax relief and concessionary measures to share the fruits of our economic success with the community and alleviate the tax burden of wage earners in general.

After listening closely to and considering carefully the valuable views of various sectors of the community, I announced on 23 March the Scheme which mainly seeks to provide those people who failed to benefit from the various sharing measures originally proposed in the Budget with a one-off payment of $4,000, as a way of sharing the fruits of economic success with more people in a targeted and focused manner.

Under the Scheme, qualified people from different sectors of the community—including women who dedicated themselves to homemaking at the expense of taking a job, recently-retired elderly persons who are relatively young and thus ineligible for receiving subsidies, as well as wage earners of modest income who pay little or no tax—will be benefited.

I believe the coverage of the Scheme is wide enough to meet the expectations of most members of the public and achieve the objective of sharing the fruits of economic success. I understand that the public would like to see the expeditious implementation of the Scheme by the Government. However, given the brand new nature of the Scheme and its wide coverage, the Government needs time to finalize all the arrangements and execution details. The Working Family Allowance Office is now hard at work, making the necessary preparations for opening of application in February next year and the disbursement of the first batch of payments beginning April.

We will propose amendments to the Appropriation Bill 2018 ("the Bill") later on to obtain the additional funding required for the Scheme.
President, the Government will make every effort to facilitate the Legislative Council in the scrutiny of the Bill. I implore Members to speedily pass the Bill so that the various measures of the Budget can be implemented as soon as possible for the timely benefit of the public.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Appropriation Bill 2018 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Chi-chuen rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen has claimed a division. The division bell will ring for five minutes.

(While the division bell was ringing, a phone went off)

PRESIDENT (in Cantonese): Will Members please switch their mobile phones to silent mode.

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

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.
Prof Joseph LEE, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Ms Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Elizabeth QUAT, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr HO Kai-ming, Mr Holden CHOW, Mr SHIU Ka-fai, Mr Wilson OR, Ms YUNG Hoi-yan, Dr Pierre CHAN, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Mr LEUNG Yiu-chung, Ms Claudia MO, Mr CHAN Chi-chuen, Mr Dennis KWOK, Dr Fernando CHEUNG, Mr Alvin YEUNG, Mr CHU Hoi-dick, Ms Tanya CHAN, Dr CHENG Chung-tai, Mr Jeremy TAM and Mr AU Nok-hin voted against the motion.

Mr James TO, Mr WU Chi-wai, Mr Charles Peter MOK, Dr Helena WONG, Mr IP Kin-yuen, Mr Andrew WAN, Mr LAM Cheuk-ting, Mr HUI Chi-fung and Mr KWONG Chun-yu abstained.

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

THE PRESIDENT announced that there were 60 Members present, 39 were in favour of the motion, 11 against it and 9 abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.


Council became committee of the whole Council.
Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): Council now becomes committee of the whole Council to consider the Appropriation Bill 2018.

Regarding the debate and voting arrangements for committee's consideration of the Bill, Members have been informed that committee will deal with the relevant proceedings in three sessions.

In the first session, there will be a joint debate on heads with no amendment. We shall proceed to vote on whether the sums for the relevant heads stand part of the Schedule immediately following the conclusion of the debate. Committee will then move on to the second session to conduct a joint debate on all the amendments and then vote on the amendments seriatim.

Following the conclusion of debates and voting on the amendments, committee will move on to the third session to process the remaining proceedings, including the questions of the clauses standing part of the Bill, the Financial Secretary's consequential amendments and Third Reading. Committee will first conduct a joint debate on the debatable questions. In this session, Members may indicate whether they support the Bill as a whole. Finally, the relevant questions will be put to vote seriatim until Third Reading is completed.

I have consulted Members on the debate and voting arrangements, and I expect all proceedings on the Bill to be completed at the meeting on 10 May.

APPROPRIATION BILL 2018

CHAIRMAN (in Cantonese): In accordance with Rule 68 of the Rules of Procedure, committee will first consider the Schedule.

I now propose the question to you and that is: That the sums for the following heads stand part of the Schedule.

CHAIRMAN (in Cantonese): We now proceed to the first session.

Committee may proceed to a joint debate on the heads with no amendment read out by the Clerk just now. Members have been informed that committee will have about seven hours to conduct this debate. After the debate, committee will put to vote that the sums for the heads with no amendment stand part of the Schedule.

The debate now commences.

MR CHARLES PETER MOK (in Cantonese): Chairman, I am a bit disappointed that no sooner had the Financial Secretary seen us finish voting on the Second Reading than he left as though the matter had been brought to a successful conclusion. Many of our Members actually hope that more officials, especially the Secretary, would listen to our speeches.

Chairman, this time the Budget has talked a lot about innovation and technology. In fact, insofar as the main purpose of the Budget is concerned, which is distribution of financial resources, it seems much money has been injected, the amount being $50.3 billion. However, as I have always pointed out, the Government's mere focus on handing out cash, that means setting up funds or constructing such facilities as parks and buildings, is deficient.

The first deficiency is that in this Budget, we cannot see the other policies mentioned by the Chief Executive earlier during her delivery of the Policy Address in October, including removing red tape, amending outdated legislation, strengthening coordination within the Government, as well as the development of talents. Does it mean that we have to wait for the Policy Innovation and Co-ordination Unit newly established in April to take the time to do such work? Yet a year will pass in the blink of an eye. The summer recess is around the corner, and then it will be October. By that time, we will have to wait for the next policy address. Year in, year out, are we supposed to wait forever?

As regards the second deficiency, is $50-odd billion really a large amount? Certainly, compared with many other items needed in society, including social welfare and education, many people consider this a large amount. But I can tell Members that actually, it may not be sufficient. Let me give an example, Chairman. At the end of last year, the United Kingdom completed a report,
saying that US$1.3 billion would be injected for the development of a single project of AI (i.e. artificial intelligence). What is more, we should not only look at the amount of injection. We should also look at what is done. First, not only would it allocate funds for application. It would also attract investments, and it has been confirmed that there would be US$400 million coming from various companies overseas, such as Microsoft, HP and IBM which are well-known to all. Companies have agreed to make investments. Some Japanese and Canadian companies have even indicated their wish to set up headquarters there to develop AI. We, however, have merely set up funds and wait for applications. Besides, it said it would work with the academic sector. The University of Cambridge would install a supercomputer worth US$13 million and share it with the industry. What about us? We have only given the funds to the Hong Kong Science Park, and now they are still consulting us on how to utilize that sum of HK$10 billion. Hence, in this regard, it is not sufficient if we merely hand out cash with no objective.

The second point is about regulation. For example, the United Kingdom has set up various research centres relating to regulation, including the Centre for Data Ethics and Innovation, to conduct research on privacy. It has also stated clearly that it would consult the legal, technology and academic sectors and examine how to remove red tape.

The third point concerns the introduction of a key performance indicator ("KPI"). At the end of last year, the British Government announced its projection that in 2035, the economic contribution made by AI to the United Kingdom could reach US$800-odd billion. Both KPI and estimates are available. If we look at the practice in Hong Kong, we would only see the construction of buildings, parks and various facilities and the establishment of funds. No matter how large the amount is, it is still not sufficient. Compared with the United Kingdom, we have only allocated $50 billion, which is in fact not much. Its funding for a single project already reached $10 billion. Moreover, it would not just wait for people to apply for its funds. It would distribute them among various areas such as manpower and education. The purpose of each funding and scheme would be clearly defined. However, the practice in Hong Kong is only passing the buck to each other within the bureaucratic framework.

Let me cite another example which is more direct. The Government indicated that $100 million would be allocated to the development of electronic sports ("e-sports"), and the Cyberport would assist in the development.
However, the Secretary said that if e-sports was to be developed as a sport, the decision should be left to the industry. In reality, since this policy falls into another "bucket", it has been thrown into the litter bin and left unattended. It is thus evident that the policies in Hong Kong will only keep passing the buck within the bureaucratic framework. Meanwhile, I have asked some officials responsible for innovation and technology how they would improve the manpower demand and supply situation and reform the curricula in secondary schools and universities, so as to attract outstanding students and improve the supply of talents. But they said it fell into another "bucket". I do not care how many different "buckets" the Government has. We only hope that the objective can be achieved.

Chairman, why are the others doing better than us? Be it the development of innovative industries or a smart city, there is only one difference between us and many cities and countries: their government departments are all connected with each other and move forward together in the same direction with importance attached to science and technology. On the contrary, the practice in Hong Kong is what we call "silo" in English, each minding their own business. The departments are disconnected from each other, with 10 departments going in 20 directions. Worse still, they pull the legs of each other, attaching importance only to red tape but not science and technology. Hence, I am sympathetic and grateful to the Secretary for Innovation and Technology, the only official present now. I believe that very often, there is a lot of work which he wishes to do but is unable to do so. Such being the case, efforts are doomed to fail, or at least twice the effort is needed to achieve only half the result.

Chairman, I always like to look ahead in work. It is not true that the injection of a large amount of resources proposed in this Budget is of no use. It is useful, but it cannot resolve the problems completely. If we stick to the old approaches and bureaucratic means to deal with the development of innovation and technology, there will certainly be deficiencies. We will even only get half the result with twice the effort. For this reason, now the Government needs a new set of philosophy and mentality not only for fiscal management. It also needs one for the entire administration.

Hence, Chairman, after our vote on the Second Reading, I have seriously considered whether I should support the Budget. It really depends on what the Government can exactly undertake to do in future. Does it really have such a will which makes us believe that it will introduce policy changes, rather than
merely making cash handouts, setting up funds and constructing parks as it did in the past? Apart from these, what else can it do? All along, we have requested the Secretary to make changes. Even the Chief Executive has mentioned the need to do so. How can the Government let us see that it can break the deep-rooted bureaucratic system? In this connection, it needs to give us confidence so that I will know whether I can really support this Budget. Thank you, Chairman.

MR CHAN HAK-KAN (in Cantonese): Chairman, the fiscal surplus this year stands at $138 billion. However, I have recently read a news report and learnt that the surplus has further increased by $10-odd billion, now standing at a record high of around $150 billion.

The Treasury has an additional $10 billion for no reason. What does the Government plan to do? If the Financial Secretary again throws this sum into the "reservoir", then he is not adhering to the new fiscal philosophy suggested by the new Chief Executive and it is also irresponsible of him. As for the additional $10-odd billion, can the Financial Secretary consider some measures proposed by us that have not been implemented? For example, to help people on the public rental housing ("PRH") Waiting List, can the Government provide a rent allowance for them? Can the age limit for receiving the non-means-tested elderly "fruit grant" be lowered to 65? Or can the eligibility age for Health Care Vouchers be lowered to 60 so as to benefit more elderly persons? Will the Financial Secretary please make good use of the extra $10-odd billion now available and do not readily deposit it in the Treasury and then consider his job done.

Chairman, the Chief Executive said that the edge of Hong Kong lies in its immense "family fortune". It means that, in many matters, the Special Administrative Region Government needs only consider doing so or not, but not whether or not it is able to do so. Therefore, given such a massive surplus, one would indeed be a scrooge if one does nothing.

People have given mixed comments on the Budget this year. The positive comments are about, for example, provision of some $50 billion to the Innovation and Technology Bureau for investment in the future. However, many people also find poverty alleviation measures inadequate.
My greatest concern is how we can strike a balance between investing our present wealth and using our wealth to support the disadvantaged in society. It is the most important.

Therefore, I wish to say that the Government has refused to do certain things that should be done to solve problems that could be handled with money. Perhaps it has been overly restrained by some old policies. For example, we often mention land shortage and the tight supply of housing. It is good that now the Government is to resume the land in the North East New Territories ("NENT") for housing construction. However, the perennial problem is how to formulate a reasonable compensation and relocation programme for the local residents.

I understand that the mentality of the Government is its fear of breaking the rules, so it merely follows established rules and conducts its business according to set policies. Returning to the example of NENT, simply put, the compensation and relocation programme only offers "set A" or "set B", meaning affected residents will be arranged to move into PRH flats but only after passing a means test, or they are each given ex-gratia compensation of $600,000 and then told to move. These two sets are impossible for the residents affected by the removal and relocation to swallow.

Last week, in response to the request of residents of Kwu Tung North who are affected by the clearance, I met and discussed with them for a very long time. I would like to take this opportunity to share with Honourable colleagues some of their predicaments.

A 70-year-old elderly person has been living in Kwu Tung North for many years. Since the 1980s, he had been making a living by raising chickens and pigs. After retirement, now he still lives in the squatter hut next to the pig pen and chicken coop. Under the Government's existing policy on removal, rehousing and compensation, he may not be allocated a PRH flat. Two women lives in houses converted from containers. One of them is a single parent and the husband of the other has suffered a stroke. Under the existing policy, they may not be allocated PRH flats neither. Also, a divorced man lives in a temporary squatter hut converted from a chicken coop. As per the policy, he is likewise not allocated an PRH flat.
It shows that if the relocation arrangements are made according to the existing policy objective, such a group of affected residents who have lived there for a long time will definitely not move. Given the massive surplus, why does the Government not relax the policy so that they can happily move to PRH flats and, at the same time, land in Hong Kong can be developed while the long PRH Waiting List can be shortened?

It would indeed be a good thing if the Government can relax some restrictions policy-wise. Therefore, once again I am speaking to the Financial Secretary who controls and manages the massive public coffers: first, as regards residents affected by the NENT development, the amount of cash allowance payable to them should be raised; second, as regards residents who do not own any property, they should be allocated PRH flats without having to pass a means test; third, residents should be rehoused within the district, such as to Po Shek Wu Estate in Sheung Shui or the housing project on Pak Wo Road. I believe, with these measures, they would be more than willing to leave their current dwellings. And the aforementioned suggestions are the ultimate requests this group of residents presented to me on the day of our meeting.

Chairman, separately, I wish to point out that since the presentation of the Budget, many people have stated that people in the age group of 60 to 64 do not benefit from it, nor do the low-income earners. Of course, the Financial Secretary has just said they will each be given $4,000. But it is a one-off measure. If we continue to be so lucky as to have such a massive fiscal surplus, will the Budget continue to help such groups of people? If not, the next Budget will again leave out elderly persons aged 60 to 64 and the low-income earners. I refer to it as a structural omission. There are always certain groups of people in society who are unable to benefit from the budget every year.

The Government often says that should our economic conditions worsen, tax revenue would fluctuate and so it is unable to make long-term pledges. I understand it. However, I consider it an incorrect attitude of financial management as I have looked everywhere in the Budget but still cannot find what is new about the new fiscal philosophy. And some structural omissions remain.

Therefore, people's reactions to the Financial Secretary's announcement of the cash handout of $4,000 to each eligible person are indeed a valuable lesson for himself, also indicating that people refuse to accept such a structural omission. The Government should draw a lesson from the cash handout of $4,000 to each
person. In future, the Government needs to continue to pay attention to the low-income earners in society and the group of elderly persons aged 60 to 64, who have just retired but cannot enjoy any elderly welfare. In this respect, I wish to see the Government tackle such structural omissions in the next Budget.

Chairman, lastly, I wish to mention briefly that a procession was held last week on abuse of animals, with more than 3,000 people participating. I heard the Commissioner of Police say that dedicated teams have been set up in 22 police districts to investigate cases of animal abuse. I hope the Financial Secretary can allocate additional resources to the Food and Health Bureau and the Police in this respect for the training of frontline police officers, such as enrolling them in some courses organized by the College of Veterinary Medicine and Life Sciences, the City University of Hong Kong, so as to enhance their abilities of investigating cases of animal abuse.

Chairman, I so submit. Thank you.

MR HOLDEN CHOW (in Cantonese): Chairman, in this year's Budget, a lot of resources are ploughed in for promoting a diversified economy or innovation and technology. That said, I am duty-bound to remind the Government that apart from providing resources in monetary terms, it is equally important to coordinate the work of various government departments and eliminate their mindset of sticking to the old rut, or else it would be difficult to take forward the development of innovation and technology.

Under the strategy of "Made in China 2025", China will definitely expedite the upgrading and restructuring of industries and further enhance its research and development (R&D) capabilities and quality in future. If the industries in Hong Kong do not proactively develop the Internet of Things or carry out reforms to achieve industrial informatization in the next few years but continue to drag their heels, I am afraid Hong Kong would, in future, only become a city with very low elements of technology in China, in which case our competitiveness in the medium-to-long term, both domestically and externally, would be at stake. As rightly stated by State Councillor and Minister of Foreign Affairs, WANG Yi, the current international situation and the world economy are undergoing profound and complex changes. On the one hand, open cooperation and change and innovation have increasingly become the trend of the times and on the other, human progress is facing real risks posed by close-mindedness and confrontation,
and conformity to conventions and unwillingness to change. This is why we have time and again reminded the SAR Government not to adopt an attitude of resting on its laurels and refusing to make progress in handling R&D for innovation and technology or in the pace of work.

With regard to the "Made in China 2025" strategy, the Hong Kong Trade Development Council has published an analysis in which it is stated that the technology industry of Hong Kong, which excels in using technologies developed by international standards and frameworks to provide technological and management system solutions, can assist in the commercialization of related projects in the Mainland and meet the technological demands arising from the National 13th Five Year Plan. Hong Kong can also serve as the premium service platform for Mainland enterprises to "go global" and provide support for Mainland enterprises in making investments in technologies and finding business partners in foreign countries. With its extensive professional services and effective protection for intellectual property rights, Hong Kong can create an ideal business environment for the enterprises. Therefore, given the deepening of the implementation of the "Made in China 2025" strategy under the 13th Five Year Plan, I believe quite a large number of opportunities will be opened up for the technology and service industries of Hong Kong, and I hope the SAR Government can seize these opportunities.

Chairman, during my recent visit to the Bay Area as a member of a deputation of the Legislative Council, what impressed me deeply—which is also an important suggestion that I am going to make—was that the Mainland has moved very far forward in R&D and high tech production on various fronts. Let me give an example. In the Bay Area, such as the innovation base at Songshan Lake in Dongguan, one-stop services and support are provided for every R&D product of new technologies, whether in respect of financing, production, or problems encountered in the process of production, such as the availability of spare parts. In view of this, I propose that the Government should consider whether the various local universities in Hong Kong can link their R&D projects with the Bay Area to forge cooperation. Besides, consideration can also be given to using the Bay Area in the Mainland as a base for production, and this will enable us to effectively utilize the one-stop support provided in the Mainland. In fact, we also saw some universities doing this in the past. For instance, the Hong Kong University of Science and Technology ("HKUST") had some successful examples in which certain R&D projects initially carried out at HKUST were subsequently transferred to the Mainland, such as Dongguan or
Songshan Lake, for further R&D input and production of the end-products. Therefore, I hope that more R&D projects of the local universities in Hong Kong will be linked with the Mainland, and I believe this will achieve twice the result with only half the effort.

Chairman, I wish to take this opportunity to talk about the Kai Tak Cruise Terminal ("KTCT"). I understand that KTCT was not discussed at length in this Budget but I am duty-bound to remind the Government that KTCT has been described as being so quiet that the shopkeepers can only swat the flies, that it has been tragically turned into a ghost city, that it is practically deserted, etc. In fact, it is not our wish to see that the Government still could not effectively revitalize KTCT after injecting such a large amount of resources into it. In this connection, the Democratic Alliance for the Betterment and Progress of Hong Kong has repeatedly proposed that the Government should substantially enlarge the retail and recreational areas within KTCT, for only in this way can the place be truly enlivened, rather than giving people the impression that most parts of it are seemingly deserted. I do not think that the current practices can really make improvement. Only when the retail and recreational areas are substantially enlarged can the place really stand a chance of thriving.

Chairman, I also wish to take this opportunity to point out that regarding the development of the logistics industry, some people who have long been engaged in the air freight industry have made a proposal to me. They proposed that the Government should attract more overseas companies to set up vendor hubs in Hong Kong, thereby enhancing the efficiency of cargo forwarding. We hope that the Government can continuously inject resources and identify suitable sites for developing modernized logistics facilities, particularly to tie in with e-commerce and online shopping which have become very popular in recent years. In fact, in respect of logistics support, the Government should provide appropriate matching facilities. In this connection, I hope the Government can hear our voices and further conduct studies and provide resources and land for the development of modernized regional distribution centres or logistics centres.

I have all along put forward demands to the Government in respect of industries. For example, in respect of high value-added maritime services, actually the Government has not responded to some of our suggestions, including a proposal consistently made by me to the Government of delegating the power of the Director of Marine to other members of the management for vetting and approving exemption from the documentary requirements for cargo vessels.
Delegation of this vetting and approving power to other members of the management can enhance efficiency in the process. More vessels would then be incentivized to register in Hong Kong, fly the flag of Hong Kong and use our services as well as other related services in such aspects as maritime insurance, arbitration, and so on. All these are large industries, too. So, I hope that the Government can hear our aspirations and give a response.

Lastly, I will make only one more point about raising the limit of claims of the Small Claims Tribunal from $50,000 to $75,000, which is already being examined by a working group now. I hope that the Government will provide a timetable, telling us when the limit of claims will be increased to $100,000, in order to serve more people. Second, I hope that the Government will inject more resources not only to respond to the demand persistently made by us of increasing the limit of claims but more importantly, to ensure that the Small Claims Tribunal has sufficient manpower to provide support for the judges by, among others, collating some points of law. Only in this way can it handle more cases and serve the public most efficiently.

Chairman, I so submit.

MR JEREMY TAM (in Cantonese): Chairman, I will merely pinpoint one department and, that is, the Government Flying Service ("GFS"). However, instead of its wrongdoings, I will focus on the increasing difficulties encountered by GFS in carrying out its work due to the severely inadequate resources allocated by the Government.

Let me start by citing some figures. GFS receives an annual funding of $300 million or so but in 2018-2019, its operating expenditure is forecast to reach $340 million. Playing a crucial role in society, GFS is responsible for not only rescuing people in distress, but also assisting other government departments in carrying out their work. Even in times of typhoon or unstable weather, GFS still plays its role faithfully. Although GFS is a small department, it does not mean its contribution to Hong Kong is negligible.

Regrettably, over the past many years, the Pilot grade of GFS has been experiencing a serious manpower shortage. Chairman, from the figures we obtained after asking questions in a special meeting of the Finance Committee, we can see that despite its 70-strong establishment in the Pilot grade, GFS has
only 43 pilots. In other words, only 43 pilots are responsible for carrying out the
duties which should originally be performed by 70 pilots, or all the duties
assigned to the pilots are now undertaken by a mere 60% of the manpower
originally required. Chairman, what is the cause of this situation? The thriving
development of the aviation industry in Hong Kong, the Mainland, and so on, in
recent years has resulted in competition for talents among these places. If the
Government is merely willing to offer remunerations at the present rates, it will
just be wasting its effort regardless of the number of posts to be created.

At the aforementioned meeting, I relayed the problem to the Secretary for
Security and he replied that additional manpower would be recruited.
Nevertheless, if the terms of the remuneration packages offered remain
unchanged, how can the Bureau attract talents and recruit additional pilots? Let
us examine some figures. Actually, GFS had only 38 and 43 pilots instead of
the 44 and 51 pilots required according to its establishment in 2015-2016 and
2016-2017 respectively. In 2017-2018, despite its 70-strong establishment, only
43 pilots have remained. Chairman, it is thus evident that it is futile to create
additional posts. It will be futile all the same even if the establishment is
expanded to 1 000 as only 43 pilots will probably be willing to do GFS a favour
and stay.

Chairman, in a joint submission issued on 30 January to the Secretary for
Security, pro-democracy Members pointed out the aforementioned situation and
proposed various ways to boost the morale within GFS. One of the issues raised
in the submission that I cannot put up with is about the head of GFS, that is, its
Controller. Although the Controller of GFS is considered to be the head of a
disciplined force, for unknown reasons, he is one rank lower than the Directors or
Commissioners of other disciplined forces, with one less star on the insignia on
his shoulder. Why did I say so? Let me cite the Commissioner of Police and
the Director of Fire Services as examples. Prior to the reunification in 1997, the
insignia on their shoulders carried "a crown, a laurel wreath and a star". Although
the design of the insignia has changed, the division of ranks remains
unchanged. As for the head of GFS, the insignia on his shoulder carries one less
star, compared to the Directors or Commissioners of other disciplined forces.
All the staff members of this small department are requested to "do the
Government a favour" and demonstrate a good team spirit, but then its
department head is treated in this manner. Not only is his rank lower than that
of the heads of other disciplined forces, a star is also missing on his insignia.
Given that GFS is one of the disciplined forces under the Security Bureau and its
Controller is also a department head, why does he receive different treatment? This is why our first proposal is to upgrade the status of the Controller of GFS to directorate grade.

Second, we propose creating additional posts for Deputy Controller, Assistant Controller and Chief Air Crewman Officer. It must be noted that GFS currently lacks a career ladder. A pilot who wishes to be promoted can only compete for a Chief Pilot post, which is just a D1 post at Point 1 of the Directorate Pay Scale with no more promotion prospects. Obviously, there is a succession gap between the Chief Pilot and Controller ranks. Given the absence of a career ladder between the Chief Pilot and the Controller, coupled with the Government's reluctance to allocate additional resources for recruitment of pilots, there is no way for GFS to boost its manpower. The problem is actually very simple, and that is, the current remunerations offered by GFS are completely out of touch with the reality of the market.

As Members may probably know, the headquarters of GFS is situated beside the airport, or precisely the commercial aviation centre. Many of the pilots working in the commercial aviation centre were formerly employed by GFS. Actually, the number of pilots who were formerly employed by GFS but are now serving the commercial aviation centre is higher than the number of those currently serving GFS. In other words, although the Government has spent a lot of money and resources training pilots from scratch, many of them left after they managed to fly a plane. Why? GFS has its establishment to blame for failing to retain its staff.

Our third proposal pinpoints the fact that the more senior a pilot is, the heavier paper work he has to handle. In fact, all pilots hope to concentrate on flying a plane rather than seeking promotion only. If they are required to handle tedious paper work daily, that is probably another reason for them to tender resignations. As such, we propose recruiting additional clerical staff to assist them in handling paper work. What was the response of the Secretary for Security to our proposal? He replied that two to four veteran pilots with rescue experience would be recruited. I originally expected that a large number of pilots would be recruited, but it turned out to be two to four pilots only.

Members might as well do some calculations. As I mentioned earlier, GFS has 43 serving pilots in total. Even if the additional quota is exhausted with the recruitment of four additional veteran pilots, there will only be 47 pilots.
in total. Insofar as the establishment is concerned, if the Government considers 70 pilots inadequate, it can recruit two more pilots and push the number of pilots up to 72. However, the problem of inadequate manpower can still not be resolved. Chairman, even if four veteran pilots are taken into account, there are only 47 pilots in total. This is a structural problem. If the Government remains reluctant to face and address this problem and merely give us a bureaucratic response by, for instance, promising that additional resources will be provided for recruiting additional manpower, it will still be unable to attract new blood to join GFS at the end of the day.

Nowadays, there is keen competition in the aviation industry for talents, particularly in Asia. Why did many of the pilots trained in Hong Kong end up leaving GFS? Besides the attractive remunerations offered outside, they are sought after in particular due to the emerging Mainland market. For instance, Hong Kong people are prime targets for some tycoons who wish to recruit pilots for their private jets. It is because these pilots speak Cantonese and are easier to communicate with, not to mention they are more reliable—Chairman, excuse me, I am talking about the objective reality—these tycoons do not have faith in pilots trained on the Mainland and so they wish to recruit Hong Kong people as their pilots. This explains why the drain of Hong Kong pilots has become increasingly serious.

I hope the Government can seriously address this problem instead of giving bureaucratic replies, or else the problem can never be resolved. Should the Government fail to pinpoint the structural problem by providing additional resources and reviewing the organization, I am afraid GFS can only recruit 60% of the pilots required in the year ahead. Thank you, Chairman.

MR LEUNG YIU-CHUNG (in Cantonese): Chairman, this session is a discussion on the heads with no amendment. I think heads with no amendment are closely related to the fiscal philosophy of the Special Administrative Region ("SAR") Government, so it is necessary to discuss the fiscal philosophy adopted by the current-term Government since it assumed office. The Budget this time around presents a clear picture of the so-called new fiscal philosophy. There is nothing new in content but a continual clasp of the outdated and fragmentary practices. It continues to allow the community to live in poverty, follow the mentality which lacks long-term planning adopted in the past, tilt to consortia,
favour the business sector and ignore the grass roots. On people's livelihood issues, it sticks to the procrastination approach which is unhelpful to addressing or alleviating the problem of disparity between the rich and the poor.

According to the survey of the Public Opinion Programme of the University of Hong Kong, only 26.3% of the respondents are satisfied with the Budget this year. The average score of the Budget is 48.2, which is the lowest over the past 10 years. Chairman, I am not surprised that this Budget gets a poor rating. As we all know, the fiscal reserve of the Government has hit a record high this year. Together with the $70-odd billion of Housing Reserve, the surplus amounts to $1,170-odd billion which is equivalent to 28 months of government expenditure. The public in general hold high expectation on this Budget. Yet, as in the past, the Budget continues to play the scrooge in public expenditure by offering piecemeal remedies but the big spender in innovation and technology by allocating to it a provision of $50 billion. As for the grass roots, we do not see any decisive and significant effort on the part of the Government, neither do we see it making any hard effort to address livelihood issues properly or formulate long-term policy planning. Undeniably, the Government has increased the provision for poverty alleviation, yet subsidies are provided in an indiscriminate manner, which merely addresses the problem on the surface. The Government has failed to address specific problems in a focused manner, and it has not offered any enhancement and improvement measures. I do not see the Government perform any of these tasks.

Chairman, the previous-term Government had re-established the Commission on Poverty and set the poverty line. Yet, in recent years, the poor population in Hong Kong kept increasing, and the poverty gap has widened rather than narrowed. The poverty situation of the elderly has deteriorated further, where the poverty rate of the elderly is more than double the overall poverty rate. Regrettably, the Government has not put forth any long-term planning in poverty alleviation. We are worried and anxious about this. The Government has pointed out repeatedly that the population in Hong Kong is ageing. Yet, in the face of this ageing population problem, what does the Government plan to do? In Hong Kong, there is no retirement protection. If the elderly people can only live on the Old Age Living Allowance ("OALA") or other facilities, it will increase the financial burden of the Government, yet the problems faced by the elderly in daily living in future remain not solved properly.
Moreover, as the population ages, the demand for residential care places will increase continually. Regrettably, in this Budget, we notice that the Government has only provided a few hundred additional residential care places. How can this small increase cope with the growing demand as a result of the ageing population in Hong Kong? Members also know that tens of thousands, over 50,000 elderly persons, are on the waiting list for residential care places at present, yet the Government has proposed a mere increase of several hundreds of residential care places. The increase is too small to be effective, is it not?

Though Hong Kong claims to be a cosmopolitan city, prosperity is only seen in the upper class and the grass roots can hardly eke out a living. With the continual surge in prices in the past few years, the cost of living keeps rising. Many grass roots feel extremely anxious about accommodation, fearing that they will have nowhere to dwell. This is the greatest problem. At the same time, in the midst of surging prices, they can hardly have three meals a day and they cannot but tighten their belts. I wonder if Members have had meals in fast food shops. Now, it will cost $50 to $60 for a lunch at fast food shops. In such circumstance, how can the "N have-nots" who cannot live in public rental housing meet their daily needs given their low income and the expensive cost of living? In this Budget, it is true that the Government has increased the Working Family Allowance ("WFA") and the Work Incentive Transport Subsidy, yet the increase is only a few hundred dollars. How will it be adequate for coping with the expensive cost of living and rent? Moreover, their living environment is extremely poor. Against this background, how can they be convinced that the Government is concerned about them and has taken care of them?

Chairman, the Budget lacks long-term planning. Worse still, the Government adopts the short-sighted approach of giving away candies, which are distributed in an unjust and unfair manner. Before the announcement of the Budget, many members of the public and colleagues of the Legislative Council, including myself, had proposed to the Government that in view of the overflowing coffers, the authorities may follow a previous practice of giving cash handouts instead of offering tax rebate and rates concessions. For under the tax rebate and rates concessions approach, people with financial capability would benefit more, yet grass roots lacking financial means cannot benefit much. We disagree with this approach.

(The Chairman's Deputy, Ms Starry Lee, took the Chair)
Why does not the Government adopt a blanket approach in granting a specified amount of cash handout, as in the previous case of granting $6,000, so that everyone in the community can receive a reasonable reward arising from the economic prosperity? Of course, we understand that the authorities disagree with this approach because of their new fiscal philosophy, for the principle of the new fiscal philosophy of the Government is to ensure that public resources are expended on the needy. Yet, at issue is how public resources can genuinely be expended on the needy. As we noticed from this Budget, the authorities have merely adopted the "gap-plugging" approach for the needy. On the contrary, it keeps beefing up the benefits relating to salaries tax, profits tax, rates concessions, and so on. Eventually, owners with more properties will benefit more, and the Government's revenue will be reduced by $40-odd billion.

On the other hand, the benefits for grass roots, including subsidies provided under Comprehensive Social Security Assistance ("CSSA"), OALA, WFA and transport subsidy, and so on, will cost less than $10 billion in total. The total amount incurred is merely $8 billion or so, a discrepancy of five times. It is evident that the new fiscal philosophy, as well as the proposal of giving away candies, is leaving us the impression that the benefits offered to people in the upper social ladder far exceed that offered to the grass roots, where people with higher income, more properties and greater financial capability will receive more candies. In the context of offering relief to the people, what an irony and laughing stock it is.

Deputy Chairman, this Budget is subject to severe criticisms, yet the Chief Executive heaps praises on it and expresses her full support for the Budget. The Chief Executive points out that the Budget has fully embraced the new style of governance, the new roles of the Government and the new fiscal philosophy. Deputy Chairman, what a disturbing comment it is. When the unfair distribution of candies has aroused widespread grievances in the community, the Chief Executive gives her desperate support to the Budget and says that the problems may be handled by the Community Care Fund ("CCF") if necessary. Yet, we all know that CCF has its own limitations and it may not be able to implement gap-plugging measures which will benefit the grass roots. In my view, a dialogue with the authorities in this context is impossible, as the proposed arrangement will not solve the problems.

On the other hand, the attitude of the team of the current-term SAR Government makes us feel worried. As to whether they are truly sincere in enabling the general public to share the fruits of economic development through a
just and fair approach, we are always doubtful. Why am I saying this? All along, the Chief Executive has been hiding behind this shield of people's livelihood. Yet, once assumed office, she has thrown her words of "attaching the greatest importance to people's livelihood" out of her mind. I think the Chief Executive is now using the Policy Address and the Budget this time around to repay the debt of votes she owed for her election. In other words, the distribution this time around is an act of pork barrel. We can see clearly that the effect of this Budget is to curry favour with the business and industrial sectors, and thus the livelihood issues in society and the problem of disparity between the rich and poor remain unresolved. We are very anxious about this.

DEPUTY CHAIRMAN (in Cantonese): Mr LEUNG Yiu-chung, I have to remind you that you have spoken for more than 10 minutes. Please focus your debate on the heads with no amendment.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy Chairman, I wonder if you have listened to the opening remarks I made just now. I pointed out that this session is a discussion on the heads with no amendment which are closely related to the new fiscal philosophy of the current-term Government. Then, I went on to explain how the new fiscal philosophy of the SAR Government has failed to ensure that expenditure under the relevant heads have fulfilled the function of narrowing the poverty gap and improving the people's lot.

Deputy Chairman, in the context of sharing economic prosperity, I think it is true that the authorities have failed to fulfill the function of offering relief to the needy. Hence the Government should reconsider how the colossal surplus should be spent to benefit the grass roots. As we can see, grass roots are facing increasing pressure in their living. If Members have paid visits to various districts and listened to the views of the public, they will know that prices and rent are exorbitant these days. What are the solutions to these problems? Should government officials not pay greater attention to issues of alleviating the plights of the people and identify means to render assistance?

Deputy Chairman, I so submit.
MR WU CHI-WAI (in Cantonese): Deputy Chairman, according to the latest figures published by the Treasury, Hong Kong's fiscal surplus is forecast to reach $172.4 billion, more than $30 billion higher than the original Budget Estimate. The failure of the Government's budget to accurately reflect its actual fiscal situation, thereby leading to a structural problem of fiscal surplus, has long been a cause of criticism. Although I have no idea what the Financial Secretary thinks about the $30 billion-odd surplus, I think it should be put to good use by injecting it into areas where the Budget has failed to live up to expectations.

This morning, I heard Secretary Dr LAW Chi-kwong say that elderly services are now facing a bottleneck in manpower and land. From the angle of government operation, however, if the Government is strongly determined to demonstrate its willingness to accomplish all these missions in the future—for instance, Secretary Dr LAW said that an additional 438 residential care homes for the elderly would be built in the next two decades to cope with the problem of an ageing population, which is compared to a tsunami—even if these missions cannot be accomplished for the time being, should the Government seek to demonstrate its determination to all government departments and Policy Bureaux that all government staff should stand united in achieving this target? Should the Government fail to act in this manner, I wonder how vigorous government departments will be in giving support to addressing the problem of inadequate manpower resources and land mentioned by Secretary Dr LAW. This is my first point.

Second, the Budget often says that the Government has failed to examine the problem of an ageing population from another perspective. Although we often say that substantial resources must be committed, the Government invariably looks at the whole matter from the amount of expenditure incurred, the percentage of increase, the increasing high proportion of public expenditure, and so on. Nevertheless, other countries have already carried out work on this front. When society as a whole is plagued by the problem of an ageing population, the "silver hair" economy itself has become an industry. What will it lead to? When the Government is certain that the "silver hair" economy is its work target and predicts the entire society will have to face these problems due to an ageing population, relevant matching work will have to be undertaken, including training manpower to cope with the situation in 10 to 20 years from now. Coupled with technology and the application of smart equipment, these industries are crucial. If the "silver hair" economy is turned into as an industrial concept, the resources injected can thus be regarded as capable of driving the economy accordingly.
The Special Administrative Region ("SAR") Government, however, has failed to do so. Moreover, it often regards the money allocated to social welfare as expenditure. Can the Government adopt a new angle by regarding money as a starting point for driving an industry chain or a leverage point of support? If we cannot see any economic activities generating business opportunities ahead, we can hardly garner enough momentum to take forward the development of relevant industries. Is this the attitude adopted by the Government? This is what I meant by the Financial Secretary's failure insofar as his philosophy of financial management is concerned.

The third point is about the pooling of talents. The Budget highlights that Hong Kong has to emphasize innovation and technology in the future and, what is more, allocate $50 billion to the development of innovation and technology. It was pointed out by many Honourable colleagues that making commitments and injecting money were not the decisive factors insofar as innovation and technology were concerned. Actually, there were merely conditions crucial to forming a solid basis for the rapid development of innovation and technology. More importantly, we must clarify the concept of pooling talents while pursuing the development of innovation and technology, so to speak.

I have heard the Chief Executive, government officials and businessmen say that the Guangdong-Hong Kong-Macau Bay Area ("the Bay Area") will offer plenty of opportunities and express hope of encouraging Hong Kong people to make investments on the Mainland, exert their influence and seek opportunities. Nevertheless, can an equal sign be drawn between "Hong Kong people well" and "Hong Kong well"? The development of Taiwan is a case in point. Lured by the Mainland's policies, Taiwan's electronic technology industry has shifted to the Mainland, such as the science parks in Zhejiang and Suzhou, for development. As a result, Taiwan has been "hollowed out" economically. We can see that the Taiwan economy as a whole has become stagnant in just a couple of decades. This reflects that if the local economy does not have adequate economic strength to develop itself into an economic base, it can only render service to others. If Hong Kong merely seeks to develop itself into a "transit point for talents" by injecting such a large amount of resources, can it maintain its edge forever even though Hong Kong can still maintain its various edges today, that is, the various favourable conditions mentioned by Members, including schools and tertiary institutions, a sound legal system, intellectual property rights protection, free flow of information, and so on? Do Members expect the Mainland can never catch up with Hong Kong in development? Or should Hong Kong run faster since the Mainland might overtake Hong Kong? The moral of the fable of the sprint race
between a tortoise and a hare is simple. Despite its edge, the hare will still be overtaken by the tortoise should it fall asleep. The hare should not fall asleep and expect the tortoise to never catch up because it is moving too slowly. Can Hong Kong keep the momentum to maintain its economic edges?

The SAR Government has publicly declared that Hong Kong must seize the opportunities brought forth by the development on the Mainland by hitchhiking without answering this question: How can Hong Kong maintain its edges and, most importantly, its irreplaceable edge? We often say that talents will converge in places considered to be the Silicon Valley of the Bay Area economy. To achieve this, the opportunities we mentioned must be real, or else talents will be easily lured by other policies to somewhere else to seize such opportunities. Once these talents left Hong Kong, they will never come back.

During our recent visit to the Bay Area, we could clearly see that Mainland cities were trying every possible means to lure Hong Kong people with various favourable conditions to settle on the Mainland to carry out scientific research. And for what purpose? It is simply because the Mainland lacks talents today and is in desperate need of talents. On what strengths can Hong Kong lure more talents after they have left Hong Kong? Hong Kong will be in a very dangerous position should it fail to seize the opportunity ahead of others due to a change in its edges. Hence, from another angle, I hope to reflect the crisis facing Hong Kong today through the Budget announced by the Financial Secretary. Furthermore, this crisis cannot be resolved solely with money. We have to adopt a wide range of policies and support so that Hong Kong people will clearly know, in the face of competition from our neighbours, the Government will try every possible means to enable the industrial chain to resettle in Hong Kong and the talents to regard Hong Kong as their first choice, so that Hong Kong can seize the opportunities ahead of others before they are "radiated" to the Mainland. Like its previous intermediary role, Hong Kong can serve as a comprador to do business with both sides simultaneously.

Today, Hong Kong is confronted with the problem of competing for talents. We can definitely not seize the opportunities ahead of others should we fail to undertake work on this front. Lastly, the most important factor affecting the development of innovation and technology is whether government officials can adopt an open-minded attitude. Should they still cling to a passive attitude towards their work and the wrong concept of "more work more mistakes and no work no mistakes", Hong Kong will definitely be unable to foster a milieu essential to the development of innovation and technology.
This is why I implore the Financial Secretary and the Chief Executive to come to realize that Hong Kong's future lies in whether we have the determination to cope with crises and whether Hong Kong can maintain its competitive edge indefinitely. This is the key. If Hong Kong lacks such vision and merely advises Hong Kong people to seek livelihood or opportunities on the Mainland, this is actually an act of scooping Hong Kong empty, which is absolutely unacceptable to us.

I so submit. Thank you, Deputy Chairman.

DR CHENG CHUNG-TAI (in Cantonese): Deputy Chairman, the title of my speech is "An elusive Budget on the eve of radical changes". A fiscal surplus of nearly $150 billion was recorded when the current fiscal year closed. However, as in the past, the Government is reluctant to invest the surplus on Hong Kong people.

As some Members have mentioned, the Government is trying every means to hollow out Hong Kong. For instance, it refused to further develop local industries and agriculture; assist markets and hawkers; and develop a local industrial chain and ecosystem. Instead, it made a fanfare about its ambitious plan of investing $50 billion to $60 billion in the so-called innovation and technology of which the ultimate beneficiaries may be state capital giants such as Tencent, Alibaba and Baidu.

Next, I will talk about the status quo: Hong Kong seems doomed under a showdown between China and the United States. After the ZTE Corporation incident, Beijing will undoubtedly make local chip production its top development strategy. In this connection, it seems that the Innovation and Technology Bureau or the $50 billion to $60 billion injected by the Government do have a national mission to complete. Their work has begun to see some light. They may use Hong Kong to recruit talents or even set up a so-called research and development base in the Science Park. This, on the surface, seems a huge business opportunity to Members of the pro-establishment camp or the Government. But in the eyes of Hong Kong people, there are actually deadly undercurrents because behind the incident is a power struggle between Washington and Beijing. It is an international political event originated from the fact that the Communist Party of China ("CPC") has become more and more high-profile in recent years, revealing its ambition to replace the United States as
the world leader. The situation has raised the alert of the West which started to abandon the original approach of "peaceful evolution" through economic and cultural means (the China Engagement Policy) and commenced to take precautions against Beijing. In recent months, China's state capital giants have become the targets. Their old scores were dug up. ZTE Corporation was the first victim, Huawei may be next.

On 24 April—this is absolutely relevant to Hong Kong—US Consul General Kurt TONG commented at a luncheon of the Foreign Correspondents' Club that China's breaches of the commitments made under the World Trade Organization were sufficiently serious and detrimental to the United States that the United States are now justified in claiming damages. Kurt TONG borrowed a metaphor in his speech, "China has drawn a deserved yellow card. Yellow cards are an opportunity for a player to change their style of play before someone gets hurt", which was a clear warning to Hong Kong and Chinese officials that the United States expected to restore the previous economic conditions.

However, in Hong Kong, both the Financial Secretary and the Government believe that China has embarked on the golden path of capitalism and we can continue to play the role of a comprador with a different service target, and that is, to keep our mouth shut and make a fortune. The majority of the investments in the Budget followed the past approach of "keeping our mouth shut and making a fortune". However, the direction of China towards state capitalism is there for all to see. Foreign enterprises have no way to compete with state-owned enterprises backed by the Chinese Government. This is also the case in Hong Kong. The Link REIT is now selling its shopping arcades. Major companies in Hong Kong will also face the tyranny of state-owned enterprises later. These so-called successful state-owned enterprises could survive only by building a good relationship with the bureaucracy. Hence, the only impression that Hong Kong gives today seems to be the "white gloves" of CPC.

On the same day (24 April) at a political study meeting, XI Jinping, General Secretary of CPC demanded "to understand and grasp the power of the truth of Marxism, firm up Marxist belief … enhance the ability of the whole Party to solve the practical problems of contemporary China with the basic principles of Marxism". He also said that "The Communist Manifesto has revealed the inevitable development of human societies towards communism and laid a foundation for the firm belief of the communists to adhere to their ideals and convictions".
I quoted the two events in response to Hong Kong's current Budget and political situation. XI Jinping's speech has clearly indicated that, in the eyes of CPC, the financial and technological struggles between state capitalism and the Europe-America camp serve two purposes: first, to foster proletarian ideology and eliminate bourgeois ideology; second, to make the East prevail over the West. Hong Kong's economic forecast and plans will inevitably be affected in the political sense.

A point in Kurt TONG's speech about Hong Kong was related to the Budget. He stated that he "does not expect Hong Kong to become a 'voiceless victim' sandwiched between the US-China trade friction. The current situation presents a real opportunity for Hong Kong to demonstrate its lasting value, as a transformative portal linking China and the rest of the world economy". In the conclusion, he commented that Hong Kong is financially, economically, culturally and politically competitive, precisely because it is free. Our Budget under discussion today is also founded on the fact that Hong Kong is free. However, CPC and its puppets in the Hong Kong Government revel in tightening the freedoms originally available in Hong Kong. For instance, former director of the Hong Kong and Macao Affairs Office, WANG Guangya said at a meeting in Beijing on 25 April that those calling for an end to one-party dictatorship may not be allowed to run in Legislative Council elections as they violate China's constitution. Obviously, in the struggles between China and the United States, Hong Kong people seem to have been put on the spot by the Hong Kong Government and puppets of CPC. If by any chance the United States invokes the Hong Kong Policy Act because of that and ceases to recognize Hong Kong's autonomous status, I am afraid the economic turmoil thus caused will be more serious than the ones in 1997 and 2008 combined. Therefore, as pointed out in the title of my speech, the ambitious plans in the Budget by Secretary Paul CHAN are all castles in the air. The $500 billion funding to the Innovation and Technology Bureau for local scientific researches or the unprecedented economic opportunities under the Belt and Road Initiative are merely empty talk and castles in the air.

Lastly, I would like to cite a statement made by the Secretary for Commerce and Economic Development Edward YAU recently, who asked the United States to respect Hong Kong's status as a separate customs territory and hoped the Hong Kong Government can participate in the negotiation as a third party under the worsening trade relations between China and the United States. He expected to benefit from the economic and trade advantages brought about by "one country, two systems", all the while implementing full political
This is the typical WEI Xiaobao, "white gloves" and comprador mentality of Hong Kong people. The question remains: Does Hong Kong still live up to its unique status? The United States have always had the final say on that. They have drawn the bottom line and shown a yellow card. We do not wish to see Hong Kong's autonomy slip away, but with the Government's evasive approach and putting Hong Kong people on the spot, there is little chance that Hong Kong can be spared.

Therefore, Deputy Chairman, I may talk about the long-term vision of returning power and wealth to the people in my speech later, yet, should Hong Kong's economic planning be orientated towards China or the international world? If Hong Kong's strategic positioning is not clear, the Budget of Financial Secretary Paul CHAN is merely empty talk. At the end of the day, our discussion on the Budget today is nothing but image politics. Cash handouts or future fundings to the medical fund are all image politics. Unfortunately, these public relations tactics have been all messed up by the current-term Government which has aroused people's grievances even by making a cash handout.

Insofar as this Budget is concerned, here I call on the Government officials and advisers of CPC in Hong Kong to give thought to the important remark in my speech: Hong Kong is economically, culturally and politically competitive, precisely because it is free. Therefore, I can only vote against this Budget because it is merely empty talk and castles in the air.

Thank you, Deputy Chairman.

DR HELENA WONG (in Cantonese): Deputy Chairman, I would like to focus on several areas in expressing my views on the Budget. First of all, I wish to talk about the issue of public health care. As Secretary Prof Sophia CHAN mentioned in her speech earlier, the financial provisions for the Hong Kong Hospital Authority ("HA") will be $61.2 billion this year but we found that only $120 million will be allocated as funding for the Chinese Medicine Centre for Training and Research in each of the 18 districts, accounting for less than 1% of the $61.2 billion. For this reason, when members of the public consult Chinese medicine practitioners at the Chinese Medicine Centres for Training and Research in the 18 districts, they have to pay a consultation fee of $120 per visit, which is higher than that for consulting a Western medical practitioner in the public health care sector. Why is it that Western medical practitioners can be provided with subsidies out of public coffers whereas Chinese medicine practitioners cannot
even benefit from 1% of the provisions? Why is it that the public have to pay out of their own pockets for consulting a Chinese medicine practitioner but are not required to do so when consulting a Western medical practitioner? Obviously, we can see that the Government's policy cares only to develop hardware. For example, the Government has undertaken to develop a Chinese medicine hospital in Tseung Kwan O but after providing the hardware, the Government seems to be backing down from its pledge as it now intends to entrust an NGO, or a non-governmental organization, with the operation of the Chinese medicine hospital on a self-financed basis.

We have all along seen that the Government stresses Western medicine to the neglect of Chinese medicine and obviously, there is medical hegemony of Western medical practitioners in Hong Kong. The Democratic Party hopes that the Government stresses not only Western medicine but also Chinese medicine and even combined therapy, especially for oncology because many patients who have completed chemotherapy or radiotherapy would wish to take Chinese medicine to regulate their bodily functions or for the purpose of detoxification. Yet, the Government has always ignored this latter part of treatment that uses Chinese medicine. We understand that the Government will conduct a review. The Democratic Party hopes that the Government will seriously consider incorporating Chinese medicine practitioners into the public health care sector, rather than letting them stew in their own juice, thus enabling the public to enjoy quality and affordable outpatient and inpatient Chinese medicine services.

Regarding the improvement of public health care services, apart from Chinese medicine, I also wish to raise another point. The Government has, in fact, injected a large amount of funds into hardware development for hospitals. In 2016, the first phase of development plan for hospitals was already introduced with $200 billion being provided for the purpose at the time. The redevelopment projects of several hospitals, including Queen Mary Hospital, Kwong Wah Hospital, Our Lady of Maryknoll Hospital and Wong Tai Sin Hospital, have just been approved by us in the Finance Committee. And, we have seen in this Budget that the Financial Secretary has even earmarked $300 billion for the second phase of development plan for hospitals. While these funds will not be utilized in a short time, we can see that the Government has made long-term commitments in this respect, and in view of population ageing and the fact that we do need a lot more hospitals, the Democratic Party supports this initiative. But the problem is that it is not enough to make injections only for hardware development. What if there are hospitals but not enough doctors? What if there are enough doctors but not enough nurses?
What if there are enough nurses but not enough physiotherapists? So, it is most imperative to think about how we can increase the training places for health care workers and professionals. I think if the supply of doctors and nurses is found to be insufficient upon completion of the hospitals in the future, it would be useless even though the hospitals are made available. The Government has to tell us clearly the planning for health care professionals for the future, including the number of additional places required, though the Government often made mistakes in its calculation and there was invariably a shortfall no matter how computation was done, thus resulting in a long wait before the public can consult a specialist doctor.

I am particularly concerned about the training of health care workers in the first year of university in the future. The Government is aware of the shortage of health care workers and the need to step up the training of more doctors, nurses, physiotherapists, optometrists, and so on, in universities. But what is the cause of the manpower shortage? The Democratic Party has all along called on the Government to increase the number of subvented first-year places in universities but the Government refuses to do so. When the 15 000 first-year places provided annually are distributed among the eight universities, what will be the outcome? The Government has capped the number of places, but we know that as we face population ageing and will need more health care workers, we have to increase the number of first-year places for the training of nurses, doctors, physiotherapists, etc. But at the same time, we have to develop innovation and technology in the Loop, which means that we need more IT (information technology) talents or talents in innovation and technology and therefore, it is necessary to increase the number of these places. If the provision of university places is capped at 15 000 and when the Government wants to expand certain sectors, what will happen? The eight universities will then cut the number of places in other disciplines, including human science, social science, astronomy, history, and so on, which would all be scrapped, and even pure science and mathematics would be plagued by the poor intake of students. In that eventuality, innovation and technology would hardly be successful either, because not even the department of mathematics could be run properly.

Therefore, I would like the Government to give this matter some thoughts. Apart from providing funds for developing health care infrastructure, with respect to the training of talents, the Government should increase the provision of subvented first-year places in universities. But if the Government is unwilling to increase the number of places, then the additional special manpower demands of the Government must not be covered by these 15 000 places but should be
 singled out. The Government should provide additional places to meet these special manpower demands, in order not to disrupt disciplines or departments cherished by us, or else they would have to fold up. This can also pre-empt the situation of certain departments being "sentenced to death" to cater for an increase in the number of places for other departments, which would otherwise deal a heavy blow to tertiary education as a whole. I hope that the Government can particularly pay attention to this.

Moreover, I also wish to talk about primary health care services. The development of primary health care services is mentioned in this Budget but in paragraph 146, no mention was made of the amount of resources to be injected into the development of these services according to the plan of the Government. All we can see is that the Government will allocate $61.2 billion to HA, while the Department of Health will spend only $100 million on the promotion of health education. I would like to ask the Financial Secretary what he plans to do. Certainly, the Democratic Party stresses that in addition to inpatient treatment, disease prevention and health education are also necessary, in order that members of the public can take care of their own health and reduce their chance of hospitalization. Therefore, it is necessary to make investments in relevant primary health care services, such as Chinese medicine services, dental services, vision and eye tests, etc. but we do not see any measure in this Budget.

Deputy Chairman, the last point that I wish to make, which concerns the Development Bureau, has to do with water. In a report published recently, the Office of The Ombudsman pointed out that the leakage rate of water mains in Hong Kong is as high as 15.2%. Our leakage rate falls behind the neighbouring countries, including Singapore where the leakage rate of water mains is only 5%. Over the past six years, fresh and sea water loss was 96 million and 27 million cu m respectively in Hong Kong. The amount of water loss was enough to meet the demand of 2 million people in Hong Kong for a year. Using the cost of buying and treating Dongjiang water as the basis for calculation, which is around $10 per cubic metre, as much as $960 million, if not more, was thrown down the drain annually as a result of leakage of water mains. Furthermore, the Government has not responded to the point that master meters are not installed at many housing estates in Hong Kong, and the rate of fresh water loss involved is as high as 32.3%. If this figure is also factored in, actually the Government is very wasteful insofar as fresh water is concerned. Every drop of water is money and a precious resource, too. I hope that the Government can seriously look into ways to speed up the repairs or replacement of old water pipes, as the pace of work is indeed too tortoise-like now. Second,
the Government should provide subsidies for the installation of master meters at housing estates. Subsidies should also be provided for the cost incurred by housing estates in repairing leaking water pipes in the common areas, and this will be better than throwing the money down the drain for no reason. I hope that the Government will channel resources to this end and properly carry out work in respect of water conservation and water safety. I so submit.

MR HUI CHI-FUNG (in Cantonese): My speech will centre around the policies in two areas, namely, education and the environment. On education, we saw that right after its assumption of office, the Carrie LAM Administration said that it would inject $5 billion as recurrent expenditure for education. It would also increase the proportion of education expenditure in GDP (i.e. Gross Domestic Product). Society thus holds a high expectation on Carrie LAM's education policy. However, today it is quite clear to us that in respect of the education policy, not everything can be resolved by money. Some policy issues cannot be resolved at all even if money is spent.

Let me first talk about two aspects. I have proposed amendments to the Budget in two aspects. The first one is about teaching materials and history books. It turns out that some expenses have been paid, but the public are unable to monitor them. Also, some textbooks may be biased and brainwashing. But I will leave this to the next session to discuss it at greater depth. Regarding the amendments relating to the provision for BCA (i.e. Basic Competency Assessment), I did not see any sound reason for the President of the Legislative Council not to approve the amendments proposed by me and Mr IP Kin-yuen to cut the average annual expenditure of $73 million on BCA. For this reason, I need to particularly talk about this matter here.

Why is BCA still so controversial to date? Why should we not make this average annual expenditure of $73 million? The education sector, schools and parents have held discussions over this controversy for years, but it remains unsolved. This year, the Government has proposed to conduct the assessment with a sampling approach where no student names and no school names will be recorded. I think it is simply a lie in the eyes of all the parents. Why? Does sampling mean that some schools need to participate in the assessment and some do not, so the schools can relax because they may not be picked? No. It turns out that under the sampling approach, every school has to participate in the assessment, only that the number of students assessed will be smaller. Every school has to participate in the assessment. That means every school has to drill
their students. Can it really reduce the incentive for drilling? We can ask the parents of primary school students about it. Did the schools stop drilling students and assign less homework because of the launch of the new measure? I believe none of them would reply that the incentive for drilling has been reduced.

We see that the original intention of maintaining anonymity of students and schools under the present BCA arrangements is good, but then the Government proposed that even though the schools would be kept anonymous, they could sign up for the assessment of their own accord and then obtain a report. This is tantamount to having the school names recorded, and eventually it will give rise to competition among the schools. This is precisely the root cause of drilling, which is the most fundamental problem. This is exactly why I said the sampling approach with no student names and no school names recorded is nothing but a lie to parents and the education sector.

Let us look at the figures. There are 537 primary schools in Hong Kong. Among them, more than 180 schools would sign up for all the Primary 3 ("P3") students to take the assessment tests. Among the 34 government primary schools, more than 30 would sign up for all students of the same grade to take the tests. That means 90% of the government schools would send all their P3 students to take the tests. This is the governance philosophy exhibited by the Government itself. Government schools are run by the Government, and 90% of them would sign up for all P3 students to take the tests. That means the Government itself strongly supports participation in the assessment by all P3 students, taking the lead in bringing the drilling culture into primary schools. This is most inappropriate. Hence, under the present circumstances, the annual expenditure of $73 million should not be allowed. The spending of this sum of money will absolutely bring torture to our children, causing them to lose their happy childhood amid the drilling culture. Ultimately, both children and parents will suffer.

Given such a controversy over BCA of which the Education Bureau is well aware, the Bureau can actually listen to our views. Can it issue an instruction to primary schools which intend to apply for all P3 students to take the assessment tests, requesting these schools to consult the students' parents on the assessment arrangements? Did the Bureau consider the parents' feelings? Have they ever indicated their consent to such arrangements? Now that the deadline for application for participation in the assessment by all students of the same grade has expired, I think the Bureau and the schools should at least give parents an option of not participating in the assessment. This can specifically manifest our
strong discontent with the BCA system. Moreover, it can at least let parents make their own decision for the students, allowing them to have their own choice amid the drilling culture.

I need to talk about the environmental matters, too. This year, many people have placed the focus of the Budget on electric vehicles. As I have mentioned before, despite the new "one-for-one replacement" arrangement for electric vehicles, I hold that the Government's overall policy on the promotion of electric vehicles is not only resting on its laurels but even regressing, lagging behind the whole world. The "one-for-one replacement" initiative is certainly good. Its purpose is to incentivize owners of fuel-engined vehicles to switch to electric vehicles, but the Government did not clarify the matter at the policy level. So far the Government is still unwilling to say that it will promote electric vehicles to make them the first choice for members of the public such that electric vehicles will become the mainstream of private vehicles in Hong Kong. How can the Government, on the one hand, refuses to say so, and on the other, tell us that it would introduce a policy to encourage the development of electric vehicles? Even though the "one-for-one replacement" initiative has been launched, the number of participants is small. Can the Government slightly relax the requirement to allow those people who already owned an "antiquated" vehicle before the announcement of the Budget to replace their vehicles? This can also ensure that no one can abuse the relevant policy and casually scrap a vehicle in exchange for the relevant tax concession. Besides the "one-for-one replacement" initiative, to those who already intend to buy a vehicle, the appeal of the first registration tax concession capped at $97,500 is limited. How should the Government attract more drivers to switch to vehicles which use clean energy? In my view, it is imperative for the Government to raise the cap of $97,500 so that when compared with similar fuel-engined vehicles, electric vehicles are more competitive. Consequently, members of the public will find electric vehicles more appealing.

During our examination of the Budget, we would discuss how the Government should spend money. The promotion of electric vehicles is a project worthy of injecting more money, but the Government did not do so. Given the lack of public charging facilities, we have clearly stated that we should set a short-term target of increasing the ratio of charging stations to electric vehicles to 1:5. At least 1150 charging stations should thus be built immediately, and the amount of public coffers which these charging stations cost is less than $50 million. Why did the Government refrain from undertaking such an easy task?
Another problem of electric vehicles is that given the restriction by the relevant legislation and policy, it is difficult to install charging facilities for electric vehicles in private housing estates. Can the Government introduce financial initiatives to make the installation of charging facilities for electric vehicles more flexible, thereby attracting the owners' corporations in various housing estates to install such facilities? When charging facilities are generally installed in the car parks of private housing estates, electric vehicles can soon become the mainstream vehicles for Hong Kong motorists.

Hence, as far as the overall environmental policy is concerned, I did not see the Government's determination to inject resources and willingness to spend money to resolve Hong Kong's environmental problems. To our knowledge, the Government will propose the Bill on the waste charging scheme this year or at the beginning of the next legislative session. Under this environmental policy and charging scheme, the Government's annual recurrent revenue will then exceed $1 billion. Together with the existing ample fiscal surplus, can the Government not make more efforts for the environment? For example, the Government has recently announced that renewable energy will be developed under the Scheme of Control Agreements of the two power companies. Why did the Government not use the money to subsidize the installation of solar panels by owners' corporations in private housing estates and commercial buildings, so as to achieve territory-wide participation? Why did the Government not provide funding for the conduct of a study on recycling waste plastics? Meanwhile, can it provide the local export sector and recycling industry with subventions or land and policy concessions? These issues can be resolved with money. Why is the Government unwilling to do so? Why is it even unwilling to conduct a study?

We noted these problems in the Budget. The Government has mentioned the policy on yard waste, but to date, 90% of the Government's yard waste is still transported to the landfills, lagging behind the whole world. If the Government is willing to allocate more money to the departments to increase the manpower and ancillary facilities logistics-wise, this 90% of the yard waste would not need to be transported to the landfills. These few small examples can already illustrate to all the people of Hong Kong that even though the Government has money, it is unwilling to use it to resolve Hong Kong's environmental problems. I think this issue is worthy of in-depth consideration by Carrie LAM and Secretary WONG Kam-sing. As my speaking time is limited, so much for now. Thank you, Deputy Chairman.
MR TONY TSE (in Cantonese): Deputy Chairman, with a handsome fiscal surplus recorded in Hong Kong in each of the past several years, the provision of additional resources to take care of the disadvantaged groups is what we should do. Having said that, we should not neglect the middle-class people who have worked conscientiously and made contribution to the prosperity of Hong Kong. After the announcement of this year's Budget, there are views that the Budget has favoured the middle class over the grass roots and this, I think, is far from fair. Let us think about this carefully: Since the establishment of the SAR Government, the resources injected into social welfare and caring of the elderly, the disadvantaged and the grass roots have continuously increased but in comparison, what the Government has done for the middle class can be said as grossly insignificant.

This is why I have heard voices calling on the Government to show more care for the needs of the middle-class people, and as the Budget has, quite rarely, placed more emphasis on the middle class, I think this is what the Government should do. The middle-class people are a pillar of Hong Kong society. They have made a lot of contribution to the prosperity and stability of Hong Kong but seldom do they shout in loud voices to draw attention to the difficulties they face.

Here, I wish to cite from an article entitled "The Neglected Middle Class" published in 2000 by Jennifer CHAN, former Lecturer in Statistics and Actuarial Science of the University of Hong Kong. I think the relevant views expressed in this article still apply. In the article she said to the effect that actually the middle class in general does not oppose the principle that those who have the means should pay more; nor is it their wish to see undue emphasis placed on the conflicting interests between the middle class and the lower class and hence causing social divisions.

The middle class is not eligible for public rental housing and yet, they face pressure from the ever increasing rent year after year and other expenses. Just the other day, the Government announced a surplus of $148.9 billion for the year 2017-2018, which is $10 billion more than the revised estimate. Apart from taking care of the grass roots, the Government, given an abundant surplus, should also alleviate the pressure of the middle-class people by introducing concessionary measures, such as providing them with a ladder for subsidized housing to enable the middle class to enjoy the fruits of economic prosperity in Hong Kong. Therefore, I support the proposals of the Financial Secretary to offer tax concessions and widen the tax bands. Instead of saying that the Budget favours the middle class over the grass roots, I think the Budget should be described as caring for the middle class while giving benefits to the grass roots.
The success of Hong Kong hinges not only on the concerted efforts of all the people but also infrastructure facilities that are up to the international standard. In the Budget it is pointed out that the annual expenditure on infrastructure projects from 2019-2020 to 2022-2023 will exceed $100 billion. However, when can these estimated expenditures be really spent on developing infrastructure?

In early March this year, the Chief Executive said that in 2016-2017, only 18 projects totalling $55.5 billion were approved, while the remaining 60% of the projects had been blocked to the detriment of the ecology of the construction industry. In 2017-2018, the Government tabled over 100 projects for approval by the Legislative Council, involving funding to the tune of $200 billion but as at early March, approval of the Finance Committee was obtained for only about one third of the funding sought.

Deputy Chairman, some Members stressed the need to monitor the Government when examining the expenditures for infrastructure projects. While it gives no cause for criticisms for Members to monitor the Government, is it proper for Members to keep on filibustering for political aims, turning a blind eye to social aspirations and those relating to people's livelihood and procrastinating for the sake of procrastination? Procrastination will not only affect the living of people who work in the construction industry. It may even cause the costs of construction to rise, thus resulting in overruns.

Deputy Chairman, the Budget mentioned the need to make early preparation and invest for the future, in order to improve our living environment and make Hong Kong an ideal smart city to work and live in. However, the Office of The Ombudsman pointed out in a report recently that the situation of water mains bursts in Hong Kong has resulted in an overall leakage rate of 15.2%, which is far higher than the rate of 5% in Singapore, and we compare even less favourably with Japan where the rate stands at 2% to 3% in recent years because the Japanese Government replaces the water mains every two decades to pre-empt the ageing of water mains.

Signs of the ageing of urban infrastructure have gradually surfaced in Hong Kong as we will see on the streets different types of repair works being carried out for public facilities from time to time. While offering a cash handout can please the public, I must stress that the Government should prepare for a rainy day and invest for the future by renewing infrastructure facilities, carrying out repairs of bridges and roads, and replacing facilities such as drainage pipes, water mains, etc.
The Budget has earmarked $3 billion for the promotion of "Operation Building Bright 2.0". Through facilitating proper repairs and maintenance of buildings, the objective is to ensure building safety and extend the useful life of buildings to slow down the pace of urban decay, thereby improving the living conditions. But apart from upgrading the functions of buildings, more investment in engaging relevant professional consultancies can also renew and embellish the façade of buildings, turning old premises into magnificent buildings.

As I have always said, some minor works should allow the involvement of small and medium enterprises ("SMEs") and young professionals to enable them to give play to their talents. In this connection, it is stated in the Budget that in the next five financial years, an additional funding of $250 million in total will be provided for assisting local enterprises, SMEs in particular, in seizing opportunities arising from the Belt and Road Initiative and the Bay Area development. This, I support.

To seize opportunities, we must not neglect the application and development of innovative technology. The Budget proposed to set up a $1 billion Construction Innovation and Technology Fund which, I believe, can boost the capacities of the industry and provide support to it in harnessing innovative technology. However, I am greatly concerned about whether this can be implemented internally in the Government in tandem and whether suitable training can be provided to the civil servants concerned, so as to avoid incompatibility of the government system with the relevant operating systems, which would otherwise lead to wastage of resources.

With these remarks, Deputy Chairman, I support the relevant heads standing part of the Appropriation Bill 2018.

MR WILSON OR (in Cantonese): Deputy Chairman, I have joined a group of District Council members from the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") in visiting Wong Tai Sin and Kwun Tong to listen to the views of the public on this Budget. Just by some simple reckoning, we have held more than 13 residents' meetings so far. The Council meeting today precisely gives us an opportunity to convey the feelings of the public to the Government.
With more than $1,000 billion in fiscal reserves and a fiscal surplus as much as $138 billion, the Government ought to consider ways to optimize the fiscal surplus. Besides adhering to the principle of committing resources as and when needed, the Government should also consider ways to share with the public the fruits of economic development. No wonder the public are dissatisfied with the Government when they see that the Treasury is flooded with money when they are living from hand to mouth.

Earlier, DAB proposed a series of measures entitled "Invest in the future and share the fruits of development" for improvement of the people's livelihood and return of wealth to the people. Among others, the measures include many policies that can be implemented easily to enable the public to share the fruits of economic development, such as granting non-means-tested "fruit grant" to people aged 65 or above, allowing elderly people aged above 60 to enjoy health care vouchers and $2 concessary fare for travelling on public transport, providing rental allowances for people waiting for public rental housing ("PRH") allocation, waiver of PRH rent, and so on. Nevertheless, the Government has obstinately turned down our request despite its abundant surplus. No wonder the public doubt the Government's sincerity in returning wealth to them.

In the face of pressure from various sides, the Government has finally introduced a gap-plugging measure by granting a sum of $4,000 to eligible members of the public to allow people from various strata to share the fruits of economic development. However, the measure has been criticized by the public for its complicated application formalities, exorbitant administrative fees and, what is more, some people have even queried the Government's motive of introducing this measure.

After the announcement of this measure, I have answered the queries raised by quite many people in the districts. Besides complaining the many criteria required to be met, they also said that they had no idea about the application procedures, the period for submitting the application form, and even the colour of the form. They even described the Government's decision to "hand out cash" as reluctant. Deputy Chairman, the Financial Secretary should be quite sensitive to figures as he used to work in the accountancy sector. The Government is fond of demonstrating its performance with figures. Given the numerous figures cited by the Financial Secretary in the Budget, I will now share with the Government some figures about housing.
Let me begin with the supply of flats. The Long Term Housing Strategy ("LTHS") clearly provides for the supply of housing based on a 10-year rolling programme, that is, the supply of 280 000 PRH units and 180 000 private housing units frequently mentioned by Secretary Frank Chan. According to the method of calculation proposed in the Budget, if the next five years are used as the calculation unit, the Government's goal should be 140 000 PRH units and 90 000 private housing units. If a comparison is made between these two figures, however, the Government can only supply 100 000 PRH units in the future, meaning there will be a shortfall of 40 000 PRH units. If 25 000 PRH units per annum can be allocated to applicants on the Waiting List, the shortfall of PRH units will reach 40 000. Moreover, the waiting period will thus be extended by 19 months. Under Secretary, please note that there will be a 19-month delay.

While land is in the shortest supply in Hong Kong, housing is also a problem badly troubling members of the community. In allocating land resources, the Government attaches great importance to fairness and reasonableness in particular. The community has held discussions before reaching a consensus on the ratio between PRH units and private housing units stated in LTHS, as well as the supply objective, but now public housing has a huge opening. On the other hand, the private sector has achieved or even exceeded its target. Why can the Government not change some private land into land for public housing construction?

Deputy Chairman, if housing is used for differentiation purposes, tenants of subdivided units who earn a meagre income must be those at the lowest stratum and in the greatest need of government assistance. According to the estimate made by academics, there are currently 160 000 or so such tenants. Getting PRH allocation must be a channel for them to improve their lot long term. I would like to take this opportunity to remind the Administration to consider adopting the following methods to ameliorate their housing problem.

First, to increase the supply of land. According to the data cited by me just now, I am afraid the supply of land can hardly be increased in the next five years. Nevertheless, the authorities should at least not stretch public housing
resources. Earlier on, Secretary Frank CHAN said in a special Finance Committee meeting that Green Form Subsidized Home Ownership Scheme ("GSH") units should be included in the supply of PRH units. This will effectively reduce the supply of newly constructed PRH units. Although the Administration often mentions the "one-to-one" arrangement for GSH units and PRH units, it takes nearly six months for a household which has purchased a GSH unit to return its PRH unit after getting the key and for the Housing Department ("HD") to refurbish and reallocate the recovered PRH unit. The number of days taken is definitely not 44 as mentioned by the Secretary and the Chief Executive. How can the entire process be completed within 44 days? I am really baffled.

Furthermore, when GSH was launched, the then Secretary Prof Anthony CHEUNG clearly pointed out that GSH should be included in subsidized housing figures for calculation purposes as it was regarded as subsidized sale housing. I hope Secretary Frank CHAN will not take us all round the circle and play number games. Neither should he mess up the progress and figures of public housing supply.

DAB has all along advocated the provision of a rent allowance to eligible households which have been living in rented private flats and waiting for public housing for more than three years, with a view to alleviating the rental burden on these households. Given Hong Kong's strong financial position, I believe the Government is capable of doing so. Unfortunately, it has invariably been turning a deaf ear to such appeals.

In addition to a rent allowance, I would also like to call on the Government today to agree to another proposal put forward by DAB to allow Home Ownership Scheme ("HOS") flat owners who have not paid premium to rent their flats to social enterprises, social welfare organizations or charity organizations at a rate lower than the market rate, so that the flats can be subleased to grass-roots households. I note that the Policy Address presented by the Chief Executive has already adopted some of the proposals put forward by DAB. However, they are limited to Hong Kong Housing Society ("HKHS") units with premium not yet paid. HKHS has earlier disclosed to the media that it has 15 000 to 16 000 units with premium not yet paid, and it is estimated that several thousand such units
can be let out. Should the proposal put forward by DAB be adopted so that this scheme can be implemented for HOS flats, I believe tens of thousands of HOS flats out of the 250,000 flats with premium not yet paid can be let out. These units can definitely increase the supply of inexpensive rental flats, thereby providing more choices for grass-roots households and stabilizing the rental levels of small flats.

Certainly, among these 100,000-odd grass-roots households, a large number of low-to-medium-income households which are ineligible for PRH allocation but cannot afford to buy private flats are in need of government assistance as well. Given the persistently high rents in Hong Kong, these households definitely have a hard time. Deputy Chairman, they can only pin their hopes on the "HOS flat lottery" once or twice per annum. To assist these "sandwiched" households, I hope the Administration can consider the following proposals:

First, to improve the sale arrangement for HOS flats and accept online applications. Deputy Chairman, given that HKHS has put in place an arrangement for accepting online applications, I wonder why HD cannot do the same. Although HD is slow and unresponsive, it is better late than never. Earlier on, the Director of Housing undertook to take follow-up action after my repeated questioning. I do hope that HD can move with the times by accepting online applications in launching HOS flats in the next phase.

Second, to conduct a comprehensive review of the pricing arrangements for HOS flats and allow the unpegging of HOS prices from market prices. In other words, the 30% off guideline will not be adhered to strictly and the affordability of applicants will be taken into account instead.

Third, to provide tax deduction for rentals. I note that the Financial Secretary has proactively responded to us and indicated that only some implementation details and technical problems related to the updating of the computer system of the Inland Revenue Department remain to be dealt with. I hope the Financial Secretary can undertake to implement the plan expeditiously in the next fiscal year.
Deputy Chairman, I would like to take this opportunity to express several strong aspirations of the residents of Kowloon East. Although I have conveyed these aspirations to the Government on many occasions already, including in Legislative Council meetings and meetings with government officials, I must still voice these aspirations today. First of all, I hope the East Kowloon rail line can be finalized expeditiously as the Kowloon East residents have waited too long. Given that the Kwun Tong line is stretched beyond capacity day and night, I hope the East Kowloon rail line can be finalized expeditiously with proposals put forward without delay.

Furthermore, I hope the Government, the Urban Renewal Authority ("URA") and the MTR Corporation Limited can take the opportunity of the redevelopment of the town centre of Kwun Tong to ameliorate the congestion of the Kwun Tong Station. Otherwise, a golden opportunity will be missed if the expansion works are still underway upon the completion of the redevelopment works carried out by URA. I hope the golden opportunity will not be missed.

Lastly, I would like to convey the views of Wong Tai Sin residents on the failure of the Our Lady of Maryknoll Hospital to provide 24-hour accident and emergency services after redevelopment. I hope a serious study can be conducted in this regard.

Deputy Chairman, I will finish my speech very soon. The Government can actually make a lot of efforts in sharing the fruits of economic development with the people, addressing the housing problem, providing elderly welfare, carrying out local infrastructure works, and so on. The point is whether the Government has the desire or willingness to do so. The Chief Executive has explained what it means by a new fiscal philosophy, a new idea of administration, connection …

DEPUTY CHAIRMAN (in Cantonese): Mr Wilson OR, I have to remind you that you have spoken for nearly 11 minutes already.

MR WILSON OR (in Cantonese): Fine, Deputy Chairman, I will soon finish this point because I must get it off my chest. I very much hope that the Government can pay heed to public opinions, appreciate public sentiments and respond to the aspirations of the public.

I so submit. Thank you, Deputy Chairman.
DR ELIZABETH QUAT (in Cantonese): The surplus this year stands at close to $150 billion and many members of the public have pinned high hopes on the Budget as well as the new thinking and the new philosophy of the current-term Government. However, the evaluation of the Budget after its publication has been quite poor. I have heard members of the public say to me, "Even though the Government is rich, it does not know how to spend its money" or "the policies are very far removed from reality and fail to address the pressing needs of the public. One cannot see any new thinking or new philosophy.".

Deputy Chairman, this Budget is actually not without merits. For example, on developing a diversified economy, a significant commitment to innovation and technology by way of a major investment of $50 billion was made. Funds have also been set aside as long-term investment for improvement of community and cultural facilities and markets. In addition, this is the first time that an applause from the middle class can be heard. It is felt that the Government has finally catered to the needs of the middle-class people and this time around, the middle-class people also think that they can have a share of the "candies". The Government also heeded our views by earmarking $500 million for helping patients pay for costly drugs. The tax bands of salaries tax have also been widened. All of these issues have been raised by us for years in the hope that the Government would take action, yet it did not. Other examples include increasing the child allowances and injecting additional funds for use as Elderly Health Care Vouchers, all being desirable measures actually.

However, why is the Budget still so sorely criticized? The main reason is that, as I said just now, many grass-roots people feel that they have not benefited in any way, chiefly because the Budget has overlooked low-income earners and elderly people aged between 60 and 64 years. They feel that they cannot get anything and this is a major problem. Why has such a problem arisen? I think that having learnt from the experience this time around, the Government should consider whether or not there are problems in the system. Were new thinking and new philosophy adopted in the formulation of this Budget, or was the past practice of a top-down approach rather than a bottom-up approach adopted?

Often, a great deal of the will of the leadership can be seen in the formulation of policies and some government departments may not be always aware of public sentiments and opinions. They have conceived a lot of things and waited in line for many years. When the greenlight to go ahead is
eventually given and when the measures really come on stream, they may no longer be suited to the needs of society nowadays. In view of this, if such a system remains unchanged, even if an even greater surplus is recorded next year, will the same criticism of "being detached from reality" be heard again?

In addition, do Members find that at present, the Government is being too tardy in formulating policies and making decisions on the use of funds? Sometimes, even though some government departments are willing to adopt new technology, it may take several years for the concepts to develop into actual measures and when they are eventually launched on the market, the public may feel that the technology is already out of date. Moreover, is it due to the lack of clear indicators that despite all the money spent in various areas, in the end, the public still cannot see what is on offer and whether or not their lives have really been improved?

Besides, have new techniques and technologies been utilized? In other governments, for example, in the Singaporean Government, which we often talk about, all government departments have started utilizing big data to carry out analyses and they can really cite figures during discussions with the public. They also have dashboards to enable the policymaking departments of the Government to see each indicator clearly and set goals, and a few years later, all parties can examine together whether or not the goals have been attained after a certain sum of money has been spent. Why does the Hong Kong Government not adopt such an approach? It is not true that we do not have the necessary infrastructure, yet we are incapable of making use of the relevant data.

In recent years, we talk frequently about investing in technology and after visiting the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") this time around, many Members, in particular, those of the pro-democracy camp and the opposition, suddenly woke up to the fact that so many cities in the Bay Area have surpassed Hong Kong considerably, that Hong Kong has actually fallen behind others and that other people have already developed to such a state. Why has Hong Kong got into such a situation? Just now, I heard Mr Charles MOK say that we had to invest even more and do even better, and I also heard Mr WU Chi-wai talk with urgency about how Hong Kong was lagging far behind others, how talents should be retained, how more talents can be attracted to Hong Kong to carve out their career here, so on, so forth.
Deputy Chairman, we have no land, no policies, no resources and are subjected to continual filibusters. The Innovation and Technology Bureau was established only after more than three years of stalling—it was more than three years. Now, we say that we have to invest in infrastructure and finally, we can find a large piece of land at the Loop which can be turned into land for innovation and technology development but this is also the target of filibuster and opposition. Without the space, how can talents be retained and development pursued? Without land, nothing can be developed and in that case, it is necessary to rely on land in the Mainland. How can we make development if we do not go to the Bay Area? Therefore, do not just criticize the Government for doing nothing. When the Government wants to do something, does our legislature support it? If it does not, we should not criticize the Government all the time.

This time, the Government is also willing to invest heavily in our technological infrastructure in the hope of catching up. In the Bay Area, we could see the application of technology by other people. For example, the traffic police there originally followed the practices of Hong Kong. However, big data have now been fully utilized to provide real-time tracking. Given the tens of billions of dollars invested in innovation and technology, Hong Kong people wonder when the problems related to traffic congestion, the inability to find parking spaces and electronic payment can be solved. If no answers can be given, nor can dates and figures be provided, the public would think that even though tens of billions of dollars have been committed, it is of no avail.

Meanwhile, other people say that at present, health care services are overwhelmed by users, so we must commit a great deal of money to health care. However, although we have put forward proposals with a view to giving impetus to the development of Chinese medicine, the Government does not attach any importance to Chinese medicine, nor has it made any investment in Chinese medicine. When other regions are developing blockchain technology in health care, in Hong Kong, no thought has ever been given to it, nor has it been applied. At present, in the Bay Area, Hong Kong is perhaps best positioned to develop blockchain technology in Fintech but is the Government giving it any consideration or promoting it? We cannot hear any news about this. The civil service team and disciplined forces have expressed their wish to help ease the overcrowding in our health care system and proposed that they be subsidized in taking out health care insurance policies but the Government also refused to consider this.
On the housing problem, at present, the Task Force on Land Supply has been tasked with dealing with it but will doing so actually solve the problem or create problems? Will there be discussions or divisions in society? These are the questions that many members of the public ponder frequently. As regards the review of the grade structure of disciplined services, given the high wastage rate of the Correctional Services Department and the inability of the Government Flying Service to recruit officers, we hope the Government will conduct a review of the grade structure, so as to boost morale and enable officers to work in a more comfortable and pleasant setting. However, the Government also refuses to do so and it is only now that the talk about a possible study can be heard. In contrast, we are wasting more than $1 billion each year on people abusing the non-refoulement claims arrangement, so how possibly can the public be won over?

In New Territories East, the traffic is very congested and serious traffic jams can be seen every day. It is almost impossible to board even the Ma On Shan Rail and one has to wait for several trains before succeeding in boarding one. We cannot see what investment the Government has made to solve the problems related to the transport infrastructure in New Territories East. We cannot see any.

Deputy Chairman, if the Government's funds are not used to solve the problems faced by the public in their daily lives, the public would feel that the Government does not know how to use its funds even though it has money and that the Government's policies are removed from reality rather than address the pressing needs of the public. I hope that in next year's budget, we can really see the Government adopt new thinking, a new approach and new philosophy and address the pressing needs of the public by using money to solve our social problems.

I so submit. Thank you, Deputy Chairman.

MR MICHAEL TIEN (in Cantonese): Deputy Chairman, a budget is the most important document for every government and every region. The amount and sources of revenue represent the economic conditions of a place. More importantly, it stands for the values of that place. It also shows whether there is any problem with the income structure, how it should be rationalized, etc.
Furthermore, no matter what great policy plans a government has, as the saying goes, "Before the troops move, fodder and provisions go first." Everything needs to be complemented by money. If the surplus is more than expected, consideration should be given to how to utilize it properly. More important still, should the government not think about why the surplus is more than expected every year? But meanwhile, there is also the fear that if too much spending is made, a deficit will appear in the future. This is precisely the greatest problem. Are we going to argue about how to use the surplus year after year? Should a deficit really appear in the future, can we just ignore it? Will it do if our Government merely considers that there will be no problem this year or in the current term?

The Government should respond to these questions in the Budget, and the legislative should consider these questions. Regrettably, regarding this Budget, we heard that many people are concerned about only one question, i.e. whether cash will be handed out. I saw the Secretary tired out by running around to address this question. It seems his other efforts are left unnoticed. I feel sorry for him.

I think the Secretary may remember that from beginning to end, I have had great reservations about making a cash handout. Before and after the announcement of the Budget, I have never changed my stand. I am sure the Secretary is well aware of the problem of a cash handout with regard to the principle. Many people who originally opposed a cash handout are also well aware of this problem. Back then, I gave this Budget 65 marks, slightly higher than the passing mark. The main reason for the deduction of marks is that while the structural problem remains unsolved, the surplus is not put to good use. I support the approach of establishing dedicated funds to use the annual surplus to deal with problems of resources straddling various policies or of urgency. The Government has such a huge surplus. The establishment of a single fund of several billion dollars can already generate a handsome return. Without drawing down the principal, it can readily deal with a lot of issues and operate continuously. It is almost like increasing the Government's recurrent revenue. Although I agree that the Budget can cater for various issues and I recognize the Secretary's efforts, the Budget fails to address the taxation problem and does not make good use of the surplus. For this reason, I gave it a mark slightly higher than the passing mark.
Subsequently, owing to pressure, the Financial Secretary finally considered granting a cash handout. But in my view, the Government never has any surplus money. There is no question of having nowhere to spend the money because a lot of social problems remain to be solved. A lot of work remains to be done by the Government. I especially hold that the Government should inject money into three matters. Such matters are nothing new. They are simply expansion or resumption of the original practices and absolutely not any difficult missions. Such practices need an increase in recurrent expenditure, or it can be settled through the funds.

The first issue is about home-based child carers. Many people do not know or are not familiar with this term. Many parents in dual-income families have told me that the existing child care services are insufficient. It is impossible for them to go to the schools to pick up their children and escort them to child care centres during office hours. Hence, I always hope that the Government can provide after-school care service, but I also understand that it cannot possibly be achieved overnight. Moreover, this is a new inter-departmental service which will take quite some time to put in place. Yet the Government can expand the existing services. With a heavy demand for home-based child carers, some organizations told me that parents were unable to obtain the relevant services even after waiting for three or four months. Why? Because child carers will only receive an incentive payment of $18 to $22 per hour, even worse than the minimum wage rate. If the Government can increase the pay for child carers and provide a transport allowance and insurance such that they can go to the schools to escort children to their homes and wait for the dual-income parents to pick up their children after going off work at six or seven in the evening, I believe more people will be attracted to work as child carers, and the pressure on dual-income families can be alleviated immediately. I have made enquiries with Secretary Dr LAW Chi-kwong. He said consideration could be given to changing this service from voluntary to part-time work. However, such an approach will cost money. Where will the money come from? If we do not increase the recurrent expenditure, we will need to consider using the funds.

The second issue is employing additional native English-speaking teachers in kindergartens. The Government also knows my strong dissatisfaction with the zero contribution made by the Budget to raising the students' standard of English. Had the Government conducted a study the findings of which indicated that expatriate teachers were of no use, I would not have felt so unconvinced.
However, there are expatriate teachers in primary schools. The Government has even said that they have innovative teaching methods and can provide a live language environment. These are the Government's comments. Why is something useful in primary schools useless in kindergartens? All the experts have told me that to provide a live language environment to arouse students' interest in a certain language, the most crucial period is when they are aged three to six rather than a later stage. Such an approach is completely contradictory.

Thirdly, the Roundtable has all along requested annual allocation of about $350 million to regularize the subsidy for the "N have-nots", i.e. a one-off living subsidy for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance ("CSSA") payments. This group of people do not benefit from public housing or CSSA under the social security net. They live in rented subdivided units and bear expensive rents. Many of them are casual workers who can hardly meet the requirement on working hours under the Low-income Working Family Allowance ("LIFA") Scheme. Hence, the Government said that LIFA had been put in place to address this problem, but that is actually not the case because they may not meet its requirement on working hours every month. If the Government can provide them with a subsidy in a targeted manner, society on the whole will not blame this approach. However, if the Government doles out $4,000 to them this year, will it continue to do so next year? Now the only purpose of this proposal of a cash handout is to seek kudos, but I saw that the overall reaction of society was anger. If the Government can neither uphold the principle nor win an applause, this Budget, in my view, has failed in both ends. I think the Government should learn a lesson. Not only does it need to listen to public opinions and consider the views of various parties. It must also have the courage to uphold important principles and values, and then fine-tune its measures on the basis of other views.

Owing to these reasons, Deputy Chairman, so many marks have been deducted from this Budget, making it hard for me to support it. As regards whether I will abstain or vote against it in the end, the electors whom I have contacted hope that I can fight for them for the three specific requests mentioned by me just now. I will decide my ultimate vote based on the Financial Secretary's final reply.

I so submit.
MR IP KIN-YUEN (in Cantonese): Deputy Chairman, my speech on this year's Budget will be divided into two parts. First, I will focus my discussion on the public finance policy, and in the second part, the focus will be on the part of education in the Budget.

In respect of the public finance policy, this year's Budget has a hard nut to crack, which is our colossal surplus supposed to be something good. The year of 2018-2019 is exceptional in which the Government, thanks to the robust property and stock markets, expects a huge surplus of $138 billion, with the accumulated fiscal reserves standing at some $1,000 billion. Such enormous figures are unprecedented, thereby triggering debates about how the surplus should be spent.

The first question we wish to ask is whether the surplus is occasional in nature. If it is, we should certainly treat it as a windfall and refrain from making any planned increase in the annual recurrent expenditure when using it. But if we take a look at the whole picture, we will find such a huge windfall is actually traceable because there is a bumper surplus every year. Hence, when using it, we should consider that such a surplus is actually capital revenue which is recurrent in nature. For such capital revenue which is recurrent in nature, we may consider allocating it to recurrent expenditure, instead of treating it as volatile revenue, just like what the Government did in the past. The Government will just, therefore, dish out candies or allocate it to one-off expenditure rather than recurrent expenditure. One-off expenditure and candies dished out are actually a great waste of the resources which may be used to improve the long-term development of Hong Kong.

Unstable revenue actually includes revenue from land sales, stamp duties and investment income, which seems considerable at times, such as some $100 billion this year, and in the past, it might stand at tens of billions of dollars. Such revenue accounts for quite a large proportion of the overall fiscal revenue of Hong Kong, and in retrospect, the budgets over the past decade have shown that the so-called unstable revenue accounted for about 30% of the total revenue. Undoubtedly, such figures fluctuate at times, but in fact, they are stable overall. And such revenue also comes from people. Our stamp duties on properties are basically proceeds from property transactions in lieu of taxes, so in some measure, they are also the hard-earned money of the public. How can we make proper use of it? If it is casually dished out as one-off candies, it may not matter much provided that the amount is not substantial. But we have to think about this. If a large sum is spent, we will not be able to use such money to improve
our daily life. In our daily life, education, welfare and other areas are all supported by recurrent expenditure. As we have substantial revenue from unstable sources, we should make proper use of it.

Around four or five years ago, a community think-tank proposed the establishment of a financial stability fund. The concept of the financial stability fund is to exercise smoothing and amortization of such revenue, and after amortization, we can estimate the approximate amount to be disposed of. In times of low revenue, it may be used for subsidization. And in times of high revenue, the surplus may be saved, so that more money can go to recurrent expenditure. It is actually quite a sensible approach, and as revealed by my subsequent study, the establishment of a fund may not be the only option because it is a mere concept. All we need to do is amortize the revenue over a long period of time. For example, we have some $1,000 billion this year. If the sum is to be amortized over the next few decades, can we allocate part of it to support long-term operation? Next year, it is most likely for us to again run an enormous surplus amounting to tens of billions of dollars. While it may drop a bit, it will still be large. So how can we allocate it to recurrent expenditure? This is the greatest issue. I do not wish to see that we have to debate whether cash or candies should be dished out year after year from now on. We must come up with a long lasting calculation method or even a formula, so as to better cope with expenditure on various fronts.

I have long been stressing that education is one of the aspects mainly supported by recurrent expenditure, which cannot be covered by one-off, short-term or unstable funding, just as what the Government did in the past. Without stable funding, the education sector will have difficulty improving the overall situation of education. For example, a number of teachers will be engaged on short-term contracts, and they will even undergo transfers or change schools every year. Both parents and students are aware of the adverse impact of frequent changes of teachers on education, and that is why we need stable recurrent funding.

Members may think that we originally had a good start this year. That is also how I think because from the outset, the Chief Executive undertook to make a provision of $5 billion to improve our education, and made it clear that it would be recurrent in nature, highly respecting and fully taking into account the views of the education sector, thereby contributing to a good start back then. But regrettable, the story ends there. When $3.6 billion of the $5 billion was spent, leaving $1.4 billion, the Government indicated that an additional $2 billion would
be reserved for the education sector, earmarking a total of $3.4 billion. While this should sound good, the Government has yet to explain the use of the $3.4 billion, meaning that there is a nominal sum without any plan. And without any plan, the money cannot be used because it is not known how it should be used. Now we are about to vote on the Budget, but we still see no plan at all. Why is the earmarked funding not put to use? If we do not use it this year, we have to leave it to next year, meaning that the $3.4 billion earmarked this year will simply be wasted. Why do we not use it? The Government was most concerned about the approval for the $5 billion funding, but when we had $3.4 billion left, it told us to leave it to next year. Why is there such an abrupt change in its attitude? Much to our disappointment, as what we see in the process, the Government has neither seriously consulted the education sector nor respected its views.

Moreover, there are also a number of things that are disappointing about the education policy, such as TSA ("Territory-wide System Assessment"), which is a major failure in the absence of any guidance by a philosophy on education. The Budget-related measure of "one school social worker for each school" is supposed to be a good initiative, but it turns out that schools may only choose between a guidance teacher and a school social worker. Why are schools presented with such a dilemma? Guidance teachers have long been there, and instead of offering two new options, the Government is now requiring schools to make choices. Such an approach has fallen far short of the expectations of the community and the education sector. And we find that none of the new education initiatives proposed this year can make the education sector and the community feel relieved, except the promotion of reading and installation of lifts, yet they are comparatively minor in nature.

The major aspirations of the education sector include improving the class-teacher ratios, raising the ratio of graduate teachers and introducing a salary scale for kindergarten teachers. Why does the Government not address these issues? Moreover, we are completely baffled by the Government's reluctance to address them when it runs a surplus. For this reason, we cannot vote for the Budget this time around. Furthermore, we also notice that the Government has harped on the same string in terms of the use of financial resources this year, focusing on such one-off grants as activity funds or funding from the Quality Education Fund to schools. Such expenditure and one-off grants will weigh down on teachers, so sometimes we just cannot tell whether monetary abundance is a blessing.
The last point I wish to make is that looking back at the budgets over the years, apart from the fiscal reserves mentioned by the Government, some money actually goes to various funds. In education alone, some $60 billion is spread out across various funds, which actually cannot be allocated to recurrent expenditure on education direct, just being a lump sum …

DEPUTY CHAIRMAN (in Cantonese): Mr IP, I remind you that you have spoken for nearly 11 minutes. Please focus on discussing those heads with no amendments.

MR IP KIN-YUEN (in Cantonese): Deputy Chairman, I am actually coming to the end of my speech. I very much hope that the Education Bureau can work out a good education policy, and that the Government can make practical and effective use of public coffers, so as to achieve the improvement keenly awaited by the education sector and the community.

MR ALVIN YEUNG (in Cantonese): Deputy Chairman, during the Financial Secretary's consultation on the Budget this year, the Civic Party tendered the Financial Secretary this piece of advice, that is, "Give regard to the poor in times of abundance, and invest in people's livelihood". It means that when we are in times of affluence and enjoying surpluses, we must give regard to the plights of the poor. On the one hand, we have to prepare for a rainy day, yet on the other, we should be compassionate towards the poor who are in difficulties and give them a helping hand. In the context of the Budget, it naturally means that we should invest for our future when we have a surplus of hundreds of billions of dollars. The fiscal surplus this year likely ranks the first, or second, of all the previous terms of Government. Yet, in the face of this "happy problem", the clever Special Administrative Region ("SAR") Government is obviously caught in a dilemma. The future Government or the next Government must act cautiously in handling similar issues.

One of the focuses of this Budget is whether or not a cash handout should be offered. The Civic Party would like to reiterate here that we always consider leaving wealth with the people and returning power to the people the highest way in public finance management, which trusts the people's wisdom and is an option benefiting the community. Nonetheless, in reality, public power is required in promoting certain initiatives, particularly in addressing people's livelihood issues
posting long-term risks to society. We should invest in areas including universal old age pension and residential care homes for the elderly. Regrettably, the areas mentioned are not found in the Budget this year.

Our comments on the Budget this year, Deputy Chairman, may be described in five phrases: "Fail to understand the poor; fail to follow the principle, fail to spend suitably; fail to act justly; fail to execute correctly". The Government fails to understand the plights of the public. We do not see the fiscal philosophy adopted. Regarding the new fiscal philosophy the Government mentioned earlier, it seems to be all talk but no action. Money is not spent properly, where areas greatly in need of resources, such as elderly care, public health care and youth poverty, are only provided with meagre resources, but political projects arelavished with funds. The allocation of $1 billion to the Youth Development Commission, which develops brainwashing education, is a case in point. What kind of fiscal philosophy has the Government adopted? The Government obviously has no answer to this question either.

Deputy Chairman, last week, I was honoured to join the delegation of the Legislative Council to pay a duty visit to the Bay Area. We marvel at the glorious and impressive technological development. Yet, we are overshadowed by the worry about what strategy Hong Kong will adopt to attract talents in the long run, particularly in the next 10 years. I would like to share a case I experienced during the visit, which was covered by the media. During a meeting, a leader of Panyu Municipality sitting next to me showed a great eagerness in attracting talents. One of the examples was that he revealed the willingness to spend up to RMB 3 million as family allowance in recruiting education talents to be school principals and run schools in his municipality. Why? For they believe if they can provide good education, talents will be attracted to move there with their families and settle down. As we see them adopt a proactive strategy in attracting talents, we cannot but ask what Hong Kong has done in this aspect.

Deputy Chairman, in recent years, cities in the Bay Area has spared no effort in snatching talents. In Shenzhen, Dongguan and Guangzhou, they may offer funds up to five digits to seven digits in retaining talents. Many young people in Hong Kong have started venture capital companies, such as companies developing unmanned aircraft systems. Regrettably, these products of Hong Kong end up to be "Made in Shenzhen". Deputy Chairman, is it what we wish to see? Is it in line with the overall strategy we adopt in talent development?
These phenomena have undeniably rung an important alarm. Talents, as they are so called, will definitely set eyes on opportunities on different fronts and naturally be attracted to good places, where Mainland is obviously a choice. As a responsible Government with foresight, instead of urging local talents to look for development opportunities in the North, what has it done to retain local talents "Made in Hong Kong"? I hope the SAR Government and the Financial Secretary will work harder on this point.

At the same time, Deputy Chairman, the SAR Government has finally given due regard to technology development and started a money-based strategy to catch up in the next five years grounds lost in the past 20-years. It is true that money can do many things; $10 billion is invested in the Lok Ma Chau Loop area and another $10 billion in the Science Park. Despite the Government's commitment to investment, we are still worried, for we notice that the funds are often spent on hardware, ancillary facilities and infrastructure. I try to search "科學園"(Science Park) on Google. Deputy Chairman, I wonder if you can imagine the most searched phrases with the three characters "科學園" on Google. The answer is "科學園人情給多少" (Amount payable as cash gifts for wedding banquet at Science Park) and "科學園泊車收費多少" (Parking fees at Science Park). Deputy Chairman, it reveals the public's impression of Science Park. They regard Science Park a place to visit on weekends with parking lots and for fun, which seems to run contrary to the purpose of technology development.

Deputy Chairman, people of Hong Kong will definitely be proud of items developed by companies and people of Hong Kong, which can prove the creativity of Hong Kong. Yet, regarding the existing policies, are they realistic and can they help the people of Hong Kong? Deputy Chairman, I will quote an example for Members' reference. In the Policy Address released last year, the Government proposed setting up a fund of $1 billion to promote elderly care and gerontechnology with a view to integrating technology into elderly care. After that, certain residential care homes introduced a new system exhibited in the relevant Expo, which is called SafeMed Medication Management System, to save the time for drug distribution in residential care homes, reducing the time required from 15 hours to two hours. The system is designed by Hongkongers with Hong Kong funds, developed by a Hong Kong company and has won an award in a competition hosted by the Office of the Government Chief Information Officer. I believe Secretary Nicholas W. YANG in the Chamber today must know about the system. Yet, the residential care home cannot use the system in the end. Why? For the use of the system required the removal of medication
packing in advance, which violates the guidelines laid down by the Social Welfare Department. Deputy Chairman, what an irony? I have to point out that the Government's promotion of innovation and technology is not about invention and creativity. As government officials responsible for innovation and technology, their primary duty is to make a thoroughfare for the technology sector by removing obstacles and hurdles. I hope that Secretary Nicholas W. YANG will understand this point clearly.

Deputy Chairman, at the macro level, the liveability of a city is essential to retaining talents. In other words, we need to have a good living environment, and this requires the Government to make investment in a more effective manner. Regrettably, in the Budget this year, the Government repeats this mistake and misses the good opportunity this time around. I express the greatest regret about this point.

Finally, I have to reiterate specifically that the Civic Party will vote against the Budget for the reasons mentioned just now. I so submit.

MR HO KAI-MING (in Cantonese): Deputy Chairman, first of all, I would like to thank the Financial Secretary for formulating the Budget. Had he not formulated such a Budget, there would not be so many people attending the residents' meetings organized by Mr WONG Kwok-kin and me in various districts. We have been organizing residents' meetings for almost 10 years. Indeed, people who want to learn about the details of the Budget can do so from the newspapers. To my surprise, I received enthusiastic responses for the residents' meetings regarding the Budget this year, so it is obvious that people really do not know much about the contents of the Budget, especially the arrangements for the cash handout of $4,000 to each person. After 16 residents' meetings on the Budget, with nearly 2,000 people participating and expressing their views, we found out that the main concern is that the Government does not know how to spend the money in hand. I think it is the most crucial opinion held by the general public.

Deputy Chairman, I mainly wish to present the views of the Hong Kong Federation of Trade Unions ("FTU") on the appropriations for labour and education. As regards education, given that the Treasury is "flooded" with cash, it is a better option to teach people how to fish than feeding them fish. Therefore, one of the few highlights of the Budget is the further injection of an
additional $8.5 billion into the Continuing Education Fund ("CEF"). We welcome the Government's move to optimize CEF, especially allowing all closed accounts to be re-activated. It is a very good measure to employees. Of course, FTU disagrees that, in the light of such an abundant surplus, the Government is still unwilling to raise the CEF subsidy ceiling for each citizen to $40,000. Moreover, the Government insists on disallowing people to use CEF for taking government examinations, including the driving test, examinations for registration as a Grade A, Grade B and Grade C electrical workers and the examination for plumber licence. We remain doubtful about how people can make effective use of CEF and feel very disappointed with the Government's insistence on the current practice. We hope the Labour and Welfare Bureau or the Education Bureau ("EDB") will reconsider and allow citizens to use the CEF subsidy for obtaining government-recognized licences.

Another issue I wish to discuss is guidance services for primary school students. Nowadays, primary school students are facing increasingly complicated problems. Other than home, students stay at school for the longest time, thus the effectiveness of school guidance work is crucial to their growth and development. We were very supportive once we learnt of the proposal of "one school social worker for each school" announced in the Budget. However, after finding out more details from relevant school guidance personnel, we realized that it was a beautiful misunderstanding. The fact is, for each registered graduate social worker supplied, the Government will withdraw one Student Guidance Teacher ("SGT"). It is indeed a "one for one" plan.

Long-established, the SGT grade is in charge of coordinating student guidance work within the entire school and deploying teacher resources to carry out preventive work. Such functions cannot be replaced by social workers. In fact, SGTs and social workers have different designated areas of duties and their functions are not mutually replaceable. Therefore, the best way is "one plus one": designated teachers in charge of guidance work make proper curricular arrangements, while social workers are responsible for rendering assistance to needy students in dealing with their problems. Only in this way can the two complement each other to comprehensively meet students' needs.

However, with a "flooded" Treasury, the Government remains stingy. I do not understand why the Government has to retrogress. The Education Bureau has repeatedly stressed that schools will not be requested to replace their serving guidance teachers with social workers, but a notice released by the
Bureau has come to our attention, for it appeals to schools with different incentives and subsidies to "dry up" the SGT grade, in effect forcing school principals to choose one out of the two. How is it different from abolishing the grade?

For this reason, we came forward with a group of SGTs to resist in the simple hope that the Bureau can conduct a study to convince us with reasons as to whether guidance work should be the responsibility of social workers or teachers. Exactly how can the two complement each other's role? We do not see the Government planning to do so but the authorities already intend to put forward the "one for one" practice. Therefore, we hope the Bureau will spare no efforts in improving guidance services for students to prevent tragedies from recurring.

Deputy Chairman, I also wish to discuss the policy on markets. The Chief Executive announced in the Policy Address the construction of new public markets in Tung Chung, Tin Shui Wai and Hung Shui Kiu. And the Financial Secretary has also earmarked $2 billion for implementing a 10-year Market Modernization Programme. The Government is finally willing to allocate funding for improvement works of public markets, which is a good thing per se. However, money alone is not the whole solution to the problem. The most important point is to change the policy mindset of the Government. Even though the Food and Health Bureau ("FHB") has earlier lowered the threshold for retrofitting air-conditioning facilities in public markets to agreement of 80% of shop operators in markets, but among 75 public markets in Hong Kong, only 11 markets, less than one seventh of the total, can meet the threshold. It is essentially a good thing to retrofit air-conditioning facilities, but why do shop operators not agree? It can improve business conditions, but why do they not support it? The crux of the problem lies in the air-conditioning fee: each shop operator may need to pay some $2,000 as air-conditioning fee each month. Under the existing policy, the Food and Health Bureau or the Food and Environmental Hygiene Department remain very obstinate in requiring that the air-conditioning fee must be paid by users. And the users are those shop operators, so they must pay.

We think that the Government must change such policy thinking. Why must the fee be paid by the shop operators? Retrofitting air-conditioning facilities will make it more pleasant and comfortable for people to shop in markets, and so why is the fee not met by the Government? Markets are not just commercial premises but community facilities the Government must provide for
people. Therefore, the Government should not request shop operators to bear the additional air-conditioning fee. By the same token, we would not be asked to pay air-conditioning fee for using stadia and libraries.

Deputy Chairman, indeed I should not present such views in the meeting of the Legislative Council today. However, we had explained the same reasoning to the Secretary and Director at relevant committees. If we do not reiterate the problem to the Financial Secretary on this occasion today, it would be difficult to reflect them to the Bureau and Department under his purview. Despite our repeated mention of the problem, the Director and Secretary both gave the same response, i.e. "user pays". Nonetheless, when we enquired about the amount of electricity fee involved, the Government could not give an answer. Even we followed up with a supplementary question, the Government still failed to give an answer. If the Government is unable to estimate the electricity cost, what are its grounds for deciding it is unable to allocate more funding so that people can enjoy better services in markets? If the Government does not change such policy thinking, I can tell you, Deputy Chairman, the environment of markets cannot be improved even with a provision of $20 billion.

Moreover, as the Chief Executive also considers that our hands are tied on the issue of the Link Real Estate Investment Trust ("Link REIT"), but before coming up with a way to tackle it, the Government is unwilling to implement a good policy on improvement of markets to resist Link REIT, then I really have no idea what the Government is thinking. Under Secretary Dr Raymond SO is present now. I know he had endeavoured to come up with ways to improve the living environment of people living in public rental housing ("PRH") or Home Ownership Scheme flats. But the Bureau's adherence to such an obstinate mindset will only allow Link REIT to keep growing stronger. The Government will only continue to help Link REIT monopolize the commercial activities in the entire community on the grounds of "users pay" and the currently already low rents, etc. The Government is the culprit.

For this reason, we hope that the Government will seriously consider our suggestions to realistically rectify the problem. I also hope that Deputy Secretary Dr SO can relay our suggestions to other Bureaux so that public markets can truly serve PRH residents, such that they can buy their daily necessities. I believe the problem is not the sole responsibility of the Transport and Housing Bureau and the Food and Health Bureau, and cross-bureau cooperation may be required, so it should be handled by the Financial Secretary.
We hope that the Government will reposition the roles of markets. Deputy Chairman, my speech is coming to the end soon and you need not look at me in such a way. We hope the Government will amend the Hong Kong Planning Standards and Guidelines to draw up clear and definite standards for markets so that they can become community facilities, such as schools or police stations, instead of being categorized as retail facilities. We hope that the Government will approach the core issue layer by layer and conduct a comprehensive review of its market policy to ameliorate and solve the existing problems in markets.

Deputy Chairman, I so submit.

MRS REGINA IP (in Cantonese): Deputy Chairman, the Budget this year catches the public's attention in several areas. In the beginning, the spotlight fell on the uneven distribution of the cash handout and the complicated execution and high administration costs of the gap-plugging proposals introduced, which has caused raised eyebrows. Another area that draws the greatest attention is the highest-ever fiscal surplus recorded this year, the latest figure as amended being $148.9 billion, and it should be the highest in the history of Hong Kong.

For developed countries often running a deficit or burdened with debts, they will be very happy to see the enormous surplus and may even stage fireworks displays in celebration. Yet, I am puzzled why this enormous surplus in Hong Kong would have brought an avalanche of criticisms and a widespread public outcry. One of the reasons should definitely be the "wrong estimate" made by the Government. In the Budget last year, the estimated surplus for this year was $16.3 billion, which turns out to be $148.6 billion, a discrepancy of $132.6 billion. The discrepancy resulted from the "wrong estimate" is the largest in history. The public and the media are deeply concerned about this. At issue is not merely the "wrong estimate" but the many problems behind the "wrong estimate".

As Under Secretary Dr Raymond SO and Secretary James Henry LAU are in the Chamber, I would like to make several points. First, is it because the Economists of the Government lack the professional capability to assist the Financial Secretary in keeping tabs on the economy, so that he can estimate the economic development next year? Deputy Chairman, I may be cynical to suspect that it is after all a plot. Is it possible that the civil servants are trying to frame the kind-hearted "Uncle Po" and thus have not told him clearly the method
for calculating the estimated surplus? This morning, the Principal Economist attended the meeting of the Establishment Subcommittee on the application for the creation of a D2 post. I did ask him about the reasons for the wrong estimate and the input he had made in this area. He told me that they would offer their views on economic growth, yet the calculation of revenue and expenditure is not undertaken solely by Economists, for the participation of other departments are also required—the Policy Bureau under Secretary James Henry LAU may be responsible for the calculation of revenue and expenditure—and then the calculations will be consolidated. However, he said that the high level of surplus generated by the boom of the capital market this year was hard to grasp. If that is the case, it is a big problem. Certainly, as many Members have pointed out, the international situation, including the possible trade war and tech war between the United States and China, the possible influence on Huawei Technologies Company, as well as the impact on the economy of Hong Kong, is unpredictable. Yet, why would the boom of the capital market in Hong Kong be hard to grasp? We cannot but worry about the professional capability of the whole team responsible for economic analysis in the Government. This is the first point.

Second, according to the cash handout proposal now put forth by the Financial Secretary, applications will be accepted only starting from next February, which means the cash handout will only be distributed in the next financial year. In other words, only measures like the rates concession and tax rebate can be implemented quickly, and the authorities will have a lot of money not paid out and left idle. That means the Government is incapable of utilizing the surplus. Hence, in making annual spending to stimulate consumption or long-term investment, the Government is incapable of making proper arrangements. Since the Government has no way to use the surplus, it simply leaves the money idle.

An authoritative person well versed in the financial management of the Government told me that it is rightly the reason for Hong Kong lagging behind Singapore in economic growth. We should not compare Hong Kong with Shenzhen, for Shenzhen is still at the development stage whereas Singapore and Hong Kong are matured developed economies. Why is the economic growth of Hong Kong slower than that of Singapore? Because we have not spent our surplus on short-term measures to stimulate consumption or on long-term investments, neither have we used the surplus to enhance the productivity and competitiveness of Hong Kong—the Secretary as an economist should know better.
The authoritative person also told me about the land supply consultation launched by the Government. Despite the 18 options proposed by the Task Force on Land Supply, we all know that reclamation is inevitable. In fact, many experts, like LING Kar-kan, the former Director of Planning, have stated recently that reclamation is a necessary option, and at issue is the location of such reclamation, the area of reclamation and the ways to minimize the pains caused by reclamation. If that is the case, why does the Government not set up a reclamation fund to exhibit its determination to increase land supply? This arrangement is more important than the setting up of those miscellaneous funds. Hence, the Government should set aside a specified amount of money as expenditure on reclamation in the future, so as to allay the worries of the public about land shortage.

Deputy Chairman, due to the time constraint, I will now come to issues concerning Link REIT. Since issues concerning Link REIT have a significant bearing on people's livelihood, as well as the revenue of the Government, the New People's Party has closely monitored issues relating to ridiculous rent increases affecting people's livelihood and breaches of lease by Link REIT for a long period of time. We discover that a number of shopping centres of Link REIT is suspected of breaches of land leases and deeds of mutual covenant. I am glad that I have received the relevant reply from the Housing Department ("HD")—Under Secretary Dr Raymond SO may not have known the case yet. Two days ago, I received a reply from the authorities confirming that the operation of the car park of Link REIT at Yat Tung Estate has breached the land lease of Yat Tung Estate, which stipulated that parking spaces may only be used by residents of Yat Tung Estate, occupants of properties of the estate and their bona fide guests and visitors. Link REIT launched an extended parking scheme between April 2017 and February 2018, offering parking discounts to drivers spending a specified amount at Yat Tung Shopping Centre—this is promotion of its shopping centre—or parking for no less than three days, yet the arrangement breaches the land lease. Moreover, HD confirmed that Link REIT did not open some of the floors of Yat Tung Car Park 3 for use. Is it trying to cut down its expenditure by saving management fees? Yet, HD said that it had not received any complaint about this. Does it mean that the issue needs not be dealt with so long as no complaint is received?

As the two Directors of Bureaux are here, I would like to ask them the following questions. On the breach of land lease by Link REIT, HD only stated that it would issue reminders to Link REIT. Yet, may I ask why HD will only
remind but not instruct Link REIT to comply with the land lease? How will the revenue made by Link REIT through these arrangements be handled? Should Link REIT pay premium to the Government? Should the authorities require Link REIT to comply with the land lease and provide rental concessions for parking lots? Has the Government been cheated in money terms by this practice of Link REIT? For these questions, the Government, the Treasury and the Transport and Housing Bureau should face them squarely.

Then, we come to the car parking policy of the Government. If no resident from Yat Tung Estate has made a complaint about this issue, it means that they do not consider this a cause of concern. Moreover, when Car Park 3 as a whole is closed but has not caused any problem, it means that the residents of the estate do not actually need those parking spaces. Given that, will the Transport and Housing Bureau consider it necessary to open up car parks in the district level? If that is the case, should the authorities request Link REIT to return these car parks or arrange for payment of premium? These issues do not merely affect people's livelihood but will also affect the car park policy, taxation policy and the enforcement of land lease of the Government.

Deputy Chairman, I implore the Secretary to respond to these serious problems in public shortly. Moreover, the New People's Party will continue to raise with HD and the Lands Department issues concerning various breaches of land lease by Link REIT and other owners of shopping centres of public housing estates. We will continue to follow up these issues. Thank you, Deputy Chairman.

MR CHUNG KWOK-PAN (in Cantonese): Deputy Chairman, I will mainly speak on two aspects, with the first one being the policies on industries. In the Policy Address released last October, the Chief Executive highlighted two industries. The first one is innovation and technology industries to which, as we all know, a large sum of nearly $10 billion is allocated in this Budget. The second one is creative industries. But compared with innovation and technology industries, the funding for creative industries has just increased by $1 billion. While both of them are identified as the key industries for development by the Chief Executive in the Policy Address, I do not know why $50 billion goes to innovation and technology industries while creative industries only get a funding of $7 billion.
I actually can understand why because $20 billion of the $50 billion allocated to innovation and technology industries will be used on the infrastructure in the Loop, while another $10 billion will be allocated to the Science Park. Relatively speaking, creative industries will not involve much large-scale infrastructure investment, yet we still have to provide young people with lots of software. Hence, such funding seems disproportionate. Even if the funding for creative industries is increased to, for example, $5 billion, it will just amount to 10% of the funding for innovation and technology industries. But I believe it will mean much to the promotion of creative industries.

Since Secretary Nicholas YANG is present, I must talk about issues of innovation and technology industries. Certainly, we know that it is important to catch up in innovation and technology industries because such places as Shenzhen and Singapore are doing great in these fields. It was also proposed at a meeting of the Establishment Subcommittee today that a post of Economist should be created in order to study the future competitiveness of Hong Kong. Nevertheless, no doubt, the Government has been repeatedly talking about the need to develop innovation and technology industries over the past decade, and such a need was also recognized by the last-term Government. But the actual work done has been little with no resources committed. Certainly, it has done a good job setting up the Innovation and Technology Bureau ("ITB"). The problem is that while admittedly, the Government has attached great importance to innovation and technology industries and committed an enormous amount of resources, there are always ways to get around its policies from below. Its public officers or outsourced services have completely failed to tie in with the Government's policy.

I wish to talk about one thing that I am unhappy with, and I believe Secretary Nicholas YANG should also be aware of it. Recently, the Government has spent a huge sum of money on the Science Park, but the public officers in charge of the several industrial estates under the Science Park—I am not sure about what capacity they are in—have done nothing to complement the work of ITB, particularly when ITB is now vigorously promoting re-industrialization. This is certainly a good thing, which can actually work out.

I have mentioned in a few speeches made in this Council that an environmental spinning mill will be established in the Tai Po Industrial Estate in the next three months. But it has taken half a year to deal with the tenancy
Having spent half a year on the tenancy issues, now they have started to move on to the details. I am not going to openly talk about the details here, but I have urged the Secretary to address the issue expeditiously. It has totally failed to tie in with the Government's policy, discouraging those intending to invest and set up factories in Hong Kong. It is the Government's policy to encourage re-industrialization, return of industries to Hong Kong, application of local techniques in new technological development and investment in Hong Kong. But what I wish to say is that some people at the lower levels are downright troublemakers up to no good. Secretary, I hope you can do a much better job in this regard and examine how various departments under your purview may work closely in line with the Government's general policies.

Another point is about the talent hub. Two weeks ago, some Members went on a visit to the Bay Area, but I was not among them. After the trip, many of them have formed the view that various towns or cities on the Mainland are in an urgent need of a large number of talent, which also indicate their intention to tempt candidates from the pool of quality talent in Hong Kong with attractive pay, inviting them to jump ship and pursue their careers on the Mainland. Now Hong Kong is doing the opposite, taking the talent whom it has nurtured for granted. For this reason, I hope the Postdoctoral Hub can do some solid work to retain the doctoral talent whom we have invested a great deal of time, effort, money and resources to train. According to many doctoral graduates, they cannot find a job or just manage to get one that pays $20,000 to $30,000 a month. It is a pity that they, having invested much time and effort in studying a certain area of expertise, are unable to find a job in Hong Kong. Eventually, such locally trained professionals may be tempted by Mainland enterprises. In this regard, I hope the Secretary can seriously think about how best to protect the quality talent whom we have nurtured.

Another point concerns economic development, which is also a major issue. The ideas put forward by previous terms of Government vary. For example, in the two terms before the last, the Governments proposed the "four pillar industries" and the "six industries where Hong Kong enjoys clear advantages". Then in the last term, the LEUNG Chun-ying Administration scrapped the "six industries where Hong Kong enjoys clear advantages" with no traces left, and then set up the Economic Development Commission which also put forward some proposals. The incumbent Government has dissolved the Economic Development Commission before setting up the Council of Advisers on Innovation and Strategic Development. Each term of Government has new
ideas, but when each term of Government expires, the new Government will scrap the measures introduced by its predecessor, making continuity and sustainable development impossible. What is going on? I do not know whether Mrs LAM will get re-elected for the next term, but if there comes a new Government, the Council of Advisers on Innovation and Strategic Development will again be dissolved, and I do not know what its successor will be.

In that case, how can we sustain the economic development of Hong Kong in the future? Which industries should we focus on? For example, the Advisory Group on Implementation of Fashion Initiatives relating to my industry was set up under the Economic Development Commission. While it was originally under the Economic Development Commission, what should be done about it following the dissolution of the Commission? This Group still exists, but which department does it belong to? No one knows. In other words, when the broad direction changes, lots of work already in progress or policies already implemented may disappear or end in vain. Hence, I consider that for many policy issues, apart from resources and funding support, continuity is also required. As to how to achieve such continuity, I will leave it to the Financial Secretary and the Secretary.

Lastly, I wish to talk about human resources because I happen to see Secretary Dr LAW here. The Government has now set up the Commission for the Planning of Human Resources chaired by the Chief Secretary for Administration, and the Policy Address has also clearly stated the need to import labour force from outside given the inadequacy in manpower resources in Hong Kong. Does it ultimately mean the importation of foreign labour, talent or what? It is commonly known that a number of industries have failed to recruit workers. Such industries as construction, elderly care, logistics and transport are all facing a shortage of manpower. It is learnt that the labour sector wants to make a deal, using MPF ("Mandatory Provident Fund") as an exchange condition. I do not know whether this is the reason why the Secretary insists on reaching a consensus with the business sector on the MPF issue before relaxing the restrictions on importation of foreign labour, and this concerns our future economic development and human resources.

I originally had a lot more to say. But Deputy Chairman, what else can I talk about? If there is nothing else, thank you, Deputy Chairman. I so submit.
MR KWONG CHUN-YU (in Cantonese): Deputy Chairman, one of the most controversial items in the Budget is of course the $4,000 cash handout. The estimated expenditure of the proposal is $11.3 billion, of which $11 billion will be the cash handout and $310 million will be the administrative costs. And it will create 706 non-civil service contract positions. The administrative costs account for 2.8% of the total amount. It would be helpful if the hundreds of millions of dollars of administrative costs involved can be spent on social welfare. In fact, the voice of society on the Budget is very clear. How can we seize this precious opportunity when there is a fiscal surplus in the Treasury to solve some long-standing social problems long term?

(THE CHAIRMAN resumed the Chair)

As I said at the beginning, even a cash handout can attract so much criticisms. The administrative costs are so high that it can be spent on other aspects—I will elaborate on that later—the Government is really "reluctant to spend money on good causes, yet willing to waste it". Members of the public have expressed on different occasions dissatisfaction with the inaccurate estimation of surplus and the often ineffective investment thereof. I believe Members have strong feelings about this as they may have run into members of the public who have similar views on the Budget.

I am more concerned about social welfare issues, including child abuse. The child abuse cases in recent months are heart-breaking. We hope the Government will put in more resources to alleviate child abuse and domestic violence. To achieve that, resource is most crucial. A pilot scheme to provide social work services in kindergartens will be launched, but according to my discussion with the Secretary, how many kindergarten students does a social worker need to serve? The ratio is 1:600. I remember that I once asked the Secretary how many names he could remember, to which he replied 60, which was not bad. However, the social work-student ratio in kindergartens is 1:600. The median number of students in a kindergarten is approximately 151, meaning one social worker has to serve four kindergartens. Are there adequate resources? It should not be this bad even though this is merely a pilot scheme.

A funding of $504 million from the Lotteries Fund will be allocated to launch a three-year pilot scheme to provide social work services for about 150 000 children and their families in all aided child care centres, kindergartens
and kindergarten-cum-child care centres. We hope this scheme will not be scratching the surface only. I must emphasize that the Government does have a surplus. If we acknowledge that the child abuse cases were heart-breaking, should we not reconsider whether relevant resources are adequate? Or is the scheme merely nominal which only makes frontline social workers suffer without actually solving the problem?

In addition, I need to let everyone know that the rise in the number of child abuse cases is worrying. The number has increased by 8% from 874 in 2015 to 947 in 2017. There were 222 child abuse cases involving children aged 0 to 2 years old reported last year, accounting for over 20% of the total number. Child abuse victims aged 0 to 2 may not know how to seek help which is very worrying. The Government is now making efforts on the child abuse notification mechanism, but at the end of the day, we believe measures and resources are crucial to the prevention of child abuse.

Another problem is the shortage of residential care homes. Leaving universal retirement protection that we have been striving for aside, even with the substantial surplus, many elderly people still cannot benefit from the Higher Old Age Living Allowance due to the means test. I must emphasize again that the Government does have a surplus but it fails to make any effort on this front.

The shortage of residential care homes is very serious presently. There are more than 37 000 people on the waiting list for residential care homes in this financial year. However, only 2 900 residential care places and 1 043 places for elderly daytime care services will be added in the next three years. How then can such a huge demand be met? It cannot be met at all. The irony is that the Government does have a surplus. Moreover, the number of elderly people will increase by 20% to 1.3 million, and it is expected that the number of people on the waiting list for residential care homes will also increase. With a surplus of hundreds of billions of dollars in hand, should the Government not demonstrate some sincerity by allocating more resources to draw up large-scale construction plans of residential care homes for the elderly? This is left to the Government to ponder, yet the popular voice on this is very clear.

Insofar as this Budget is concerned, we also noticed that many people are concerned about animal rights. I understand that we are not speaking on the amendments now, but the amendment proposed by me aims precisely at reducing the funding for animal euthanasia to zero. The amendment is seeking the
impossible as it certainly cannot be passed. However, we can no longer allow the Agriculture, Fisheries and Conservation Department ("AFCD") to handle animal problems with euthanasia only.

The issue of animal rights was discussed in the Legislative Council earlier. It might not be a topic of popular concern but we have confidence in the people of Hong Kong who have begun to be very sensitive to the use of public finances. We can see that, last year, 1,478 dogs and 381 cats were euthanized by AFCD which considers using this simplistic method to handle cats and dogs just fine. I will speak on this again in the amendment debate later. We proposed to reduce the expenditure in the hope that Hong Kong will eventually respect the lives of animals and better handle the so-called animal problem more humanely.

Paragraph 68 of the Budget stated that "To reinforce the role of the Science Park as Hong Kong's flagship technology infrastructure, I will allocate $10 billion to the Hong Kong Science and Technology Parks Corporation ("HKSTPC"). Of this, about $3 billion will be used to construct research-related infrastructure and facilities, whereas the remaining $7 billion will be used for HKSTPC to enhance support for its tenants and incubatees, and set up a Smart Campus in the Park, etc."

It seems fine at a glance, but if we look at the breakdown of the $3 billion allocated to HKSTPC for the construction of scientific research-related infrastructure and facilities, the facilities to be constructed include an animal laboratory which is less heard of. What exactly is this animal laboratory? So, we have tried to look up relevant information. According to the Government's information, about 1,700 dogs and 1,300 cats were used in experiments on animals from 2013 to 2016, much to our horror. We were seldom privy to this type of information in the past. As the $3 billion earmarked in the 2018-2019 Budget covers an animal laboratory, indeed we hope the Government can disclose more information on the matter. What exactly is it all about?

After all, quite a lot of coverage was devoted to animal rights in the Budget. We should prevent problems before they occur and as Carrie LAM stated that animal rights should be a concern, we must begin to make more detailed efforts at this, including giving thoughts to the use of the Budget which is crucial. As I have said, I will further express my views on the amendment in the following session.
Chairman, please allow me to make a summary. Many people agree with my view expressed at the beginning of my speech, that much can be done should the administrative costs of the cash handout be spent on other aspects. What can be done? If the $330 million administrative costs were spent on social welfare, as I have mentioned, the social worker-student ratio in kindergartens can be lowered from 1:600 to 1:300. The amount is also equivalent to the monthly costs of 14,000 residential care places and 187,000 standalone child care centres. In fact, the Government must explain how the money can be well spent and why the administrative costs of the cash handout are so high …

CHAIRMAN (in Cantonese): Mr KWONG Chun-yu, I wish to remind you that you have spoken for more than 10 minutes already.

MR KWONG CHUN-YU (in Cantonese): Therefore, we hope the Government will not spend money on wrong causes. The money should be spent directly on the areas mentioned just now, such as child protection, respect for the elderly, protection of animals which cannot speak and providing more support to disadvantaged groups in society. Resources in these areas are often not adequate. Hong Kong is such a wealthy place, but how best can the surplus be well spent? Has the Government listened to people's voices? We look forward to the Government's response later on.

I so submit.

MR YIU SI-WING (in Cantonese): Chairman, the Budget this year has changed the Government's long-held budgeting criterion that public expenditure should be kept at or below 20% of Gross Domestic Product. The fact that the ratio will be adjusted upward to between 21.2% and 21.8% during the five fiscal years from 2018 to 2022 reflects that the Government is willing to face the reality. Given its abundant surplus, it has ceased to insist on adhering to its so-called criterion of the past, thereby enabling public expenditure to benefit more people. Insofar as investing in the future is concerned, one of the highlights of the Budget this year is to pinpoint the pressure exerted by the ageing population on the health care system by earmarking $300 billion for tying in with the implementation of the second 10-year Hospital Development Plan. Meanwhile, $50 billion will be set aside for promoting the development of innovation and technology.
I agree that the Government should invest additional resources to address future needs when an enormous fiscal surplus is recorded. Moreover, it should increase public welfare expenditure to assist the socially disadvantaged and ease their pressure of living. Furthermore, the Government should assist members of the middle class who have paid relatively more tax and made more contribution over the years, as well as small and medium enterprises, by easing their burdens, so that they can lead a better life. Certainly, the Government has to increase its reserves to cope with a spate of problems to be brought about by the ageing population in the future to avoid using up our chattels. Although the Government hopes that the Budget this year can achieve the aforementioned objectives, things have unfortunately not turned out as it wished. After the announcement of the Budget, incessant negative voices have been heard mainly because the grass roots enjoy comparatively less benefits due to uneven distribution, with some members of the public receiving no benefit at all. In the face of social pressure and after listening to views from various sides, the Financial Secretary has finally announced the launch of a Caring and Sharing Scheme to respond to social aspirations, so that recipients can receive at least $4,000 through various channels. Despite the Government's failure to make detailed consideration beforehand, its move to make rectification deserves our support. I hope that, after the passage of the Budget, the time required for the disbursement of payments can be shortened. Moreover, the administrative costs should be compressed to a reasonable level by all means, so as to enable members of the public to share the fruits of economic development expeditiously.

As a representative of the tourism industry, I am more concerned about the support given by the Government to the industry. The Budget this year has also manifested the Government's support for the industry. After analysing the pressure faced by the industry and listening to my suggestion, the Government decided to allocate $396 million to continued support for the tourism industry, including the provision of $226 million for the Hong Kong Tourism Board to implement the planning of the Development Blueprint for Hong Kong's Tourism Industry, the earmarking of $21 million for the Tourism Commission to assist the industry in seizing business opportunities and making planning for the opportunities brought about the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") and the development of the Belt and Road Initiative, supporting the Travel Industry Council ("TIC") of Hong Kong to organize a tourism forum, arranging for travel agents to visit the Bay Area, developing a new online platform, subsidizing the tourism industry to hold a business matching
conference, and so on. I welcome the aforementioned arrangements. Given that the Bay Area and the Belt and Road Initiative are national policies, a platform has to be established among governments for communication and planning purposes. In addition, the industry must be engaged to provide expert opinions and undertake product packaging and publicity and promotion work in a pragmatic manner. This top-down arrangement that sees combined official-civil efforts is definitely more practical than the promotion efforts unilaterally made by the Government. Of course, after receiving the funding, TIC should consult the industry, including engaging members of the industry on a matching basis to give full play to the proactiveness of the industry.

On providing support for the tourism industry to develop information technology, the Government allocated $10 million last year to TIC for subsidizing the use of information technology by small and medium travel agents. The responses to this scheme were favourable, and 110 applications have been received and approved. This year, the Government will provide an additional $30 million and, as pointed out in its reply to my question, the Administration is considering expanding the scope of subsidy to cover hardware and the procurement of technology services and solutions. The industry welcomes the relevant adjustment and considers that the new proposal will help small and medium travel agents use information technology, enhance their competitive edge, facilitate employment and bring more tax revenue to the Government. I hope the Government can implement the adjustment expeditiously as it can only bring benefits instead of harms.

Chairman, the tourism industry is one of the four economic pillars in Hong Kong. However, the Commerce and Economic Development Bureau, which is in charge of the industry, is unable to focus on tourism development as it has to deal with numerous affairs. As a result, tourism-related policies and investment are now brought under the ambit of the Tourism Commission. Due to its limited power, however, the Tourism Commission is generally not too willing to take the initiative to bear the responsibility should a project require inter-bureau resources. As a result, some tourism-related facilities, such as museums, country parks, the Geopark, exhibitions, performing activities, and so on, are not fully utilized. Actually, many countries will coordinate tourism-related resources through a single policy department to prevent various policy departments from working on their own and ensure the full utilization of these valuable resources.
At the meetings held by the National People's Congress of the People's Republic of China and the National Committee of the Chinese People's Political Consultative Conference, the State announced government reorganization by upgrading the China National Tourism Administration to merge with the Ministry of Culture to become the Ministry of Culture and Tourism. This will convey an important message of integrating cultural and tourism resources for management, combining cultural conservation and tourism development and using the "Tourism Plus" concept to enable the deep-level integration of resources related to tourism and culture for publicity and promotion of the Chinese culture. The Special Administrative Region Government may draw reference from the Mainland's practice by establishing a Tourism Bureau or Tourism and Culture Bureau and formulating a long-term and extensive tourism development plan for Hong Kong so as to enable the industry to make greater contribution to Hong Kong economy.

Chairman, travel agents in Hong Kong are predominately medium, small and micro enterprises. In the face of direct competition on the Internet and from product suppliers, these travel agents find it difficult to operate their business. Many proprietors cannot even earn their own salary and can only afford several thousand dollars a month to rent a very small office. In the past two years, the budgets announced the introduction of a licence fee waiver measure for travel agents. Although the licence fee thus saved was a mere $5,800, it was very helpful to medium, small and micro enterprises. Many travel agents and I are greatly disappointed by the Government's decision not to introduce this measure this year.

Furthermore, the Government has not fully consulted the business sector before putting forward its preliminary idea of abolishing the offsetting mechanism of the Mandatory Provident Fund System, thus further aggravating the burden of medium, small and micro enterprises. Should the Government go ahead despite opposition, quite many travel agents will inevitably face closure or layoffs. This is why I will definitely voice objection should the Government insist on putting forward its preliminary proposal.

With these remarks, I support the sums for the 38 heads standing part of the Schedule.
MR SHIU KA-FAI (in Cantonese): Chairman, as we all know, it is evident in the Budget this year that the Government has a substantial surplus of some $130 billion, as initially stated. But just now, according to some Honourable colleagues, the latest figure is actually as high as some $150 billion. It is believed that the majority of people are happy with the robust financial strength of the Government. But how should the surplus be used? We certainly hope the Government can return it to people in Hong Kong.

At the Council meeting on 29 March, I moved the motion on "Stimulating internal demand and opening up new visitor sources". One of the points raised is how the Government should return wealth to people in order to stimulate our internal demand with its ample surplus.

One of the key objectives of this year's Budget is caring and sharing, which covers measures to return wealth to people, including waiving rates for four quarters, subject to a ceiling of $2,500; reducing profits tax and salaries tax by 75%, both being subject to a ceiling of $30,000; providing a one-off grant of $2,000 to each student in need, paying the examination fees for candidates sitting for the Hong Kong Diploma of Secondary Education Examination and providing two-month extra allowances for recipients of Comprehensive Social Security Assistance. These measures certainly have my support. The Government has subsequently announced a scheme commonly known in the community as "gap plugging" to dish out $4,000 to eligible persons, benefiting 3 million people. I believe the aforesaid measures can help members of the public in Hong Kong.

What I wish to say is that at various committee meetings earlier or the Council meeting today, I have heard Members representing various sectors express the hope that the Government can allocate more resources to their respective fields, such as providing additional hospital beds and allocating more resources to health care and social welfare. I consider such aspirations reasonable because nothing is perfect, and that we can only pursue continuous improvement. As long as the Government has such means, it should certainly allocate as many resources as possible.

Nevertheless, I wish to elaborate on two points in particular. In recent discussions, such caring and sharing action has come under fire by a number of Members, who keep criticizing the cash handout of $4,000 to eligible persons for incurring considerable administrative costs with little effect. In my recollection, the Financial Secretary consulted the views of various political parties, groupings and Members when preparing the Budget. Given the enormous surplus of the
Government, some Members have called for a universal cash handout while some do not share this view, thinking that a cash handout should only be given to those in need, but not the rich like Li Ka-shing. Mr Michael TIEN also opposes it. Hence, when the Budget was released, we could see that the Government sought to offer those in need the greatest possible help without making a universal cash handout. Nevertheless, realizing that some people were left out in the Budget at a later stage, it introduced the caring and sharing scheme to dish out $4,000 to eligible persons, covering 3 million people.

What I wish to say is that in my recollection, even Honourable colleagues from the non-establishment camp expressed disagreement to a universal cash handout at the consultation stage of the Budget, so eventually, the Government just offered assistance to those in need. Nevertheless, after the release of the Budget, Honourable colleagues from the non-establishment camp again levelled a barrage of criticisms at the Government for leaving out some members of the public. The Government thus came up with a solution, dishing out $4,000 to those who missed out on all the original benefits offered by the Budget as a token of regard at the very least, but still invited criticisms from Honourable colleagues of the non-establishment camp. It is really a pity for the Government to attract criticisms no matter which way it goes. Standing still will certainly make it a target of criticism as well. Unless it floats in mid-air—i.e. goes to the heaven, it will just be persistently subject to criticisms. I believe any rational person will not find such criticisms by Members acceptable.

Second, some Members have criticized the Budget for returning wealth to the wealthy because the rates waiver for four quarters subject to a ceiling of $2,500 will make a total sum of $10,000. Those beneficiaries are already property owners, so why do we have to return wealth to them? In particular, the top 10 owners holding the largest number of properties will receive huge amounts of rates concession, which is tantamount to returning wealth to the wealthy and benefiting the rich, so they do not support it.

At a committee meeting, I have mentioned that according to government papers, the top 10 owners holding the largest number of properties may own a few thousand properties and have to pay rates. First of all, the properties of such people are either for self-occupation or lease. I believe they will not leave their properties idle. Those who lease their properties for rental income have to pay tax, otherwise it will constitute tax evasion. Hence, they have actually made a contribution to Hong Kong.
Moreover, while it seems that such owners holding a number of properties are much benefited, as shown in government papers, 82% of the tenancies of properties held by the top 10 owners holding the largest number of properties are on a rates exclusive basis. In other words, the beneficiaries of the rates concession given by the Government this time around are those small shop operators or small merchants who are tenants of properties instead of large consortia or the rich. Hence, if Honourable colleagues do not support this measure, they are actually being difficult with the small shop operators instead of real estate developers.

Furthermore, public rental housing ("PRH") tenants are another beneficiary of the rates concession. After all, the Government is the largest property owner in Hong Kong. If Members oppose the rates concession, PRH residents will not be able to benefit from it. As far as I know, under similar policies in the past, PRH tenants are granted a rent rebate accordingly. If we do the same this time around, a PRH rent rebate of $2.4 billion in total should be granted. Hence, I can see no reason to oppose this rates concession measure, and it should not be labelled as returning wealth to the wealthy either.

An anti-rich sentiment has become increasingly prevalent in our society. I very much hope that all Members and certain people in society will refrain from fuelling this trend. It will do no good to Hong Kong as a whole, and after all, everyone in Hong Kong has made a contribution to society. The Government has done quite a good job in this Budget, which will definitely have my support.

Thank you, Chairman.

MR JAMES TO (in Cantonese): Chairman, actually I already signed up last week for speaking in the debate on the second day. Anyway, what happened has happened. But I think Members who were prepared to speak on the second day should be allowed to speak according to the procedures.

Chairman, concerning the Budget, the first question that I wish to ask is: Given an enormous surplus, how should the Government handle it, or how should it be handled wisely? Certainly, first, many Honourable colleagues, including Members of the Democratic Party, would wish that the Government can utilize the surplus to develop the economy and promote the sustainable development of Hong Kong, rather than just offering a cash handout. This is the view held by the majority of Members.
Second, when a surplus is really recorded, members of the public will, as in the past, certainly have reasonable expectations, particularly as the surplus is so huge this year and the public will naturally ask for a reasonable share of the economic success. But it turns out that the Government may have to toe the line of the past Governments and therefore, in accordance with the past practices, the measures proposed this year include rates concession, deduction of profits tax, and even a more generous deduction of salaries tax. For example, for the top several percentage points of income earners, including senior government officials and even Members of this Council, their salaries tax liability will be reduced not only by $20,000 but $30,000 this time around. But the problem is that when the Budget was announced and insofar as this point is concerned, we found that the problem is really not with scarcity but with uneven distribution. It turns out that the Government, when formulating the Budget, did not make considerations comprehensively and the result, which was not unsurprising, was that our Government had outrageously omitted over 1 million to 2 million general wage earners—this number of people is merely a conservative estimate and some people think that the actual number should be even greater—especially grass-roots workers who make a monthly income of only some $10,000 or who are paid at the rate of minimum wage, or people who are referred to as the lower-middle class, so to speak. They can only enjoy tax deduction of only several tens of dollars or a few hundred dollars, or even just one or two thousand dollars, compared to $20,000 or $30,000 of tax deduction enjoyed by senior government officials or even Members of this Council. What is more, those who are also property owners can even have rates waived to the tune of $10,000, not to mention cases cited by colleagues earlier that people who own more than one property or those who own hundreds or thousands or tens of thousands of properties in companies' names can enjoy rates concession amounting to tens of millions or nearly a hundred million dollars.

On the day the Government announced the Budget, the Democratic Party held a caucus meeting and I said right away that surely there would be big troubles. Even though the Democratic Party did not proactively ask the Government to offer a cash handout as we even hope that the Government can focus on long-term development, the ways proposed to share the economic prosperity are most unfair and most unjust. We, on the same day, proposed to the Government that a great majority of the general public should receive $6,000, or enjoy a tax deduction of $6,000, or be given the shortfall in case the amount of tax deduction is below $6,000, in the hope that the Government's mistake can be rectified.
Chairman, this is indeed a big mistake. The Government cannot say that a few thousand dollars are doled out in response to the views of the community after the announcement of the Budget. Due to the time constraint, I will not go into the details, but this is a major mistake. Whichever senior official in the Government who, after finishing reading this Budget, refused requests made to him or her for allowing more people to share the economic prosperity should be condemned, no matter how high-ranking he or she may be, or even if this official is the Chief Executive. It is because this person, after reading the whole Budget, failed to see this point, or decided not to pay attention to this point even if he or she did see it. This official should be condemned, whether it be the Chief Executive, the Chief Secretary for Administration or the Financial Secretary.

Of course, Chairman, making remedies is always better than not making any, disregarding how euphemistically these remedial measures are termed, such as saying that they are meant to plug gaps. Chairman, I hope that the Government will exercise great care and really make remedies by all means, in order to allay public dissatisfaction because even though the Government has already started to plug gaps and make amends, members of the public are still very displeased and have a lot of pent-up resentment.

Chairman, I have to spend a few minutes talking about another topic about the land policy. Chairman, this is really a most serious problem, and this is the first time I made such a criticism, Chairman. The Government considers this most important and a problem that Hong Kong needs to tackle as the first priority. Yet, the Government's approach is to set up a committee several months ago to take a leading role, so that should the committee do a good job of it, the credit goes to the Government, and should it perform poorly, the committee will have to take the blame. The Government has gone so far as to adopt such an approach politically to create the façade that this matter is community-led. Chairman, this consultation document which has just been published is very important to this Budget and contains some obvious inclinations. If these inclinations are accepted by the community, that would mean the Government has done a good job; otherwise, this committee would have to take the blame.

Chairman, let me explain this with just one point. Concerning the use of a large reserve of private land in the New Territories, especially agricultural land, an obvious inclination in the document is cooperation between the Government and real estate developers, or in other words, public-private partnership. Of course, the Government would say that it would come up with a good way to rule out allegations of collusion between business and the Government. But
Chairman, when developing new towns in the past, the practice adopted in Hong Kong was the Government invoking the Lands Resumption Ordinance to develop public housing or other public facilities in the public interest or for public purposes. This practice has been adopted for several decades with many examples of success. But the consultation document takes exception to this practice and suggests that the Government must cooperate with real estate developers and that public-private partnership would be the best option. Of course, the document did not state in express terms that this would be "the best", but judging from its entire layout, people with a discerning eye will see what they wish to do.

Of course, Chairman, our Chief Executive was returned by 777 votes. Does she dare antagonize the real estate developers politically or in reality? From the angle of avoiding collusion between business and the Government, we can see in this consultation document alone that even for a large-scale exercise to resume agricultural land in the New Territories for the development of new towns and provision of public housing, the consultation paper did not dare mention it in the same breath as public-private partnership that I mentioned just now. Let us not forget that mentioning these two approaches in the same breath is to allow choices for the public. But clearly enough, a major exercise to resume agricultural land by the Government by virtue of the Lands Resumption Ordinance for public purposes of developing new towns and providing public housing is made secondary and even an option which is not quite feasible. Chairman, just consider this point alone, coupled with the remarks made openly by officials, including the Secretary for Development, the Chief Secretary for Administration, the Chief Executive, and the Secretary for Transport and Housing, I would say that the impression of collusion between business and the Government cannot be dismissed easily …

CHAIRMAN (in Cantonese): Mr James TO, let me remind you that you have spoken for more than 10 minutes already.

MR JAMES TO (in Cantonese): I see, Chairman. I am going to stop. If we cannot convince the public that the Budget can provide a fair, reasonable solution to this major, most imminent issue in society now, Chairman, it would be difficult for Hong Kong society to achieve reasonable and harmonious development.
IR DR LO WAI-KWOK (in Cantonese): Chairman, I rise to speak in this session to state unequivocally that the Business and Professionals Alliance for Hong Kong ("BPA") not only supports that the sums for the 38 heads with no amendment stand part of the Schedule, but also supports the passage of the Appropriation Bill 2018, as well as the two amendments proposed by the Financial Secretary.

Chairman, BPA holds that the first Budget announced by the Special Administrative Region ("SAR") Government of the current term basically coincides with the first Policy Address delivered by the Chief Executive, Mrs Carrie LAM, in demonstrating a new style of administration and answering the various aspirations of the community. Moreover, it has adopted most of the proposals put forward by BPA, including increasing the amount of tax rebate, raising the ceiling of rates concession, increasing the amounts of dependent parent and child allowances, further widening the tax bands for salaries tax, and so on. The Budget merits support as it covers such areas as easing the burden on the middle class, providing care for the elderly and support for the disadvantaged, and so on.

Nevertheless, as pointed out by BPA in its open response on the day when the Budget was unveiled, the SAR Government, in the face of a huge surplus, should be bold and resolute in using the public money, further care for people's livelihood, and suitably let more people to share the fruits of economic development. Fortunately, the authorities concerned subsequently heeded sound advice and announced a proposal on making up for the inadequacy of the existing arrangements by granting $4,000 in cash to eligible members of the public. We consider this initiative worthy of support.

On economic and industrial development, the Budget can be described as very generous in setting aside an additional $50 billion for the development of innovation and technology. Meanwhile, in order to encourage research and development ("R&D"), the Budget announces that eligible enterprises can receive 300% tax deduction for the first $2 million of R&D expenditure and 200% for the remaining amount. These initiatives have indeed addressed some of the requests made by me and the commercial, industrial and technology sectors over the years.

All of these initiatives also reflect the Government's resolve to address the stagnant development of innovation and technology in Hong Kong, given the general climate of pursuing innovation and technology development around the
world. Nevertheless, I have to call on the Government to strive to increase the share of R&D expenditure to 2.5% of Gross Domestic Product in a decade, so as to sustain momentum for the innovation and technology industries in Hong Kong.

To promote innovation and technology, various policy initiatives must complement one another to achieve synergy. For instance, the Smart City Blueprint for Hong Kong was unveiled in December 2017 to outline policies and initiatives in six areas, namely "Smart Mobility", "Smart Living", "Smart Environment", "Smart People", "Smart Government" and "Smart Economy", which will be launched in the next five years. Nevertheless, according to three key Smart City infrastructure proposals announced by the authorities, including a personal digital identity, a pilot multi-functional smart lampposts scheme, and a new-generation government cloud infrastructure platform and a big data analytics platform, the projected amount of expenditure to be injected by the Government is a mere $900 million or so, thus giving an impression of all thunder but no rain. Neither can the industry and society see any proactive effort made by the authorities in promoting the integrated ancillary work of developing a smart city.

Chairman, if Hong Kong is to explore a new way out, it must promote innovation and technology development and industrial diversification. Instead of engaging in a lone battle, it should adopt an open-minded attitude in proactively seeking opportunities to engage in regional development and collaboration. As we all know, the development of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"), which has now been elevated to the national planning level, is full of development potentials. During a three-day duty visit to the Bay area during the period from 20 to 22 April, four Legislative Council panels toured five cities, namely Guangzhou, Shenzhen, Foshan, Dongguan and Zhongshan. I noted a pan-democratic Member openly indicate to the media that the rapid innovation and technology advancement on the Mainland had sounded an alarm to Hong Kong. Therefore, the SAR Government must be more proactive on this front. As one of the visit programmes for the delegation, the China Spallation Neutron Source ("CSNS") situated in Dongguan is indeed an eye-opener, for it is now regarded as the national achievement in cutting-edge technology. In the past, similar facilities can be found only in such countries as the United States, the United Kingdom and Japan, where they were used to study the micro structure of substances and hailed as "super microscopes" for they could also be used to study the structure and properties of various materials and applied in various spheres, such as materials science, biotechnology, and so on. All this can help the application of high-end scientific research results to improve
the living of humankind. It is therefore worthwhile for Hong Kong to do some thinking. Furthermore, CSNS can provide services for other institutions, scientific research institutions and enterprises free of charge. It will definitely become an important piece of equipment for promoting innovation and technology in the Bay Area and facilitating the overall progress of scientific research. I am pleased to learn that some universities and research centres in Hong Kong have already sought collaboration with CSNS.

On the premise of complementary development of the Bay Area under a cooperation plan, Hong Kong can make use of innovation and technology resources in the Bay Area to complement its strengths and compensate its weaknesses. I hope the SAR Government can abandon its bureaucratic style and enhance communication with the industry and provide more support for the enterprises and institutions participating in the development of the Bay Area. For instance, the Government may borrow the experience of the SME Financing Guarantee Scheme to call on banks to act as guarantors for innovation and technology enterprises that meet the criteria, with a view to further expanding the financing channels and proactively promoting the integration of capital, innovation and technology and industrial chains to create a win-win situation.

Chairman, promoting innovation and technology development can also help enhance the competitive edge of the various industries and trades in Hong Kong. The Financial Secretary has announced the allocation of $1 billion to set up an Innovation & Technology Fund ("ITF") for the construction industry to support the application of local or overseas technology, such as Building Information Modelling ("BIM") and Modular Integrated Construction, to construction projects. ITF will also support students and practitioners of the construction industry to receive innovation and technology training. In my opinion, it is essential and timely to do so.

According to the data published by the Construction Industry Council and the Hong Kong Construction Association Limited early this year, the construction industry is facing an overall ageing labour force and a labour shortage. There is a huge gap between the number of applied/approved cases under the Supplementary Labour Scheme and the actual demand of the industry. Making proactive use of innovation and technology is definitely one of the solutions to these problems. For instance, BIM allows professionals from different sectors, such as designers, architects, engineers, and so on, to effect communication and coordination on the same digital platform and upgrade the life cycle and
management level of an entire project in a virtual environment. Furthermore, the project cost of each stage, from planning and design to construction, operation and maintenance, can be projected more accurately, and the procedure and management risks can thus be adjusted and controlled effectively. This will not only elevate Hong Kong to a higher level in terms of works design, project management, construction safety and environmental protection, but also help Hong Kong develop into a competitive smart city.

Chairman, I hope Honourable colleagues in this Council can sense the people's urgency and enable the various initiatives proposed in the Budget to be launched as scheduled, so that various economic and livelihood programmes can be put into implementation early.

Chairman, I so submit.

MR JEFFREY LAM (in Cantonese): Chairman, witnessed by President XI Jinping, the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Co-operation in the Development of the Bay Area was signed by the authorities from Guangdong, Hong Kong and Macao. It is expected that the outline plan for the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") will soon be announced. At the same time, two major infrastructure projects, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macau Bridge, commencing services officially in the second half of this year, will facilitate people and cargo flow in the Bay Area.

Four panels of the Legislative Council have just completed a duty visit to the Bay Area. We can see the high efficiency of a number of cities in the Mainland. They will take actions immediately after a decision is made, which include identifying locations, seeking finance and introducing policies, and the Governments will act promptly to offer support. I think the Special Administrative Region ("SAR") Government should step up its support for residents and enterprises of Hong Kong, and it should make supportive adjustments in resource provision according to the development plan of the Bay Area, facilitating the people of Hong Kong in seizing the opportunities arising from the Bay Area development.

Chairman, in respect of support for small and medium enterprises ("SMEs"), the Budget this year has offered a tax rebate. More so, in response to our proposals, the authorities have proposed to further extend the application
period of the Special Concessionary Measures under the SME Financing Guarantee Scheme, inject $1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund") and $1 billion into the SME Export Marketing and Development Funds and extend the geographical scope of the schemes from the Mainland to include the ASEAN countries, which will offer considerable assistance to SMEs in exploring different markets.

Chairman, the Budget has also provided funds for the Hong Kong Trade Development Council for assisting local enterprises in seizing opportunities arising from the Belt and Road Initiative and the Bay Area development. As the current-term Government says, to enhance the competitiveness of Hong Kong, the Government should play the role of a "facilitator" and a "promoter", taking the lead to launch publicity and promotion programmes in establishing a platform for SMEs. This is the most effective approach.

Chairman, I welcome the Financial Secretary setting aside $50 billion for supporting innovation and technology development. The provision will enable the Hong Kong-Shenzhen Innovation and Technology Park ("the Park") to come into operation as early as possible, yet we notice that the planning of the Park alone will take several years. In view of the rapid development in technology, I hope that the planning stage may be sped up, as the delay of a day in completion would mean a lag of several years. On the other hand, the application of innovation and technology is also important. The unemployment rate in Hong Kong is as low as 2.9% at present. The problem of manpower shortage is particularly serious in elderly care services and the construction industry. The Budget this year proposes setting up a $1 billion Construction Innovation and Technology Fund to encourage the industry to utilize innovative technology, and the industry very much agrees with this. We notice that certain machines may enable the full automation of some of the processes and enhance efficiency. Yet, the best machines must be operated by workers who possess the professional expertise. In view of the many large-scale infrastructure projects now in progress and the enormous demand for housing, the shortage of workers will make the completion of these projects impossible. Hence, I hope the Government will allow the importation of workers in an appropriate degree on the premise that the employment of local workers will not be affected.

Chairman, as an international financial centre, there is a keen demand for financial technology ("Fintech") development and the need to catch up with the development. The SAR Government must change its mindset, update the laws
and remove the hurdles. I agree with the Government's direction of developing into a smart city to enhance management efficiency and the convenience of the public in their daily life. Of course, many friends in the industrial sector have expressed to me their gratitude for our continued fight for the 300% tax deduction for research and development expenditure and schemes providing funding support for recruitment of postdoctoral talent in innovation and technology. They consider these measures enormously helpful to them.

As for the public, the Government has offered a tax rebate of $30,000 this year and revised the progressive tax bands, and these measures may alleviate the burden of the public, particularly the middle class. The sum is not a refund made by the Government, but a reduction in tax payable to the Government, so that taxpayers may save the difference for their own consumption. More often than not, the burden of this group of middle-class people is very heavy. They pay a lot of tax yet they cannot enjoy any welfare benefits, or just little if any, and they may hold grievances at heart. Hence, we have all along been urging the Government to increase the child allowance and the dependent parent allowance. We are glad that the Financial Secretary has responded to our requests this year. Yet, I have to stress once again that I disagree with the practice of making a cash handout in a purposeless manner. The offer of a cash handout this time around has incurred a considerable amount of administration cost, yet the community in general considers the arrangement undesirable and less than effective. I hope the Government will be more cautious in considering whether the making of a cash handout is appropriate in future.

Chairman, at the Summit on New Directions for Taxation held by the Government last year, many proposals on taxation had been put forth on the stage and from the floor, yet I notice that the Government is still taking a relatively conservative pace so far. Hong Kong has room to strive for a better business environment. For instance, the Hong Kong General Chamber of Commerce proposes lowering the profits tax rate to 15%, which may maintain Hong Kong's competitive edge in the region, as tax reform is the fastest and most direct means to attract enterprises and talents.

Chairman, I would like to talk about accommodation too. We should adopt a multi-pronged approach to construct more flats as soon as possible. Upon the completion of flats, the authorities have to consider ways to facilitate the public in purchasing their first flats. At present, the room for property owners to buy new flats in replacement of the existing flats is restricted by the
loan-to-value ratio. Besides, the "curbs" measures now in effect have slowed down the turnover in the second-hand market, making the situation more difficult for people to buy their first flats. I hope the Government will examine the existing policy.

Moreover, the Government has now assigned the Task Force on Land Supply ("the Task Force") to be responsible for identifying land and conducting a great debate in society. I hope everyone, including the Task Force, will act pragmatically to create more room for the accommodation, daily life and employment of the people of Hong Kong but not creating more conflicts and discord. Furthermore, under the mode of development adopted by the Government in the past, infrastructure facilities would be provided only when the population of a place reaches a certain level. This is the question of "which came first: the chicken or the egg". For certain newly developed districts, the people are not willing to move into the districts because of the undesirable transport support. Yet, if people move into those districts, they will find their life very difficult, and the construction speed of buildings in those districts will be slowed down. If the Government can change this mindset or mode of practice, as well as the previous approach of demand-driven assessment, demand will be created when supporting facilities are properly provided in the district, and the lead time for developing the district will be shortened. The Government should first provide proper infrastructure to facilitate the construction of buildings to provide accommodation for the public. I think this will be a better approach.

As we noticed during our duty visit to the Bay Area, the local governments there have provided good hardware to attract investment and the development of new regions will take place one after another. In this connection, the support of the Financial Secretary in setting aside more funds for the provision of additional infrastructures is needed. At the initial stage, the utilization rate may not necessarily be high, yet it can shorten the lead time for development and attract investors to develop certain virgin areas. I think this approach will enable the public to feel the changes brought forth by development.

Chairman, I so submit.

MR CHRISTOPHER CHEUNG (in Cantonese): Chairman, the Budget announced in February this year shows that the Government's fiscal surplus has reached an unprecedented high of $138 billion. It can thus complement the new
fiscal philosophy put forward by the Chief Executive, spending money where it should, thereby enabling the Special Administrative Region ("SAR") Government to alleviate the people's hardship and give itself a free hand in investing on the future. I think this is a good thing.

I consider that the Financial Secretary has moved in the right direction in earmarking $50 billion in the Budget for vigorous promotion of the development of innovation and technology. Innovation and technology will become the new engine powering economic growth in the future. For this reason, we must press ahead with such development at full steam and enhance the provision of both hardware and software so as to prevent Hong Kong's economic development from lagging behind our competitors in the adjacent regions in the future.

Chairman, I believe that through the three-day duty visit to the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") at the end of April, Members of various political parties and groupings in the Legislative Council have fully realized how Hong Kong's technological development lags far behind the neighbouring Shenzhen. Hence, I call on Members not to waste any more time in the examination of the Budget so that the Budget can be implemented expeditiously. We must bear in mind that GDP (i.e. Gross Domestic Product) of Shenzhen has already surpassed ours. If Hong Kong still does not make more efforts, it will lag way behind other cities in the Bay Area.

Even if there is a good policy, we have to ensure its proper implementation so that it can produce the intended effect. Take the Technology Voucher Programme as an example. The Financial Secretary has relaxed the eligibility criteria in the Budget, extending the scope of application of the Programme to all enterprises irrespective of size and duration of operation, thus greatly increasing the number of beneficiaries. It should be welcomed. However, since the launch of the Programme in late 2016, only 377 applications have been approved. Compared with the total number of small and medium enterprises in Hong Kong, which is some 300 000, the percentage of approval is utterly disproportionate. It is indeed necessary to enhance promotion and streamline the application procedures.

Let me give another example. During our visit to Shenzhen to observe online banking, we deeply appreciated the importance of the use of big data to the promotion of financial development on the Internet. However, such development in Hong Kong is subject to restrictions from privacy protection.
How to strike a balance between privacy protection and innovation development, allowing the industry access to personal data held by various government departments for the development of financial technology, is really worthy of in-depth consideration.

I also expect the Hong Kong Monetary Authority to successfully develop the "know-your-client" (commonly known as "KYC") platform and complement the upcoming eID (i.e. electronic identity) project of the Government, thereby facilitating the provision of online account opening service to individual clients by the industry. It is also hoped that the Securities and Futures Commission ("SFC") will draw reference from the relevant experience and assist the securities industry in taking forward the remote account opening service.

Chairman, being the international financial centre for China and the biggest offshore Renminbi business centre, Hong Kong is most suitable for participating in the two national development plans, namely, the Bay Area and the Belt and Road Initiative, to assist enterprises along the Belt and Road or in the region in establishing treasury centres, listing, raising funds or financing in Hong Kong. We can even provide them with asset management services. Capitalizing on our strengths, we can contribute to what the country needs, pursuing mutual benefits and achieving a win-win situation. However, it rests on the SAR Government to strengthen communication and cooperation with the Mainland authorities to ensure that all doors, both big and small, are open.

Speaking of the development prospects of the local financial industry, I am grateful that at the end of last year, the Financial Secretary gave the green light to the listing of enterprises with weighted voting rights in Hong Kong, thus enabling us to receive applications for listing by this type of enterprises beginning this Monday. Meanwhile, the Financial Secretary has proactively taken forward the development of the bond market, providing eligible enterprises issuing bonds in Hong Kong for the first time with a grant equivalent to half of the issue expenses. At the same time, he has proposed to issue a green bond of $100 billion to dovetail with the Chief Executive's policy of promoting green finance. These measures which can foster the development of the financial market merit our support.

As the Mainland has actively promoted CDR (i.e. Chinese Depositary Receipt) and considered setting up a fast track for the listing of "unicorns", some people are worried that the Mainland will become Hong Kong's biggest
competitor. Yet I deeply believe that given such edges as our financial and legal systems, grasp of the international economic trend, experience in dealing with international financial crises, as well as professional services, coupled with the development of the Belt and Road Initiative and the Bay Area, Hong Kong still enjoys considerable advantages.

Nevertheless, I consider it inadvisable to impose excessive regulation on the listing rules, lest the development of the market will be impeded. Hence, I agree that the authorities should enhance investor education and raise the standard of corporate governance of listed companies. The Listing Committee needs to keep the gate carefully, while SFC also needs to strengthen front-loaded regulation so that the new opportunities will not be exploited as a hotbed for the formation of "shell companies"

I also thank the Financial Secretary and his fiscal management team for their dedicated efforts at preserving the stability of the linked exchange rate and avoiding drastic increase of the Hong Kong interbank offered rate because it is only when financial stability is maintained that we can move forward steadily.

In closing, I expect the Financial Secretary, the Chief Executive and everyone in the Government to strive to develop land on all fronts so that the problem of land shortage will not become a stumbling block in our economic development.

With these remarks, Chairman, I support the passage of the Appropriation Bill 2018.

MR ANDREW WAN (in Cantonese): Chairman, many Honourable colleagues from the pro-establishment camp all expressed satisfaction with the Budget in their speeches, and even criticized individual colleagues from the pan-democratic camp of not suggesting a cash handout initially but asking for it afterwards. I find such a remark an over generalization. On this matter, all Honourable colleagues—whether from the pro-establishment camp or the pan-democratic camp—hold different views. It is fine, as we can present our views for discussion. But in fact, regardless of whether the cash handout will be made or not, the Government has already committed a blunder which has attracted criticisms from society. The ultimate reason—indeed many Honourable colleagues have stated it and I do not wish to spend time discussing it—Chairman, is "not scarcity but uneven distribution". Such a phrase can
already explain it all. Given the Treasury overflowing with a fiscal surplus, when the Government ought to find ways to relieve people's hardship and help those in need, it committed such a blunder. The Government does not keep the wealth that should be kept but keep the wealth that should not be kept, creating such a consequence, for which it truly deserves criticism. I have no idea why Honourable colleagues would be so surprised.

As a matter of fact, we certainly do not oppose making a cash handout to benefit people, the middle class and even small businesses. To a certain extent, we even think it is necessary. The problem remains why some people who are relatively better-off are benefited as well while the grass roots who receive the least social resources cannot. It is the crux of the problem: still the phrase "not scarcity but uneven distribution".

Just now many Honourable colleagues from the Democratic Party have presented their views on various aspects. I wish to focus my speech on land and housing. It is not difficult to discuss these two aspects. Chairman, why? Because the Budget has made very little mention of them, meaning purely the length given to discussing them and the financial implications of the funding appropriated to them are both very limited. The Budget practically overlooks the two aspects of land and housing. Chairman, in the following speech I will explain the inadequacies in these two aspects that I find in the Budget.

As we can all see, in the chapter about land in the Budget, the Government only cites some old news and information, which are mainly about future land development: the Development Bureau has identified 210 sites for development. Other Honourable colleagues who pay attention to land issues and I have both criticized that there is a lot of "inflation" among these 210 sites because many of them are yet to be rezoned and resumed—which the Government admitted to as well. They are put on the list and included in future development nonetheless. As regards the volume of housing production in the Kai Tak Development Area, Anderson Road Quarry, railway properties and development areas of Hung Shui Kiu, Yuen Long South, Tung Chung, etc. they are nothing but repetitions—frequent repetitions without any new elements. The Government has mentioned the target for housing construction in the next 10 years: 280 000 units of public housing on the whole which comprise 200 000 units of public rental housing ("PRH") and 80 000 units of the so-called subsidized housing. However, the Government is also smart in, after introducing the target of 280 000 units of public housing and 200 00 units of PRH, saying that it is definitely impossible to achieve the PRH target due to a shortfall of 44 000 units.
I find the entire issue just very plain: land problems have been piling up by the Government—Chairman, it of course is not only the current-term Government and to be fair, it also refers to the governments of the last few terms—resulting in this shortage of land supply. Moreover, previously to tackle the Asian financial turmoil, the Government ceased the entire process of land sale and formation, thereby slowing down the whole progress. I think it is a huge blunder. If the established procedure of land formation is based only on the current economic or social environment without long-term vision and planning, during an economic downturn when property prices drop, the Government will stop land sale to protect real estate developers. As land is no longer needed, there is naturally no need for land formation, leading to the bad consequences we are bearing today.

Therefore, the information presented by the Task Force on Land Supply—my party comrade Mr James TO has just made fair criticisms of it and I do not wish to spend too much time discussing them—contains a very good concept, i.e. land reserve: land sites are earmarked in the Reserve List of land sites for Government, Institution or Community uses, as well as for construction of housing, facilities, etc. I consider it a brilliant concept. Some then may say: if you think it is a good concept then why are you making all this noise? Unfortunately, as Mr James TO has just stated, the current-term Government, for reasons unknown, has become a "research" government—research universities are desirable though—and contracted out its roles to many organizations, such as assigning the responsibility of land development to the Task Force on Land Supply to let this group of so-called part-time or voluntary members bear all the social pressure and shield flak. Chairman of the Task Force, Mr Stanley WONG, even alluded to being coerced by some powerful parties—I am not sure if it has reached the extent of being regarded as a threat. For example, he said many special stakeholders of the Fanling Golf Course have strong views on the matter and exerted pressure on them, but I do not know how intense the pressure is. Moreover, the Policy Bureaux do not dare taking the lead to propose using the country parks—perhaps they have all taken some flak—and thus suggested the Hong Kong Housing Society ("HKHS") be entrusted with the task of handling the matter, thereby placing the responsibility on HKHS. HKHS then jumped the gun to commence a study even when no discussion has started. Of course, some people may ask: is it not fine to conduct a study? To respect the law, it is indeed not in order to even conduct a study. But never mind, we expected that the Government would do so.
With respect to other aspects, such as transitional housing, including modular housing, that Chief Executive Carrie LAM and Secretary Frank CHAN suggested when they took office, should be implemented. But it is also not mentioned in the Budget. Chairman, you should have noticed that the Budget contains no chapter on this aspect, neither does it earmark any financial provisions for the Hong Kong Council of Social Service ("HKCSS") to implement the project. Similarly, the Government has contracted out the entire duty to HKCSS. I think it is deplorable for the Government to do so. Such matters that should be spearheaded by the Government are all handed over to other organizations. The most laughable is, on the subject of modular housing, HKCSS now often mentions the need for raising funds to implement the project. The Secretary also said that everything is ready now except money. Buddy, he has moved the goalposts to the sky. Did he not initially say our Government lacks money the least? Problems that can be solved by money are basically not big problems, aren't they? The Government said there is not enough land. Actually the land problem can also be solved with money. I will explain it later. Chairman, it is related to the Budget as well.

Regarding the grand debate on land supply, the document presented by the Task Force on Land Supply lists 18 land supply options, which are most leading, and so I find it difficult to sing praises of them. Amid widespread criticisms and attacks, the Government has introduced a more comprehensive scope. But some priorities can be seen among the 18 options. Taking the Fanling Golf Course as an example, I find the description and discussion having slightly lost focus, because we do not request changes to the use of all sites under private recreational leases. However, the Government is shrewd to concurrently commence the consultation on the review of private recreational leases, which runs contrary to the debate of the Task Force on Land Supply. The Government has never published two conflicting consultation papers at the same time. Should contradictory results be observed, how would the Government proceed? In this connection, I have raised questions to public officers on other occasions but no one could give me answers. The Chief Executive asked people to help by not hindering reclamation works, saying that children living in subdivided units do not have space. But why did she not propose other ways, such as using the golf course, to solve the land shortage?

Chairman, the solution is very simple. By 2026, Hong Kong requires only 49 hectares of land for construction of public housing. The Government needs only be a bit more resolute and resumes the 172-hectare golf course to
solve the problem. Nevertheless, some Honourable colleagues, such as Mrs Regina IP—she is not present now—said in a radio programme last week that reclamation and public-private partnership are the best and quickest ways. I think she is really very wrong and has completely missed the point. Reclamation is of course not the quickest way: even without any controversy, how long does it take to complete all statutory procedures for a reclamation project? Ask the public officers who will answer: 15 years at the minimum. Why is public-private partnership quicker? How to split a new project into two parts of public and private? Moreover, many controversies and doubts about collusion between business and the Government are yet to be handled. The quickest way is to resume land by virtue of the Land Resumption Ordinance. Another way is to recover the Fanling Golf Course in accordance with the private recreational lease when the lease expires in 2020. The problems will be solved in such ways. Chairman, I have just pointed out that by 2026 Hong Kong requires only 49 hectares of land, meaning one golf course can provide more than enough land and allow extra space for construction of community and recreational faculties and parks. Why did Mrs Regina IP think it a false proposition?

Moreover, many supporters of the Government have advanced ridiculous comments. For example, Mrs Regina IP said the Fanling Golf Course is surrounded by extremely narrow roads, offering insufficient ancillary transport facilities. Transport is not a problem as their friend, Mr Frederick MA, has asserted that, if a "sky city" is to be built on top of the Kwai Chung Container Terminals, there is no problem with ancillary transport facilities as it can easily be solved by the construction of a railway extension. It is the statement they made, which already answers Mrs Regina IP's question. Why is it possible to build a railway extension to the Kwai Chung Container Terminals but impossible to recover the golf course for a whole host of reasons?

The more laughable point is: is there no land? Frederick MA responded that it does not matter as we can build a "Hong Kong city" in the Bay Area for Hongkongers and young people to move in as residence. It is within the convenient "one hour living circle". However, when I said the "one hour living circle" is very convenient and invited them to play soccer there, they maintained that they could not go there and needed to preserve the soccer field for playing soccer. Buddy, what were these people talking about? Why did they move the goalposts like that? Chairman, why am I slightly digressing? I know you are giving me indulgence and I will return to the subject. I need to say that, in fact,
in making decisions, the Government has been moving the goalposts with those members of the Executive Council or its close allies in the Legislative Council. In the consultation papers or the Government's …

CHAIRMAN (in Cantonese): Mr Andrew WAN, I remind you that you have spoken for more than 10 minutes already.

MR ANDREW WAN (in Cantonese): Chairman, I will wrap up in one or two minutes.

We can see that they have moved the goalposts to a very serious extent. The Government considers public-private partnership the best and that the Land Resumption Ordinance should not be invoked for fear of judicial reviews and the legal consequences. It needs not worry about the consequences of rezoning country parks for housing construction? The Country Parks Ordinance carries legal effect and does the Government not worry about it? Why would someone intend to amend the Ordinance for the sake of housing construction in country parks? Someone said reclamation is the best, and does she not need to worry? We do not oppose reclamation in a dogmatic manner but the Government should abide by the rules, shouldn't it? Chairman, I think that the Budget dishes out practically an "empty plate" in terms of measures of housing and land: there are only sides but no main course. The overall performance is poor. I give it the comments: "overused repetition", "an empty plate" and "zero progress".

Lastly, I wish to make a point about the idea of "single site, multiple use" proposed in the Budget. I note that the Financial Secretary has earmarked two provisions, namely $8 billion for the improvement of district facilities and $2 billion for the implementation of the Market Modernization Programme in the next 10 years. Did the Financial Secretary make incorrect calculations? Because $8 billion is not a big sum and he refers to the facilities in 18 districts in the entire Hong Kong, averaging only more than $400 million for each district. Initially I thought the sum is for improving the environment of markets, which would just suffice. But indeed $2 billion is for improving the environment of markets and $8 billion for constructing facilities such as community complexes, which are different from the municipal services buildings commonly known to us. The Government even got the name wrong.
I have done some computations and will give some examples. The Tseung Kwan O Government Complex was completed in 2012 at a cost of $530 million; the Lam Tin Complex—Chairman, there is no market—was completed in 2013 and cost $700 million. Is $8 billion a very big sum? Could the Government do the wonder of "five loaves and two fish"? I think the Financial Secretary made incorrect calculations and so I must criticize him.

Moreover, spending $2 billion on the Market Modernization Programme …

CHAIRMAN (in Cantonese): Mr Andrew WAN, I remind you again that you have spoken for over 12 minutes.

MR ANDREW WAN (in Cantonese): Chairman, I know and I am speaking on the Budget.

CHAIRMAN (in Cantonese): According to the agreement, the speaking time for each Member is about eight minutes. Please finish your speech as soon as possible.

MR ANDREW WAN (in Cantonese): I know. That is why I try to discuss the part of financial implications. I hope you can understand this and I will finish after discussing this point.

Such $2 billion is indicative of the rather tight budgets of the Government as $8 billion plus $2 billion equals $10 billion, which I find way too inadequate to meet the needs of the 18 districts in Hong Kong for improvement of market environment and service complexes. I hope the Financial Secretary will go back and do some soul-searching about this.

Thank you, Chairman.

MR MARTIN LIAO (in Cantonese): Chairman, adhering to the Chief Executive's new fiscal philosophy, this Budget by the Financial Secretary has reduced the extra expenditure which may be incurred if action is delayed, thereby
addressing people's most pressing needs. The Budget has also provided financial resources for full implementation of the various policies in the first Policy Address of the Chief Executive, and put forward policy initiatives with long-term benefits for Hong Kong to dovetail with the economic development of the country and provide more room for development in the way forward.

While the Budget slipped right after its release, shifting the focus of society away from the new style of governance, the new roles of the Government and the new fiscal philosophy of the current-term Government established by the Budget, I personally do not support the making of cash handouts. After all, cash handouts cannot divert attention on political disputes, and controversies will ensue regardless of the amount dished out. Even if the Treasury has recorded an enormous surplus, it should be invested in the long-term development and social livelihood projects of Hong Kong, such as re-industrialization and the development of creative industries, thereby achieving a more diversified economy and sustainable development. The surplus may also be used to help those in need, such as providing assistance for patients of rare diseases or cancers to meet their expenses on drugs and meeting future expenses arising from an ageing population, etc.

The Budget has put forward three main objectives: Diversified economy, investing for the future and caring and sharing. I have proposed quite a lot of ideas in my previous discussions on issues relating to a diversified economy and investing for the future in this Council. The biggest highlight of the Budget is undoubtedly its investment in innovation and technology. The $50 billion will serve as not only certain funding earmarked for the Innovation and Technology Fund but also an actual incentive to promote transfer of technology. The only question is whether this is enough. Conversely, the neighbouring Singaporean Government's research and development ("R&D") expenditure has already accounted for 1% of the Gross Domestic Product ("GDP"), and the expenditure incurred by enterprises on R&D is even more, accounting for 1.3% of GDP, totalling 2.3%. It has also set a future goal of raising the Gross Domestic Expenditure on R&D as a share of GDP to more than 3%, bringing it on par with that in Switzerland and Sweden in Europe. In fact, back in 2016, the Singaporean Government already launched a five-year plan, committing S$19 billion to scientific research, innovation and enterprises, equivalent to approximately HK$113.8 billion.
The goal of the current-term Government of doubling the Gross Domestic Expenditure on R&D as a share of GDP to 1.5% by the end of its five-year term of office may only be regarded as the beginning. While the $50 billion may not be able to achieve marked results in just a few years' time, it may be seen as some kind of basic investment, a starting point to catch up with the global innovation and technology wave. When making financial arrangements, it does not necessarily require money to support innovation and technology development. Support may also be given by way of reducing public revenue, such as enhancing tax concessions.

Innovation and technology requires not only funding but also a series of ancillary facilities. In order for Hong Kong to become the "new Silicon Valley" as proclaimed by the Chief Executive, one of the keys to success or otherwise is to attract a great bunch of technology talents. The Government has earlier set up the Human Resources Planning Commission in order to formulate coordinated human resources strategies for developing Hong Kong further into a high value-added and more diversified economy. Nevertheless, if the strategies invariably involve such approaches as unleashing the working potential of women, extending the retirement age and importing talents in order to address the talent and labour shortages arising from an ageing population in Hong Kong, a macro perspective and foresight seem to be missing, with policies being off target. I consider that the most effective approach should be putting words into action immediately, exhausting every means to poach talents, compete for young labour and formulate a broad-based general immigration policy instead of being confined to targeted importation of talents, so as to bring sustainable impetus to the economic development of Hong Kong. In fact, a number of countries have been striving for a general immigration policy on workers.

In recent years, Hong Kong, the Mainland and Singapore have been actively admitting technology talents and students studying abroad. Take Shenzhen as an example. It launched the "Peacock Plan" in 2010 to attract a large number of domestic and overseas innovation and technology talents, sparing no effort in subsidizing such talents with money power, including offering incentives and subsidies, health coverage and tuition fee remission for children. Singapore has joined hands with Chinese enterprises to nurture technology talents, such as co-development of artificial intelligence between Nanyang Technological University of Singapore and Alibaba. Nevertheless, the low
prevalence of midstream and downstream researches in Hong Kong has resulted in the absence of a suitable innovation and technology ecosystem and environment to attract or even retain talents.

While the $10 billion earmarked in the Budget for supporting the establishment of research clusters on health care technologies and on artificial intelligence and robotics technologies, and the $20 billion used on the first phase of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop will help attract the world's top scientific research institutions and large enterprises and pull technology talents to Hong Kong, corresponding software and hardware are required to support such talents who have come to Hong Kong, such as housing, education for their children and the living environment, so that they may focus on their R&D work. The Government is expected to offer a comprehensive and practical answer to all these issues.

Four Panels of this Council earlier went on a duty visit to the Guangdong-Hong Kong-Macao Bay Area. I believe a number of participating Members must have been, when visiting the innovation and technology and smart city infrastructure on the Mainland, deeply impressed by the rapid development in innovation and technology and technological application of the country and the proactive attitude of various Municipal Governments. In comparison, the situation Hong Kong may be likened to a boat sailing against the current, which will be swept downstream if it does not forge ahead. While competing with each other, Hong Kong and Mainland cities may also have some win-win cooperation. If we continue to stay in the comfort zone, longing for the continued provision of concessionary measures by the Central Government, we will only begin to head into the abyss of recession.

Lastly, I wish to talk about the promotion of the Constitution of the People's Republic of China ("the Constitution") and the Basic Law. According to the Constitutional and Mainland Affairs Bureau, it will continue to strengthen public awareness of the Constitution and the Basic Law, including a correct understanding of the relationship between the Constitution and the Basic Law by organizing activities through various means. I consider the relevant annual estimated expenditure of $17 million far from adequate, which will affect the content and effectiveness of promotional efforts. Chairman, I so submit.
MR KWOK WAI-KEUNG (in Cantonese): Chairman, last week, as Members who were lined up to speak early were not present, Members who had pressed the "Request to speak" button failed to respond in time, and thus the debate was severed. Just now, I heard Mr James TO of the Democratic Party restrained himself in making criticisms for some reasons. Was that because he had to shield the fault of some others? They actually deserve the criticism.

Chairman, a new philosophy of financial management should give people a refreshing feeling, or at the very least be slightly different from that in the past. Unfortunately, the Budget has only highlighted the fact that the elites in the Government were unaware of public sentiments and disconnected with the reality. The secondary distribution function of the tax system was completely undermined due to the uneven distribution of wealth and candies. As a result, this Budget which someone was complacent about, has provoked the dissatisfaction of 40% of the people and ended up a fiasco with a rating of only 48.2, a record low in 11 years.

In fact, the Government's surplus has repeatedly hit record highs. In the past, a surplus of $60 billion was called an "overflow"; a surplus of $90 billion was also called an "overflow". Now, a surplus of $140 billion is still called an "overflow". I consider the wording inappropriate. It should be called an "explosion" or a "burst" at the very least in order to reflect the actual situation. The problem is that, with the Treasury bursting with cash, the reasonable requests of the people in respect of the Budget were still ignored.

Many Honourable colleagues have voiced opposition to a cash handout as according to them, money should be kept for future development. I find this saying most untenable because with the huge surplus this year, the Government may well develop and hand out cash at the same time. The two do not contradict each other. So, I do not understand why some Honourable colleagues are so stubborn as to insist that money should be used only for future development but never be handed out. It is the same case for the housing issue. In face of the shortage of land in Hong Kong, if I was told that land would be developed in 10 years or 20 years, I would then ask the Chief Executive: how about the housing problem in the coming 10 years? The Government should formulate strategies for the long, medium and short terms instead of aiming at distant goals to the neglect of immediate concerns.
In fact, tax rebates, rates relief and two additional monthly Comprehensive Social Security Assistance payments are all fine. But the Government has omitted something. It has forgotten wage earners who are having the most difficult time. Do they not suffer from the consequences of the Government's high land price policy simply because they have not purchased any property? No. They also have to pay stamp duty on property and stock transactions. Moreover, given the high property prices, the lower and middle classes all have to bear high mortgage repayments, heavy rents and soaring prices. The Government should have noted these situations, but the original Budget has not, and thereby provoked people's dissatisfaction. Although the Government has now introduced remedial measures to plug the gap, people would still think that they were not on the Government's mind. Just like the case of a husband remembering the wedding anniversary only with the reminder of his wife, his wife will still celebrate with him, but will she not feel dejected at all?

Chairman, insofar as housing is concerned, there has been a shortfall of 30% to 40% in supply in the past five years. There will be again a shortfall of 30% to 40% in the next five years. New debts will be incurred while old debts remain not settled. On top of that, the annual public housing supply will remain at under 20,000 flats in the foreseeable future. Former Legislative Council Member, Mr WONG Kwok-hing, had fought for the Long Term Housing Strategy back then so that the Government would have a fixed target for increasing public housing supply. Unfortunately, the Long Term Housing Strategy now only serves as a basis for the Government's site search, which I consider a step backward. In 2023-2024, public housing supply will probably fall below 10,000 flats. As a matter of fact, the Waiting List for Public Rental Housing is already so long that applicants have to wait 4.6 to 4.7 years for flat allocation. Which official can tell the people that the waiting time will not be extended to five, six, seven, eight or even nine years?

Chairman, on the other hand, we can see that private housing is never short of supply. The fact that the land for private housing construction is very abundant but that for public housing construction is inadequate is like a slap on the Government's face. It has highlighted the ridiculousness of the high land price policy and the abnormality in Hong Kong society. The Hong Kong Federation of Trade Unions ("FTU") strongly urges the Government to adjust the public-private housing ratio from 6:4 to 7:3, that is, 70% of public housing and 30% of private housing and expeditiously set the tone for public-private
partnership which is a comparatively desirable and effective solution to short-term housing supply despite some risks or difficulties involved. Of course, the Government has been turning a deaf ear to our proposal and the probable underlying reason was that the Government was actually the market maker of high property prices. In every financial year, especially in the past year, the proceeds from land sales accounted for one quarter of the total revenue of the Government. Of the $600 billion revenue, $160 billion was generated by land sales. Under these circumstances, will the Financial Secretary formulate anew a more reasonable source of income?

Next, I would like to talk about social security allowances, in particular the Old Age Allowance (commonly known as the "fruit grant"), as many elderly people have expressed their dissatisfaction with the mere $20 increase in the monthly fruit grant at residents' assemblies at public housing estates or the communities. Although the Government did introduce the Higher Old Age Allowance on top of the Old Age Allowance, offering elderly people $2,000 to $3,000 each month, which seems to show care for the elderly, applicants are subject to a means test which causes inconvenience to the elderly. Recipients of the "fruit grant" are mostly elderly people aged above 70 who are not subject to any means test. It seems that the Government still adheres to its miser mentality as the monthly "fruit grant" payment has been increased by merely $20 which is only enough to buy two to three more oranges each month. It should also be noted that the $220 billion in the Future Fund has yet to be touched and only $15 billion has been expended out of the $50 billion set aside for medical reform. The Housing Reserve has also snowballed to $80 billion. The money saved up cannot really solve any problem. How much do we have to save up? Can we be a little more caring and generous to the elderly?

Besides, the life expectancy of Hong Kong people is getting longer, but when can they retire? There is no statutory retirement age in Hong Kong. Some people are forced to retire by employers in their 50s, while some lucky ones may be able to work until the age of 60 or 65. In fact, we lack a sound retirement protection system. Even though the Government now promotes silver hair employment as a belated remedy, it is yet to gain acceptance in society and among employers as we can all see. Hence, the labour force of the elderly is unable to enter the market. I reckon the Labour Department or the Bureau should step up their efforts in this respect, or else the policies or measures will be nothing but empty talk.
Certainly, the profitability of the business sector has to be maintained in order to keep our society running. But apart from that, the Government must also take into consideration small traders who are actually more in need of help. Their licensing fees were waived in the past. For example, the food and market stalls under the Food and Environmental Hygiene Department are all operated by small traders. The operators run their businesses by themselves, working day in and day out, yet their licensing fees are not waived this year. In fact, waiving licensing fees does not cost much money at all but the measure is important to them because big shopping malls and supermarket chains are snatching away their business. Small traders selling daily necessities are in difficulty because people are buying less nowadays due to high prices. How could the Government forget them?

Chairman, Hong Kong is not short of money. The problem is that there is too much money and the money saved up does not serve any immediate purpose, and this has caused popular grievances. I hope the Government can make more efforts to restore public confidence. The initiative to hand out $6,000 in 2011 was opposed by many people who thought money should be spent on those in need. We can feel that the atmosphere this year is quite the contrary. People want to pursue their deserved happiness as they believe that they have worked hard for it. Unfortunately, their happiness was neglected and set aside by the Government. It is therefore no wonder there is so much discontent in society.

In addition, we have also mentioned that this time …

CHAIRMAN (in Cantonese): Mr KWOK Wai-keung, I remind you that you have spoken for more than 10 minutes already.

MR KWOK WAI-KEUNG (in Cantonese): I know, Chairman. Thank you. I would like to talk more on the tax system. The Budget proposed a 50% reduction in the profits tax rate for the first $2 million of profits. We do not hold any objection to the Government's proposal to help small and medium-sized enterprises. But I must stress that FTU holds that enterprises with a turnover of more than $10 million should be subject to progressive profits tax so as to render the tax system fairer both vertically and horizontally.
Lastly, it is imperative to nurture talents to join the development of the Bay Area. However, other places in the Bay Area will soon compete for talents with us. Therefore, apart from nurturing talents, Hong Kong must also put in place measures to retain talents, especially in terms of land which is the most expensive among various living expenses in Hong Kong, in order to maintain our competitiveness. Persistent high land prices will reduce Hong Kong's liveability, thus making it difficult for us to attract talents to work and settle in Hong Kong. Therefore, I urge the Government to enhance Hong Kong's competitiveness on various fronts in order to maintain Hong Kong's edges so that our economy can advance together with the Bay Area.

I so submit. Thank you, Chairman.

CHAIRMAN (in Cantonese): Let me remind Members that according to the arrangements for the debate, this debate will come to a close at around 7:15 pm this evening.

I will call upon public officers to speak at around 7:00 pm and then we will immediately proceed to the vote on the question that the sums for the relevant heads stand part of the Schedule.

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

DR PIERRE CHAN (in Cantonese): Chairman, with regard to the Appropriation Bill 2018, I would like to say something for the public and also for doctors and dentists. In the Budget announced by the Financial Secretary in late February, the recurrent health care expenditure is $71.2 billion, representing an increase of 13.3% compared to last year, whereas the recurrent expenditure for the Hospital Authority ("HA") is $61.4 billion, representing an increase of over 10%. In this Budget, the Government has increased the provisions quite substantially and adopted a more proactive attitude. This, I support in principle. While the rates of increase sound high, if we make up for the sums involved in the "0-1-1" savings programme, these provisions are actually just barely sufficient. However, I have to stress that the Government has been short-sighted in financial management and consistently neglected the matching of hardware with software for health care services. So, these are just remedial measures.
I wish to briefly explain why I said that these are remedial measures. As Members can see, hospitals are full to the brim every year and then people will lose no time to attribute it to the shortage of manpower. I wish to explain what exactly happened in terms of hardware and software. The symptoms that we see now are, in fact, the side effects of the mode of funding or financial management over the last decade or two, which has given rise to the current situation.

Let me start with hardware. I welcome the Government setting aside funds both in the Policy Address and the Budget for implementing the 10-year Hospital Development Plan. I would like to ask Members this: When was the last time a large-scale hospital was completed? That was actually the Pamela Youde Nethersole Eastern Hospital which will be celebrating its 25th anniversary this year. In other words, the last time that the Government completed a large-scale hospital in Hong Kong was 25 years ago, and no new hospital was built during the past two decades or so. It is not true that no hospital was commissioned during this period because in 1999, some small- and medium-sized hospitals, such as the Tseung Kwan O Hospital and the North District Hospital, came into operation. Then there was the completion of the North Lantau Hospital and the Tin Shui Wai Hospital. The next large-scale hospital to be completed will be the Kai Tak Hospital. Only when large-scale hospitals are completed will there be sufficient beds and hence a bigger leap in the provision of hardware.

As far as we know, the Kai Tak Hospital to be completed in future is actually not a new additional hospital. Rather, it is a hospital newly built for the existing Queen Elizabeth Hospital to move in and so, it is not a new additional large-scale hospital. Therefore, we hope to see the development of large-scale hospitals to provide more beds. Only in this way can the crowdedness of hospitals be alleviated. The situation can be compared to ceasing the construction of flats under the Home Ownership Scheme. It is because the development of large-scale hospitals has stopped for some time and as the Treasury has been overflowing with money in recent years and the fiscal surplus is always far higher than expected every year, people will think that given a large amount of surplus, why does the Government not inject funds into health care services? Here, I once again welcome the introduction of the first and the second 10-year Hospital Development Plans by the Government. As a frontline doctor, I face the situation of public hospitals being overloaded every day. Therefore, I very much welcome the measures that I mentioned just now. Having said that, I all the more hope that the Government, apart from making provisions for hardware development, also appreciates the need to make
long-term commitments to software development, too. It is very important as to how planning should be made for manpower resources and how support can be provided for the development of services.

Speaking of software, people will say right away that manpower is lacking. Why is there a shortage of manpower? This again has to do with the side effects of what happened a decade or two ago. After the reunification, we saw the occurrence of the Asian financial turmoil and the outbreak of SARS. Back then, the economy was in the doldrums and wages were slashed. There was obviously a shortage of health care personnel in public hospitals but in those years when I started to work after graduation, the authorities outrageously recruited less doctors, reduced the medical student places and laid off several hundred experienced or middle-ranked doctors and nurses by offering "voluntary retirement packages" to them. My salary was also cut by half at that time but I had to take up the work of middle-ranked or senior doctors. Subsequently, we saw the recovery of the Hong Kong economy and for the past two decades, the Government's financial revenues have remained stable. It is now time for the Government to study ways to make up for the loss of manpower.

I wish to point out that the predicaments we face in terms of hardware and software are precisely the side effects produced over the past decade or so and now, we have to tackle these problems. We hope that in the overall funding process, or in its administration or budgets in future, the Government will introduce measures in the medical, social, health care and housing aspects to make preparations for the future in the light of the growing and ageing population. I hope that the new mindset stressed by the Government does not refer to the established modus operandi of "treating the head when there is a headache and treating the leg when there is an aching leg" that has been adopted for the past two decades.

In respect of retaining manpower, different Members have spoken on it just now. I have asked the Government the numbers of doctors drained in public hospitals last year. The Food and Health Bureau has nevertheless made a wrong calculation in its reply. In p. 21 to 22 of its reply no. FHB(H)29 with reference to the estimates of expenditure, the numbers of departed doctors with experience of 21 years and above in various departments in the Kowloon East Cluster added up to 1 in total. However, it should be 2 plus 2 plus 3 plus 2 plus 1, adding up to 10 in total. But the Government even got the addition wrong, stating that the total number is 1. The same happened for the New Territories West Cluster. The addition is also wrong in that the total number, which should be 10, is
mistakenly written as 1. As the saying goes, a minute discrepancy can lead to a gigantic error. I urge the Government to make corrections as soon as possible because these are already published on the Internet.

The Government started to talk about health care financing two decades ago and this year, we finally see the implementation of the Voluntary Health Insurance Scheme ("VHIS") which, I would say, has turned its back on its original objective as the abolition of "guaranteed acceptance" and "high risk pool" has made the scheme far less attractive. The level of compensation under VHIS is more or less the same as that of existing health insurance plans in the market. Under a standard plan with the annual premium currently estimated to be around $4,800, the compensation per surgery is $5,000, subject to a maximum limit of $50,000. But a slightly more complicated surgery will cost over $50,000 and I think this level of compensation can cover only part of the surgery costs. Besides, if unknown conditions are found after a policy is taken out, full compensation is provided only from the fourth year onwards and as there are still grey areas in the definition of "unknown conditions", no one knows whether the insurance companies will make compensation for these cases. But in fact, insurance companies have often exploited the grey areas in the provisions to reject claims for compensation, and it turns out that people taking out health insurance policies are not getting any compensation. Such cases have also hit the press headlines recently. In this connection, I urge the Government to step up regulation in this regard.

Moreover, under a standard plan, an insured can have a choice of doctors. On the contrary, under a flexi plan with a higher premium, if the insured does not choose from the lists of "network doctors" provided by the insurers but make his own choice, compensation will be made on the basis of the benefits offered by a standard plan, and this is de facto a restriction on the people's choice. With regard to offering tax deduction for paid premiums up to $8,000 per insured person per year as an incentive for the public to take out health insurance voluntarily, its effectiveness is open to question.

The Government will increase the amount of subsidy provided through the Community Care Fund for the purchase of drugs to $500 million and expand the coverage of the Drug Formulary to enable more patients who rely on expensive self-financed drugs to obtain assistance. But the key still lies in the Government's resolve to monitor the prices of drugs. On the one hand, we have taken great pains to urge the Government or the Community Care Fund to increase the drug subsidies but on the other, the pharmaceutical companies have
increased the prices of drugs. If the increased subsidies cannot catch up with the prices of drugs, it would be impossible for patients to truly benefit from the subsidies.

With regard to increasing the accumulation limit of Elderly Health Care Vouchers from $4,000 to $5,000, we can see the same problem, that is, the Government has failed to step up monitoring. Members of the public have come to the Legislative Council telling us that they were tricked into buying dried fish maw and sunglasses. How can we prevent these cases? No idea.

Lastly, I hope that the Government can maintain vigilance and make preparations for a rainy day. Population ageing will lead to increasing demands for public health care services. Since the Government can set aside a huge amount of funds for developing health care hardware, given the abundant funds in the Treasury and when the economy has yet taken a turn for the worse, I hope that the Government can actively consider providing $10 billion for setting up a fund for stabilizing public health care provisions, so that in the event of reversed economic trends which necessitate a reduction of the overall expenditure and public health care provisions by the Government under the principle of keeping expenditure within the limits of revenues stipulated in the Basic Law, allocations can be made through this fund to meet the expenditure for a couple of years. The objective is to ensure that the public health care expenditure will not be reduced, because while the economy can face a downturn, population will keep on increasing. The setting up of this fund can prevent HA from committing the same mistake again of offering "voluntary retirement packages" to reduce the training of health care personnel in an attempt to save manpower, thus resulting in a shortage of manpower in the public health care sector. The side effects that I have just talked about are the result of ineffective planning on the matching of hardware with software a decade or so ago. I hope the Government can seriously take this into consideration.

I so submit.

MR SHIU KA-CHUN (in Cantonese): Chairman, I heard that just now Secretary for Labour and Welfare Dr LAW Chi-kwong had mentioned in his speech that Members were not well versed in figures and did not know how to do the sums. Their requests in respect of the policies were not quite realistic, and some might even be irrelevant, according to him. I do not know to whom he referred. Perhaps I am not well versed in figures either, but I hold that being Members,
especially those Honourable colleagues from the social welfare sector, we should be well versed in not only figures but also the people's stories. We need to make rational analyses and also feel sympathetic for the people. It may be better if we can take in both stories and figures.

My speech today will centre around two stories. The first one is a story between Secretary Paul CHAN and me, while the other one is about "Brother Ming" in Sham Shui Po.

During the Budget debate on 18 May 2017 last year, I mentioned that I wished to give the Financial Secretary a book entitled *Our kids: The American Dream in Crisis*. I hoped that after reading this book, he would understand how poverty kept recurring in a cycle and how we could arrest this cycle. Later, the Financial Secretary gave me a book written by himself. The name of the book was 《清心丸》("For the Pure in Heart"). In page 164 of the book, there was an article entitled "人間有情" ("Love is All Around"). The first few lines read to this effect: "In the dictionary of my life, the definition of success does not refer to the size of a company, the amount of profit made, abundance of wealth or high social status. On the contrary, by "success", I refer to the positive impacts someone can make in his workplace on society and on other people's lives, and whether he can help others to help themselves and live an extraordinary life. One of the objectives of my practice is to strive to establish a caring enterprise having a sense of social responsibility." 《清心丸》 is a good name. It means we should be pure in heart. In the *Bible* there is also this saying: "Blessed are the pure in heart." This might be the Secretary's aspiration when he wrote the article.

Just now that extract referred to not only an enterprise, and the position held by the Secretary today is no longer CEO (i.e. Chief Executive Officer) of a company but the Financial Secretary of the Hong Kong Special Administrative Region. I believe the principle mentioned just now should actually be applied in the Government. That is to say, the indicator for assessing the Government's success is not the size of the Government or the amount of revenue. Neither is it the officials' wealth or their social status. Rather, it should be the positive impacts it has on society and the people's lives, especially the least, the last and the lost.

(THE CHAIRMAN'S DEPUTY, MS STARRY LEE, took the Chair)
I wonder if the Secretary knows "Brother Ming" in Sham Shui Po. "Brother Ming" is an ordinary citizen who, practising what he preaches, keeps passing on love and helping people in need as far as he can. Many people in society are grateful to "Brother Ming" for his kind-heartedness because he has been benevolently spreading love and care. However, "Brother Ming" is subject to a great constraint. As we all know, no matter how many more meal boxes, canned food or blankets are available, they can only help the street sleepers and scavengers to meet their urgent needs. Even if we dole out these things every day, and even if we continue to do so next week, next month and next year, these street sleepers or scavengers will still have to sleep in the street or live on scavenging. There will be no fundamental change in their lives. Why? Because there is in fact no structural change in all those policies prevailing in their lives, including poverty alleviation, elderly care, housing, labour and health care. It cannot help them get rid of poverty.

As "Brother Ming" is just an ordinary citizen, we would not expect him to be able to deal with the structural social problems. We appreciate wholeheartedly his attitude of working to the best of his ability. But what about Secretary Paul CHAN, who holds power? During this period, every time the handout of cash was mentioned, there would be a heated discussion. The handout of cash is certainly a good thing. An extra penny in my pocket is my extra penny. How I will use it is my own business. Hence, if one supports the Government's handout of cash, one actually does not need a reason. Initially the Government indicated that it would not hand out any cash, but eventually it chose to do so. I often say that as far as the Government is concerned, handing out cash is the laziest act. I am not sure what the Government is thinking, but I wish to remind it that behind the consensus on this handout of cash, there is an emotional complex. It is a strong anti-government complex: "This is not a handout of cash but a payback." "If the Government is going to spend the money recklessly, better let me do it myself." "Even though $6,000 is not of much help to me, I still want to slap the Government on its face." "The Government is so poor that it has nothing but money, and it is so useless that it can do nothing but hand out cash." Such remarks are rather mean and harsh. The demand for the Government to hand out cash is not a demand for sharing wealth and returning wealth to the people. Rather, it is intended as a vote of no confidence in the Administration. In the end, if the Government does not hand out any cash, members of the public will reproach it. Even if the Government makes a cash handout, members of the public will reproach it all the same.
Today, the fiscal surplus has reached $138 billion. Now the Government holds fiscal reserves of more than $1,000 billion, and the Housing Reserve has snowballed to $78.8 billion. The amount of fiscal reserves alone is equivalent to the government expenditure for 28 months. Before the Financial Secretary became the Financial Secretary, he once said in his capacity as a Member that if the Government's reserves could meet the government expenditure for 13 months, it would suffice. In fact, there was no need to keep such a large amount. However, today the amount of our fiscal reserves is as much as the expenditure for 28 months.

Facing the enormous and fluctuating fiscal reserves every year, the Government has "handed out candies" under a one-off approach to drain the floods over the past 10 years. Over the past decade, the Government has spent more than $400 billion on "giving away candies". In 2011, it even distributed $6,000 to every adult permanent resident. The annual handout of cash in the Budget can certainly bring a little sweetness to members of the public. However, when members of the public and the officials treat the "handout of candies" as a norm and Hong Kong society becomes increasingly focused on one-off measures of "giving away candies", the social meaning behind the "handout of candies" will be neglected.

The more "candies" the Government gives away, the more it stands for the lack of public confidence in the Government's public finance management. The Budget should serve as a policy instrument for redistribution of social resources, thereby enhancing the quality of society and the people's well-being, and promoting social harmony and integration. But under the fragmentary public finance policy, few people show interest in these social objectives.

In fact, the current problems cannot be resolved at all by a fragmentary policy which works like shooting off fireworks. During the earlier influenza surge, the public health care system was obviously overloaded and on the verge of "explosion". Despite population ageing, retirement protection and long-term care services remain insufficient. Every year, 6000 elderly persons passed away when waiting for residential care places. The poverty population continues to stand at around 1 million. The Gini Coefficient is 0.539, hitting a record high. Property prices have soared for 24 consecutive months. Subdivided units have become increasingly small and expensive. Allocation of public housing units to street sleepers and the homeless is not foreseeable. Dire straits and deep-rooted social conflicts are not abstract descriptions but real-life situations.
Deputy Chairman, as the Appropriation Bill 2018 will soon be put to the vote, I hope the Government will know that not everyone who votes against the Bill must be anti-government, not knowing which side his bread is buttered, irrational, and opposing for the sake of opposition. I wish to express my views based on my own rational analysis.

Having collected many different views from the social welfare sector, eventually I put forward 15 requests in a submission to the Financial Secretary in January. Among the 15 suggestions, two have been addressed. First, the sector requested increasing the public expenditure rather than rigidly sticking to the groundless fiscal discipline of limiting it to 20% of the Gross Domestic Product. I thank the Financial Secretary for his response. He finally revised it to 21% with a breakthrough of 1%. This breakthrough of 1% is crucially important. Second, we proposed setting up five one-stop secondary school service centres in different districts across the territory. This proposal has been addressed, too. I thank the Director of Bureau for that.

There are three other suggestions for which the Government has made only partial efforts. First, we proposed that the Government stop tightening the Comprehensive Social Security Assistance ("CSSA") measures and dole out two extra months' CSSA payment to CSSA recipients, so as to alleviate their pressure in life. The Labour and Welfare Bureau should also be tasked with reviewing the CSSA system. In the end, the Government would dole out two extra months' CSSA payment, but it was unwilling to review the system. Second, we proposed that the Government greatly increase the recurrent funding for self-help organizations. In the end, this matter was mentioned in the Policy Address but not the Budget. Third, we proposed establishing a "one plus one" system to enhance counselling service in primary schools. What we proposed was "one plus one", but in the end, what the Government actually put forward was only "one for one" which we could not accept.

There are 10 other suggestions which have not been accepted or discussed, including: first, we request expeditious financing for various public welfare services. Second, we propose drawing reference from the "BUFFETT Tax". Third, we do not approve of "giving away candies", especially when such an act is biased for businessmen and against the common people. Fourth, the Government should make financing arrangements for retirement benefits of the elderly. Fifth, the Government should set up an assistance scheme which works on a case-by-case basis so that people with disabilities can receive targeted assistance. Sixth, we propose providing subsidies to children of the mentally ill.
Seventh, we propose extending the funding for the Social Welfare Development Fund to 10 years in 2019-2020. Eighth, the Government should set up social service teams in new housing estates. Ninth, we propose that the Government set up an independent task force to examine cases of compassionate rehousing. Tenth, the Government should launch a community support service pilot scheme for SEN students (i.e. students with special education needs). These 10 suggestions were not accepted. Hence, …

DEPUTY CHAIRMAN (in Cantonese): Mr SHIU Ka-chun, let me remind you that you have spoken for more than 11 minutes already.

MR SHIU KA-CHUN (in Cantonese): Thank you. I will just say a few more words in closing. Hence, if we vote against the Bill, we do it out of rational considerations. We do not oppose for the sake of opposition.

Thank you, Deputy Chairman.

MR CHEUNG KWOK-KWAN (in Cantonese): Deputy Chairman, in the following I will speak on the two aspects of education and housing. As regards education, first I wish to discuss the measure of paying the examination fees for the Hong Kong Diploma of Secondary Education Examination ("HKDSE") announced in the Budget. It is, in the first place, not a key measure of the Budget, but it has triggered strong reactions in society. Frankly speaking, the proposal of paying the examination fees for HKDSE was initially made by the Democratic Alliance for the Betterment and Progress of Hong Kong. Our original intention was based on the hope that the Special Administrative Region ("SAR") Government would consider subsidizing the examination fees for day school candidates. The SAR Government accepted our proposal and extended the eligibility to cover all candidates. Unfortunately, at last it decided not to pay the examination fees for private candidates due to the reaction in society.

As regards not paying the examination fees for private candidates, I understand the dilemma faced by the authorities. Why am I saying this? In my view, the best option is of course the Government pays the examination fees for all candidates sitting the public examination. However, it is common knowledge that, after the SAR Government had announced the "generous" proposal, many netizens made known their intention to form a group to sit for
HKDSE. In fact, they targeted not HKDSE per se, but the insufficient candies given away by the Budget, thereby taking the opportunity to vent their spleen. Indeed, in the normal course of events, how many people will truly enter for the examination and cause disturbances in the examination venues? We do not know. But according to the existing entry qualifications, people aged 19 or above can enter for the examination. If some people enter for the examination for "fun" or to cause disturbances and thus the number of candidates sharply increases, it will undoubtedly create a negative impact on other candidates.

Of course, some people criticize the Government for the lack of careful consideration in its proposal. Worried about such negative impact, the Government has introduced a revised proposal to respond to concerns in society. Should people not calm down and think about whether the SAR Government which subsidizes the candidates, or those fribbles intending to harm others without benefiting themselves and rob private candidates of their benefits, are to be blamed and denounced?

Deputy Chairman, another issue regarding education that I wish to raise concerns "matchbox-style school premises". With a "flooded" Treasury this year, the Government still overlooks the existing 20 and more school premises with generally substandard hardware and facilities, which are commonly known as "matchbox-style school premises". I had earlier twice visited a "matchbox-style school premises" in Chai Wan, the teachers and students of which both longed for redevelopment or relocation of the school premises. Originally an idle land lot under the Housing Department next to the school could be used for its extension, but eventually the government department rejected the school's request. Now the idle land lot has become a construction site where a standalone public rental housing building is being built, much to the chagrin of the teachers and students of the school. As a matter of fact, the premises of such schools have very limited space and outdated facilities but need to accommodate a large number of teachers and students, rendering the learning environment extremely poor. In this school, I personally witnessed that teaching staff could only make preparations for students' lunchboxes in the staircase. In Hong Kong which is a prosperous metropolis, it is an exceedingly unbearable situation. With an abundant fiscal surplus, the SAR Government has been increasing the recurrent expenditure on education by over $5 billion annually. Why can the Budget and the SAR Government not do more for such "matchbox-style school premises"?
In the education sector, teachers' pay and the number of teaching posts are problems that the SAR Government needs to address squarely and solve. But the SAR Government should know that teachers' pay and the number of teaching posts are not the only problems in the education sector; many issues concerning students and teaching, such as teaching quality, pressure faced by students and support to special education, have been piling up for years, pending solution. Therefore, the new education resources should not be allocated only to increasing the number of teaching posts and teachers' pay but should also be used to really solve other practical problems in education. We need to remember that education is for our next generation and our students, not other people.

Deputy Chairman, on a separate note, I wish to express my views on housing. The Budget makes relatively little mention of land and housing. There are only eight paragraphs, in which a whole host of "expected" and "estimated" numbers of housing supply are enumerated, giving people much hope.

According to the indicator in the Long Term Housing Strategy, the demand for housing in the next 10 years is 460 000 flats, and the ratio of public to private housing is 6:4. Let me first talk about how this so-called indicator of 460 000 flats came about, because many people may not know. The indicator was the projection of a model designed by scholars commissioned by the Long Term Housing Strategy Steering Committee back then. In the model, scholars input some demand-side factors, such as the future birth rate, death rate, population of married people and potential emigrating population of Hong Kong, into the model, which then calculated the target of housing in the coming 10 years at 460 000 flats. However, such a model has not taken into account the investment demand of locals and overseas parties for properties in Hong Kong. Even the SAR Government is able to build 460 000 flats in the next 10 years, and as long as the properties in Hong Kong remain a worldwide investment product, the supply of our properties will still fall short of demand.

Last week, the Task Force on Land Supply published a consultation paper for the so-called grand debate. We have seen the Chairman of the Task Force visit the districts to inspect how unpleasant the environment of subdivided units is. Indeed, Deputy Chairman, I believe it is common knowledge in society how unpleasant and cramped the environment of subdivided units is in Hong Kong. Anyone, not only Members of the Legislative Council, in society can tell that the environment of subdivided units is unpleasant and unbearable. It is absolutely
unnecessary to debate whether the environment of subdivided units is unpleasant. What we need to do now is to study which options to take so as to increase land supply and how to solve the oft-mentioned thinking of NIMBY, i.e. not in my backyard. I think that if we procrastinate and keep wasting our time debating how unpleasant the environment of subdivided units is, it will absolutely not help solve the housing problem of Hong Kong in the future.

Deputy Chairman, given the time constraint, I will not continue to elaborate my viewpoints. But I hope the SAR Government will understand that the existing measures to curb the demand for properties will only render many local users, particularly small families with a genuine need for property ownership in the past 10 years, unable to do so. At present, those who are capable of property ownership are already property owners or overseas investors. And the real users in Hong Kong are the very people forgotten by us in the past 10 years. I hope the SAR Government will understand that the objective of the housing policy is property ownership of our and the next generations. If the housing policy only serves to hinder local citizens, particularly a group of small families with the need for property ownership, to buy homes, then what exactly is the housing policy for?

Deputy Chairman, I so submit.

**DR FERNANDO CHEUNG** (in Cantonese): Deputy Chairman, the fiscal surplus this year was originally estimated at $16.4 billion in the Budget, but on the day of the announcement of the Budget, the Financial Secretary stated that it had been revised to $138 billion, which has been further revised to $148.9 billion recently. Figures in historical records indicate that it is the peak of inaccurate surplus estimation ever in all previous terms of Government, reaching $130-odd billion.

Deputy Chairman, inaccurate estimation of surplus is not necessarily a big problem per se, though we expect that the number would not be too far off. The problem is that for more than 10 years, the Government has never stopped making inaccurate estimations of surplus. Basically all Financial Secretaries would make more inaccurate estimations than their predecessors. Of course, we are waiting to see if the estimation to be made by the next Financial Secretary will be even more inaccurate. The inaccuracy often lies in underestimation of revenue and overestimation of expenditure, thus rendering the Budget
conservative as a whole. In fact, the estimations over the past 10 years have been continuous surpluses. Even a negative number or deficit was anticipated, it always turned out to be positive. Even the estimation was negative $60-odd billion, the outcome could be positive $20-odd billion—it happened in the Antony LEUNG era. Estimations by Henry TANG were about the same. He predicted a deficit of $40-odd billion, but the outcome was a surplus of $60-odd billion. The next was John TSANG. He also made inaccurate estimations. He estimated that there would be a deficit of $40-odd billion but the outcome was a surplus of $60-odd billion.

Actually, having talked about so many numbers to the tune of billions, I wish to point out that we have a structural fiscal surplus, which has persisted for more than 10 years. Such a "happy" problem is indeed hard to come by in a society. Our government officials or the Financial Secretary are indeed very happy because now they have so much money that they do not know how to spend it. As they do not know how to spend it, they might as well make a cash handout. I think the Financial Secretary would remember that he would meet with Members every year before the presentation of the Budget. In fact, we meet with him with sincerity and truthfulness and expect him to listen to our views.

I have also expressed very clearly that while the Government collects tax revenue from society through the tax regime and existing systems, it is then duty-bound to serve people with such tax revenue and public resources. If the Government, after collecting the money, does not know how to use it and so decides to hand it back to people, I find such a government completely ignorant of what to do, literally ignorant of what a government should do. It is because the Government has completely no idea of how to make use of public resources that it would say: "let us make a cash handout again this year". However, cash handouts have now become a trend. There will basically be a cash handout every year. The question is only in what ways it is done.

Before the announcement of the Budget, I met with Financial Secretary Paul CHAN and I told him the same. I asked him to make proper use of public resources to tackle the challenges and difficulties plaguing society now so as to improve people's livelihood. Now we should not talk about politics and economy as it is all about improvement of people's livelihood ultimately. What is the point that the Government has bothered so much? Well, as it wishes to improve people's livelihood, it could have done an analysis of the greatest
difficulties society is facing now. A significant one is obviously many people have to live in subdivided units now without even a tiny spot to stand and a basic living environment. For a lot of patients in Hong Kong, the diseases they suffer from are curable but they cannot afford treatment. We are talking about drugs for cancer or rare diseases, which can save lives. As regards health care, the entire health care system in Hong Kong has started to collapse. Patients all have to wait in public hospitals, just like in a combat hospital, whether they are to receive consultation in the accident and emergency department, specialty clinic or general clinic. Deputy Chairman, these aspects needs no analysis by experts. One needs only live in Hong Kong for a short while to sense the problems instantly. These are pressing issues of immediate concern to each and every citizen.

Why are some needy social groups leading such a difficult life: we still see some elderly persons face uncertainty in life and have to help make ends meet by collecting cardboards. We still see many children living in a cramped environment. We see people with disabilities or other disadvantaged groups still suffering from hardships in life. We notice the particularly high poverty rate among both elderly persons or persons with disabilities. We have been discussing such matters for ages. Holding the public power, the Government ought to put public resources to use in the most needy aspects after obtaining them—it is the Government's oft-mentioned remark. The Government said all resources are reserved for helping those in the greatest difficulties. Still, now the Government is not doing so, absolutely not knowing what to do after obtaining the money.

Therefore, not knowing what to do, the Government hands out cash. And every year how is the cash handout conducted? That is by means of concessions of rates, salary tax and profits tax. It is the same this year. However, do these people need help from the Government? With the surge of property prices over the past 10 years, property owners have seen continuous growth of the value of their assets. Do they need help from the Government? The Government does not care and hands out cash to them all the same. Even if the Government is to make a cash handout, it only needs to do it once to each property owner. Is it to hand out cash for each property to the property owners who own tens of thousands of properties one by one? But the Government truly hands out cash in such a manner per each property, leading to the same result that one property owner enjoying the most rates waived will receive more than $10 million this year.
What changes will it cause to society? On the one hand, we see patients being unable to even afford drugs but, on the other, we see some major property owners receive over $10 million with just a simple "thank you". It is utterly meaningless. The assets they own and rents they have been collecting have fed them so much that they are now too fat to even pull up their socks. Still the Government fears that they are not rich enough and grant them an extra $10 million. What kind of policy is that? The more cash the Government hands out, the more serious the disparity between the rich and the poor becomes; the more cash it hands out, the more society feels the injustice of the economy as a whole.

Deputy Chairman, we have made these comments for a million times, and I do not wish to repeat them here. I know that I have been speaking for seven or eight minutes and the Deputy Chairman will ask me to "cut it out", saying I should not talk about the overall situation but only the part without amendment.

Deputy Chairman, I do not wish to do so but I have been restating these problems here for 10 years. This Government just will not accept them, at any rate. There is no other way. Every term of Government is the same. I am not sure if they have been put under some sort of spell. Why would they have such a mindset in distributing our public resources so unfairly?

Most of us work hard and earnestly, toiling industriously for long hours to eke out a living. Frankly, I believe the work ethics of Hongkongers are unrivalled in the world. I do not have to prove that Hong Kong has the longest working hours in the world—the report published by UBS has already pointed out this. I believe our efficiency is also second to none. Hongkongers are very smart, hardworking and responsible. Such is our general spirit, without which the economy of Hong Kong today will not be doing so well.

However, Deputy Chairman, sadly why are we only making a living even for having done so? We only make a living, meaning we work to live and survive. Hong Kong has been enjoying many years of economic prosperity but why does the life of Hongkongers remain at such a low level? Nowadays, it is difficult to find a place to dwell and earn acceptable wages that can catch up with inflation to make life a bit more comfortable and enjoy a reasonable living standard. For one thing, the Government is so rich that it does not know what to do. The fiscal reserve now stands at over $1,000 billion and a surplus is recorded every year. But the Government does nothing, and so people say: just
give us the money direct and hand the cash to us straight. Deputy Chairman, it is sort of low-level governance. If such governance cannot be enhanced, I do not know when Hong Kong will be overtaken. We still rely on the financialization of properties, which are turned into investment tools and auctioned off one after another. The Government would definitely have no problem. And we can simply rely on tax revenue from properties and investment to be sufficient and enjoy handsome wealth. And in such a way we can sustain this society without any problem, albeit most people are suffering.

Deputy Chairman, in more concrete terms, this part without amendment covers the Food and Health Bureau and the Department of Health. Let us discuss health care. The authorities have not completely done nothing, only too little and too late. Moreover, to truly reform the health care system, we must consider the overall health care services and financing, instead of simply appropriating $200 billion and claiming that hardware will be built in the future or even that the appropriation this time has already taken into account the second phase of hospital development …

DEPUTY CHAIRMAN (in Cantonese): Dr Fernando CHEUNG, you have spoken for more than 11 minutes. Please be concise by all means.

DR FERNANDO CHEUNG (in Cantonese): Okay, Deputy Chairman. It is part of the first session and within the scope of the Food and Health Bureau. So I am speaking completely on the subject.

In the meeting with the Financial Secretary, we proposed setting up a "dandelion fund", which is a drug fund for cancer patients and patients with rare diseases. We wanted to name it "life-saving drug fund", but such a name is not pleasing to the ears so we changed it to "dandelion fund", meaning such drugs will be more expensive because of the higher cost of research and development. Obviously, in view of the small number of patients and the limited size of the market, pharmaceutical companies will not make so much investment in this respect and so the research and development of such drugs will naturally be more costly. In terms of cancer treatment, both the latest target therapy drugs or immunosuppressive drugs are actually relatively expensive. If such expensive drugs are not purchased through a special fund but through the existing funding system under the Hospital Authority ("HA"), i.e. through the lump sum grant of
$60-odd billion made by the Government to HA, which contains the funding for all aspects, given that HA needs to deal with the needs for drugs for medical treatment of over 7 million people in Hong Kong, cost-effectiveness has to be taken into account and it will then become the most important consideration. For reason of cost-effectiveness, these drugs will never be approved. Precisely because such so-called expensive drugs are subject to the control of the Drug Formulary, they will not be included in it.

Moreover, the authorities have additionally put in place a safety net, namely the Samaritan Fund and the Community Care Fund, but with many constraints, resulting in the situation today, that is many patients fail to receive appropriate medical services due to a lack of means. It runs contrary to the Government slogan, which is "no one would be deprived of appropriate medical services because of a lack of means". But does such a situation not happen on a daily basis? We only suggest the Government set up such a fund with $20 billion, but it is unwilling …

DEPUTY CHAIRMAN (in Cantonese): Mr CHEUNG, as a number of Members are waiting to speak, please make your speech concise. Now please continue your speech.

DR FERNANDO CHEUNG (in Cantonese): Okay, Deputy Chairman. There is only one minute left.

I have only pointed out very little with regard to health care—only a fraction of the needs for drugs. Many other areas of health care can indeed be regarded as offering little to write home about. I will not take more time of the Council. I now pass the floor to other Honourable colleagues. I wish to have the chance to speak a second time.

Thank you, Deputy Chairman.

MR CHU HOI-DICK (in Cantonese): Deputy Chairman, there is really something wrong with the existing arrangement. I think Honourable colleagues from the pro-establishment camp may share my view. In fact, the first session of debate will end before we come to the key topics of the Budget.
Before all else, Deputy Chairman, I have to tell the Secretary for Education that I am now speaking in my mother tongue, Hong Kong-style Cantonese. I will talk about three parts in the Budget which few colleagues have spoken on.

First, many people have commented on the "wrong estimate" made in the Budget this year, where the actual surplus of $100-odd billion exceeds the estimated surplus by $10-odd billion. Regarding the subsequent statement made by the Government on the expenditure part in the Budget, the public has the impression that all the discussions are focused on the distribution of the $130-odd billion surplus, which is over $140 billion now. The Financial Secretary is not in the Chamber now. His proposal to invest $50 billion in innovation and technology gives people the impression that the investment in innovation and technology is made only because there is a colossal surplus of $130-odd billion resulting from the wrong estimate. After the deduction of other expenditures, the remaining amount will be shared with the people by means of measures like rates concession and "triple-pay" under Comprehensive Social Security Assistance ("CSSA"), and so on. Deputy Chairman, as you may remember, it has sparked off the conflicts on making "cash handouts" subsequently.

The point at issue is strange. I will explain it in two parts. First, if the Government has decided to introduce policies on innovation and technology, why would it give people the impression that the Government is willing to set aside $50 billion only because of the $130 billion surplus arising from the wrong estimate? Why has the Government not included this sum in the original expenditure estimate? To demonstrate to the public that the Government accords great importance to innovation and technology, it should have made the $50 billion investment regardless of a surplus. Even if the Government is running a deficit, it may allocate the sum required from the fiscal reserve. No clear explanation is given for this.

As Dr Fernando CHEUNG said, the second point is that I consider making "cash handouts" a poor tactic in public administration. Worse still, the "cash handouts" are distributed in such an embarrassed manner. I suggest that the Financial Secretary had better make an agreement in advance and set the standard for next year. What kind of standard? I notice that according to the estimate of the Financial Secretary, the surplus for the next five years will be $46-odd billion at the maximum. Let me draw a line for him. If the surplus turns out to exceed $50 billion, where a discrepancy of around $5 billion under estimate is accounted, the amount in excess should be distributed evenly among all the citizens. As an
agreement has been made in advance, there will be no dispute. In that event, he will not have to offer rates concessions or tax rebates which draw criticisms, and then introduce gap-plugging measures subsequently. Next year, the authorities should not adopt such a complicated approach. It should make it clear in an agreement in advance. Deputy Chairman, this is the first point.

As for the second point, I would like to respond to the comments of Mr Wilson OR. He pointed out that even though the supply of public housing is now in deep waters, the Government continues to sell a large number of precious developed sites at land auctions. The newly completed flats constructed by real estate developers on these sites are simply unaffordable to the public. In view of this predicament, we cannot but ask whether or not the sale of sites in a large number by auction should be continued.

Mr OR, even though I share your view, I suggest that Mr OR and colleagues from the pro-establishment camp should express this anger with action. If he considers the sale of sites for the construction of private housing and luxurious flats is comparable to the sale of one's own son, he should vote against the Budget. He should at least express his opposition to the Government nominally to gain the bargaining chip. He should not express his opposition during the Second Reading merely in words but vote for the motion when it is put to the vote.

However, I would like to remind Mr OR that the Financial Secretary has indeed answered his question in the Supplement and Appendices of the Budget. The answer is that the Government will not entertain his requests. For from the year 2018-2019 to the year 2022-2023, the revenue from land sales will continue to account for 3.6% of the Gross Domestic Product ("GDP") and will rise on a sustained basis. By 2023, the estimated revenue from land sales will reach $123.5 billion. This is only the estimated amount, and the amount in excess is not included. In other words, though the fiscal reserve of the Government is so large that even the Financial Secretary cannot remember the actual amount, he insists on selling his sons to allow the gap in public housing supply to widen. This is the so-called "saving the market at the expense of people's lives" scenario. I hope that colleagues from the pro-establishment camp may refer to the Supplement to see what achievements the authorities will make in the next five years. I should say forecast but not achievements. In fact, the forecast made by the Financial Secretary is the answer to this question, that is, the authorities will continue the practice of "saving the market at the expense of people's lives".
Deputy Chairman, thirdly, I hold that as we are in deep waters in land supply, the authorities should stop selling a large number of sites by auction for the construction of private flats. In fact, 80% to 90% of the public may settle happily in subsidized housing, so the authorities should allocate more sites to the construction of this type of housing. The Financial Secretary may say that the cease of land sale will give rise to a revenue gap of a hundred billion dollars, and he may query what the authorities can do to plug the gap. My third point is that the Special Administrative Region ("SAR") Government can plug this gap any time it desires. How? Draw down the Exchange Fund.

The Government often says that it has a fiscal reserve of $1,000-odd billion dollars now, yet it has more than that. In fact, the fiscal reserve and the Exchange Fund add up to a total of $4,000 billion. Citizens of Hong Kong, it is a total of $4,000 billion. Deputy Chairman, in the $4,000 billion, $252 billion is the investment income of 2017. Yet, the Budget states that the investment income of the Government is only $39.7 billion. What is the point? It means that the Exchange Fund is making a colossal investment return from the investment of its investment income alone, where the return generated from capital funds is not included. Yet the investment income is not included as the recurrent income, that is, the capital revenue, to meet the various needs, including our request for reduction of the number of sites to be sold.

Deputy Chairman, this direction is not proposed only today. I know that in 2006, a motion moved by Mr Howard YOUNG as amended by CHAN Kam-lam was passed to urge the Government to allocate additional investment return from the Exchange Fund to the Government as recurrent revenue. At present, the relevant ratio is extremely low, where in the $252 billion investment income, only $3.91 billion is allocated to the Government's accounts. Back then, the motion involved Members from the Democratic Alliance for the Betterment and Progress of Hong Kong. Now, I hope Members will refer to the sum as a whole. The Government is making an investment return of $4,000 billion, which is sufficient to address the many deep-rooted problems we are now facing if spent.

Certainly, I have no time to explain how the money should be spent. Unfortunately, the greatest problem with the Government is that it does not know how to spend the money even though it has the money. Regrettably, due to the unreasonable time limit set on the debate by President Andrew LEUNG, we cannot discuss the Budget head by head. I hope colleagues will respond
proactively and press the button to indicate their wish to speak. They do not have to follow his reminder that the debate will end at seven o'clock. Why should the debate end at seven o'clock? Last year, there were six debate sessions. It is ridiculous that it is reduced to three sessions only this year.

Deputy Chairman, I think you also have the feeling that "I still have something to say". More often than not, colleagues in the Bills Committees would say that they dare not put forth questions as we have talked too much. Yet we are now discussing the Budget. If colleagues from the pro-establishment camp dare not press the button to request to speak at the debate on the Budget, does it mean that the Legislative Council can no longer allow debates of any kind?

I urge Honourable colleagues, be they from the pro-establishment camp or the pro-democracy camp, to come to the Chamber immediately to press the "Request-to-speak" button, to let the Chairman know that the first session of debate will not be able to end at seven o'clock. I so submit.

MR CHAN KIN-POR (in Cantonese): First of all, I thank the President for allowing Members to give overall comments on the Budget in this debate session. The Budget serves two main purposes: first, to promote economic development so as to create wealth and employment for society; second, to fairly resolve various livelihood problems by using public revenue. In my opinion, the Financial Secretary and his team have worked very hard to make this year's Budget serve these two purposes.

The fiscal surplus this year has hit a record high. The Treasury being overflowing with money should be a good thing, but as it turns out, too much money can be troublesome, too. Society has focused entirely on whether cash should be handed out to everyone, causing fierce debates and grievances. As a result, the development planning for Hong Kong economy in the Budget and the huge amount of resources invested in people's livelihood were given no attention whatsoever.

In fact, Members should have noted that the Government's recurrent expenditure this year is substantially increased by 11.8% to $406.5 billion, much higher than the increases ranging from 6% to 8% in the past seven years. Under the recurrent expenditure, welfare expenditure is increased by 21% to $79.8 billion; health care expenditure is increased by 13.4% to $71.2 billion; and
education expenditure is increased by 5.6% to $84.6 billion. The expenditure of these three major items accounts for 60% of the Government's total recurrent expenditure.

Out of the $100-odd billion surplus this year, some $80 billion will be spent on social sectors in need. That includes allocating $20 billion for improving cultural facilities; $20 billion for establishing technology research clusters and injecting funds into the Hong Kong Science and Technology Parks Corporation; earmarking $15 billion for MPF offsetting; and injecting $8.5 billion into the Continuing Education Fund. In addition, the Budget has also allocated $52.4 billion to "sharing Fruits of Success", including a tax rebate, rates concession and offering two additional months of Comprehensive Social Security Assistance payments.

Talking about "giving away candies", the Budget has been proposing relief measures every year since the financial turmoil in order to relieve people's hardships. The relief measures have become an annual routine even though the economy has recovered. Some people have questioned why the Government continued to give away candies even when the economy was looking up. During the Budget consultation this year, the calls for a universal cash handout were only a minority. However, since the consultation coincided with the Legislative Council by-election period, "giving away candies" naturally became an election issue and added fuel to the flames. Fortunately, the Government heeded sound advice immediately and proposed the Caring and Sharing Scheme. Although the payment time and administrative costs did raise some concerns, people's grievances have generally quieted down. Personally, I support offering tax rebate and rates concessions to the middle class who paid the largest amount of tax but enjoy few welfare benefits. I also do not oppose a cash handout, but I do not support a universal cash handout. Cash should be handed out to grassroots or people with low income only. Social resources should focus on helping people in need.

Apart from giving away candies, I think there are good reasons for giving the Budget a high score. I believe there are two major long-term challenges that Hong Kong must solve as soon as possible: first, Hong Kong's dwindling competitiveness; and second, the impact of the ageing population. In my view, given the huge surplus this year, the Budget did manage to change its long-standing financial management principle of keeping the wealth and make substantial allocations to some areas. The approach is bold and merits support.
Members of the Legislative Council have visited the Bay Area recently to experience first-hand the development potential of neighbouring cities. I believe we all share the same feeling, that Hong Kong's overall competitiveness is falling behind. The economy of Hong Kong has always relied heavily on the financial and property sectors and their associated traders, while other industries have declined drastically. In this innovation and technology era, innovative technologies are widely used in our daily life and economic activities. Hong Kong will soon lag behind the new era if we do not catch up swiftly.

This year's Budget invests abundant resources in promoting innovation and technology, including allocating $20 billion to the development of the Hong Kong-Shenzhen Innovation & Technology Park in the Lok Ma Chau Loop; allocating $10 billion to the Innovation and Technology Fund; earmarking $10 billion for supporting two technology research clusters; and allocating $10 billion to the Hong Kong Science and Technology Parks Corporation. The provision totalling $50 billion is the largest since the establishment of the Innovation and Technology Bureau. It is a shame that society has rarely talked about the use of this $50 billion and its impacts on Hong Kong in the past two months. I hope the recipient bodies will make good use of the funding and accomplish achievements for Hong Kong, in particular in the area of finance technology which is essential if we are to entrench Hong Kong's status as an international financial and commercial centre.

To increase the overall competitiveness of society, education is the primary task. The expenditure on education this year increases by 28% to $113.7 billion. Such a substantial increase is rarely seen in recent years. Out of the estimate, $2 billion is recurrent expenditure; $2.5 billion is allocated for providing a Matching Grant Scheme to universities; $2.5 billion is allocated for the establishment of the Student Activities Support Fund; and $8.5 billion is allocated for the Continuing Education Fund. There are indeed many problems in Hong Kong's education system. Now that the Government has allocated abundant resources to education, it will be the fault of the Education Bureau if it still cannot do a proper job of this.

Another major challenge is the impact of the ageing population on the health care and welfare systems. Society is ill-prepared for this, particularly in terms of health care system reform which is imperative. This year's Budget has actively responded to public demand by requesting the Hospital Authority to start planning the second 10-year Hospital Development Plan three years ahead of schedule, addressing the problems in the long term in advance. The
implementation of such a massive plan involving a funding of $300 billion will not be possible without the backing of a huge surplus. Moreover, an additional $6 billion is allocated to the Hospital Authority; $940 million is allocated for the regularization of the Colorectal Cancer Screening Pilot Programme; and $500 million is allocated for the development of Chinese medicine. These measures show that the Government is intent on solving health care issues of the utmost concern to the people. However, some problems cannot be tackled with money, in particular the shortage of health care manpower. Even if the training of personnel is now sped up, it may not be sufficient to meet the demand of society. I believe it is time to study in-depth ways to tackle the shortage of health care manpower, including the possibility of importing Hongkongers from overseas or internationally recognized health care professionals to practise medicine in Hong Kong.

The Budget has also invested abundant resources in social welfare. In terms of non-recurrent expenditure, $1 billion is allocated for setting up the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care; and $400 million is allocated for extending the Short-term Food Assistance Service Projects. In terms of recurrent expenditure, $300 million is allocated for increasing the salaries of frontline personnel of the welfare sector; and an additional $160 million is allocated for enhancing the service quality of residential care homes and strengthening the care for elderly persons suffering from dementia, as well as providing visiting doctor services for residential care homes. Upon implementation, these measures will definitely alleviate the pressure exerted by the ageing population on society. Why did I read out the figures? Because I think it was a shame that such important matters were not mentioned by anyone.

Lastly, I would like to raise the concerns of the insurance industry. The insurance industry has been making significant contribution to Hong Kong’s economy. However, our policy is at least 10 years behind Singapore. Many international organizations have chosen to settle in Singapore, while some companies which were originally located in Hong Kong have relocated to Singapore, causing the insurance industry to remain at a sustained standstill. For the purpose of this Budget, the Secretary has invited the Insurance Authority and the industry to examine ways, such as taxation arrangements and other regulatory requirements, to enhance Hong Kong’s competitiveness as an insurance hub. I believe the insurance industry will be rendered more competitive after the completion of the study. Do not worry, Deputy Chairman, I will take only two to three more minutes only.
In addition, the Budget has also accepted the industry views on encouraging people to prepare for their future by means of tax deduction. Tax concession is provided to contributions to eligible deferred annuity products in the market and Mandatory Provident Fund. I believe it will be helpful to Hong Kong people if the Government can tackle the ageing population by make good use of insurance.

The development of the Bay Area will inject new impetus into Hong Kong's future. The insurance industry also hopes to pursue development in the Area and expects the Government to seek permission from the Central Authorities to allow companies registered in Hong Kong to enjoy national treatment in the Bay Area and lower the entry threshold for setting up wholly owned insurance companies in the Bay Area. Besides, the Hong Kong Federation of Insurers has proposed a "Bay Area medical insurance scheme". Under the proposal, insurance companies in Hong Kong or in the Bay Area are permitted to market on the Internet eligible and regulated medical and illness insurance among residents in the Bay Area. The scheme can be operated through an electronic platform operated by a credible organization such as the Hong Kong Federation of Insurers so that residents of the Bay Area can choose products suitable to them. An electronic platform is also an effective way to handle cross-border capital flow and the products will be protected by the laws of Hong Kong. The scheme has the advantage of strengthening business interactions in the Bay Area. Meanwhile, residents working in the "1.5-hour living circle" do not need to worry about health care. I believe the proposal is an all-win solution that ties in with national development while benefiting the industry in Hong Kong. Thank you, Deputy Chairman.

MS YUNG HOI-YAN (in Cantonese): Deputy Chairman, in respect of the Budget this year, the New People's Party met with Financial Secretary Paul CHAN three times from January to March this year, making various suggestions on different areas such as taxation, land, housing, health care, education, elderly care, youth development, planning of district facilities, welfare benefits for the civil service, as well as economic development including the e-sports industry. We saw that the Budget presented by the Financial Secretary on 28 February failed to achieve the effect of sharing the fruits of economic success with all the people. After the Government announced the proposal for plugging the gaps, public reactions were certainly strong. Everyone said that the whole vetting
mechanism was very complicated and also the application procedures were unclear. Many people did not know whether they were actually eligible for claiming $4,000 or the balance. Neither did they know how to calculate the balance. Many members of the public came to our office to seek assistance and enquire about the details. They also left messages on our Facebook page to slam the Government for formulating such a complicated measure which would only end up causing more troubles to them. I hope the Government will listen to public views and streamline the relevant application and vetting mechanisms for the relevant measure as far as possible on the premise of bringing convenience and benefits to the people.

In fact, in our view, the problem lies in the existing outdated practice of the Government, as though it is still using the obsolete Windows 95. Why are we still unable to make good use of big data for conducting analyses now? If big data is available and all the government information can be shared, members of the public will be able to check their eligibility for claiming the money easily by keying in their personal identity information online. I hope I can see the Government adopt such approaches in the coming few years.

The second point is, it was mentioned in the Budget that $8 billion would be set aside for improving district facilities in all the 18 districts. Recently, the Sha Tin District Office has submitted a paper to the Sha Tin District Council, indicating that under this new initiative, a government building will be constructed at the existing site of Tai Wai Playground at Tsuen Nam Road, Tai Wai in Sha Tin District. The facilities which will be provided include: a small library, a general outpatient clinic, conference rooms, multi-purpose rooms, a Neighbourhood Elderly Centre and a public car park. This government building is in fact a municipal services complex which we often talk about.

In fact, the population in Sha Tin and Tai Wai will surge to 720,000 in 2024. The population has been increasing drastically, but many facilities in the district, particularly public markets, are dilapidated and outdated. We have heard a lot of such comments. It was not until the recent years that there were discussions about the installation of an air-conditioning system in Tai Wai Market. Other services in respect of recreational facilities, libraries, car parks, etc. suffer a serious lag. For this reason, we have all along been striving for the construction of a municipal services complex in Tai Wai.
At the Legislative Council meeting on 16 November 2016, I asked a question requesting the Government to construct a municipal services complex in Tai Wai. At that time the incumbent Financial Secretary Paul CHAN replied that there was no such plan. We are glad that the current-term Government has finally given the green light and confirmed the construction of a municipal services complex in response to public aspirations and ours. It can be considered a belated spring. However, according to the Government's proposal, the facilities to be provided in the complex do not include a public market which we have all along requested. We hope the Home Affairs Bureau can listen to the aspirations of the residents and local organizations carefully and conduct repositioning so that the facilities and services provided in the municipal services complex can meet the residents' actual needs. Many residents in Tai Wai and I eagerly look forward to the early completion of this complex.

Deputy Chairman, it was also mentioned in the Budget that $2 billion would be earmarked for implementing a Market Modernisation Programme over the next 10 years. Actually I also mentioned the problems of markets in my speech just now. Now it is said that we have modernized markets, but what is meant by modernized markets? Can a market be modernized simply by improving the fire service installation and ventilation equipment or installing air conditioners and whitewashing the external walls? We hope the Government can really show us a new mindset. Doing some casual whitewashing does not mean modernization. In our view, we should catch up with the pace of the times. For example, will any electronic payment system or intelligent vending machines be installed? And how will the management of the existing markets be improved? Only then can markets be considered modernized facilities. Hence, we hope the Government will incorporate innovation and technology into these works. As I said in moving the motion on "Vigorously promoting healthy market competition to counteract the market dominance of Link REIT" at the Legislative Council meeting on 23 November 2016, I hope the Government will squarely address the lack of community facilities and services in various districts, including enhancing the facilities and services of the existing markets, thus providing members of the public with options other than the present markets and shopping malls under Link REIT, with a view to achieving the objective of counteracting the market dominance of Link REIT.

Deputy Chairman, the third point I wish to talk about is health care. Although the Budget has allocated additional resources to public health care facilities for the expansion of existing hospitals and construction of new ones, most of these hospitals are situated in New Territories West. In comparison, the
efforts in addressing the persistent lack of health care facilities and extremely long waiting time faced by residents in New Territories East are insufficient. Will the Government introduce any measures to plug the gap in the provision of health care for residents in New Territories East later?

Besides, regarding environmental protection, many members of the recycling industry have relayed to me in the past that the application procedures for the Recycling Fund of $1 billion launched by the Government in 2015 are complicated with numerous restrictions. The percentage of successful applications in the first phase was only 5%. It has failed to effectively stimulate the development of the local recycling industry. I hope the Government will streamline the relevant application procedures and lower the threshold so that more small and medium-sized recyclers can be benefited, thereby further raising the operating capacity and efficiency of local recyclers in the middle and lower streams.

I have all along urged the Government to inject resources into promoting the development of Hong Kong's e-sports and game industries. This time the Financial Secretary has announced in the Budget that $100 million will be allocated to supporting the development of e-sports and turning the Cyberport Arcade into a venue for such development. To a certain extent, he has responded to my request. I hope that in the long term, the Government and the industries will jointly strengthen the training of local talents for e-sports and game development. While promoting the development of the relevant industries, it can also facilitate upward movement of young people.

In closing, Deputy Chairman, I wish to talk about the civil service. We have repeatedly proposed that the Government take out health insurance for civil servants in the form of group insurance. I have also asked about it in a written question on the Budget. But the Director of Bureau replied that procuring private health insurance for civil servants would constitute changes to the existing policy and create a significant financial burden. It was difficult for the Government to consider such a proposal at this stage. I certainly find this reply most disappointing. Meanwhile, I will continue to pursue this matter and urge the Government to further improve the medical benefits for civil servants. I also hope that the Financial Secretary will provide serving civil servants or those who are going to retire shortly with more benefits in the next Budget.

Deputy Chairman, I so submit.
MR MA Fung-Kwok (in Cantonese): Deputy Chairman, this is the first Budget of the current-term Government. Thanks to the abundant fiscal reserves, the Financial Secretary has injected a lot of new resources into different policy areas. I will first present my views on the areas of arts, culture and sports about which I am concerned.

Regarding sports, the Government's input for sports has increased progressively over the years. The recurrent expenditure has increased from $3.6 billion in 2013-2014 to about $5.1 billion this year. The input for sports in the Budget has reached $6.6 billion, including the injection of an additional $5 billion into the Elite Athletes Development Fund. In fact, when the injection of $1 billion into the Fund was announced in the Policy Address in January 2017, I already pointed out that the amount of injection was not enough. Moreover, the number of elite sports and elite athletes we need to support in the future will, I believe, only increase rather than decreasing. The expenditure of the Hong Kong Sports Institute will only keep rising. Hence, the additional injection of $5 billion in this year's Budget has responded to our request.

I extend my support for the input made by the Budget into the development of other sports software, including the allocation of $500 million for the introduction of a new Major Sports Events Matching Grant Scheme, the injection of $1 billion into the sports portion of the Arts and Sport Development Fund, and the allocation of $100 million for the launch of the District Sports Programmes Funding Scheme. The only shortfall is that more resources should be granted for the promotion of district sports activities so that district sports associations can have sufficient resources to take forward popularization of sports in the community.

Moreover, this year the Leisure and Cultural Services Department ("LCSD") will conduct a comprehensive review of the Sports Subvention Scheme, the scope of which will cover the ability of the national sports associations ("NSAs") to attract and retain staff. In fact, the local sports development counts on a group of sports administrators who have contributed much effort and hard work behind the scene. However, owing to limited resources, it is by no means easy to attract and retain talents. The wastage rate is generally high. For this reason, if LCSD can enhance the financial support to improve the remuneration packages for sports administrators, with a view to
attracting and nurturing talents as well as strengthening the governance and administrative management capabilities of NSAs, it will be conducive to the local sports development.

(THE CHAIRMAN resumed the Chair)

As regards the hardware facilities for arts and culture, following the allocation of $20 billion for developing new sports facilities or redeveloping the existing ones last year, this year $20 billion will be similarly set aside for the improvement and development of cultural facilities. To the cultural sector, it is a piece of belated good news which can make up for the lack of cultural facilities in the past. Earlier on, the Government has also submitted the funding application for the advance works of the New Territories East Cultural Centre and the Heritage Conservation and Resource Centre to the Panel on Home Affairs for consideration. I hope the Government can work out the details of the other cultural projects as early as possible and implement them expeditiously, thereby providing the cultural sector with more room for quality development.

Meanwhile, the Budget has set aside $1 billion to subsidize the costs of basic works and coordinate the efforts of government departments in providing technical advice for non-governmental organizations renting vacant government sites or school premises on short-term tenancies. In fact, the local sports, cultural, performing arts and publication sectors all wish to use vacant government sites and school premises for different development purposes. In the past, even though some organizations had identified suitable government sites or school premises, they had to face the complicated application procedures. Even if their applications were approved, they would encounter a lot of engineering and technical difficulties in using such space, causing additional pressure to these organizations which were already straitened for resources. If the Government can provide subsidies and assistance, it can certainly alleviate the burden of the successful applicants. Apart from providing subsidies and assistance, the Government should also streamline the application procedures for renting vacant school premises and sites and increase the transparency of information for the convenience of organizations intending to make such applications, thus genuinely optimizing the use of land.
On financial support for arts groups, the Budget proposed an additional recurrent provision of $55 million starting from this year. At the same time, an additional $500 million will be injected into the Art Development Matching Grants Pilot Scheme ("the Pilot Scheme"). I greatly support these measures. In particular, upon completion of two rounds of applications under the Pilot Scheme earlier, $120 million of the original funding of $300 million was used, evident of the enthusiastic responses. Nevertheless, quite a number of arts groups have relayed that the coverage of eligible arts groups is too narrow and the application requirements for the matching grants are too harsh. For example, the nine major performing arts groups should be more capable of seeking donations and sponsorship, but the requirements for the matching grants are so strict that some of these arts groups have been discouraged from making applications. For this reason, I hope that while providing additional funding, the Government can listen to the views of the cultural and arts sector closely and expand the scope of application to support more different types of arts groups in garnering resources from the business sector, so as to promote their development.

Regarding cultural exchanges, the Budget indicated that from 2018-2019 onwards, the recurrent provision would be progressively increased to $50 million to support Hong Kong's arts groups and artists to perform and stage exhibitions outside Hong Kong, and $140 million would be allocated to supporting their cultural exchanges in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"). These proposals have answered the aspirations of the sectors. In fact, to perform or stage exhibitions outside Hong Kong, artists and arts groups have to expend a lot of extra efforts and resources. Many of them have lost the opportunities of exchanges overseas or on the Mainland owing to restraints of financial resources. Moreover, following the gradual development of the Bay Area, there will be no lack of development opportunities for culture and arts. For this reason, the Government's funding for the local arts sector to conduct cultural exchanges in the Bay Area, in my view, is appropriate, but the Government is yet to give an account of more specific details about how the relevant funding will be used.

Chairman, the Government's increase in resources for the development of sports, culture and arts is certainly most welcome to me. However, despite the actual increase in resources, policy initiatives are mostly fragmentary without a clear direction of development. Furthermore, although the Chief Executive said that this year's Budget would manifest a new fiscal philosophy in many ways,
most of the new resources for the development of arts, culture and sports are deployed as injections into various funds or limited provisions which still bear traces of the Government's past financial management strategy. I hope the Government can seriously consider conducting a review of the local culture and sports policies, devising a long-term development blueprint in response to changes in the environment and development needs of the sectors, and making the relevant estimates of expenditure dovetail with the new development strategy.

Regarding creative industries, this year's Budget is undoubtedly disappointing. In the Budget speech, there was only a short paragraph of about 100 words on creative industries. Moreover, it merely echoed the proposal in the Policy Address of injecting another $1 billion into the CreateSmart Initiative ("CSI"). No other new ideas could be seen. As a matter of fact, over the past few years, few applications made by such creative industries as the television, music and publication industries have been approved. I consider it both insufficient and lacking in strength to rely mainly on CSI to support these industries. Furthermore, to support the development of creative industries, we cannot solely rely on CSI. We also need different policy initiatives to provide support.

Take the publication sector as an example. The sector has always hoped that the Government can enhance the promotion of reading and writing. Over the years, it has advocated the introduction of "public lending right" in libraries as a measure for supporting local writers and publishers, with a view to promoting local creative works. This proposal was supported by the Chief Executive and included in her election manifesto. The current-term Government has held meetings with the sector for discussion after its assumption of office, but so far no progress has been made.

The Budget proposed allocating an additional $200 million in the coming five years to promoting reading among children and families. Although the sector considers it inadequate, it is willing to support it and work in collaboration. Regrettably, there was no mention of the "public lending right" in libraries in the Budget, and not the least bit of resources was allocated as a complementary measure. Neither did the authorities give any positive response on the progress of the relevant work at the special meeting of the Finance Committee. I hope the Government can step up its efforts in handling the relevant work and give a clear account to the public and the sector as soon as possible.
Chairman, in past budgets, the most eye-catching measures were "handouts of candies" and tax concessions. This year is no exception. Various tax concessions have been proposed. However, such past rituals as rent payment for public housing tenants did not continue this year, falling short of the grass roots' expectations. Nevertheless, after listening to the views in the community later, the authorities proposed an additional measure of handing out $4,000 cash to members of the public not benefiting from any relief measures, so as to plug the gaps in the system and share the fruits of economic success with the people, thus placating the people in different social strata for the moment.

In my recollection, it is not the first time that the "handout of candies" could not win any kudos in return. After all, the authorities are to blame for failing to come up with a proposal to address the persistent "happy problem" of recording a huge surplus. Many members of the public agree that "sustaining the handout of cash forever" is not a good way of governing Hong Kong. Yet in the absence of any great achievement by the Government, they cannot but expect the authorities to plough back the surplus. Actually, members of the public earnestly hope that the Government can act more proactively and achieve more, especially in resolving the shortage of land and housing and population ageing, the two pressing problems about which the people are most concerned. I hope the Administration can share the people's urgent concern and put forward sustainable proposals with vision in respect of these problems.

With these remarks, Chairman, I support the passage of the Appropriation Bill 2018.

DR PRISCILLA LEUNG (in Cantonese): Chairman, recently, there is a popular television programme called "As long as you live" ("長命百二歲"), as Hong Kong grows into a city of silver hair. Baby boomers born in the 1950s and the 1960s will soon enter their old age and many of them are pondering the following questions: What should I do upon retirement? Is retirement possible? Should I retire so early? Is retirement an affordable option to me? These questions are troubling a few generations. Like the convenience stores 7-11, there is always an elderly person around us.

The question of retirement affects not only families, as young people also have to shoulder the pressure of caring for the elderly. Many so-called elderly are just at the age of 60, and they are still taking care of the home ownership
concerns of their children who are unable to buy their first flats. Some of them have been working their whole life to service the mortgages of their flats. Yet, at the time of retirement, they have to sell their flats and give half of the proceeds to their children for them to purchase their own flats. As for the other half of the proceeds, it will be used for paying their own accommodation. Most of the baby boomers born in the 1950s and 1960s are hard-working. They have endeavoured to build Hong Kong step by step, climbed the social ladder with their own effort and eventually become the middle class.

Nowadays, many people around the world may live to the age of 120. If the line is drawn at 60, it means they still have half of the life or several decades to go. In other words, many people have to live for several decades upon retirement. How should they spend their days? Can they lead a decent life? Society should not neglect those people who are old but cannot choose to retire. After all, not everyone can retire like LI Ka-shing. To certain people, once they reach 60, they have nothing, no job, no insurance and no pension. They have no alternative but become a burden to society.

Chairman, today, I would focus on the situation of retirees aged between 60 and 64. How should the community take care of people who have made contribution to society and what are the responsibilities of society? As a saying goes, a small cost may bring a handsome reward. If we help these elderly people who are willing to return to society to work, it will alleviate the overall burden of Hong Kong in the long run. Members must have come across many reports stating that 6 000 elderly persons die every year while waiting for places in residential care homes. Many people are now interested in the Suang-Lien Elderly Center in Taiwan, which can be dubbed the model of elderly care. Many organizations from the Mainland have visited the centre and 28 of them have indicated the wish to learn from this elderly centre. In Hong Kong, if we are to provide quality elderly care centres, I believe we must have planning and cooperate with neighbouring regions in such development work. I think it is worthy for the Government to do so, and the Government should make long-term planning.

Chairman, two years ago, on the same occasion, I mentioned a film called "The Intern" starring Robert De NIRO. The theme of the film is on cross-generation cooperation. The plot is around a silver haired man joining a large organization developed by a group of young people and contributed his experience. Hence, we have proposed repeatedly that the authorities should
offer a subsidy to the elderly through the Continuing Education Fund. It should expand the coverage of the Fund to include elderly aged up to 70, so that the elderly may enhance their productivity through learning. Moreover, it should lift the restrictions on time limit and the number of claims. It should encourage employers to employ resigned or unemployed persons aged 60 or above by offering an allowance to employers willing to employ the elderly, so that the elderly may develop their second career in the second half of their lives.

In fact, many people are now talking about developing a second life. Not every elderly person wants to continue working, and some may choose learning. It is reported that some elderly people aged 70 who are living in the Mainland are learning ballet. They have made the first step to perform on the stage and are making an income from their performance. In Korea, some elderly people are learning to be models, focusing on the promotion of elder attire. Moreover, some elderly people learn to be part-time actors with pay, and they find great fun in their work. In Hong Kong, do we have systematic courses tailor-made for the elderly, which enable the elderly to continue to earn an income?

Now, the United Nations has changed the definition of old age. People aged 60 are now defined as people between young age and the middle age. What can people aged 60 do if they want to return to work in society? Kowloon West New Dynamic, a district organization to which I belong, conducted a survey early this year. It is discovered that 96% of retirees consider the social security inadequate and that they are neglected by the community which consider they can take care of themselves. Among the interviewees, 7% express the desire to continue working for they cannot afford retirement yet.

I would like to take this opportunity to commend the Government for taking pragmatic actions. The Government will provide a monthly allowance of $4,000 for 6 to 12 months for employers willing to employ retired persons. This measure is worthy of commendation. As in the case of public health care services, which is very important to the public, the Government is willing to allocate an additional $300 billion for the implementation of the second 10-year Hospital Development Plan. This is also a measure worthy of commendation. Furthermore, the authorities are willing to expand the Life Annuity Scheme, and if the maximum investment amount can be raised to $2 million, people purchasing annuity products may earn a monthly income of $10,000-odd. I hope the authorities will give serious consideration to the scheme. This is also a measure worthy of commendation.
Many friends aged 60 or above have told me recently that they may choose arranging for reverse mortgages. Yet, most of them do not know how to choose among companies offering reverse mortgage. They do not know whether or not these companies are reliable long term. When they arrange for reverse mortgages with these companies, they have to rely on the companies to provide them the income during their retirement. In view of this, I think the Government should formulate a comprehensive policy on provision of assistance, so that people will have more confidence in arranging for reverse mortgages. Moreover, is it possible for the Government to formulate certain underwriting policies? If people who have arranged for reverse mortgages do not receive their income or if they come across some unreliable companies, what can they do? Will the Government offer assistance? Many people have considered the option of arranging for reverse mortgages. Many people do not want to apply for the Comprehensive Social Security Assistance ("CSSA"), and they would rather take up some part-time jobs. Honestly, people taking part-time jobs have to spend a lot on transport fares and meals which are both expensive. Many people have reflected to me that having meals near industrial buildings will cost them a lot.

My request is not demanding. As elderly people have no work upon retirement, and they are not covered by medical insurance, I have to tell Mr CHAN Kin-por that many people will have no protection once they reach the age of 60. How can the authorities provide assistance to the elderly? We are making a very simple request—Secretary Dr LAW Chi-kwong is now in the Chamber—we urge him not to close the door of the concessionary transport fare of $2 for the elderly, for the benefit of this measure definitely outweighs the cost incurred. If the elderly may continue to work part-time happily, it will reduce the health care expenses borne by society.

Second, the elderly are neither covered by medical insurance, nor do they have coverage for dental check-up. They are actually in a difficult situation. Hence, the request for provision of mobile dental buses at 18 districts is not impracticable. The authorities may calculate the expenses involved. For this service will benefit not only the so-called elderly retirees but the community as a whole, including young people, children and the mobility-handicapped.

Third, regarding the continuous premium payment for medical insurance borne by the elderly in retirement, I think the Government may offer assistance and provide additional resources. As for creativity, the Bay Area should not be made exclusive to young people, and the scope of participation should be
expanded to include the elderly. By the same token, applications for the start-up fund should not be restricted to young people. The authorities should double the amount of the fund to encourage the participation of people with good and practicable ideas. Is this suggestion practicable? Will the Government try to think out of the box for these people? I think it will be fair only if it is done this way.

We now come to the issue that Hong Kong should seize the opportunities. I must point out that there are ample opportunities in Hong Kong, such as the Bay Area and the Belt and Road Initiative, and so on. Yet, internal conflict is our Achilles heel. In recent years, emigration is no longer a popular topic. However, when internal conflicts and disputes, as well as the large-scale Occupy Central incident and the riot in Mong kok, occurred in Hong Kong, many people felt very disappointed. As they approach their retirement age, they plan to emigrate with their families. I do not think it is a good thing. I have to point out precisely that Chairman QIAO Xiaoyang hit the nail on the head when he said that the Constitution is closely related to the fate of the country and that "one country, two systems" is implemented to deal with issues related to Hong Kong and Macao peacefully. Upon the reunification of Hong Kong, we hope Hong Kong would become the asset of or the apple of the eye of the country. Hence, I sincerely support the Government to increase resources, which is also our hope, to step up education and publicity to facilitate the people of Hong Kong in understanding the importance of the Constitution to the implementation of "one country, two systems", so as to reduce radical behaviour resulting from misunderstanding of the Constitution, the State and "one country, two systems".

Chairman, I so submit.

CHAIRMAN (in Cantonese): Honourable Members, it is now around 6:20 pm and this session will end around 7:00 pm.

I will call upon Miss Alice MAK, Mr Kenneth LEUNG, Mr LAM Cheuk-ting, Ms Claudia MO, Dr KWOK Ka-ki, Mr CHAN Chi-chuen and Mr AU Nok-hin to speak respectively.

After these Members have finished speaking, I will call upon the Secretary to reply. Then, the Committee will proceed to vote. Will Members please be precise.
MS ALICE MAK (in Cantonese): Chairman, I believe this Budget is one about which members of the public have particularly much to say, and their comments must have flooded the Facebook pages of many Members. Indeed, as Members know, the Hong Kong Federation of Trade Unions ("FTU") put forward the proposal of a "cash handout for all" at the beginning of this year in anticipation of a huge surplus running up by the Government. Members may recall that FTU rarely makes this kind of request and it is in fact the first time we ever called for a "cash handout for all". We knew that most of the surplus would come from revenue in the form of stamp duty on property and securities transactions. Since the purchase of properties and speculation on stocks were activities beyond the reach of the grass roots, we believed a "cash handout for all" was a way in which assistance could truly be rendered to these people.

Unfortunately, however, our proposal for a cash handout met with opposition from other Members irrespective of political affiliations and views, who argued against such an initiative by the Government. In face of opposition, the Government cowered as usual and did not accept the proposal. However, as Members ranted about the unfairness of a cash handout, I really wish to ask, in what way are a tax rebate and rates waiver fairer? Some said people would use the cash handout to buy phones or travel abroad, but how can Members be sure that beneficiaries of rates waiver would not be doing that with the extra money? Although the Financial Secretary is not present at the moment, I still hope he can, in the event of Hong Kong being blessed with another colossal surplus next year, give serious consideration to how resources can be deployed for the benefit of all people. If he finds a "cash handout for all" not feasible, he should come up with some ways in which the grass roots can at least benefit from the colossal surplus.

Obviously, the proposed handout of $4,000 can help some members of the public. As the Financial Secretary pointed out just now, housewives and the newly-retired are all eligible for the $4,000-handout. The application procedures, however, are too complicated. I hope, by the time of applications are open, applicants will not be required to fill in a lot of information—a responsibility Members may well have no choice but to assume as those forms may ultimately be filled with the assistance of Members, I reckon. I think it is important that the application procedures can be completed speedily so that the cash can reach the hands of the public as soon as possible.

Moreover, the merit of dishing out money has become the focus of not just our debates but the entire Budget, which is unfortunate. My view, however, is that on such areas as health care in which I have been keeping a keen interest, the
Budget did propose measures which implementation we have all along been eager to see. An Honourable colleague pointed out just now that, in addition to the first 10-year Hospital Development Plan which is undergoing an interim review, preparation should indeed begin for the second 10-year Hospital Development Plan which is vital to the development of health care infrastructure of Hong Kong.

That is a fact, though not one to which many people may care to admit. More important, however, is the fact that, in respect of health care in general and public health care in particular, money and the system may pose a problem, but not as big as that of manpower. There is a fundamental lack of manpower in our health care system, with doctors and nurses in short supply. When the Government discussed the issue of training more local doctors in the past, some people worried about whether such a move would result in a surplus of doctors and whether medical graduates could land jobs. The Financial Secretary has stated clearly in the Budget that the Hospital Authority ("HA") would be endowed with ample resources to employ all local medical graduates. With such an undertaking which hopefully can allay the worries of some people, I hope Hong Kong can endeavour to train up more local doctors, ensuring an adequate supply of doctors for the public health care system at least and resolving the problem of doctor shortage.

I also noted the additional provision of $200 million each year in the future as planned by the authorities to enhance the health care professional training provided by HA, including practicum, as well as specialist and higher training. What we wish to say is that, such a provision notwithstanding, there is also a perennial lack of adequate training for such support staff as ward assistants and phlebotomists, which affects their promotion prospects. Hence, in addition to making funding provision for HA, the Government should monitor how the funding is deployed. The past instances of "fattening the top and slimming the bottom", where frontline health care personnel and grass-roots support staff failed time and again to benefit from a substantial provision, should never be allowed to happen again. To illustrate the point, a provision of $500 million recently made by the Chief Executive to HA for introducing contingency measures at the height of the influenza season not only failed to benefit support staff whatsoever, but made the situation worse than before. I will find another occasion to explain that to Members.
Furthermore, the Budget set out a proposal that we have been pushing for a long time—one which acceptance by the Government FTU welcomes—i.e. setting up a steering committee, coordinated by the Chief Secretary for Administration, on ethnic minorities and earmarking $500 million to handle work relating to the ethnic minorities. At a time when many people are complaining about manpower shortage and lack of labour supply in Hong Kong, we really hope the Government can see clearly that there is still huge potential in the labour force, including the ethnic minorities, waiting to be tapped. The ethnic minorities are facing very serious employment problems, not because they are unwilling to work, but sometimes because of such problems as lack of support and language barrier. Hence, we hope the Government can make good use of that $500 million to improve employment support for the ethnic minorities. According to figures in 2016, 1,043 ethnic minority jobseekers registered with the Labour Department for placement. Can Members guess how many of them ultimately succeeded in landing a job through the referral service? Just 82, less than 100 or 10% of the total. It is thus evident that there is still much room for the Government to help the ethnic minorities in respect of employment as a way of unleashing the potential of the labour force in the community. On the question of how best to utilize the provision of $500 million, we have a specific proposal: the Government can in fact draw reference from the Employment Programme for the Middle-aged and launch an employment programme for the ethnic minorities to provide participating employers with an allowance as an incentive for hiring ethnic minority people. Often times, the Government fails to appreciate the worries of the employers and knows little about their reluctance to employ ethnic minorities. We hope that by incentivizing employers to take on ethnic minority people through such a scheme, the labour shortage problems constantly claimed by some industries can be alleviated eventually.

I find one thing of the Budget rather disappointing, namely, the Financial Secretary has failed to give a proper account on the situation of the Housing Reserve which boasts $77 billion in accumulated assets currently. How will we utilize this sum of some $77 billion? Is the money really set aside wholly for the Hong Kong Housing Authority ("HA") to meet possible funding shortage in housing construction in future? Judging from the present situation, however, it does not seem to have such a problem. The Government of every term repeatedly proclaimed housing as the top priority. What should the Government do with the reserve, which has now snowballed to some $77 billion? FTU in fact has a proposal: making good use of spade-ready sites acquired by the Urban Renewal Authority ("URA") for the development of public housing. That can
speed up the process of finding sites in the urban area for construction of public housing. At the same time, it can avoid the situation where, under its current mode of operation, URA must acquire flats of old buildings in urban areas in accordance with the Urban Renewal Authority Ordinance by paying a price based on the value of a seven-year-old flat in the same general locality, and then build housing in collaboration with private sector developers through open tender, which will undoubtedly result in newly-built flats that command high prices. What is the side effect this mode of operation creates? The grass-roots people are forced to move away from the urban areas as a result of urban redevelopment. We therefore think that the reserve of some $70 billion can be allocated to URA so that it can collaborate with the Hong Kong Housing Society or HA to develop public housing in the urban areas. This can put the reserve to proper use and help solve the housing problems of the grass roots with sites acquired by URA. We hope the Government can give this proposal serious consideration.

In a luncheon I attended just this afternoon, a richly experienced veteran of the property sector said that in respect of the problems of land supply or housing faced by Hong Kong at the moment, you could have all the debates you want, but ultimately, it came down to one factor alone: whether our Government had the drive and determination to solve the problems of housing and land supply by acting boldly and decisively and thinking out of the box. Otherwise, no matter how those issues were debated or how grand the debate was, they would remain unsolved. As land supply falls under the purview of the Financial Secretary, we hope that the Financial Secretary can really put our Housing Reserve to proper use in order to resolve the housing and land problems for our people.

I so submit, Chairman.

MR LAM CHEUK-TING (in Cantonese): Chairman, the Budget this year actually highlights the deterioration of the governance of the Government. "Even the cleverest housewife cannot prepare a meal out of nothing", so the saying goes. But this time it is the other way around. Even with a huge fiscal reserve and surplus, the Government can make "giving away candies" and "giving away cookies" a big mess. It is indeed unprecedented.

I have been thinking if I were the Financial Secretary, I would have asked a few questions when I saw the draft Budget: First, who will benefit from it? How many people will benefit from it? How much public money is involved?
Second, how many people cannot benefit from it? The number of people is important because strong opposition will be induced if a large group of people in society who are not well-off cannot benefit from the Budget. In that case, can the Budget be passed? Then I would ask: How many Legislative Council Members will oppose the Budget when their political parties are under the pressure of public opinion?

In fact, the response to these several questions leads to a conclusion, and that is, it is impossible for the draft Budget to command the support of the majority of Members in the Legislative Council. It is because many people in society who do not pay any tax or pay very little tax will enjoy zero benefit or very few benefits under the original Budget. The Financial Secretary and the Chief Executive have not noticed the flaws of the Budget before tabling it to the Legislative Council and releasing it to the public, which precisely highlights the deterioration of the governance of the entire Government.

Why does the Government have to levy tax? It is for the redistribution of resources. It serves to obtain public resources from those who have the means or who are rich or from businesses or consortia and redistribute the resources to those in need in society, make long-term investments in order to narrow the wealth gap, promote economic development and prevent injustices in society from proliferating. However, as Dr Fernando CHEUNG has pointed out, for years, the Government has been lacking a vision to resolve the deep-rooted long-standing conflicts in Hong Kong. For instance, the Government has neither the ability, the boldness nor the wisdom to handle universal retirement protection, health care and housing issues that we have been constantly raising. In times of economic recession, the Government said it had to tighten its belt. However, when the economy is booming, the Government does not know how to spend the huge reserves. Instead, it is caught in execution details such as how and to whom cash should be handed out as well as the administrative costs, creating more confusions and troubles.

As a matter of fact, with such huge reserves, it is the best opportunity for the Government to formulate long-term planning. Some people kept saying that the Government should build more hospitals and hardware facilities, but according to the analysis of people well versed in the health care issue, the problem actually lies in the shortage of manpower instead of hardware. The Legislative Council will never stonewall any of the Government's hospital construction projects. Justified funding applications have always received the
approval of the Legislative Council. However, as many Honourable colleagues have pointed out, there is a shortage of health care manpower. Ms Alice MAK said the Government will increase local health care manpower and is committed to employing local medical graduates. But I must say that this is not sufficient. In fact, many children of Hong Kong people have studied medicine overseas with outstanding academic results. Many of them who have attained a high level of education and professional qualifications are practising in Commonwealth countries, such as the United Kingdom, Canada, New Zealand and Australia where the health care standard is close to or even higher than that in Hong Kong. So why is it so difficult for them to pass the Licensing Examination in Hong Kong? Why is the passing rate of the Licensing Examination so low? This is one of the core issues of the health care system in Hong Kong. I trust the Government must have the boldness and courage to tackle these issues.

Chairman, the wealth gap in Hong Kong now is much too serious. We have seen many elderly people in the community who are not able to make ends meet by collecting cardboards. Many grass roots live in subdivided units with deplorable conditions worse than the wooden huts in the 1960s and 1970s. At least, wooden huts were larger with more living space. Subdivided unit occupants live in terrible conditions, facing toilets and illegally installed drainage pipes. Hong Kong is getting richer but the living standard of Hong Kong people is getting lower. There is this saying on the Internet: the Government under the British rule let people living in wooden huts move into public housing, and people living in public housing move into Home Ownership Scheme ("HOS") flats. The situation nowadays is quite the contrary. The next generation of many public housing occupants have not moved into HOS flats but subdivided units. I think the Government should give thoughts to the long-term planning and development of Hong Kong when it has sufficient financial resources, so as to solve such deep-rooted problems as housing, health care and universal retirement protection.

I so submit.

MR KENNETH LEUNG (in Cantonese): Chairman, this is the first Budget presented by the Financial Secretary in the current-term Government. He has introduced seven strategies in the Budget, including being proactive, investing for the future and enhancing services. I will not repeat them one by one. Honourable colleagues should read the Budget from a long-term perspective,
because it can be regarded as a television drama series with five episodes in total and this is the first one. I hope the Financial Secretary—if he will serve a second term—will carry through his fiscal philosophy in subsequent budgets to achieve coherence and refrain from restating the strategies, such as being proactive.

Among the seven strategies, I wish to practically discuss enhancing services. Of course, the Government provides diversified services to the people. I wish to talk about the work quality and efficiency of a few government departments.

The first department is the Government Flying Service. My colleague, Mr Jeremy TAM, already pointed how to improve the quality of the Government Flying Service this afternoon and I will skip this part.

The second department I wish to discuss is the Marine Department ("MD"). Chapter 2 of the Director of Audit's Report No. 69 presents the results of a full audit on the work of MD, in particular procurement and maintenance of vessels. It is found out that manpower shortage and various mistakes in work have delayed the progress of procurement and maintenance of vessels, increased the maintenance fees and even directly affected the availability rate and safety of government vessels. Of course, there is another reason, that is, the retirement and wastage of many grades in MD, especially professional grades, including surveyors, has further slowed down work progress. Therefore, I hope the Financial Secretary can provide more resources to MD as the work quality and efficiency of the Department will directly affect maritime safety in Hong Kong.

Another department I often mention is the Inland Revenue Department ("IRD"). Chairman, you should have noticed that the number of amendments made to the Inland Revenue Ordinance every year is more than one or two—now there are seven, eight or even 10 amendments. Due to international needs, Hong Kong has concluded many bilateral tax agreements, including the terms of automatic exchange of tax information. A relatively large-scale amendment to the Ordinance recently is about base erosion and profit sharing. These amendments are made to the Ordinance to fulfil our international obligations.

However, to properly enforce the Ordinance, there must be an experienced team in IRD endowed with sufficient resources. I hope the Financial Secretary will review the need to create an Assistant Commissioner post—a Chief Assessor
post has just been created to take charge of the monitoring of international tax matters—for the effective coordination of work relating to international tax matters in IRD. The load of such work will only increase, not decrease, in future.

Moreover, I am also concerned about the convenience of government services for people's use. A chapter of the recently published Director of Audit Report No. 70 is about the promotion of the wider use of information technology in the community by the Office of the Government Chief Information Officer, and I will also not discuss it in detail. Simply put, many places in Hong Kong should be equipped with public Wi-Fi facilities and offer public Wi-Fi services but the Government has not done so. And the speed of public Wi-Fi is extremely slow while the service providers have failed to provide quality services. It is very disappointing.

I have recently learnt on another occasion that the Customs and Excise Department and the Commerce and Economic Development Bureau are conducting a project for the development of an electronic platform of the Trade Single Window to facilitate customs clearance by importers and exporters. In this respect, Hong Kong is already lagging behind other countries hugely. The Government now says that the digitization of the Trade Single Window can be fully achieved only in 2023. We have been promoting a smart city for many years but have not accomplished even the most basic measures. I really hope the Government will step up its efforts.

Moreover, as regards financial services, the Budget introduces a new product—not exactly a new product but the further development of it—that is, the bond market, including the traditional bond market and green bonds. The Budget launches a three-year Pilot Bond Grant Scheme to provide a grant to eligible enterprises issuing bonds in Hong Kong for the first time. The amount of the grant is half of the issue expenses, capped at $2.5 million. Each enterprise can apply twice at most.

On the other hand, the Budget also proposes to extend the scope of tax exemption for trading of debt instruments. Of course, it refers to bonds in the traditional sense. The Budget also introduces a green bond issuance programme. But on top of that, I hope the Government can take the initiative to issue more bonds. It has come to my attention that the Hong Kong Quality Assurance Agency has recently launched the Green Finance Certification Scheme
to provide third-party certification services for financial product issuers. I hope the certification scheme can maintain stringent standards and will not give a green label readily to any issuer who seeks certification. If it is the case, the so-called certification will mean nothing.

Among the many products in the Hong Kong financial market, I hope Hong Kong can develop bonds because, as an international financial centre, we must be able to offer diversified financial products. It is the focus of the development of financial services this year.

Chairman, as regards my views on other aspects of the Budget, I will speak again in the second session of the debate on the amendments. With these remarks, I so submit.

MR CHAN CHI-CHUEN (in Cantonese): Chairman, the debate on the Budget last Tuesday came to a close earlier than expected and as a result, more than 40 Members did not have the opportunity to speak. Today, the President has exercised discretion to allow Honourable colleagues who did not speak during the resumed Second Reading debate to slightly digress from the question and speak, with self-restraint, for seven to eight minutes. I do not oppose this arrangement, and I even support it. I support Members speaking enthusiastically on the Budget. But other Members may hence be affected because when they, in accordance with your instruction, speak in the debate on the 38 heads with no amendment in the first session, they may not be able to speak or may speak only once. In that case and insofar as this point is concerned, I think what the President has done in the allocation of time—just as what Paul CHAN did in formulating the estimates of expenditure for the Budget—is really not good enough.

Chairman, I have no intention to debate with you but I wish to present the facts to the public. Last year, you also allowed seven hours for the debate in this session. Last year, there were 26 heads in this session. This year, you again allowed seven hours for the debate, involving 38 heads. Last year I spoke for five times, and just now I was still worrying about not having the chance to speak even once this year but now, I should be able to speak once. Originally I was prepared to speak on four heads which are all without amendments. Now I can speak on only one head. I know that a Member is even prepared to speak on 10 heads but likewise, he probably can speak on only a couple of heads.
I now speak on "Head 160—Radio Television Hong Kong" first. Of course, I have not proposed any amendment to cut the estimated expenditure for Radio Television Hong Kong ("RTHK"). Why? Because the estimated expenditure for RTHK is already scarce, ridiculously scarce. I started out as a radioman myself and I am keenly concerned about the development of the broadcasting industry. Broadcasting is crucially important. Radio has now become a sunset industry. Over the last two years there have been cases of closure of privately-run radio stations and digital radio stations. Even for the existing mainstream private radio stations, the conditions for their investment or operation have become increasingly difficult. RTHK is a public broadcaster, and it is incumbent upon the Government to provide it with sufficient resources, so as to enable RTHK to provide decent and even good public broadcasting services.

The LEUNG Chun-ying Administration of the last term suppressed the voices of the media on all fronts—of course, I do not mean those media which go by the rule that "those who submit will prosper". RTHK, being a public broadcaster, faces the fate of being "dried up" as it gives people the impression of being disobedient. Its workload and broadcasting hours have increased substantially, and even the digital television spectrum has been allocated for public broadcasting, but the budgetary resources for RTHK are utterly disproportionate. Despite a much heavier workload, the increase of resources is disproportionate. Have Members read the Budget? The Government has given us this book. I guess most Members will not read it but actually many parts of it are amazing. One must read this book in order to take part in the Budget debate.

Members please turn to the estimate for "Head 160—Radio Television Hong Kong" and see how much this year's estimate has increased as compared to last year's. The answer is that it has increased by 0.1%. This year, that is, in 2018-2019, what are the matters requiring special attention? One of them is to "produce special programmes for celebrating 90 Years of Broadcasting in Hong Kong", so broadcasting already has a history of 90 years in Hong Kong. But how about the resources? When she attended the award presentation ceremony for the Hong Kong News Award 2017 organized annually by the press sector, Carrie LAM said that the Government attached importance to news and the freedom of speech and that the Government upheld the core values of Hong Kong. Let her not forget that when she said that she attached importance to news and the freedom of speech, has she ever attached importance to the public broadcaster managed by her with resources under her control, namely, RTHK?
Let us come back to the estimate for RTHK this year. In the coming year, the number of hours of transmission will continue to increase to 36,000 hours, with public and current affairs programmes having the highest hours of output among all types of programmes. In particular, following enhancement of the morning programmes and news reports at night by RTHK TV years ago, the output of public and current programmes has increased considerably. Besides, there is also an increase in general television programmes with its hours of output increasing considerably from 298 hours to 434 hours. However, the estimated expenditure for these programmes will be increased by a mere 2.2%.

According to the RTHK staff union, public and current affairs programmes are the mainstay of RTHK TV but the production of quality programmes with tight resources will only add to the burden on the staff. RTHK lags behind other television broadcasters both in terms of hardware and manpower, with the Newsroom taking on only three new recruits and the TV Division hiring three additional technicians some time ago. The RTHK Programme Staff Union has said that given the lack of resources, manpower and hardware, it is already not easy to run three 24-hour radio channels effectively.

Let us not forget that when she attended a seminar hosted by the Hong Kong Journalists Association, Carrie LAM teased the TV Division of RTHK, saying that TV 31, 32 and 33 are most undesirable as they kept showing still images, which seemed to be behind the times. On one occasion when a reporter of RTHK asked Carrie LAM at a reception for her views on Hong Kong having successfully bid for the right to host the Gay Games, how did she respond? She said, "No one watches your programmes and no one tunes in to them either", and this came as a big shock to everyone. With regard to RTHK, the resources of which are under her control, not only did she not provide the resources for it to produce good programmes, she nevertheless teased it for showing still images, saying that no one cares to watch its programmes and no one cares to tune in to them. What kind of a government is this? In fact, RTHK produces a detailed news report every night and while it lasts only half an hour, from the forming of an idea, covering of news, shooting of footage, writing up the story, editing to the post-production processes, it takes tons of work for only one or two minutes of news report to go on air. People like us who have engaged in the relevant work will know it, and I am not going to talk about it at length.

Moreover, concerning RTHK's new Broadcasting House, in examining the estimate of expenditures some time ago, I questioned the Government on the progress of the funding request for the new Broadcasting House, asking why
there had been so much delay in the submission of this project to the Legislative Council. In fact, as early as in January 2014, the Government already planned to develop a new Broadcasting House in Tseung Kwan O at a cost of $6 billion. The relevant papers were tabled to the Public Works Subcommittee for deliberation but the proposal, quite rarely though, was criticized by the pro-establishment camp for wasting public coffers and the Government was asked to withdraw the papers on its own initiative. The proposal was eventually negatived with 10 votes in support of it and 15 votes against it. Had the Government been really serious about this project, it would have made continuous efforts to lobby support from Members and table the proposal persistently. In the pro-establishment camp there is a change of generations and a new term of this Council already started in 2016. Has the Government come to us again to apply for funding? Chairman, have you been to RTHK? On rainy days, water will be leaking and buckets have to be placed there to receive the water. The suspended ceiling had once come off as a result of excessively serious water seepage and the electrical cables embedded in it can be hazardous. That place is like a Third World country. The other building, namely, the Television House, located at 1A, Broadcast Drive, has the same problem of water leakage, which can be aggravated by rainy weather. The ceiling of the temporary editing room on the third floor had once tumbled down suddenly. Two computers and some recording equipment got wet and had to be blown dry with a fan. This had directly affected the production of programmes.

With only a few minutes remaining, I cannot talk about this in great detail. But take a look at what is written in this book. It says here that one of the matters requiring special attention in 2018-2019 is to "continue to plan for the construction of the new Broadcasting House in Tseung Kwan O in relation to radio services". When will this be carried out? Now it is said that no government department is willing to dovetail with RTHK. Have you made any coordination? Have you talked to all government departments? I have to be brief, in order to comment on one more government department.

Moreover, concerning Programme (4) relating to RTHK, what is Programme (4)? It is new media, whereas Programme (3) is school education television. Concerning the estimate of expenditure for new media, there is a difference of -7.1% between the original estimate and the revised estimate in 2017-2018, that is, the estimated amount of expenditure set aside for RTHK and the actual amount spent by RTHK. Under matters requiring special attention, the Government said that it is necessary to "continue to develop and enhance new media projects" and yet, there can be a difference of -7.1% in the expenditure.
Is the Government committed to this task? There is an increase of 1.2% in the estimate for new media this year in 2018-2019. But compared to the increases for other government departments, this is indeed just a drop in a bucket. In this connection, I hope that the Government can address squarely the operation of RTHK.

On the other hand, I have to be quick in order to talk about one more government department, that is, "Head 42—Electrical and Mechanical Services Department". Let us refer to Volume 2 and take a look at the targets of the Electrical and Mechanical Services Department ("EMSD"). Their statistics are so awesome that they are almost frightening. I am particularly concerned about the safety of lifts and escalators. Targets are set in this respect. With regard to processing of registration of lift/escalator contractors within 40 working days, the target was 100% and in 2016 and 2017, the target of 100% was met. In respect of processing of periodic testing certificates for lifts and escalators, the target was also 100% and in 2016 and 2017, the target of 100% was met. So, they are second to none as they got full marks in all aspects. In respect of issue of permits to use for lifts and escalators, they also met the target of 100%. In respect of inspected lifts and escalators, their percentage in existing lifts and escalators increased from 13.7% in 2016 to 14.8% in 2017 and further increased to 18.4% in 2018. These figures of EMSD seem awesome on the surface, but do they reflect the reality? Given the time constraint, it is impossible for me to give an account of each lift accident in detail, including a recent accident involving a lift that Members should be aware of. Some Members even wished to ask an urgent question on it. But asking an urgent question would not help. Once a lift is out of order, not even a deity can come to your rescue. But let us take a look at the matters requiring attention in 2018-2019. What did the Government say? The Government said that it would be necessary to step up public education and publicity efforts to enhance the safety of lifts and escalators, which means that the responsibility rests with the public. Even when it comes to the serious accident involving an escalator that occurred at Langham Place some time ago, the remarks made by the Government have placed a lot of the responsibility on the users. Let me read out what it said. It said to the effect that the authorities decided to conduct random inspections on long escalators with a height of 15 meters or above once a year and that last year, there were 1 600 accidents involving escalators in Hong Kong, of which three were related to equipment fault while most of the accidents involved problems on the part of passengers, meaning that users of escalators did not follow the instructions. Therefore, the Government has shifted the emphasis to publicity and education and to teaching the public how to travel on an escalator.
In response to my enquiries, EMSD said that walking on the left and standing on the right that we were told to do before is no longer correct nowadays, for the correct way is for one person to stand on each step. Besides, it also says here that EMSD will implement the Lifts and Escalators Ordinance and publicize the requirements to relevant stakeholders. The Government must not think that when legal provisions are made, the objective can naturally be achieved. If that were the case, the many terrifying accidents involving escalators and lifts would not have taken place. Has EMSD reviewed its work? Is it that they have made their report card too beautiful and have, therefore, got carried away? So, I did not propose to cut its budget. I think EMSD should step up inspections and maintain the safety of lifts in a more stringent manner.

In addition, EMSD issued last Friday a new tender notice on the supply of 400,000 supermarket gift coupons at a total value of $13 million to its Trading Fund for distribution to the staff of EMSD. These practices are actually very common in government departments. They are meant to be a kind of reward. While pecuniary reward is forbidden, giving away gift coupons as a reward is allowed. Comparing gift coupons of department stores with those of supermarkets, certainly the latter are more convenient but the large supermarket chains will be ultimately benefited. In fact, this problem exists not only in EMSD. Therefore, I am taking this opportunity to bring up this issue in the hope that the Government will review the guidelines. Instead of spending $13 million on buying supermarket gift coupons as staff reward which would, in turn, benefit the large supermarkets, is it not better for the Government to make changes to the system and offer a cash reward to its staff? Is a cash reward not better than supermarket gift coupons? I so submit.

DR KWOK KA-KI (in Cantonese): Chairman, this is the first session of the debate on the Appropriation Bill 2018 and 38 heads with no amendment are involved. I know that due to the abrupt end of the last meeting, the President has given permission to many Members to speak in this part of the debate on heads with no amendment today. On this arrangement, I hope the Chairman could allow adequate time, so that Members who are waiting to speak on the heads with no amendment can have the opportunity to do so because only in this way can we live up to the spirit of the legislature—on this point, I would give the President the benefit of the doubt until the end—I hope that later on, you will give Members sufficient time to have discussions as well as conduct a debate on the
first part because actually, it is not this part that many Honourable colleagues want to talk about. In speaking, Members wish to make the legislature monitor public finance and the Budget in particular. I hope that this function can be served.

First, I wish to talk about the funding for "Head 37—Department of Health". Chairman, at present, the dental service of the Government is mainly focused on School Dental Service, including publicity and prevention, but it pays no heed to curative dental services, which are provided mainly by the private sector. It is a shame that throughout Hong Kong, there are only 11 public dental clinics that provide outpatient service. Chairman, if you look carefully, you will find that not all of them provide service daily. Many are open for consultation just one day per week and some are open for consultation only once a fortnight. What do some elderly people have to do? Chairman, if you have the opportunity to take a look, you will find that they have to queue up for the service before 6:00 am in the morning—it is actually sometime after 5:00 am—but do not think that public dental service would take care of all the dental problems of elderly people. In fact, only a single emergency dental service, that is, tooth extraction, is provided. Even so, this would not matter but many elderly people have problems not just with one tooth but three or four or even more teeth. Each time they go to these dental clinics, staff members would say to them, "Each time, you can only have one tooth extracted.". In that case, these elderly people have to make a choice. If there are three teeth causing problems, they will choose to have the one hurting the most extracted first. As regards the other two, they have to queue up again next week. Can an appointment be made? The answer is no. The time? Five o'clock in the morning.

Therefore, year after year and month after month, these elderly people have to wait continually for outpatient service at five or six o'clock in the morning, just like waiting for the drawing of the Mark Six lottery, to see if they have any chance of getting the service. Many people among them even have to cross districts to use such service. For example, the Kennedy Town Community Complex Dental Clinic provides service only in the morning on Mondays and Fridays but not at other times. We learnt from the Budget that there were 740 000 attendances for dental service and that in 2017, there were 760 000. Although the funds allocated to the health care section have increased significantly by as much as 21.5% in the Budget this year, is there any increase in the public dental care section? Sorry, no.
The Audit Report published by the Government earlier on reveals that there is a lot of room for improvement in dental service. Although so many people, in particular the grass roots, including elderly people, are in need of such service, at the same time, the consultation service of many government dental clinics is not utilized, so this is quite absurd. Despite having insufficient resources, the Government still tolerates or condones the suboptimal utilization of these services, so this is not doing justice to the public funds, taxpayers and also the tens of thousands of elderly people queuing up in the morning every day.

Chairman, originally, I intended to request an increase in fund allocation, including that to the Department of Health, in the Budget but as we all know, according to the Rules of Procedure, we can only propose reductions but not increases. In view of this, it is impossible for me, nor should I, scale back the dental service provided by the Department of Health, so I can only give up putting forward the proposal of increasing the fund allocation for dental service as this is not permitted under the Rules of Procedure.

In the last few years—and this year in particular—we could hear the Government say initially that the surplus would amount to $138 billion but according to the news received by us this week, there will be an additional surplus of $10 billion, so the surplus will reach almost $150 billion in total. Will this windfall of additional money be helpful to elderly people and members of the grass roots waiting for dental service in any way? The answer is in the negative and the amount of help is nil. Can the present newly-introduced, so-called "gap-plugging" proposal help them in any way? The answer is also in the negative. Our present request is very humble, that is, it is hoped that in each of the 18 districts, there can be one dental clinic to provide two sessions of service daily for five days a week, so that the grass roots and the elderly can make use of the service. The Government will surely say to us, "It is not the case that we do not provide financial support to elderly people. We now provide Elderly Healthcare Vouchers to them.". However, sorry, the Elderly Healthcare Vouchers serve only one purpose, that is, to put "plasters" on the defective or inadequate health care policy of the Government, in particular, on the primary health care policy. Therefore, after many patients or members of the grass roots have received this sum of money—in the past, it was $2,000 and this year, it will be increased by $1,000—hopefully, they will not spend it on fish maw, or they will have no money even to see a doctor. After getting this sum of money, they have to use it when feeling unwell; they have to use it on prescribing reading glasses; they have to use it for seeing Chinese medicine practitioners; and they
have to use it for using dental services, so which areas can the money actually cover? And do not forget that while public dental service is insufficient, they actually cannot afford the charges of dentists in the private sector because a tooth examination costs $300 to $500 and if a tooth extraction is necessary, that sum of $2,000 per year will be used up very quickly. Therefore, what the Government needs to do is not increasing the amount of Elderly Healthcare Vouchers and still less should it hope that by providing an additional $1,000, their problems can be solved. Rather, it is necessary to establish a dental clinic serving all members of the public in each of the 18 districts in Hong Kong. I also hope that this service will be provided not just to the elderly because as we all know, and the Government will also tell us, that elderly people can be subsidized by the Community Care Fund. Certainly, concerning the Community Care Fund, the Audit Report published earlier on points out an absurd fact, that is, the administrative costs incurred by dental service were even higher than the money that goes to the elderly people. Although it is said that the surplus stands at almost $150 billion, to many grass-roots people, in particular, to the large number of elderly people and low-income earners, this is actually completely meaningless.

In fact, the Government should provide dental service to people aged 65 years or above. It is crucially important to provide dental service to the elderly but of course, it is not just the elderly who have problems. Next, I will talk about special care dentistry. Special care dentistry has to do with a neglected group of people in society, including children with severe levels of intellectual disabilities, autism, intellectual ability below normal level, and multiple congenital problems. Under the present system, if they are aged below 18 years, they can use the dental services provided by the School Dental Care Service. However, Chairman, if you have the opportunity to accompany these children to dental clinics, including school dental clinics, you will know that these dental clinics cannot help them. Due to their physical problems, many of them cannot lie still on the dental chairs in these clinics to receive an examination by the dentist. The parents of these people bring them time and again to these school dental clinics, including the Lam Tin School Dental Clinic, the MacLehose Dental Centre, and so on, but each time, after they have arrived at the clinics, they find that their children refuse to open their mouths. This being so, the dentists can only say that they are sorry but they cannot provide any service to their children and they are told to come again next time. The same thing happens each time, so over time, the condition of these children's teeth becomes quite bad and when they reach 18 years of age, they can no longer use any public dental
service. The Government introduced special care dentistry a few years ago and basically, part of the problem has been solved. Unfortunately, there are still people waiting to use this service even now and the Government has only undertaken to allocate tens of millions of dollars to extend the relevant programme but this is only a one-off grant rather than a long-term programme.

Concerning this part, what I wish to say is: Does the Government lack resources or capability? The answer is in the negative. The Government is building a new children's hospital and this is precisely the best place for solving this problem. Be it children aged 18 years who need special care dentistry or people aged 18 years or above, that is, people whose physical age is that of a grown-up and who are already five feet six inches tall but whose intelligence is only equal to that of a four-year-old, or even a three-year-old or two-year-old, if Members have the opportunity to go to these dental clinics or the Evangel Hospital to take a look, they will know that their family members, parents and health care workers are all bearing a great deal of pressure. What they need is not ordinary dental service but special care dentistry, that is, in the course of dental treatment, they have to receive intravenous injections, sedation and even general anesthesia before dentists can provide dental service to them. Unfortunately, so far, we have not received any positive reply from the Government telling us that such service will be provided in the children's hospital soon to be completed. I ask the Government, be it the Department of Health or the Hospital Authority, to discuss with the parents of these people, a discussion which is most important. They need this kind of service and we have spent billions of dollars on a children's hospital. If their problem remains not solved, I think it would be most regrettable.

Next, I wish to talk about dermatology services. On dermatology services, although the Government has set the target of enabling 90% of patients to receive treatment within 12 weeks, in 2016, only 31% of the patients could receive treatment within 12 weeks and the rate was 33% in 2017. The waiting time in this regard is on the increase. This gives many low-income earners a great deal of trouble because as we all know, they can ill afford, or rather, their do not have the means to afford, expensive medical fees, so they cannot seek treatment in dermatology clinics in the private sector. Therefore, I hope very much that the Government can provide more service, so that waiting patients (some of them have to wait for over a year) can seek treatment and dermatology patients seeking first consultation can find relief of their condition.
Next, in the little time that remains, I wish to give a response concerning the Radio Television Hong Kong ("RTHK"). We can see that the Government has been purposely "sapping" RTHK over the years. A very strange situation has arisen. As we all know, when the Finance Committee of the Legislative Council examines funding proposals, usually, the pro-establishment camp would support and approve the Government's funding applications regardless of their merits or demerits but in respect of the construction of RTHK's new Broadcasting House, we can see a reversal of this situation, that is, the great majority of Members in the pro-establishment camp cast "No" votes. As a result, the plan for RTHK's new Broadcasting House fell through. In fact, RTHK is still waiting to apply for funds but there is no knowing when its application will be submitted to the Finance Committee for scrutiny. However, the condition inside RTHK's old Broadcasting House on Broadcast Drive beggars belief. It is now 2018 and the Government has thousands of billions of dollars in its pocket and over $150 billion of surplus. At a time when the discussion centres around finding ways to make cash handouts, staff members still have to take out buckets to catch rainwater and use equipment that has been in use for several decades and become antiques. Moreover, a large number of staff members are waiting to sign long-term employment contracts.

I do not understand why the Government chooses to do so. I can only think of one reason, that is, after many public broadcasting corporations have fallen into the hands of Mainland or red capitalists, in fact, the only thing that we can rely on to keep the channels for free speech of the public is radio services and through radio programmes or RTHK's television programmes, the public can voice their criticisms of the Government. However, the better a job RTHK is doing and the harder it works, the more it becomes a thorn in the Government's side, so the Government has resorted to all available means and even colludes with the pro-establishment camp to reduce the funding for RTHK. The public know full well what it is doing, so please do not trample on RTHK anymore. I hope the Government will give us a new response in the coming year and give staff members of RTHK the treatment they deserve (The buzzer sounded) … I so submit.

CHAIRMAN (in Cantonese): Dr KWOK Ka-ki, please stop speaking.
MR AU NOK-HIN (in Cantonese): Chairman, "complete failure" is a most apt description of this Budget debate session as this Council is in a great hurry to call it a day. Why did I say so? Chairman, honestly, I did not go to bed until 3:00 am early this morning because I had to prepare to ask many questions about 12 government departments, including the heads marked here. My colleagues also spent a whole day making preparations for asking questions and expressing their views. But now, I am given only 15 minutes to express my views. Is this arrangement fair? Why must the President punish Members who are willing to do their homework? I would like to thank the two Bureau Directors who have remained in the Chamber to listen to the views expressed by Members, including Secretary James Henry LAU and Secretary Dr LAW Chi-kwong. I believe Secretary Dr LAW is feeling particular sad because he was a Legislative Council Member back in the 1990s. He will probably ask this question today: Why has the room for discussion in the Budget debate been narrowed to such an extent?

Today, a joint debate is being conducted in this Council on the heads to which no amendments are proposed. However, I find the manner of conducting this debate very problematic. Before elaborating on certain heads, I must first express my personal opinions. Strictly speaking, no Member has succeeded in proposing any amendments to these 38 heads without amendments. Since the disqualification of six Legislative Council Members and the changes made by the pro-establishment camp to the Rules of Procedure, the Government has gone even further to narrow our room for debate and take the lead in undermining parliamentary democracy.

For instance, of the 60-odd amendments originally proposed by me, five might involve the same head or government department. However, the President only allowed one of them to be proposed while the remaining amendments were not allowed, meaning that they probably have no chance at all to be discussed in this Council in future. Let me cite another example. Five of my proposed amendments involve different areas of the same government department. For instance, in respect of the Education Bureau, my first proposed amendment might seek to reduce the remuneration of the Secretary—the two Secretaries can rest assured that I did not propose reducing their remunerations. Another proposed amendment was related to the deduction of government funding for the Territory-wide System Assessment, but I was allowed to discuss the deduction of the Secretary's remuneration only. These two issues are actually totally unrelated. How can Members who put their heart into proposing amendments feel that they are being respected?
Therefore, even though the heads discussed in this debate session carry no amendment, we cannot say that these 38 heads or government departments have no room for review or discussion. I myself have already prepared 12 questions. Let us see how I can raise all these questions during the debate. The time allowed for debating these 38 heads is seven hours only. Actually, it will be less than seven hours as most Members will only make general comments. Since Mr CHAN Chi-chuen already explained the reason just now, I need not make any additional comments. Chairman, if seven hours are divided by 38 heads, and assuming 67 Members will request to speak, then each Member will only have 9.89 seconds to speak on each head. This speed is comparable to the 100-metre sprint record. In other words, a Member should have finished his or her speech within the record time set by Usain BOLT in sprinting 100 m. If Members accept this room for discussion which is absolutely inadequate, I can only say that this is a great insult to the Legislative Council. Moreover, Hong Kong people will be extremely saddened by Hong Kong's political development.

Chairman, my speaking time is running out. I will try to use my remaining time by all means to speak on each head and see how many departments I can cover. Though I have no idea how many departments I can discuss, I will try my best.

The first head I wish to discuss is "Head 112—Legislative Council Commission". Will Members please listen to my speech by all means. Let me begin with "Head 112—Legislative Council Commission". I must emphasize that the Legislative Council Commission ("LCC") often uses security as an excuse in recent years to try every possible means to narrow the room for assembly and protests by the public, as well as their freedom of speech. Such an approach will only make the Government an enemy of the people and demonstrate its reluctance to listen to public opinion, thus aggravating the public's discontent with the Government.

For instance, when Ms Tanya CHAN asked a question earlier concerning the recruitment of non-full-time security staff by the Legislative Council, she found that the Legislative Council Secretariat had spent nearly $1 million of public money on recruiting a large number of temporary security staff, citing "serious security threat" as an excuse. When I asked a follow-up question in a meeting concerning how the Secretariat defined "security threat", the number of security staff recruited and their authority, the Government simply cited this and that excuse and employed a delaying tactic until the meeting was over, without answering any of my questions.
When I asked a written question again, the Government gave me a most ridiculous reply, saying the temporary security staff were responsible for security checks at the various entrances and exits and, what is more, 3,456 hours were spent making preparations for security checks on 5 June 2014. I really wish to find out what sort of checks LCC intended to conduct and why several thousand working hours and manpower were required to conduct such checks. Did the Government use security check as an excuse but actually put the security staff in a difficult dilemma by requiring them to form a human wall to frighten protestors and the public and prevent them from making their voices heard?

Although no Member has succeeded in proposing amendments to "Head 112—Legislative Council Commission", Chairman, I am most worried about whether LCC is merely playing a neutral role responsible for making administrative arrangements or it has gradually transformed into a government machine that seeks to use security as an excuse to reduce civic rights. I hope the Government can provide a channel for the public to express their views to the Government and promote social reform after accumulating enormous public wealth, instead of reducing the freedom of speech enjoyed by the public. Precisely now, my freedom has been reduced to 15 minutes only.

The second head I wish to discuss is "Head 169—Secretariat, Commissioner on Interception of Communications and Surveillance". The estimated expenditure for the Secretariat this year is $24.6 million, an increase of 24.6% over the previous year, and the number of staff is 23. Following the passage of the Interception of Communications and Surveillance (Amendment) Bill 2015 in June 2016, the Commissioner on Interception of Communications and Surveillance ("the Commissioner") was empowered to require the production of interception products and surveillance products for the Commissioner's inspection. This major change that enables the Commissioner to have actual power to monitor law enforcement agencies is apparently a progress. Nevertheless, given technological developments, the Interception of Communications and Surveillance Ordinance ("the Ordinance") has become seriously outdated since such information as instant communications software is not included. However, the reduced number of applications for interception of communications and surveillance from 1,561 in 2014 to 1,446 in 2016 is not in line with the approach adopted by law enforcement agencies in recent years to vigorously combat terrorism and step up surveillance on protestors. It is doubtful that law enforcement agencies might have established other channels to obtain communications information of the public. After all, this is in breach of the original intent of the Ordinance.
In addition, the Ordinance should comply with Article 17 of the International Covenant on Civil and Political Rights: "No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation." The Ordinance also includes other stringent safeguards for privacy at all stages of the operation by law enforcement agencies—from the initial application, execution of the authorization, to the subsequent oversight. For instance, should an investigation involve the interception of news materials, the Commissioner should be notified. This is why the Police can absolutely not obtain the related communications information, including online or digital communications information, at will. Moreover, a set of procedural order must be observed. The Court ruled in October 2017 that, under non-urgent circumstances, the Police must first obtain a search warrant before examining the information contained in the cell phone or other electronic communications device of an arrested person. The Court's ruling was originally meant to safeguard the use of electronic communications devices by the public. It is really disappointing that an appeal was lodged by the Department of Justice against the ruling.

Besides, the Police might even use long-range devices to obtain the public's personal information. In a Finance Committee meeting, former Under Secretary for Security, John LEE, even confessed that the Police had in possession cell phone cracking technology but refused to deny the use of hacking software by the Police on the ground that law enforcement would be affected. This is why we have reasonable cause to suspect the Police are using various technologies to intercept the personal information of the public. For instance, the use of hacking software by the Police to obtain WhatsApp exchanges is not subject to the Ordinance. Not only is this a loophole in the law, but the Police might not be required to obtain a search warrant. In addition, the Police are not regulated by the Ordinance even if they request Internet Service Providers ("ISPs") to provide user information. In the past two years, the Police made 7 445 requests for local and overseas ISPs to disclose user information for crime prevention and detection purposes.

Nevertheless, in hearing the Leung Kwok-hung and Koo Sze Yiu v. Chief Executive of the Hong Kong Special Administrative Region case, Permanent Judge of the Court of Final Appeal, Mr Justice BOKHARY, said, "By its nature covert surveillance involving the interception of communications impacts upon the privacy of the communications which are intercepted. And the knock-on effect of that is an impact upon freedom of communication, too. For it is only
natural that even law-abiding persons will sometimes feel inhibited in communicating at all if they cannot do so with privacy. Nevertheless covert surveillance is an important tool in the detection and prevention of crime and threats to public security, i.e. the safety that the public is entitled to enjoy in a free and well-ordered society. The position reached upon a proper balance of the rival considerations is that covert surveillance is not to be prohibited but is to be controlled. Such control must sufficiently protect—and enjoy public confidence that it sufficiently protects—fundamental rights and freedoms, particularly freedom and privacy of communication. The "legal procedures" requirement contained in Article 30 of the Basic Law exists to ensure such protection. I hope the Government can expeditiously conduct a review of the Ordinance in the Budget to regulate the acquisition of instant communications software and Internet control by law enforcement agencies.

Chairman, the third department I am going to discuss is related to "Head 121—Independent Police Complaints Council". In recent years, police power has become a highly controversial topic. Moreover, the Independent Police Complaints Council ("IPCC"), as part of the police power monitoring regime, has often been criticized. IPCC members have long been appointed by the Chief Executive, and the selection of candidates is often based on political considerations. In 2016, LEUNG Chun-ying reshuffled IPCC with its membership comprising purely people from the pro-establishment camp. Since then, IPCC has become an organ with "three nos", meaning having no power to conduct investigations, make decisions and impose sanctions. What is more, the new appointment has led to the suppression of the dissenting voices previously heard. Even neutral voices are no longer heard. IPCC has thus become a club for "LEUNG's Fans", the pro-establishment camp and people opposing the Occupy Central movement, such as Dr David LEE Ka-yan, lead singer of the song "Siu Ming taking the high speed rail" and a member of the joint body of the Alliance for Peace and Democracy, and Mr Johnny YU Wah-yung, son of Mr Jose YU Sunsay, a former member of the Chinese People's Political Consultative Conference. The fact that not a single incumbent or former pro-democracy Members sits on IPCC has completely destroyed its remaining credibility.

IPCC has all along been criticized as a toothless tiger. Let me cite the case involving Franklin CHU, who was convicted this year, as an example. The investigation findings of the case were returned thrice before a reasonable verdict could be reached. On the first occasion, after completing its investigation, the
Complaints Against Police Office ("CAPO") classified the assault allegation as "Unsubstantiated" but it was requested by IPCC to reconsider classifying the allegation as "Substantiated". On the second occasion, after completing its investigation, CAPO revised the allegation as "abuse of power" and classified it as "Substantiated", but the findings were turned down by IPCC. On the third occasion, although CAPO agreed to the "assault" allegation, it considered the evidence inadequate and recommended that the allegation be classified as "Not Fully Substantiated". Nevertheless, IPCC was dissatisfied with the conclusion drawn by CAPO and eventually a vote was, for the first time in history, taken by secret ballot and the case was returned to CAPO. On the fourth occasion, after consulting the Department of Justice, CAPO finally agreed to classify the assault allegation as "Substantiated". How much taxpayers' public money was spent on sending this case back and forth?

Mr Edwin CHENG, a former IPCC member who proposed conducting the secret ballot, indicated that secret ballot had to be adopted as some IPCC members received telephone calls or were persuaded that certain members would have to change their position should the voting be conducted in an open manner. Nevertheless, he had no power to disclose the identity of the lobbyist. He also criticized the responsible officers of CAPO for being not cooperative in handling the Franklin CHU case and, what is more, mixing up the conduct of Franklin CHU with the Occupy movement. Despite the irrefutable evidence, CAPO had to conduct four investigations before it was able to reach a fair verdict. Furthermore, IPCC was under heavy pressure and had to face the uncooperative attitude of CAPO. From this, it can be seen that without public concern, the truth of other cases will often be masked and buried in the course of investigation.

In fact, the operational efficiency of IPCC is questioned by the public currently. It has taken three years before the findings of the Franklin CHU case were known and more than 800 days before prosecution could be instituted. During a 1 July protest last year, League of Social Democrats Chairman Avery NG was led away by the Police and even had his hair pulled and his private parts kicked by police officers. Although the relevant process was filmed by the media, the relevant investigation has yet to complete even though nearly a year has passed. Neither has the progress of the investigation been made public. How efficient this mechanism is!

According to the IPCC annual report, the success rate of substantiated complaints has been low, remaining at around 10% since the establishment of IPCC. As regards allegations involving serious offences such as assault,
fabrication of evidence and threat, the rate of substantiated cases is even lower, with a maximum of two cases classified as "Substantiated" per annum. Of all the investigations conducted, the rate of unsubstantiated cases is often higher, representing 41% of the thoroughly investigated allegations. This makes people suspicious of CAPO not pulling out all the stops to collect evidence or members of the public having kept evidence due to a lack of awareness. This year, the number of cases required to be reclassified upon the request of IPCC has increased substantially by 60%, most of which being cases previously classified by the Police as "Unsubstantiated" but are now reclassified as "Substantiated". The sharp rise in the number of reclassified cases reflects the unclear investigation criteria adopted by CAPO and the need to make the criteria public. What is more, IPCC was criticized for blaming complainants for making "false" allegations. It is very irresponsible of IPCC to neglect the fact that the system itself is not conducive to the lodging of complaints by members of the public. According to the 2016-2017 report, only 574 out of the 994 queries or suggestions made by IPCC were accepted by the Police. The acceptance rate of a mere 57.8% reflects that the views put forward by IPCC are often neglected by CAPO. These facts also reflect the limited strength of monitoring of police power.

In fact, the manpower of IPCC is inadequate. According to the information published in 2015, IPCC had 51 staff members, and 16 of them were responsible for handling cases direct. The number of allegations to be handled per annum stood at 3 000. The Independent Police Complaints Commission in the United Kingdom, however, had 804 staff members, and 482 of them were responsible for conducting investigations and following up cases. The numbers of police officers in Hong Kong and the United Kingdom were around 28 000 and 127 000 respectively. In comparison, IPCC in Hong Kong has a smaller size of staff, especially investigation officers. It is therefore imperative for additional resources to be provided. Has the Budget this year provided resources on this front? JAT Sew-tong, former Chairman of IPCC, has once proposed that IPCC may draw reference from Canada or the United Kingdom in enhancing the power to intervene in investigations, or even model on the operation of the Office of The Ombudsman or the Equal Opportunities Commission. Why has IPCC in Hong Kong not yet carried out the relevant reform? Why does Hong Kong not draw reference from IPCC in the United Kingdom by conferring independent investigation power on IPCC in Hong Kong?
As a former convenor of the Civil Human Rights Front ("CHRF"), Chairman, I actually have the relevant experience. In March 2017, we lodged separate complaints to IPCC and CAPO regarding the failure of some police officers to apply for No Objection Letters in connection with the staging of a rally for supporting the seven police officers, thereby breaching the Public Order Ordinance. Six months down the line, we were still waiting for a reply from either IPCC or CAPO. In the end, we have only received a reply from CAPO. We have not yet received a reply from IPCC to our complaint.

In the era of JAT Sew-tong, regular meetings were held between IPCC, the Police and CHRF, and views were exchanged on major marches, including the annual 1 July march. When it came to the era of Larry KWOK, this tradition disappeared. It is thus evident that IPCC has actually been retrogressing over the years. I have just completed a commentary on IPCC, requesting the existing IPCC regime to be reviewed and allowing IPCC to become independent. We have not proposed any amendments to the Budget this year, but we do not have any opportunities to speak on IPCC.

Chairman, although I have spent so much time speaking, I have only managed to discuss three departments. I have yet to speak on the remaining nine departments. Why should Members like us who have done our homework be punished? I have always regarded Secretary Dr LAW Chi-kwong as a rival because he was in charge of the policies of the Democratic Party back in the 1990s. I was formerly in charge of the policies of the Democratic Party, too. I have been hoping to, in terms of the height of policies, demonstrate that the democratic movement has a policy vision of its own. Nevertheless, it is deeply regrettable that I have failed completely to achieve this in this debate.

**MS CLAUDIA MO** (in Cantonese): What a good speech by Mr AU Nok-hin. I know that Mr Slow Beat has a good friend called "Fast Beat", and I found out just now that we also have a "Fast Beat" in this Council. In the future, "Slow Beat" and "Fast Beat" may work closely together in the legislature. Chairman, you are the one forcing Members to speak in a manner as fast as if they are doing tongue twisters. I am not good at that, so I will not try to do that either. It is ridiculous, is it not? Last year, a number of Members might speak more than once in this session, but now the Chairman has already drawn the line, allowing no Members to speak after me. In fact, some Members have also pressed the
"Request-to-speak" button, yet he drew the line harshly, giving no regard to them. We can do nothing. Like the Government's talk about new thinking and new fiscal philosophy, it is all empty talk. What I see is that we are going downhill.

I will now speak on "Head 74—Information Services Department" and "Head 160—Radio Television Hong Kong". I do not see any new thinking or new philosophy but the approval of funding application as usual. We either see that the problems have aggravated and resulted in the approval of additional funding, or that the relevant departments have backtracked after the funding applications have been approved. What do I mean by backtracking? It is really a long story. The budget for Radio Television Hong Kong ("RTHK") next year is $1 billion. Do Members think that it is a great amount? No, it is merely enough to meet its expenditure. As for the Information Services Department ("ISD"), its budget is half of that of RTHK, which is $500 million.

People may think that both departments are mouthpieces of the Government receiving funding from the Government, and that they merely vary in scale, one larger than the other. Yet, this is not the truth. The work of RTHK should be public service broadcasting, and one of the key definitions of public service broadcasting is that it should be free from political control and commercial control. Since RTHK does not broadcast any advertisements, it definitely will not be subject to commercial control. This point is self-explanatory.

As for ISD, I have to explain to Members that during my times, the picture was totally different. The former Directors of Information Services of the early years, like CHEUNG Man-yee and Irene YAU, were liked by journalists. Certainly, times back then were different. Unlike today, there was no email and not even Internet. Hence, the information released by ISD to reporters was extremely important. Yet, nowadays, why does ISD need a provision of $500 million? Members may take a look at certain historical figures of ISD in recent years. Edward YAU, the former Director of ISD, is now the Secretary for Commerce and Economic Development. Another former Director, Michael WONG, is now the Secretary for Development. As for Patrick NIP, he had been the Director of ISD once and is now the Secretary for Constitutional and Mainland Affairs. Those working in ISD will get rapid promotion. Now, we can see what is happening.
Let me cite an example to illustrate my point. In the past, reporters will keep track of the information provided by ISD. They worked extremely well with government officials in ISD and knew each other's needs full well. Yet, the Government is only performing the function of a central propaganda department nowadays. Take our visit to the Express Rail Link last Monday as an example. We in the Council Front staged a protest during the visit. The photos released by ISD could not avoid showing Members holding placards in protest. As we were Members making a duty visit, they could not prevent us from joining the photo-taking session. Yet, the photo released was blurred. Even if the photo is zoomed in, words on the placards are not legible, and it is at best an image showing there were words on the placards. Furthermore, the news text made no mention of the protest by Members. It did not point out that Members were unable to see the boundary of the Mainland Port Area and the layout of the passageway beside the boundary. This is not the ISD I know. The situation was not like that in the 1980s, not even in the 1990s.

I find it strange, and hence I read "Head 74—Information Services Department" in detail to find out the usage of the provision of $500 million. First, more than half of the provision is spent on staff remuneration. As stated in the paper, the role of ISD includes several programmes. Yet, as I read the wording of these programmes, I was shocked. The five programmes include: Programme (1): Public Relations Outside Hong Kong. Please pay attention to the term "Outside Hong Kong". In the past, it was to receive overseas journalists visiting Hong Kong. The present description is more cautious. For the use of the word "overseas" may be interpreted as referring to overseas forces including journalists from the United Kingdom, the United States, France and Canada. Yet, by using the term "Outside Hong Kong", it may include public relations with the Mainland.

As for Programme (2), it covers local public relations (local PR) and, luckily, public information. Yet, what is the definition of local public information? As in the example of visiting the Express Rail Link, which I cited just now, the ideology involved is evidenced by the approaches they adopted in handling the case. Another interesting point is that these programmes are brought under the policy area of intra-governmental services, which is under the Home Affairs Bureau or Secretary LAU Kong-wah. It is really unimaginable. Clouds keep changing, seas keep changing and the world too. I understand that as time passes, certain things may change, yet I have never thought that it would have come to this pass. It is really unfathomable.
As for the aim of ISD, it is to promote a favourable image of Hong Kong internationally and in the Mainland. What kind of department is this? It is obviously performing the functions of a central propaganda department. Even in the moment of great enlightenment, I cannot understand this. ISD also claims that it will fully utilize social media platforms such as Facebook, YouTube, Instagram and Twitter in Hong Kong, overseas or outside Hong Kong. I am not that inactive on the Internet, yet I have never seen the scenarios it claims. The authorities have obviously adopted the hard-sell approach and failed to attract attention. Hence, no one knows about this. Half of the $500 million provision is used for paying staff salaries, whereas the other half is wasted. The authorities also point out that ISD will monitor overseas media coverage of Hong Kong, as well as perceptions about Hong Kong from different fronts—it is kind of overseeing—and respond to media reports if necessary. I really do not know what the department is doing.

As a veteran in the trade, I am shocked by these so-called new job descriptions. As I read on more carefully, I was so shocked that I nearly fell over. ISD has now become a ladder for promotion and prosperity. In the early years, when graduates in journalism were unhappy at work in regular news rooms or could not get a job in the traditional journalism field, many of them would consider working at GIS and it was a decent job. Even though the work involved the release of government information, it is at least a regular news message, for the department was not specifically tasked to promote a favourable image of Hong Kong and responsible for public relations outside Hong Kong and local public relations.

It is strange that ISD has all the hardware yet the content of the software is completely redundant. In contrast, RTHK has the software but lacks the hardware. Members should have heard Mr CHAN Chi-chuen mention the case earlier, which is a case obvious to all. In times of heavy rain, there will be buckets everywhere in the three buildings of RTHK on Broadcast Drive. While water leaks spring up on one side, plaster peel off on the other, and then water seepage is found at corners of walls. It is definitely like working in the Third World. The Government has a surplus of $100-odd billion and a reserve of $1,000 billion, but why is RTHK treated this way? Is it not strange?

Members may have forgotten the history of RTHK. Since 1997, RTHK should have been kicked out long since. In the early years, it was the former Chief Secretary for Administration, Anson CHAN, who had been supporting RTHK. TUNG Chee-wah could not stand it and said that he would deal with
RTHK slowly. Yet he was too slow in action, and he had to leave the scene before he did anything. In the times of Donald TSANG, he also wanted to kick out RTHK. Members should have remembered that a report suspected of trying to "kill RTHK" was released back then. In the report, it was pointed out that RTHK should be started all over again, it should be started with the clean slate and it should be given a death sentence and guillotined. The report stated that it should be started again, and there was even a plan for the China National Radio to set up a Hong Kong branch officially. Gladly, the community launched the "Save RTHK" ("撐港台") campaign at that time.

RTHK is still operating today. Despite all the ups and downs, it is still doing fine. Yet, is it engaging in genuine public broadcasting? I have doubts about that. I am not looking down on media workers in RTHK, but this is the objective fact. On the one hand, RTHK is truly a government department which has to listen to the Government. On the other hand, RTHK points out that it has a charter on public service broadcasting and editorial autonomy, and it is an organization enjoying complete editorial independence. This is Schizophrenia, is it not? For this reason, the "Save RTHK" campaign was later renamed as "PSB now" campaign, hoping that RTHK will be independent from the Government. However, this is merely a dream. It is lucky that the Government has not destroyed RTHK by now, how dare it is to look for independence. We may have to wait till 2047 to request the independence of RTHK, and see if there is any chance. Now, it is a mission impossible.

Recently, on the Internet platform of RTHK, operating on public funds, there was a phrase "Emperor XI forever". Is there any problem with this? No. In fact, similar reports are found in newspapers, on television and radio—I am not 100% certain that it is the case for radio—yet it is so at least in the case of television and newspapers. Actually, among international media around the world, those being monitored by ISD, this saying of "Emperor XI forever" is found in Chinese and English reports. Why then RTHK is not allowed to use this phrase? According to an internal source of RTHK, the Commerce and Economic Development Bureau has requested RTHK to handle this cautiously and delete the phrase, for it is an inappropriate comment. This is political intervention and political pressure. Some people say the Commerce and Economic Development Bureau has already indicated that it has not done so. However, I have to point out that the authorities have never denied doing so, as they have not answered my question at all. RTHK has given me a reply. It merely states that they decided deleting the phrase for various reasons, but stop short of stating loud and clear whether or not the decision to delete the phrase was
made because of the intervention of the Commerce and Economic Development Bureau. This is the culture left behind by the British: You tell the truth but not necessarily the whole truth. Be blessed, RTHK.

CHAIRMAN (in Cantonese): Secretary for Financial Services and the Treasury, do you wish to speak again?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Chairman, I would like to thank Members for their views. It is extremely important for the sums for the 38 heads without amendment be included in the Schedule by the committee of the whole Council. If the sums for these heads cannot be included in the Schedule, it will have serious impact on the Appropriation Bill 2018 ("the Bill"), making it unable for departments and organizations involved to promptly provide the necessary services to the public.

To ensure that public services and the daily operation of the Government will not be affected and to allow proposals in the Budget to be passed as soon as possible, I implore Members to give priority to public interest by supporting the inclusion of the sums for these heads in the Schedule and pass the Bill expeditiously.

Thank you, Chairman.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the sums for the heads read out by the Clerk stand part of the Schedule. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Chi-chuen rose to claim a division.
CHAIRMAN (in Cantonese): Mr CHAN Chi-chuen has claimed a division. The division bell will ring for five minutes.

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

CHAIRMAN (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MO, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Ms Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Helena WONG, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Dr Junius HO, Mr HO Kai-ming, Mr LAM Cheuk-ting, Mr Holden CHOW, Mr SHIU Ka-fai, Mr Wilson OR, Ms YUNG Hoi-yan, Dr Pierre CHAN, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr KWONG Chun-yu, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Mr LEUNG Yiu-chung, Ms Claudia MO, Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr CHU Hoi-dick, Mr SHIU Ka-chun, Dr CHENG Chung-tai, Mr Jeremy TAM, Mr Gary FAN and Mr AU Nok-hin voted against the motion.

THE CHAIRMAN, Mr Andrew LEUNG, did not cast any vote.

THE CHAIRMAN announced that there were 55 Members present, 43 were in favour of the motion and 11 against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.
CLERK (in Cantonese): Heads 21, 22, 28, 30, 33, 44, 47, 49, 51, 53, 55, 60, 70, 72, 74, 76, 79, 82, 90, 91, 92, 96, 118, 122, 135, 137, 138, 139, 141 to 144, 148, 151, 152, 156, 158, 159, 162, 163, 170, 173, 186, 188, 188, 190 and 194.

CHAIRMAN (in Cantonese): We now proceed to the second session.

Members may now proceed to a joint debate on the amendments to the 46 heads read out by the Clerk just now.

The amendments include: the Financial Secretary's two amendments seeking to increase the sums for heads 170 and 173; and a total of 65 amendments proposed by 14 Members seeking to reduce the various sums for 44 heads.

Members have been informed that the committee will have about 22 hours to conduct this debate.

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

After the debate, the committee will vote on each of the amendments in the order as set out in the Appendix to the Script.

(Mr Gary FAN stood up and requested to raise a point of order)

CHAIRMAN (in Cantonese): Mr Gary FAN, what is your point of order?

MR GARY FAN (in Cantonese): Chairman, just now I heard you mention that there were a total of 65 amendments proposed by 14 Members. However, to my understanding, there should be a total of 67 amendments proposed by 14 Members. Chairman, please confirm whether the information read out by you just now is accurate.
CHAIRMAN (in Cantonese): The information is accurate because among the 67 amendments, two are proposed by the Financial Secretary.

MR CHAN CHI-CHUEN (in Cantonese): Chairman, I move Amendment No. 1 as set out in the Appendix to the Script.

Chairman, this year I have proposed 48 amendments in total, of which 31 were approved. According to the time slots set by you, we will have 22 hours for this debate session. However, on how many of these 31 amendments will I actually be able to speak in the end? Heaven knows!

Take the first session which has just passed as an example. Last year, in the debate session on heads with no amendment, I could speak five times. But this year, I could only speak once on two heads.

Chairman, I do not think you should set any time limit and require the debate on the Appropriation Bill 2018 ("the Bill") be completed within two meetings because the amendments to it involve 46 heads, not to mention that the Government has also proposed two amendments this year. There are some 60 Members. Even though they may not be interested in speaking on my amendments, I know many of them are interested in speaking on those of the Government. Members of the pro-establishment camp are interested in speaking, too, because they need to succeed in fighting for the "cash handout". I have done some computations and found that if every Member speaks just once on the Government's amendments, it will already take 16.75 hours. Only five hours will be left for speaking on the 65 amendments proposed by Members. How will such a debate end up? It is absolutely unimaginable to me.

Chairman, I will go straight to the amendments after saying a few more words. What will happen if this approach becomes a precedent? Despite the complexity of the Bill involving 60-odd amendments proposed by Members and those by the Government, the relevant debate can still be required to be completed within two meetings. As such, other Bills can also be handled in this way. So can the co-location arrangement and the national anthem law. In introducing legislation for Article 23 in future, you can work in the same way. This time we did not talk about filibustering again. We just speak as we wish and raise our views if there is any. I also encourage Members to feel free to rise and speak.
However, Chairman, under your framework, Members really have fewer opportunities of speaking when compared with the previous years, especially during our scrutiny of controversial Bills. Since I do not know how many times I can speak and whether I can speak on all of my 31 amendments, this time I have chosen not to speak on my own amendments. I will first speak on those of the Government. I guess many Members do not see which heads were actually revised by the two amendments of the Government. Can anyone answer me straight away which heads are being revised by the Government's amendments?

In fact, the present amendments of the Government have revised "Head 173—Working Family and Student Financial Assistance Agency", since the Government has passed the baton to this Agency. Certainly, this Agency has never dealt with the relevant matters before. Having no experience, it also needs to rent an office. The administrative cost is thus extremely high.

Another head involved is "Head 170—Social Welfare Department", since it is necessary to make a top-up arrangement, that means handing out $4,000 in total. That is to say, if the persons concerned did not receive any Comprehensive Social Security Assistance ("CSSA") payment and the total amount of social security payments (including all assistance) received by them is less than $4,000, then they will be paid the difference. These two heads have been revised.

Let us look back at 2012 when John TSANG served as the Financial Secretary. Similarly, he had proposed an amendment, which was rare. It was rare for the Government to propose an amendment at the Committee stage of an Appropriation Bill. At that time his approach was relatively simple. He increased head 106 by $7.1 billion in respect of subhead 789. Head 106 is miscellaneous services and subhead 789, additional commitments. Certainly, I will compare the Government's amendment or approach in 2012 with the present ones in my speech later. In fact, back then the purpose was also remedial. On both occasions, after the announcement of the Budget, the situation was not as good as expected, and an amendment was thus proposed.

Let me introduce this placard again: "Ah Mo distributing a pie, the more he tries to plug the gaps, the greater the problem". The Government says this is a proposal of "caring and sharing", whereas the people of Hong Kong call it a "remedial" proposal. It really makes the worst of both worlds. Just now Mr Michael TIEN said that given these two amendments—I wonder if he would vote against them later—he would abstain or vote against the entire Budget.
Owing to the time constraint—I do know how to consolidate my speech—I will talk about the administrative expenses of the Public Transport Fare Subsidy Scheme later. I have always supported a direct "payback" to all the people. This time it is a de facto "payback", but the Government categorically denied it, saying that John TSANG's amendment was not focused, whereas the present ones are. What is meant by "focused on a target"? That is, they target the rich. Those who have properties will receive more. Those who own a flat will get $10,000; those who own 10 flats, $100,000; and those who own 100 flats, $1 million. Those who pay more in tax will receive more tax refunds, while the "N have-nots" who have nothing will receive only $4,000 at most. This is what is meant by "focused on a target". They target the rich. Or, in the other way round, we can also say that they target the poor.

Why do I oppose this "gap-plugging" proposal and object to this approach? In fact, my criticism of the Public Transport Fare Subsidy Scheme is based on the same principle. The Government should adopt the simplest, fastest and most beneficial approach which can pass the benefits onto each and every member of the public. It should not erect all kinds of barriers. Members of the public should be benefited in the first place. The Government needs to keep them in its consideration. It should not devise any measure which will add to their inconvenience.

As I am afraid I may not have the time later on, I wish to take this opportunity to speak on the proposal which is more important to our interests first. Now when will members of the public receive the money? I have no idea. Nevertheless, when will they be entitled to receiving the money? Regarding this entitlement, after we have passed these two amendments of the Financial Secretary and then the whole Budget after Third Reading, we should mark down the date. From that day onwards, the persons concerned will be entitled to the "triple pay" in social security payments. Even if they have to wait two or three months for the collection, the money belongs to them. Some elderly persons came to me and asked about it and said, "Mr CHAN, I wonder when I can get the money. Perhaps at the time I die, I am still waiting for it. Mr CHAN, please fight for it for me." I said, "Sure. I will ask this question for you before all else." The Government has given a reply. For instance, the Chairman expects that we will pass the Budget on 10 May. In theory, on the day the Budget is passed, be it the CSSA "triple pay" or the proposal of "plugging the gaps", members of the public are already entitled to the money dished out by the Government. However, the CSSA "triple pay" is different from the $4,000 dished out under the proposal of "plugging the gaps". The difference is that
there are records of CSSA. Even if an elderly person unfortunately passes away, the CSSA "triple pay" will still be transferred to his estate provided that his passing takes place before 10 May. The CSSA "triple pay" will still belong to him after 10 May.

What about the proposal of "plugging the gaps"? The proposal requires the applicants to fill in a form. If the person concerned has passed away without completing the form, the $4,000 will not be granted to him. How saddening! I need to speak for the young, too. Back then, how did John TSANG's Budget define the age of 18? Chairman, do you remember? Under the line set by John TSANG, those who reached the age of 18 on or before 31 March the following year were eligible to receive $6,000. But the penny-pincher Paul CHAN set it at 31 December this year. I consider it perverse and stingy. The application forms will not be available from the Government to members of the public for completion this year. Instead, they have to wait until next year. The most generous approach is to set the cut-off as the financial year of the Budget. Why was it set at 31 December this year? No one can explain it to me. It was actually decided by the Government at will, right? Paul CHAN just meant to create conflicts and divisions. Those young people reaching the age of 18 during January to March next year will hate Paul CHAN very much. With only a difference of four months, how much more money will it cost?

Back to the amendments. First, the Government's amendments respectively seek to increase subhead 700 (General non-recurrent) under "Head 173—Working Family and Student Financial Assistance Agency" by $11.3 billion and the non-recurrent expenditure of the Social Welfare Department by $435 million. In short, these expenditures are the payments to be collected by members of the public and administrative expenses under the proposal of "plugging the gaps" advanced by the Financial Secretary on 23 March.

The Financial Secretary presented the Budget on 28 February. Here I have to particularly point out that he said on that day that there would be a surplus of $138 billion. I could place him a wager that the Government should have a surplus of $150 billion. Eventually, the Financial Secretary deliberately did not estimate the surplus to be $150 billion. He announced yesterday or the day before that the Government had a surplus of $148.9 billion. Thus "Slow Beat" did not win. Now the surplus is not $150 billion. It is only $148.9 billion, presenting a difference of $1.1 billion. But how was this amount actually calculated? It is an eight-times difference from the amount in the Budget submitted by the Financial Secretary last year. It is also $10 billion more than
the amount in the Budget presented on 28 February. How will the Government use the surplus? Only by granting waivers of rates, etc. As regards the transfer of benefits to large consortiums, I am not going to talk about it in detail. In a word, it is infuriating to the public.

The popularity rating of the Financial Secretary sank rapidly—Carrie LAM is not in this picture—causing the net popularity rating of Carrie LAM to dive to a negative figure, too. It was only under public or Members' pressure that he reluctantly made a U-turn as a remedy. Although every year the People Power would request a direct "payback" of $10,000 to all the people, this time I dare not say that I have succeeded in fighting for anything. I live on Hong Kong Island. I saw Mrs IP's banner in the streets bragging about her success in fighting for $4,000. Nevertheless, I am very happy that some members of the public have changed their mind. In the past, some people opposed cash handouts, but today, even if they do not support any cash handout, they would not oppose it. They understand why we say that the high land price and stamp duties have led to exorbitant rents, thus causing members of the public to bear a heavy cost. Hence, this time it is a matter of course to return the wealth to the people.

Under the so-called proposal of "plugging the gaps" advanced by the Financial Secretary on 23 March, a CSSA recipient may apply for the difference if the amount received by him is less than $4,000. The Government said these two amendments would benefit 2.5 million people, but I would like to tell the Government that although this proposal will enable eligible Hong Kong residents aged 18 or above and ordinarily resident in Hong Kong to receive $4,000, did the Government ever wonder why Paul CHAN's net popularity rating still kept plunging and dropped to -44, while that of the Chief Executive dropped to -2, both hitting record lows? It is evident that members of the public are not quite supportive of this proposal of using $11 billion to "plug the gaps". If I have the opportunity of speaking next time, I will make a detailed analysis. As we all know, now the opportunities of speaking are rather precious, and so far I have not requested any headcount. Perhaps it would be better if the meeting is aborted. Then Members of the pro-establishment camp need not come back tomorrow. They can sleep at home for as long as they like until they wake up naturally.

The Government should seriously reflect on itself. Even though I may support its amendments in the end because my principle is supportive of offering a "payback" to all the people, I absolutely will not support the entire Budget because of this. I will put forth my reasons later.
Mr CHAN Chi-chuen moved the following motion:

"RESOLVED that head 21 be reduced by $16,220,000 in respect of subhead 000."

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That Amendment No. 1 moved by Mr CHAN Chi-chuen be passed.

SUSPENSION OF MEETING

CHAIRMAN (in Cantonese): I now suspend the meeting until 9:00 am tomorrow.

*Suspended accordingly at 8:08 pm.*