

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 11 October 2018

The Council met at half-past Ten 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 CLAUDIA MO

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

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

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

THE HONOURABLE WU CHI-WAI, M.H.

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

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

THE HONOURABLE CHARLES PETER MOK, J.P.

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN, B.B.S., J.P.

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG, J.P.

THE HONOURABLE DENNIS KWOK WING-HANG

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

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, B.B.S., 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, S.B.S., 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 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, J.P.

THE HONOURABLE TANYA CHAN

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG, J.P.

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 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.

MEMBERS ABSENT:

THE HONOURABLE ANDREW WAN SIU-KIN

THE HONOURABLE KWONG CHUN-YU

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.M., G.B.S., J.P.

CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JAMES HENRY LAU JR., J.P.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY, AND
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

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

CLERK IN ATTENDANCE:

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

THE CHIEF EXECUTIVE TO ADDRESS THE COUNCIL UNDER RULE 8 OF THE RULES OF PROCEDURE, AND TO ANSWER QUESTIONS PUT BY MEMBERS ON THE POLICY ADDRESS DELIVERED BY HER ON 10 OCTOBER 2018.

THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION

PRESIDENT (in Cantonese): Good morning. Members will please remain standing while the Chief Executive enters the Chamber.

PRESIDENT (in Cantonese): The Chief Executive will first address this Council.

CHIEF EXECUTIVE (in Cantonese): President, and Honourable Members, good morning. Yesterday, I delivered the Chief Executive's 2018 Policy Address at the Legislative Council. As I only highlighted some of the points in my speech to the Council, I hope Honourable Members have found the time to read the Policy Address of close to 40 000 words. Hence, today, I have chosen to set aside ample time for Members to ask questions, so I have no further remarks.

MR GARY FAN (in Cantonese): *Chief Executive, you use "Striving Ahead, Rekindling Hope" as the title of the Policy Address this year. Yet, at the same time, you announced the "Lantau Tomorrow" plan involving large-scale reclamation of 1 700 hectares of land and costing \$100 billion, with a possibility of running to \$1,000 billion in the end and exhausting the reserve of Hong Kong. Chief Executive, you are not "rekindling hope". I would say, your Policy Address is "burning up our reserve".*

Last year, at the Chief Executive's Question and Answer Session, I asked this question. Moreover, during the consultation on the Policy Address, I had pointed out to you repeatedly that the crux of the housing problem in Hong Kong was external demand and investment demand, and I had proposed to you the imposition of a "restriction on property purchase", recovery of the power of vetting and approving applications for One-way Permit and review of the quota of such permits. However, you have turned a deaf ear to these views. In the entire Policy Address, there is no discussion, no decision and no action on addressing the concerns of property speculation and population policy. As for medical and health care, elderly care and retirement services, you remain tight-fisted.

Chief Executive, you mentioned that there are over 200 measures, yet more than half of them are merely rehashes, failing to "address the imminent concerns of the public", and they are carried out in "slow motion" and funding is not forthcoming. However, in the construction of artificial islands and "white elephant" projects, the Government spends unrestrainedly, poised to expend sums totalling \$1,000 billion. Please look at this photo taken at the North District Hospital. It shows that the waiting time for specialty services is 28 months and that for ultrasonic inspection is 28 months. Now that the people of Hong Kong see that you are exhausting the reserve of Hong Kong for the construction of artificial islands, do you think you have failed to live up to the expectations of the people of Hong Kong? You are "burning up our reserve".

CHIEF EXECUTIVE (in Cantonese): President, since the delivery of the Policy Address yesterday, Lantau Tomorrow proposed by me has become the focus of a lot of discussions and questions. The vision of Lantau Tomorrow is to create more land for Hong Kong to meet the development needs in the next 20 to 30 years.

Mr Gary FAN said that the reclamation area of 1 700 hectares is large in scale. In fact, by the end of the 1980s, the then incumbent Government introduced the Rose Garden Project which, including reclamation required for the construction of the new airport, the new Western Harbour Tunnel and the sites along the railway, coincidentally covered an area of over 1 700 hectares. Members can imagine that had the Government at the time not been determined in overcoming all difficulties—I believe that Government should have faced the same criticisms we are facing today, being criticized for squandering, and there was the concern about reunification back then—had the Government at the time not made that decision and had it not risen to the challenges, what kind of Hong Kong would we be living in today? Hence, I hope Members will draw reference from history in their perception of current issues.

As for the alleged exhaustion of the fiscal reserve, first, the figure is merely conjecture in the community. For an infrastructure project of such a large scale, however, it will inevitably involve colossal investments, yet such colossal investments are not expended in one year. According to our presentation this year, that is, 2018, we may have to wait till 2032 to see the provision of residential flats. In other words, this works project will take 13, 14 or 15 years.

If the amount of \$500 billion or \$1,000 billion as suggested by Mr Gary FAN is spread over the period, it should be divided by the 10-odd years in question. At present, the amount of funding for infrastructure projects proposed by the SAR Government and approved by Honourable Members exceeds \$100 billion per annum. Over \$100 billion is allocated for infrastructure projects every year, yet these projects will finish and another batch of infrastructure projects have to be launched for sustainability. As Ir Dr LO Wai-kiok has reminded us in the legislature over the years, we should maintain the sustainability of infrastructure projects and avoid the extremes of launching an excessive number of projects at one time and none at the other, as such an approach will arouse acute anxiety in the local construction sector. More often than not, Mr FAN will link these projects to the population policy, as well as the arrangement for family reunion in Hong Kong via the One-way Permits. Sorry, I have to take exception to this.

As for the management of demand for investment or home purchase, several rounds of curb measures were introduced in the past. In fact, today the number of property purchased by non-permanent residents and the number of transactions paying Special Stamp Duty are maintained at a relatively low level. As for our expenditure on welfare and care for people's livelihood, it has been increased by 86% in the past six years. Hence, insofar as the Policy Address and the Budget are concerned, it is undesirable to merely read the one for the current year, for in the past six years, the expenditure on welfare has increased by 86%. Particularly on medical and health care which Mr FAN is concerned about, we have invested \$500 billion in two phases. If Mr FAN is concerned about investing \$500 billion on the development of Lantau Island, he should know that we have in fact invested \$500 billion in hospital infrastructure, including the addition of beds, redevelopment of the Queen Mary Hospital and the Kwong Wah Hospital and the construction of a specialty general hospital at Kai Tak. These projects are investment for the future of Hong Kong and initiatives to alleviate the plight faced by the people.

MR GARY FAN (in Cantonese): *The public opinion is crystal clear, for the opinion poll conducted yesterday gave the Policy Address a failing grade. In respect of the large-scale works projects carried out by the colonial government in the past, were there problems like cost overruns, delays, blunders and falsifications as in cases involving the Shatin to Central Link and the Guangzhou-Shenzhen-Hong Kong Express Rail Link carried out by the Government under your leadership? No. Chief Executive, how can the public*

have confidence in the Government led by you? You said during the election that you would consider resignation if mainstream opinion was against you. Have you ever considered doing so?

CHIEF EXECUTIVE (in Cantonese): As I said in the joint radio programme I attended this morning, it is within my expectation that this Policy Address will arouse a controversy. If we set out to do something, we must accept that someone may disagree with what we do, and if we are to do more, it will arouse opposition from more people to a certain issue. According to the responses to the Policy Address noted by me, I am criticized for doing too much and being bold in taking forward certain initiatives. Therefore, these initiatives have aroused opposition from a certain group with vested interest, which is understandable. Yet, the Government of the current term will continue to take forward the relevant initiatives, driven by the spirit of rising to challenges ahead and doing solid work for the people with pragmatism.

MR WU CHI-WAI (in Cantonese): *Against the backdrop of the trade war between China and the United States presently, many commentaries or even pro-establishment businessmen have expressed worries about the collateral damage of the trade war. In addition to imposing tariffs on more Chinese goods, the United States may even consider repealing its Hong Kong Policy Act eventually. If the United States really repeals the Hong Kong Policy Act, Hong Kong's special status may be rocked. For instance, the United States may ban the export of certain high-tech products to Hong Kong. By then, Hong Kong's role as the external connector of China will be dealt a severe blow. Another example is people's livelihood. Hong Kong people going abroad for business, leisure travel or studies may be subject to restrictions. Presently, the United States has imposed restrictions on Mainland students seeking to further their studies there. We cannot tell what will happen to Hong Kong by then. Even if the United States only announces the commencement of a study on whether the Hong Kong Policy Act should remain in force instead of taking a radical action, it will rock investor confidence or even trigger a capital flight. Hence, I have this question. The Chief Executive has mentioned in the Policy Address only the signing of a number of free trade agreements, and that Hong Kong has accessed ample opportunities leveraging on the Mainland. Also, the Belt and Road Initiative and the Greater Bay Area development will also bring enormous opportunities. But may I ask the Chief Executive whether she has assessed the*

impact on Hong Kong if the United States doubts that "one country, two systems" has failed in Hong Kong, and then announces the commencement of a study on repealing the Hong Kong Policy Act?

CHIEF EXECUTIVE (in Cantonese): President, I hope Mr WU Chi-wai is asking this question in the interest of Hong Kong. The Secretary for Commerce and Economic Development has been continuedly assessing the impact of the trade conflict between China and the United States on Hong Kong this time around. And he also maintains discussions with trade associations in Hong Kong and continuously rolls out measures to support the trades. Hence, if members of the business community consider that we have failed to provide much additional support on this occasion, it is because they have forgotten the series of measures announced by Secretary Edward YAU over the past few months. Adhering to my style of governance, I call for immediate implementation of necessary measures, rather than leaving them till the release of the annual policy address for the Chief Executive to claim credit. I have at hand two pages of information on the many varied measures introduced by Secretary Edward YAU over the past few months. Some of them are related to the Hong Kong Export Credit Insurance Corporation and the HKMC Insurance Limited, while some of them are related to reducing the guarantee fee, increasing the maximum loan amount and lengthening the maximum loan guarantee period. All of these measures are based on assessments and introduced to prepare for a rainy day. For this reason, Mr WU can rest assured that we will take them forward.

We have strong opinions on the acts of unilateralism currently done by the United States Government because we are one of the staunch supporters of free trade, as well as a member of the World Trade Organization. Hence, for issues reported to have impacts on Hong Kong, we will definitely stand our ground. As stated by me in the press conference yesterday, such trades and investments are reciprocal. Instead of reaping considerable benefits from the United States, we have been trading with it on a reciprocal basis. We are the economy against which the United States records the highest trade surplus in the world, and at present, some 1 300 United States companies have set up regional headquarters, regional offices and local offices in Hong Kong. These are the common interests shared by Hong Kong and the United States, which also require the concerted efforts of both governments to preserve.

MR WU CHI-WAI (in Cantonese): *The Chief Executive has not answered my question. As we can see, on the incident of Victor MALLET, the United States Government, the European Union, the United Kingdom Government and the Canadian Government have respectively issued a statement making serious allegations in an unprecedented manner, expressing concerns about whether Hong Kong can adhere to the original intent in the implementation of "one country, two systems" to ensure freedom of speech and continuous free flow of information in Hong Kong. The Chief Executive talked about the trade war in her reply just now. But my question earlier was whether the Chief Executive had assessed the overall impact on Hong Kong society in the event that the United States Government commenced or announced the commencement of a study on the Hong Kong Policy Act. Moreover, has the Chief Executive studied ...*

PRESIDENT (in Cantonese): Mr WU Chi-wai, you can only ask a brief supplementary question, and you have already asked a supplementary question.

Chief Executive, do you wish to reply?

MR WU CHI-WAI (in Cantonese): *President, I am now asking my supplementary question. It all hinges on whether the Government has assessed ...*

PRESIDENT (in Cantonese): Mr WU Chi-wai, you can only ask a brief supplementary question, rather than presenting lengthy arguments.

CHIEF EXECUTIVE (in Cantonese): Mr WU, concerning the assessment mentioned by you, I have already explained the situation now. We have been trading with the United States, which has a trade surplus against us. There are some 1 300 United States companies in Hong Kong. If the United States takes punitive measures against Hong Kong or measures that would affect the economic, trading and investment environment of Hong Kong, it will also suffer. Hence, the concerted efforts of both sides are required to preserve such a reciprocal and mutually beneficial status.

MR AU NOK-HIN (in Cantonese): *Mrs LAM, good morning. You said yesterday that you hoped opponents of reclamation would not ride roughshod over 270 000 families for their own preferences. In fact, even if the people's housing needs are met, will their living be any better? To members of the general public, their concern is that there are only drug stores and goldsmith shops lining the streets, that it costs \$23 to buy just a bun and that prices soar after the change of ownership of shopping malls.*

When conducting consultation on the Policy Address at Radio Television Hong Kong, you said that there would be no basis for intervention by the Government after the divestment of shopping malls in public rental housing ("PRH") estates. In other words, the Government is not in a position to stop the Link Real Estate Investment Trust ("Link REIT") from selling its shopping malls endlessly. In the Policy Address you stated that aged PRH estates would be redeveloped. As I said when I put a question to you on a previous occasion, without buying back the shopping malls, it would be impossible for the Government to achieve complete redevelopment of old housing estates.

Link REIT hinted yesterday that it would sell another 10 shopping malls. Mrs LAM, with regard to the "Three Mountains", are you going to use words to substitute actions? Is it that you only care about reclamation now and will simply leave the "Three Mountains" alone?

CHIEF EXECUTIVE (in Cantonese): I will engage in no more argument. These "Three Mountains" were not mentioned by me publicly. But in fact, I am greatly concerned about the livelihood of the people, especially the grass roots. It is difficult for us to make any intervention in commercial activities in the private sector and this is why we have to build more public markets. In this Policy Address, I decided that public markets be built on two sites in Tin Shui Wai and Tung Chung that are relatively more accessible and more likely to attract patrons. We will also provide more public markets in the planning of new towns in future, such as Hung Shui Kiu. The Government accepts that the building of public markets to offer a wide variety of fresh provisions to members of the public, especially the grass roots, is a task required of the Government.

As for the pressure of daily public transport fares on the people, in addition to the Public Transport Fare Subsidy Scheme introduced last year, we will keep up with our efforts this year by proposing to waive the tolls charged on franchised

buses using tunnels and roads, so that the savings thus made can be reciprocated to the passengers. As to how this can be done, Secretary Frank CHAN will brief Members on the details and listen to Members' views.

Let me reiterate what I have said many times about the sale of assets by Link REIT. So long as we still have the abilities and powers to stop something from happening, we will definitely make use of them. But I am afraid, after the divestment of properties to Link REIT, our remaining powers and abilities are but limited, and basically only some are left. For example, tenants of units for welfare purposes cannot be asked to move out arbitrarily, or specified parking spaces must be ensured for exclusive use by tenants of a housing estate, this must be guaranteed, and it means that we do not agree to Link REIT arbitrarily disposing of these parking spaces individually which would result in non-compliance with the lease conditions. We have been doing all such work.

MR AU NOK-HIN (in Cantonese): *Mrs LAM, actually this can be done in many ways, such as invoking the Lands Resumption Ordinance. But perhaps let us follow up the issue of education. I have noticed that research funding was mentioned in a lot of paragraphs in this Policy Address but think about this: When professors in some tertiary institutions are forced to retire at the age of 60, how can talents be retained? Do you admit that this Policy Address has attached importance only to research to the neglect of teaching?*

PRESIDENT (in Cantonese): Mr AU Nok-hin, you can only ask a short supplementary question. You cannot ask a new question.

Chief Executive, do you have any response?

CHIEF EXECUTIVE (in Cantonese): Matters relating to employment in education institutions fall under the autonomy of the institutions, and I cannot interfere with them. Although I am their Chancellor, I will not interfere with these matters. In fact, our support for universities in recent years has increased rather than decreased. In this connection, we will continue to carry out such work.

MR SHIU KA-FAI (in Cantonese): *Chief Executive, first of all, I thank you for continuously exerting yourself to work for the citizens of Hong Kong. In this Policy Address, particularly in respect of short-, medium- and long-term measures for housing, it can be seen that you have specifically put forward proposals for resolving the housing problem of the citizens of Hong Kong. Like the citizens of Hong Kong, many of our colleagues in the Liberal Party are grateful to you and we are delighted.*

Having said that, I wish to point out that the Liberal Party is concerned not only about the people's livelihood but is also one of the few political parties that speak up for the business sector. From this Policy Address we can see that various policies are particularly skewed in favour of the labour sector, providing assistance to workers. With regard to this series of policies, our Party Chairman, Mr Tommy CHEUNG, will explain the details if he has a chance to ask a question later. But I am concerned about one point. As you have said, in order to develop housing in Hong Kong, it is most important to have land; and in order to do business, it is most important to have manpower. Hong Kong has consistently been caught in a shortage of manpower, and the unemployment rate is 2.8%, which is close to full employment. The wage of a dishwasher is even higher than that of a supervisor. Therefore, the labour problem has all along remained unresolved. Without imported labour, it is impossible for the business sector to do business. Chief Executive, in the Policy Address you only touched on this point lightly. Can you put forward more specific proposals, just as those proposed to address the housing problem, in order to help resolve this problem for us?

CHIEF EXECUTIVE (in Cantonese): First of all, I am grateful to Mr SHIU Ka-fai of the Liberal Party for his positive comments on this Policy Address. As Mr SHIU has said, the Liberal Party has all long represented the business sector, and I also noticed that last night, various major trade associations and chambers of commerce, in a move which is probably quite rare, issued a long statement expressing welcome and support for this Policy Address. This shows that the conclusions of the Liberal Party and the associations and chambers are consistent.

Labour shortage is indeed a problem. In this Policy Address I also admitted that various sectors have encountered difficulties in staff recruitment but for the purpose of labour importation, there must be a good environment. This is why I have raised some issues of improvement for labour welfare in the hope

that those issues over which there have long-standing disputes between employers and employees can be resolved in one go. It is hoped that they can come together to discuss the question of labour shortage and what is more, many of the benefits proposed for workers this time around will be financed by the Government.

First, in respect of the offsetting arrangement under the Mandatory Provident Fund System, in our final proposal we have made a financial commitment of \$30 billion, providing subsidies for a period of 25 years. I think this proposal should be acceptable to the business sector.

Second, with regard to the additional four weeks' maternity leave, the Government will be fully responsible for paying female employees whose monthly salary is below \$50,000. I must emphasize that the approach of full reimbursement is not rare. We have studied dozens of places and in many places, the wages for the maternity leave are paid by the governments, especially in Singapore as they think that the wages should not be fully borne by employers of pregnant women alone.

Then there is the strengthening of rehabilitation services for injured workers, which is beneficial to the business sector as employees can resume duty early if they can recover early. Another aspect is industrial safety which is something Members all wish to see; and then there are benefits for employees engaged for services outsourced by the Government. Therefore, I do not see what I have done that will seriously affect the business sector. But after implementation of these initiatives for the benefit of workers, and I believe there are several Members from the labour sector in the Chamber today, while I will not ask them to make any promise now, I hope that the atmosphere can be eased a bit, so that we can address the problem of labour shortage seriously and pragmatically.

MR SHIU KA-FAI (in Cantonese): *Chief Executive, actually the Government has all along used the Supplementary Labour Scheme to address the issue of labour importation, but although this has been discussed for several years, the problem remains not resolved. Various trades and industries are indeed experiencing a shortage of labour. If you do not put forward a proposal with a new mindset and concrete details but continue to stall on this problem, the business sector would suffer very badly.*

CHIEF EXECUTIVE (in Cantonese): President, I am quite used to plucking up the courage to think out of the box and make breakthroughs at work. We will continue to work hard in this respect.

MR KWOK WAI-KEUNG (in Cantonese): *President, on the Policy Address, the Hong Kong Federation of Trade Unions gives the overall comment "rosy vision", particularly in respect of housing and land. Be it the reclamation project under the Lantau Tomorrow Vision, the development of brownfield sites or development of agricultural land under the Land Sharing Pilot Scheme, there are measures in the long, medium and short terms. However, Chief Executive, we consider that even the short-term measures take 8 to 10 years to materialize, which is too distant in the future. The 210 000 households currently living in subdivided units and paying high rents and high water and electricity bills, and the 260 000 applicants who have been waitlisted for public rental housing for over five years on average do have pressing needs. How will you rekindle their hope?*

CHIEF EXECUTIVE (in Cantonese): Thank you, Mr KWOK. The housing policy I proposed in the policy address last year comprised four elements, one of them is increasing supply based on the Long Term Housing Strategy. However, we are also aware that it is difficult to increase supply in one go, so we have to make the best use of the available housing resources. The Policy Address this year presents a number of measures to be introduced by the Hong Kong Housing Society ("HKHS") and the Hong Kong Housing Authority ("HKHA"). However, it is difficult to tell how effective this "ready solution"—the short-term measure—will be and it is also uncertain how attractive it will be.

Another salient point is that the Government makes the unprecedented move of allowing the wholesale conversion of industrial buildings for transitional housing. We do not know the reactions of various sectors to this measure but if it works out, the number of housing flats thus provided will be greater. Members can thus imagine that the wholesale conversion of multi-storey industrial buildings can provide more housing units.

Third, according to the new housing initiatives announced in June, nine private housing sites have been re-allocated for public housing development, providing 10 600 units. In the days ahead, I undertake to allocate more sites for

public housing development in my term of office to hopefully render help to people in need expeditiously.

Will the land sharing schemes be implemented quickly or gradually? Are they short-term, medium-term, or long-term? It is difficult to tell now because we have to wait for landowners to make applications. If an application is relatively simple and does not involve major road infrastructure or other matters, the supply of public housing can be increased in the short run.

All in all, I can tell Members that, as regards the housing issue, we have really racked our brains to hopefully increase supply in the short, medium and long terms.

MR KWOK WAI-KEUNG (in Cantonese): *President, Chief Executive, I understand that you have racked your brains but have you overlooked something? In fact, there have been discussions about whether the Fanling Golf Course can be used for housing construction in the short run? You can consider identifying a site to relocate the golf course in the future but the pressing housing need can be solved right now. Can you consider it?*

CHIEF EXECUTIVE (in Cantonese): This option is one of the options proposed by the Task Force on Land Supply ("Task Force"), which is relatively controversial. Therefore, I expect to examine the relevant situations after the Task Force has submitted the report around the end of this year. However, to my knowledge or understanding, the site in question cannot quickly produce housing supply because I have heard people from New Territories North state to me that, to construct housing there, transport problems must be solved first. In this way, the supply of housing cannot be produced expeditiously. Moreover, I have also heard some rural representatives say that a lot of ancestral graves are located there, and so relocation of such graves is necessary, making the supply of housing not quick. Thirdly, there are many old trees on the site—there are tree lovers in the Chamber—so relocation of such old trees is necessary and thus it will not be quick neither. Therefore, sometimes some options seem to be able to provide housing quickly, but the case is otherwise indeed.

DR KWOK KA-KI (in Cantonese): *President, the Chief Executive certainly have a glib tongue. Trapped in an abyss of misery and in need of urgent relief, Hong Kong people's yearnings for housing are certainly strong. But on the back of her obsession with infrastructure, she is, as the Civic Party puts it, squandering money down the drain. While there are 270 000 people waiting for public rental housing presently, less than 100 000 of such units will be available by 2023. We have, in fact, many options, including a 170-hectare site occupied by a golf course, 1 000 hectares of agricultural land held by private developers, 900 hectares of land reserved for small houses, over 700 hectares of brownfield sites available for development, but you do not consider all of these. There are also the 2 000 hectares of idle sites identified by a former Secretary for Development. Instead of considering any of them, you picked the most expensive option, one which is tantamount to dumping money down the drain and confounds the Government in coming up with an exact figure for us. If the public play along with you, in these projects that span 20 to 30 years as you have suggested, how much money will be burnt? \$1,000 billion or \$800 billion? To put it bluntly, this is a solution fit for the proverbial prodigal. That is why people are quipping on the Internet today that instead of "Lantau Tomorrow", the project should be called "Catastrophe Tomorrow", for we really have no clue as to how this bill will be footed in the end.*

Let us be honest, Chief Executive. What is your objective in choosing such a proposal, when there are so many other options available, options that you refused to consider? So, on behalf of some members of the public, I pose to you a multiple choice question: Are you a prodigal Chief Executive, or a crook? This is, after all, the biggest revelation to us from reading your Policy Address. Hong Kong people will thus have to wait 20 or 30 years before securing a home, while some 100 000 to 200 000 people will have to follow your lead and continue to play in this "infrastructure game" that costs some \$1,000 billion.

As the Chief Executive, how do you justify yourself to the public who have been waiting for and pinned high hopes on you? So please answer: Are you a crook, a prodigal, or both?

PRESIDENT (in Cantonese): I wish to remind Members that no insulting word should be used when putting questions to the Chief Executive.

DR KWOK KA-KI (in Cantonese): *President, please clarify which word you consider insulting, "crook" or "prodigal"?*

PRESIDENT (in Cantonese): Both words are insulting. I urge you to withdraw them.

DR KWOK KA-KI (in Cantonese): *President, while I can withdraw either prodigal or crook, you have yet given her a chance to reply. Perhaps she would say that both are correct?*

CHIEF EXECUTIVE (in Cantonese): President, please let me answer Dr KWOK's question. I have heard the less-than-friendly words of Dr KWOK for over 10 years. He is actually very restrained today. He once walked up to the rostrum and hurled banknotes at me, so he is very restrained today. I can answer his question, and I do not mind his words. Every single one of the options he mentioned has either been set in motion or is being studied. The four options put forward in this Policy Address, options that I consider sufficiently justified, relatively, and which outlook and prospect could be mentioned without waiting for the report to be submitted by the Task Force actually include brownfield sites.

That said, I must tell Members that the development of brownfield sites is actually an extremely difficult task that takes years to accomplish. It is by no means a quick solution. We all have had personal experience in such developments. As Members must recall, I used to be the Secretary for Development and had launched in 2008 the North East New Territories New Development Area project in this Council. It was estimated that the project, now renamed Kwu Tung North/Sheng Shui/Fanling New Development Areas, would be ready for occupation in 2015 or 2016. However, not a single brownfield site has been resumed so far. I have no idea when we will see the project ready for occupation. Moreover, many brownfield sites are now included in our planning studies and the Government will take many actions to deal with them. As for the rest, meaning scattered brownfield sites outside planning, they are currently home to various operations, accommodating such economic activities as storage, vehicle dismantling, tyre storage, which involve

operators. Hence, the Government must think up ways to address them. We are proactively doing so. As Secretary Michael WONG has pledged, with the completion of two preliminary studies on brownfield sites by the end of this year, we will formulate a strategy on development of brownfield sites.

Moreover, private land is also an option. In formulating the Land Sharing Pilot Scheme—a name that Dr KWOK may dislike using—we have in fact considered many different views and generalized them into four main principles, in an effort to ensure that public interests would be our principal consideration. So, we are in fact taking forward all such work. I have just answered a question concerning the relevant golf course. Once the Task Force has completed its work, we will certainly follow up the issue.

I have full confidence in the development of Hong Kong in the future. I believe we are in a position to craft a better future for our people, on both the economic and livelihood fronts. Hence, we must be resolved to develop more land.

DR KWOK KA-KI (in Cantonese): *Chief Executive, since you talked numbers with me, I will do so with you likewise. It has been 21 years since the airport at Kai Tai was relocated in 1997. Yet, the Government is still selling land lots of the site. Do you, Chief Executive, blame this on Hong Kong people, or on the Government for not doing a good job?*

But this is not the most important issue. Meeting this expenditure of \$1,800 billion will inevitably mean exhaustion of the entire reserves of Hong Kong, including the pension reserve for civil servants. But the point is not here either. It is estimated that the Government's development projects in the North East New Territories, Hung Shui Kiu and Yuen Long South, along with the Tung Chung project, would be able to house 792 000 residents. Meanwhile, the Census and Statistics Department has projected that the population of Hong Kong would peak at 8.22 million, higher than the present size of 7.44 million. But then you told us that the proposed artificial islands would house 1.1 million residents. Who are those people? "New Hongkongers"?

CHIEF EXECUTIVE (in Cantonese): There is no such concept as "new Hongkongers" or "Greater Bay Area people". Everything we do, we do it for the people of Hong Kong.

Even though Dr KWOK does not want me to talk about the Kai Tak project in my reply, I do wish to bring up some old scores with him. Following the relocation of the airport, the Kai Tak project has suffered years of delay, one of the problems is reclamation. As I recall, Dr KWOK was a champion for reclamation back then, and I admired him for that. The Government at that time had decided to cease reclamation after the completion of the Central-Wanchai Bypass project. However, new aspirations and public expectations will invariably emerge in each and every period as different development projects proceed, prompting responses from the Government and accommodation by means of modifications of some projects. So, Members should not lay everything at the door of the Government's inaction.

In respect of the issue of expenditure, I too wish to talk numbers with Dr KWOK. At present, the annual expenditure of the Government runs to some \$500 billion. Infrastructure investments alone has reached \$100 billion nowadays, up from the \$20 billion when I was the Secretary for Development. In their recent blog posts, the Financial Secretary and the Chief Secretary for Administration both pointed out that since we seemingly has the ability to carry out these tasks, which are also required by some projects, in the days to come, it is necessary to sustain the infrastructure development of Hong Kong. Whether the ultimate sum of expenditure runs to \$500 billion or \$600 billion, it will be spread over an extended period of time, say a decade or so, with annual expenditures of around \$40 billion to \$50 billion. Projects that cost \$100 billion today will be completed some day. This batch of new infrastructure projects will be incorporated into the next phase of infrastructure works and carried out in a sustainable and stable manner. So, please do not lump all the figures together in a bid to scare the public with claims about the reserves and pensions for civil servants being exhausted overnight.

MR VINCENT CHENG (in Cantonese): *President, land development involves many aspects and requires consideration of all problems. I find it absolutely unhelpful of Members to use the land problem for the sole purpose of dividing the community and launching personal attacks.*

I have this question for the Chief Executive. The people of Hong Kong (especially the 110 000 living in such unsuitable housing as subdivided units) all wish to improve their living environment in the short term. Apart from allowing the leasing of subsidized housing with premium not yet paid, another way of increasing housing supplies in the short term is the provision of transitional housing. While I believe transitional housing will be very much in demand over the next few years, what I noted from this Policy Address is that the Government, apart from the proposal of allowing the conversion of industrial buildings for transitional housing, is not going to identify sites suitable for such purposes in a more proactive manner. As the transitional housing policy involves the issues of unit supply and location, may I ask the Chief Executive whether a target and timetable will be drawn up for the number of units to be supplied as transitional housing? How many sites does the Government have on hand that are ready and suitable for such purpose?

CHIEF EXECUTIVE (in Cantonese): My request is that before the long-term supply of housing is in place, we should make good use of our resources, including existing housing and sites suitable for use as transitional housing in the short term. It will, however, be hard to draw up targets for many situations may not be fully under our control and the need for cooperation from the owners of sites, housing or industrial buildings concerned.

However, rather than arguing incessantly over how many units of transitional housing we wish to build, let me make a suggestion here: since Secretary for Transport and Housing Frank CHAN has already set up a task force to cope with the transitional housing drive, I urge all the Members present and the various political parties to pass to Secretary Frank CHAN suggestions of sites they identified as suitable for transitional housing—but they have to be proposals that have gained the general consent of the local communities, not those that would invite a serious backlash at the district council level later on. Secretary Frank CHAN will refer the proposals to the task force for consideration. If they are found feasible, we will implement them. Money is not a problem—there are calls for me to inject \$10 billion or a so-and-so amount into building transitional housing—money is really not a problem, we will find a way to come up with the resources necessary for constructing transitional housing. I implore Members to help us identify suitable sites and buildings. We will follow up your suggestions.

MR VINCENT CHENG (in Cantonese): *President, we do have a suggestion. Recently, the Democratic Alliance for the Betterment and Progress of Hong Kong has identified a temporary site under the Lands Department at the intersection of Yen Chow Street West and Tung Chau Street in Sham Shui Po, on which, by our estimate, some 200 units can be built. Can the Government conduct a study on that site?*

CHIEF EXECUTIVE (in Cantonese): *Will Mr CHEUNG please pass the relevant information to Secretary Frank CHAN for subsequent studies.*

MR TONY TSE (in Cantonese): *President, Chief Executive, first of all, I would like to commend the theme of this year's Policy Address, especially the words "Striving Ahead". As we all know, Hong Kong has remained stagnant due to political disputes and filibustering in the Legislative Council. We need to move forward badly and we can continue to procrastinate no more. Hence, I agree with the Chief Executive that we must "decide and proceed after discussions".*

Insofar as housing and land are concerned, the Policy Address proposes to adjust the ratio of public and private housing, as well as take forward Lantau Tomorrow and other housing construction projects. I fully support these initiatives which respond to the suggestions raised by me on various occasions for some time in the past. The Chief Executive has also put forward many proposals and measures in respect of transport, including adjusting the tolls of cross harbour tunnels, waiving the tolls charged on franchised buses for using tunnels, increasing the parking spaces for commercial vehicles, etc. However, I think these measures are just piecemeal, while there seems to be little mention of the overall transport planning and long-term strategy. The Third Comprehensive Transport Study completed by the Government in 1997 only applies up to 2016. It is now 2018. Will the Chief Executive launch a Fourth Comprehensive Transport Study during her term of office, so as to tie in with the connections with Mainland cities, such as the Express Rail Link, the HongKong-Zhuhai-Macao Bridge and the Liantang/Heung Yuen Wai Boundary Control Point, so that the development of Hong Kong can be better integrated into the development of the Greater Bay Area of the country?

CHIEF EXECUTIVE (in Cantonese): I thank Mr TSE for supporting the content of the Policy Address. Mr TSE raised the issue of transport network. With Lantau Tomorrow and other projects, it is indeed necessary to study afresh Hong Kong's railway and highway networks in a macro and strategic manner. But whether the study should be conducted by way of a Comprehensive Transport Study as in the past, we have to look into it. However, I can promise you that we will definitely study the issue, as an examination of the overall situation is necessary in the light of the additional railway and highway. But in what way the study should be conducted, we will hold further discussions with the Transport and Housing Bureau.

MR TONY TSE (in Cantonese): *President, I thank the Chief Executive for being willing to consider conducting a study. Insofar as the streaming of traffic among the three tunnels is concerned, as everyone knows, the traffic volumes of the Cross Harbour Tunnel ("CHT") and the Eastern Harbour Crossing ("EHC") have already exceeded their design capacities. Although the Western Harbour Crossing ("WHC") still has some spare capacity, we should not look at the traffic flows of the tunnels per se only while the traffic connecting the entrances and exits of the tunnels are also very important. As we all know, the traffic connecting the Kowloon exit of WHC is crucial. Therefore, it is necessary to study this aspect at the same time. In the long run, will the Chief Executive study ...*

PRESIDENT (in Cantonese): Mr Tony TSE, I wish to remind you that you may only ask a short supplementary question.

MR TONY TSE (in Cantonese): *President, may I ask the Chief Executive whether a study will be conducted on the need for the construction of a fourth cross harbour tunnel?*

PRESIDENT (in Cantonese): Chief Executive, please reply.

CHIEF EXECUTIVE (in Cantonese): We can consider this issue in the strategic study of the overall transport network. However, since Mr TSE mentioned the issue of the three tunnels, I would like to say a few words more. Currently, the serious traffic congestion at CHT and EHC affects even non-cross-harbour vehicles. Drivers using CHT may see that vehicles not going to use the tunnel to cross the harbour are blocked on the road. For this reason, we should rise to the challenges ahead. The identification of ways to divert traffic flow to WHC has been under discussion for years, as the usage of WHC has not yet reached its design capacity. With the commissioning of the Central-Wan Chai Bypass, diverting more traffic to use WHC will pre-empt heavy congestion in Central as vehicles can access WHC through the Central-Wan Chai Bypass direct. Therefore, we think it is opportune to seriously explore the streaming of traffic among the three tunnels, so as to alleviate the current traffic congestion at least before the recovery of the franchise of WHC by the Government in August 2023. After more than half a year of study and months of discussion with the franchisee operating WHC, we have come up with a proposal which we will table to the Legislative Council for discussion. The Council will then tell us whether it is viable as the proposal involves a slight toll increase for CHT and EHC and a toll reduction for WHC. According to the consultancy study, this will achieve a proper streaming effect.

MR CHRISTOPHER CHEUNG (in Cantonese): *The current wrestle between China and the United States appears to be a trade war on the surface but there are very perilous circumstances behind it. This contest involves a test of strength between the Western capitalist society and the socialist economy of our country. It is not a regional storm but a super financial turmoil sweeping the globe. I am not being alarmist here, but experience accumulated tells me that this mega financial turmoil is gradually taking shape. Yesterday, the stock market of the United States (Dow Jones Industrial Average) dropped more than 800 points and the Hong Kong stock market (Hang Seng Index) dropped 1 000 points, which was a drop greater than the stock market crash in 1987. And then the futures index of the United States further dropped a few hundred points Hong Kong time. As an international financial centre, Hong Kong imposes no foreign exchange control and so capital flows freely in and out of the territory. And financial security is the economic lifeline of our country. May I ask the Chief Executive, in a manner similar to coping with typhoon Mangkhut, whether a*

dedicated committee or task force will be set up and stay vigilant so as to prevent panic selling from arising in the local financial market due to external influences?

CHIEF EXECUTIVE (in Cantonese): Mr CHEUNG has made a most time-critical remark on the effect of the external economy on Hong Kong. In fact, according to our assessment, the situation will be rather grim. At present, the impact has not yet surfaced and it is not limited to imports and exports, but may then spread to the international financial market, investment activities and asset prices, etc. Therefore, the Special Administrative Region Government will stay vigilant. Secretary Edward YAU, who is in charge of commerce and economic development, will closely work with chambers of commerce and trade associations. Moreover, the Financial Secretary also told me that almost every day he keeps watch on the situation with the Hong Kong Monetary Authority and other regulators. For that reason, Mr CHEUNG did the correct thing to remind us to do so. Whether a task force should be set up or the existing mechanism should be used is perhaps a question that should be left to consideration by the Financial Secretary.

If Honourable Members still recall, I said when the Executive Council was formed last year that there were in the Executive Council a number of non-official members from the financial sector, as I foresaw that should financial issues arise within my term of office, there would be more wise and experienced Members like Mr Joseph YAM, Mr CHOW Chung-kong, Mrs Laura CHA and Mr Bernard CHAN. They cover a number of financial domains and can tender us advice inside and outside the Executive Council on how to maintain the financial stability of Hong Kong.

MR CHRISTOPHER CHEUNG (in Cantonese): *Chief Executive, may I ask you whether you have explored with the "steering committee on finance" what specific measures can be implemented at the present stage to ensure financial security and the stability of the Hong Kong dollar so as not to create opportunities for predators to come to Hong Kong again for food?*

CHIEF EXECUTIVE (in Cantonese): I believe Mr CHEUNG is referring to the Financial Leaders Forum chaired by the Financial Secretary. The Forum was established after I assumed office. Its membership covers all relevant public officers, including Mr James Henry LAU, and all financial regulators, the Financial Services Development Council, Hong Kong, as well as other parties. The Financial Leaders Forum will definitely engage in an examination and follow-up of this matter in a serious manner. Nevertheless, regarding such matters in relation to finance which are relatively sensitive, I am afraid it is inappropriate to say too much here.

PROF JOSEPH LEE (in Cantonese): *President, we got more than 10 phone enquiries soon after the delivery of the Policy Address by the Chief Executive yesterday afternoon. First of all, they would like to thank the Chief Executive for extending the maternity leave from 10 weeks to 14 weeks. Certainly, the majority of our members are basically women, and their next question was why only the civil service, accounting for about 4% of the workforce, could benefit from such a good initiative immediately. Concerning those women working in the Hospital Authority ("HA"), other public organizations or even non-governmental organizations—most of them are nurses and some of them are health care personnel or social workers—actually can the Chief Executive instruct HA or other non-public organizations by, for example, issuing an executive order, to implement such a good initiative of extending the maternity leave from 10 weeks to 14 weeks with immediate effect?*

They have another concern. Last time, following the onslaught of Typhoon MANGKHUT, the Chief Executive appealed to employers to show understanding and make accommodation. But most HA staff have got their leave or time-off deducted. They are worried about whether the Chief Executive's executive order will be toothless, with which HA will refuse to comply. Can the Chief Executive undertake again to, in addition to issuing an executive order to HA or public organizations so that employees can benefit from the 14-week maternity leave immediately, set aside additional funding to offer them assistance, thereby giving them adequate support staff recruitment and payment of the relevant wages?

CHIEF EXECUTIVE (in Cantonese): President, I thank Prof LEE for appreciating our enhancement of maternity leave.

Insofar as maternity leave is concerned, as it is statutory, the extension must be effected through legislative amendments. But the Government itself is an employer. We have some 180 000 employees as well as other government employees, i.e. non-civil service staff are also our employees. Hence, we will also lead by example to implement the initiative early. If my memory has not failed me, the paternity leave was also implemented without waiting for the legislative amendment exercise back then. In fact, the ordinance is not applicable to the Government either.

Since the Government has taken the lead, this time, I also appeal to other employers to, insofar as the circumstances permit—as the situations of each employer vary—respond to our call for early implementation to grant their employees four additional weeks of maternity leave without waiting for the enactment of legislation, so that female employees may take better care of themselves with more time to spend with their babies, thereby enhancing their sense of belonging to their companies and employers. We will make such an appeal, but if Members request that I take over the role of public organizations as employers and issue an executive order, I am afraid it may not be quite appropriate.

PROF JOSEPH LEE (in Cantonese): *President, I thank the Chief Executive for her reply. But I believe as public organizations are actually funded by the Government, our friends have asked whether the Government can make an undertaking here. I am really happy to hear the Chief Executive's pledge just now on leading by example. Can the Chief Executive undertake here to set aside additional funding specifically for them to, just like the Government, cope with the costs of maternity leave, thereby implementing this initiative immediately and preventing them from using cost saving or a lack of funding as an excuse for not implementing it?*

CHIEF EXECUTIVE (in Cantonese): I believe HA has sufficient resources to discharge its responsibilities as an employer. If the Government foots the bill for every decision made by employers, it will betray our principle of fiscal prudence. I do not know whether it has been announced or not, but to my

knowledge, the Legislative Council Commission ("LCC") also intends to grant pregnant employees of the Secretariat four additional weeks of maternity leave. I believe LCC will not seek additional funding from the Government in discharging its responsibilities as a good employer.

DR FERNANDO CHEUNG (in Cantonese): *Chief Executive, you mentioned just now that since the resumption of the Fanling Golf Course site was one of the 18 options considered by the Task Force on Land Supply ("the Task Force") in increasing land supply, you would leave it to them for further discussion. However, while the development of artificial islands around Lantau is, as a matter of fact, also one of the options considered by the Task Force, you have already green-lighted the proposal in no uncertain terms, and the scale of the artificial islands in question dwarfs the proposals made by either the Task Force or Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030. This morning, I heard you explain that land supply could brook no delay, but the same is true of many urgent social issues—medications for patients, medications for cancer patients and rare disease patients can brook no delay as well. In respect of introducing a new drug for spinal muscular atrophy patients, I thank you for your prompt response. This is, however, just one of the many diseases. There are still many patients suffering from other diseases in need of help.*

Moreover, you indicated in the Policy Address that four more small group homes will be set up, meaning 32 residential places. However, there are presently in Hong Kong 300 to 400 children, who cannot get proper care in their home environment, waiting for these places. The waiting time for places in small group homes for mildly mentally handicapped children is nearly three years. And there are dozens of children who require no medical care but are nonetheless stranded in hospitals because no residential service arrangements can be made for them.

We have nearly 40 000 elderly persons waiting for places in subsidized residential care homes for the elderly. The Government indicated that an additional 5 000 places would be bought in the next five years, but there are 40 000 waitlisted elderly persons at the moment, with over 6 000 of them passing away last year while waiting. The waiting time for a place in residential care

homes for persons with disabilities is even more outrageous, with people with severe intelligence disabilities and those with severe physical disabilities having to wait 18 years before being allocated a place.

President, in terms of priority in the utilization of resources, the Government will allocate hundreds of billions of dollars to the development of artificial islands. As for those elderly people, persons with disabilities and patients who live in dire straits and in need of rescue and immediate care, what should be done to rekindle their hope, apart from the measures introduced by the Chief Executive in this Policy Address? How can we make use of those grand artificial islands to provide them with practical and pertinent assistance?

CHIEF EXECUTIVE (in Cantonese): President, Dr Fernando CHEUNG may have noticed that the various services with long waiting time he mentioned just now require buildings as complement, a problem that cannot be solved with money alone. In contrast, this Policy Address has introduced quite a number of measures catering to services that require no building and can be enhanced readily by the Government. For instance, in the case of children with special educational needs, in whom we all—including Dr CHEUNG—keep a keen interest, the Government has allocated \$800 million in recurrent expenditure to strengthen the support for these school children. From the on-site support scheme for kindergartens to the progression to Primary One, the arrangements for transition and assistance for them in enhanced adaptation required in this course do not involve buildings. Secretary for Labour and Welfare Dr LAW Chi-kwong is considering how best to help kindergarten students with special educational needs in their transition to Primary One in mainstream schools.

However, once buildings are involved, problems will emerge because of the ability to provide sufficient services. For this reason, I placed the issue of housing and land in a separate chapter this year in the early of the Policy Address, preceding the chapters on economy, people's livelihood and liveably city, since without land, everything is empty talk. Hence, rather than being a purely economic or housing vision, the development of Lantau is also a vision for everyone, for the improvement of people's livelihood. With the new supply of land from Lantau—or not necessarily from Lantau—as long as there are additional sites available, we will have the room to realize all sorts of visions.

This morning, someone asked me—he knew about the situation, that was why he asked me—that, given the impossibility of housing construction on some of the proposed reclaimed sites, such as the two sites at Lung Kwu Tan and Sunny Bay due to environmental or other reasons, why did I still propose reclamation in those places? However, if we have more new lands, we will have more room for manoeuvre. We can relocate some non-residential projects in the urban areas to newly developed land while building more community and elderly care facilities on residential sites. We will then have the ability not only to solve the problem of waiting time, but also, hopefully, address an issue Dr CHEUNG raised with me sometime ago—increasing the area of floor space per resident in elderly care homes, so that elderly persons in care homes can live more comfortably and carers can render their services in a more spacious environment. All this will become empty talk without land. So, I hope Dr CHEUNG will, out of his concern for the disadvantaged groups in the community, support our work on developing more new land.

DR FERNANDO CHEUNG (in Cantonese): *President, even Stanley WONG admitted that the Task Force did not take welfare facilities into account in their estimation of land shortage. In this connection, in the effort at increasing land supply, will the Chief Executive please take into account welfare facilities as well and make the relevant planning in advance. Also, the question I asked just now was, for those who were living in dire straits, i.e. those living in subdivided units and care homes of poor quality, or those in the community who were urgently awaiting services, how would she rekindle their hope? Will her appeal just now hold true in this case as well, that if we have identified some vacant sites and idling facilities, she will be willing to utilize them for the expeditious provision of services and facilities for those with urgent needs?*

CHIEF EXECUTIVE (in Cantonese): President, I will respond to two points. First, Dr CHEUNG is accurate in his observation. While it is often said that Hong Kong lacks only 1 200 hectares of land over the next 30 years, some considerations have in fact been overlooked in that estimation. That is why I heard many people (including commentators) accusing the Government of grossly underestimating Hong Kong's land demand, as many social facilities require larger space. So, I urge Dr CHEUNG to continue to support the Government's work on developing new land.

Second, if Members have identified some idle buildings or sites, they are most welcome indeed to make suggestions. As a matter of fact, Secretary Dr LAW Chi-kwong will shortly relaunch the Special Scheme on Privately Owned Sites for Welfare Uses. There were dozens of projects under the Scheme at its launch a year or so ago, with some of them being under construction and one having been completed. We are most willing to relaunch this Scheme. So, as in the appeal I made just now, if Members happen to see sites that are occupied by some single-purpose facilities, say, a stand-alone community centre or youth club, and find them suitable for redevelopment, they are welcome to make suggestions.

MR HOLDEN CHOW (in Cantonese): *Chief Executive, first, I wish to thank you for formally making the decision in the Policy Address to build a public market within the existing area of the Tung Chung town centre. It represents a sincere response to a long-standing request, so I wish to thank you personally.*

All along, we have been saying that currently the connection between Lantau and the urban areas of Hong Kong Island and Kowloon has to rely solely on the Lantau Link, so perhaps I can describe this as a "single dish". In the event of an incident, road traffic is prone to come to a standstill. Of course, I am pleased to find that as stated in the Policy Address, the artificial islands of the East Lantau Metropolis will come with roads and new railways that connect Lantau, the artificial islands and the urban areas of Hong Kong Island and Kowloon. All along, we believe that the right approach is to "put roads in place first, then move people in" but the key lies in timing. Now, the population in New Territories West, including Lantau and Tung Chung, is growing continuously, so actually, more trunk roads linking the urban areas are needed. May I ask the Chief Executive if there are conditions for the provision of new trunk roads linking Lantau and the urban areas before the completion of the artificial islands? For example, the Government is now conducting a study on Route 11 and last year, at a meeting of the Finance Committee, I already requested that the Government include a link road connecting Tsing Yi and Lantau in the study. I notice that this route is also represented in an illustration in the Policy Address. May I ask the Chief Executive if the work on this link road connecting Tsing Yi and Lantau can be expedited and a timetable provided? The Lantau Link has become a bottleneck now. If no additional new trunk road linking the urban areas is put in place, I am afraid this problem may become intractable. Thank you, Chief Executive.

CHIEF EXECUTIVE (in Cantonese): President, on this matter raised by Mr CHOW, as I said in my response to Mr TSE just now, consideration will be made in our re-examination of the railway and highway network in a holistic and strategic manner. However, Members can consider this: In fact, Lantau is no longer the westernmost island in Hong Kong, as most people think of it, because it will become a "Double Gateway". Although currently there is only the North Lantau Highway leading to the urban areas via Tsing Yi and Ma Wan, the Hong Kong-Zhuhai-Macao Bridge will be commissioned soon. In addition, I believe that sometime later, the tunnel from Tuen Mun to Chep Lak Kok will also be commissioned. Coupled with the roads linking Kau Yi Chau to Hong Kong Island North in the "Lantau Tomorrow" project, the situation will actually be one of high accessibility. How can we capitalize on this situation of high accessibility? This is precisely the reason why we hope to focus on the development of the areas around Lantau this time around. At the same time, we will fully protect the green belts, country parks and coastlines of Lantau because Members can see that our strategy is five-pronged. However, transport is surely the most important because for some time in the past, due to inadequate transport facilities, it was difficult to develop many places.

MR HOLDEN CHOW (in Cantonese): Chief Executive, I cannot agree more. For this reason, as I said just now, it is hoped that roads can be put in place before moving people in and hopefully, the old way of thinking in dealing with such matters can be changed.

MR HUI CHI-FUNG (in Cantonese): *Chief Executive, the refusal by the Immigration Department of Hong Kong ("ImmD") to renew the working visa of foreign journalist Victor MALLET has not only caused direct impact on freedom of the press in Hong Kong, but also destroyed Hong Kong's core values. It has drawn wide criticism from the international community as well. Chief Executive, you chose to tell the public that, in accordance with the normal practice, the relevant authorities would not give any explanation. Do you think the public will be convinced? Yet, you could not help saying that "no acts jeopardizing national security will be tolerated".*

Chief Executive, today I urge you not to adopt an ambiguous attitude again. On this issue, please seriously tell the Hong Kong people whether you will

explain or not the reasons for rejecting to grant a working visa to this foreign journalist, disallowing him to continue to work in Hong Kong.

CHIEF EXECUTIVE (in Cantonese): The Chief Secretary for Administration, the Secretary for Security and I have reiterated many times that this is not about adopting an ambiguous attitude; it is about maintaining a consistent stance. ImmD handles immigration matters independently and makes its decision on each visa application in accordance with the law, policies and circumstances of individual cases. In accordance with the normal practice, the relevant authorities would not make any public announcement on the justifications for each decision.

In the past few days, I noted from the studies conducted by a number of newspapers that the situation is just the same in foreign countries, in that most countries adopt the same policy in refusing an individual's entry, including media workers. Therefore, there is no question of us being ambiguous in not answering Members' questions. As for my words quoted by Mr HUI just now, I was then clarifying or reiterating two points I was going to make concerning "Hong Kong independence" and freedom of speech, which were irrelevant to this case. However, given that the community has such speculations, I reiterate that the Government has zero tolerance towards "Hong Kong independence", and this is our stance. The freedom of speech, freedom of association and freedom of the press are our core values. The Government will insist on defending them. This is also our stance.

MR HUI CHI-FUNG (in Cantonese): *The Chief Executive has given a bureaucratic reply. They dare do but dare not make an admission or explanation. This is no gentleman's act and I believe that the public would not accept it. If the reason for not allowing this journalist entry into Hong Kong is Beijing's dislike of it, or it is based on his views or acts, why do you dare not admit it publicly? If you dare not tell the public where the "red line" is drawn, what a society would Hong Kong become? Can those who object to the enactment of legislation for Article 23 of the Basic Law or advocate fighting for genuine universal suffrage come to Hong Kong for work? Can they enter Hong Kong? Does the Chief Executive wish to turn Hong Kong into such a society?*

CHIEF EXECUTIVE (in Cantonese): I have given repeated answers about this subject, therefore, I am not going to give another reply. Yet, given Mr HUI's mention of what makes a gentleman, I think the basic requirement is that a gentleman uses his tongue but not his fists.

(Clapping and banging of benches)

MR TOMMY CHEUNG (in Cantonese): *President, the Liberal Party strongly supports the housing initiatives espoused in the Policy Address this year. In our view, reclamation should be carried out, and the issue of brownfield sites warrant public-private collaboration. We also support land sharing, and we extend our support to the approach proposed by the Chief Executive to this end.*

In respect of transport, we consider that the Policy Address has done a good job, especially achieving redistribution of cross-harbour traffic by adjusting the tolls of the three harbour crossings. Such a proposal has been made by the Liberal Party for years.

However, just now when the Chief Executive answered Mr SHIU Ka-fai's question about importation of labour, she said that with so much work done by the Government now, she hopes the trade unions would realize that the environment has improved, and she would make use of this opportunity to propose to them importation of labour. In this regard, I think the Chief Executive should really stop dreaming because representatives of trade unions always have insatiable greed. They will tell the Chief Executive that the last-term Chief Executive has failed to honour his promise of legislating for standard working hours, and the number of labour holidays is not enough either. For this reason, I think the Chief Executive's approach on this front should be as bold and resolute as the initiatives for increasing land supply. In fact, now there is a manpower shortage territory-wide. Without manpower, problems will emerge. As she said just now, without land, a lot of work cannot commence.

I wish to tell the Chief Executive that the Liberal Party is somewhat discontented with her Policy Address because there is no mention of the business environment. Just now she said, "Secretary Edward YAU has mentioned it. Did you not hear it?" But now a trade war has broken out between China and the United States—let us set aside the fall in the stock market over the last few

days because it may rise again tomorrow—by January next year, all the urgent orders will have been completed. Then what will happen? Now the Chief Executive has introduced in one breath many initiatives affecting the business sector. Although she said the measure of maternity leave has nothing to do with the business sector and the Government will "foot the bill", abolition of the offsetting arrangement of the Mandatory Provident Fund ("MPF") System is a serious problem, and now paternity leave is also to be increased. Besides, do not forget the press report about the minimum wage rate being raised to \$37.5. I have reasons to believe the press report. I wonder why information reported in the press, including that on the Policy Address, can be so accurate. Without the knowledge of Members of the Executive Council, a lot of things were reported. I was even invited by the press to make a response.

Under such circumstances, I have the following question for the Chief Executive. She has presented the Policy Address, but actually there is no need to launch all the welfare initiatives provided for workers at the same time. Can they be implemented in batches so that the industrial and commercial sectors can catch some breath?

CHIEF EXECUTIVE (in Cantonese): President, I have already spoken on the initiatives of labour welfare mentioned by Mr Tommy CHEUNG. The MPF offsetting arrangement has plagued wage earners for years, and many consultation exercises have been conducted. This time the Government has come up with the ultimate proposal, so there can be no delay.

As regards maternity leave, actually Hong Kong lags behind many advanced countries. Not only advanced countries but also some less developed countries provide longer maternity leave than that in Hong Kong. Hence, I hope this initiative can be launched as soon as possible, and the Government will take the lead in doing so.

The other two initiatives relate to rehabilitation and industrial safety? Why should they be withheld? They can enhance industrial safety and reduce work injuries earlier. Moreover, they can help injured workers recover and return to the labour market as soon as possible. For this reason, I do not see any room for withholding these initiatives.

As I have said, good labour relations are very important to Hong Kong's economic development, and the Special Administrative Region Government sets great store by the business sector. After all, the business sector is a driving force for Hong Kong economy. Hence, facing the pressure brought forth by the Sino-American trade war, we have lost no time in proposing a series of initiatives in response. Many other initiatives in the Policy Address, be it the one presented this year or the one last year, have also touched on the business environment. An example is the connection with the governments of many places. Every time I made an overseas duty visit, I would try my best to create a business environment for the business sector. Secretary Edward YAU has done the same in his recent visit to the United States, signing a lot agreements for the creation of a better business environment. As per the suggestion made by certain Members, Hong Kong has the potential for developing new industries, we will be carrying out re-industrialization, as mentioned by Mr Jimmy NG. All such work is done for improving the business environment—not to mention that the Government already reduced the tax rate last year.

Hence, I hope Members can be fair. I believe that after completing the work on these initiatives of labour rights or welfare, we should have a better platform for discussion once again on what should be done as the next step to resolve the problem of manpower shortage.

MR TOMMY CHEUNG (in Cantonese): *Just now the Chief Executive mentioned that many advanced countries (such as Singapore) provided longer maternity leave than that in Hong Kong. Actually, Singapore has imports a lot of workers. Why should we draw reference from Singapore on every issue? She did not follow or learn from its measures beneficial to the business environment, but she negotiated with the labour unions. This is similar to asking a tiger for its hide. I believe she can hardly get any result.*

CHIEF EXECUTIVE (in Cantonese): Recently, I do take exception to this proverb. Many people say that I am asking a tiger for its hide: I am asking the pan-democrats or whosoever for the impossible. I have done nothing. I have only worked in public interest. The leader of the biggest trade union in Singapore was once a member of the Cabinet. The labour conditions in Hong Kong are not exactly the same. It would be the best if we can engage in proper discussions with mutual understanding and accommodation.

MR YIU SI-WING (in Cantonese): *President, I thank the Chief Executive for honouring her election pledges. Specifically, through an inter-departmental meeting convened by the Financial Secretary last year, efforts were coordinated in tackling tourism-related issues. The Commerce and Economic Development Bureau also published the Development Blueprint for Hong Kong's Tourism Industry last October to provide a direction for the development of Hong Kong's tourism industry. Last year, the Government increased the funding to support training and promote the application of information technology in the tourism industry. With concerted efforts, inbound tourism has begun to recover this year. However, the few passages devoted to tourism in this year's Policy Address mainly focused on investing resources in hardware improvement, such as traditional tourist spots and convention and exhibition venues. There is not much mention of how to make good use of our existing tourism resources. Currently, the responsibilities for country parks, heritage and museums are scattered among various Policy Bureaux, hence, the resources are rather fragmented. I believe the situation will be better if resources can be fully utilized. In the Mainland, cultural and tourism facilities are coordinated by the Ministry of Culture and Tourism, yet Hong Kong lacks a similar department. May I ask the Chief Executive whether a standing mechanism will be established for the coordination of tourism resources among various Policy Bureaux in order to fully utilize these tourism resources, while carrying out effective conservation, so that Hong Kong's tourism industry can develop sustainably and healthily?*

CHIEF EXECUTIVE (in Cantonese): President, I thank Mr YIU for his question. Tourism is one of the important pillar industries of Hong Kong. Therefore, we spare no effort in promoting the tourism industry. In accordance with the Development Blueprint for Hong Kong's Tourism Industry released last year, the Commerce and Economic Development Bureau has been proactively implementing a series of initiatives to attract visitors, in particular for in-depth tourism instead of merely for shopping or dining. Therefore, every district, for instance, old Central and then Sham Shui Po District, will become more attractive to visitors. A breakthrough in hardware this year is the peak tram which has a long history. After discussions, the Peak Tramways Company Limited has agreed to invest over \$650 million in upgrading the peak tram. The plan has been approved by the Executive Council. We hope it will address the existing problem of visitors having to wait in a long queue.

Mr YIU specifically mentioned the strengthening of coordination and the establishment of mechanisms, such as the establishment of a new Policy Bureau. If a new Policy Bureau is to be established, my priority will be to split the Transport and Housing Bureau as transport and housing are both heavy responsibilities. Granting the ability and room, and with the support of the Council, my priority will be to align better housing and land issues. Nevertheless, no Policy Bureau for such does not mean no coordination or collaboration within the Government. As I have specifically mentioned in the Policy Address, a revamp can indeed align relevant efforts effectively and thus, create a certain synergy effect for better results. However, when revamp is not possible, the Secretaries and I will take charge of coordination. For instance, the efforts at innovation and technology and the upcoming Guangdong-Hong Kong-Macao Bay Area are coordinated by me; the Chief Secretary for Administration has taken up more coordination responsibilities, including matters related to youth, children, ethnic minorities, etc.; tourism falls under the brief of the Financial Secretary who I believe will continue to play a high-level leadership and coordination role.

MR YIU SI-WING (in Cantonese): *Chief Executive, although I said just now that the tourism industry had begun to recover last year, it is still in considerable difficulties in the face of the threat from direct online marketing by product suppliers. The Policy Address this year has not proposed any concrete measure to support or assist the industry. On the contrary, it undertook to abolish the offsetting arrangement under the Mandatory Provident Fund System, which will inevitably exert pressure on travel agencies which are medium, small and micro enterprises. May I ask the Chief Executive whether she will continue to gauge the views of the industry and provide more financial support to the tourism industry in the upcoming Budget, so as to further reduce the expenses of the industry, or introduce other more concrete measures?*

CHIEF EXECUTIVE (in Cantonese): As indicated by the Financial Secretary in his response yesterday, after the release of the Chief Executive's Policy Address, he will soon be engaged in the consultation on the next Budget, which will certainly include consulting Legislative Council Members and various sectors. Perhaps I can ask Mr YIU to collect the views of the tourism industry and convey them to the Financial Secretary.

MR KENNETH LAU (in Cantonese): *President, the Chief Executive proposed the Lantau Tomorrow Vision in the Policy Address, including reclamation for the construction of artificial islands at East Lantau. I strongly support it because upon the commissioning of the Hong Kong-Zhuhai-Macao Bridge, Lantau Island will become an important link connecting Hong Kong with places around the world and the Greater Bay Area. For this reason, development in the vicinity of Lantau Island brooks no delay. In this vision project, there will be replanning of the River Trade Terminal and Lung Kwu Tan area in Tuen Mun. I am more concerned about what will happen to Lung Kwu Tan.*

Before all else, I have to make a declaration. I am an indigenous resident and also the representative of Lung Kwu Tan Village.

Since the development of Tuen Mun New Town, all the obnoxious facilities, such as the power plant, the landfill and the columbarium, were sited near Lung Kwu Tan, causing irreparable damage to the environment. The Government has all along wished to carry out reclamation works at Lung Kwu Tan in order to provide 220 hectares to 250 hectares of land there. According to the feasibility study report, the land to be derived from reclamation at Lung Kwu Tan is unsuitable for inhabitation. It can only serve industrial or other purposes or even be used for accommodating brownfield operations. May I ask the Chief Executive whether she intends to use that place as the site for reprovisioning brownfield operations and building obnoxious facilities? If Members drive past that place, they will know that their cars will be clouded with dust when travelling through that area. The poor air quality and large volume of suspended particulates there have greatly affected the residents' health. If the Government insists on carrying out reclamation there, it is obliged to put forward a proposal for enhancing the local environment and improving the external traffic. Chief Executive, do you have any method of mitigating the unnecessary adverse impact caused by development on residents in the Lung Kwu Tan area?

CHIEF EXECUTIVE (in Cantonese): First of all, I would like to point out that basically, reclamation has been grossly demonized in recent years. Since inception, Hong Kong's success has all along hinged on reclamation. Many new towns, financial areas and the new airport came about from reclamation. I had been living on Gloucester Road since childhood until the age of 20, witnessing the land at Gloucester Road, originally located at the waterfront, extend outward continuously upon subsequent reclamation works. At that time I thought that

there were bright prospects for Hong Kong, as the additional land could be used for the construction of all kinds of residential units, and there is the Hong Kong Convention and Exhibition Centre now. But the technologies in reclamation back then were a far cry from the present ones. Now the technologies in reclamation are much more advanced. Hence, if there is such a view that reclamation will definitely harm the ecology, we will certainly ensure that no such thing will happen. We are also most willing to discuss with the residents nearby the issue of whether reclamation will cause them any harm. So we are most willing to discuss with the villagers of Lung Kwu Tan this reclamation project involving 220 hectares at Lung Kwu Tan.

Indeed, over the years, many facilities regarded as relatively obnoxious have been sited in the Northwest New Territories, but actually, the latest green facilities may not be obnoxious. I have visited T . PARK and where the new facilities for treatment of sludge and waste electronic equipment use new technologies. They also provide the local communities with some facilities for their use. Hence, we will certainly continue to do a good job of our work in the application of technologies and liaison with local residents.

MR KENNETH LAU (in Cantonese): *If the Government insists on carrying out reclamation, actually it may consider the land nearby, such as the Tsang Tsui and Nim Wan area mentioned by the Chief Executive before, given the landfill and the dumping area there. Is the Government willing to conduct a feasibility study on including the Tsang Tsui area in the list of possible sites for reclamation?*

CHIEF EXECUTIVE (in Cantonese): President, now I do not recall this because there were 25 options for reclamation to enhance land supply under my proposal in 2011. I do not know whether back then there was the option mentioned by Mr LAU just now, and if so, what the conclusion was. Hence, please allow the Secretary for Development to check the past records back in his office before giving an account to Mr LAU.

MR STEVEN HO (in Cantonese): *President, the Chief Executive mentioned in her opening remarks that today, many newspapers have reported on the Lantau Tomorrow Vision. Actually, given the hint made by the Government,*

intentionally or not, reclamation is no news anymore. It will be a piece of news only if no reclamation is carried out. Fishermen have made full psychological preparations with the anticipation that the Government may propose a reclamation project. While fishermen are psychologically prepared and have done their expectation management, I hope the Chief Executive will understand that what they have longed for the Chief Executive to propose in this Policy Address is not refraining from reclamation. Rather, it is how the Government will strike a balance and relieve the impacts specifically faced by various industries and also stakeholders with the onset of reclamation. They include the fisheries industry mentioned by me just now, farmers involved in the agricultural land under the Land Sharing Pilot Scheme and even the environmental protection industry.

However, I have read the entire Policy Address. Only paragraph 64 mentions the development of artificial islands as carbon-neutral zones, whereas paragraph 146 proposes the designation of additional fish culture zones for the agriculture and fisheries industry, as well as continued implementation of the new agriculture policy. These are not directly related to the reclamation project.

I certainly understand that after all, the Policy Address has a length constraint. May I ask the Chief Executive whether the Government has already got a draft of the relief measures in mind apart from the Policy Address? If the Government does not have any relief measures as a positive response, I believe its reclamation project will definitely meet enormous resistance.

CHIEF EXECUTIVE (in Cantonese): President, first of all, I thank Mr HO's support for our implementation of such work. He was just reminding us to work on the relief measures with greater efforts and care.

Reclamation is a long process. Hence, in this process, we will certainly deal with the relevant issues seriously, or else we will fail to obtain the support of the Legislative Council. I hope that when my office carries out such work in future, Mr HO will relay to us more views of the fisheries and agricultural industry on our work. We will definitely exert our best to achieve relief as mentioned by him just now.

MR STEVEN HO (in Cantonese): *President, I am not at all satisfied with the Chief Executive's reply because three or four years ago, we (including the Democratic Alliance for the Betterment and Progress of Hong Kong) proposed a scheme for sustainable development of the agriculture and fisheries industry, but now that the Policy Address has put forward such a large-scale project of artificial islands, we may need to overturn and readjust the previous scheme afresh.*

I hope the Chief Executive will understand that the problems currently faced by the agriculture and fisheries industry cannot be addressed simply by providing the industry with a fund or a scheme of enhanced subsidies, such as offering subsidies or building an additional fish culture zone because of the reclamation works. I hope the Chief Executive can resolve the problems of the agriculture and fisheries industry with innovative ideas, including how to transform the overall structure of the operation of fishermen, since 70% to 80% of fishermen are currently engaged in capture fisheries. This also explains why the Government has encountered difficulties in reclamation. I hope the Government will propose specific facilities for such transformation. For example, will it build new fisheries facilities in the new reclamation areas or existing land or other places in Hong Kong so that they will have genuine opportunities of transformation? In this way, the resistance from fishermen faced by the Government or the community will be reduced in the course of development?

CHIEF EXECUTIVE (in Cantonese): I will ask the relevant Secretary to do an examination. Nevertheless, we did promote recreational fisheries and assisted fishermen in transformation in the past. If other tasks do not conflict with the distribution of land, we will certainly give them serious consideration. However, given the present acute shortage of land, we must consider most prudently any proposal requiring the use of a large stretch of land to especially cater for a certain industry.

MR MA FUNG-KWOK (in Cantonese): *Chief Executive, restructuring the Government to set up a Culture Bureau is one of the initiatives in your election manifesto. You mentioned in last year's Policy Address that you would further listen to the views of different sectors on the establishment of a Culture Bureau. Yet, you only mentioned a split in this Policy Address, as you said just now, splitting the Transport and Housing Bureau, and you pointed out that this is an*

important task which should be accorded priority. You simply remained silent on the setting up of a Culture Bureau, neither have I heard that you were preparing to conduct any consultation in the past year.

In fact, the setting up of a Policy Bureau dedicated to administering cultural work which will focus on fostering cultural development has been the long-standing aspiration of the culture and arts sector. I certainly support this suggestion. I have proposed to the Government of the previous term and the current one, that is you, Chief Executive, the establishment of a "Culture, Sports and Tourism Bureau" in order to bring about synergy of these three aspects. Excellent results have been achieved in other countries. It is actually out of my expectation that this proposal was accepted at the national level. When the State undertake institutional reform in March this year, the China National Tourism Administration was merged with the Ministry of Culture to form the Ministry of Culture and Tourism. This illustrates that the proposal is worthy of reference.

I share the point made by the Chief Executive earlier, that is, restructuring is a complicated task. But precisely because it is complicated, you need more time to make preparations. May I ask the Chief Executive such a restructuring exercise will be activated to set up a Culture Bureau or a Culture, Sports and Tourism Bureau, including some preliminary consultations? Is the Chief Executive confident that such a complicated task can be completed within her term of office?

CHIEF EXECUTIVE (in Cantonese): Mr MA, first of all, I would like to clarify that I did not promise to set up a Culture Bureau during my election campaign. I just said that restructuring of the Government was sometimes necessary, and what I had heard most frequently was the splitting of the Transport and Housing Bureau and the establishment of a Culture Bureau. If you ask for my opinion, I certainly believe that it will be beneficial. Cultural work is now administered separately by different bureaux, with the Home Affairs Bureau being responsible for cultural performance activities managed by the Leisure and Cultural Services Department, whilst the Commerce and Economic Development Bureau is in charge of mainly the cultural industries, such as the creative industries and the film industry mentioned in this year's Policy Address, etc. Theoretically, putting all these domains under one bureau to facilitate their development will produce synergy effect.

Yet, every restructuring exercise is in fact very costly and entails a lot of efforts. I have consulted Members from different political parties and groupings and the result is that if a restructuring is indeed undertaken, the restructuring of the Transport and Housing Bureau will be supported by more Legislative Council Members, vastly outnumbering those who support the setting up of a Culture Bureau. Therefore, I would adopt the approach of "resolving the simple issues before the difficult ones", and if my next step is to kick-start a restructuring exercise, it will begin with examining the case of the Transport and Housing Bureau as proposed in this year's Policy Address. I am afraid the setting up of a Culture Bureau is not on the agenda for action in the near term.

MR MA FUNG-KWOK (in Cantonese): *President, may I ask the Chief Executive if she means that she will not consider setting up a Culture Bureau or a Culture, Sports and Tourism Bureau before the splitting of the Transport and Housing Bureau has been completed? Is that her order? Further, in the last part of my question, I asked whether she is confident that the setting up of a Culture Bureau can be completed within this term of office.*

CHIEF EXECUTIVE (in Cantonese): Just now I have frankly pointed out that making preparations for the restructuring or establishment of a Culture Bureau is not on the agenda in the meantime. Naturally I cannot tell Mr MA whether it can be completed within this term of office.

In fact, I have no confidence in the restructuring of the Transport and Housing Bureau either. In my opinion, it will certainly be conducive to the implementation of land and housing policies if the proposal is realized. Moreover, land and housing problems will not disappear in a few years. As the Transport and Housing Bureau is now fully stretched in dealing with various infrastructure projects and transport matters, the restructuring exercise will be kicked-started later and it is difficult to be accomplished for the time being. For I do not wish to keep our colleagues constantly on the run. As a result, the setting up of a Culture Bureau has to be addressed at an even later time. I am afraid I cannot commit here that a Culture Bureau will be established within this term.

MR CHAN HAN-PAN (in Cantonese): *President, the tolls of bridges and tunnels are always an extremely sensitive topic which includes the traffic redistribution of the three tunnels and the abolition of Lantau Link toll. In the Policy Address this year, the Chief Executive proposes increasing the tolls of a several tunnels while lowering the toll of the Western Harbour Crossing ("WHC") by \$20. We think the effect of the proposal will please no party.*

In respect of the Eastern Harbour Crossing ("EHC"), the increase in tunnel toll, basically, cannot alleviate the traffic congestion, yet motorists have to pay more. As for the Cross Harbour Tunnel ("CHT"), the toll is increased by \$20, which means motorists have to pay an extra \$20 even during non-peak hours when there is no congestion. Only the toll of WHC is lowered by \$20 and some people may benefit from the reduction, yet in return, traffic congestion may also occur at WHC. By then, the problem of traffic congestion will affect the three tunnels and users of the three tunnels will suffer together.

As for the redistribution of traffic among the three tunnels, back then, we had put forth many proposals to the Government, including charging different toll rates for different time slots and introducing concessionary measures to attract vehicles to use WHC, yet the Government has not adopted these measures this time around. May I ask the Chief Executive on basis of what assessment does the Government propose this arrangement? Regarding the toll arrangement for the three tunnels as suggested by hearsay, will she make any slight adjustment so that we will not suffer?

CHIEF EXECUTIVE (in Cantonese): First of all, regarding the subject of traffic redistribution among the three tunnels, it is a frequently pursued subject in the Legislative Council. Members often ask: Will the Government do something about it? Will the Government buy back WHC? Will it do this? Will it do that? For this reason, the Transport and Housing Bureau is conducting a study. And to my understanding, the Bureau has briefed Members on the relevant study. Hence, we have arrived at the present proposal that if tunnel tolls are set at this level, it will achieve some effect. This is neither my opinion nor that of Secretary Frank CHAN, but the opinion of the consultancy study. I did ask whether the toll arrangement of \$40, \$40 and \$50 would be effective, and the calculations and projections prove that it will be effective.

Yet, the concern raised by Mr CHAN is the reality. A motorist who never uses WHC will have to pay more in tunnel toll because the authorities suddenly intend to effect traffic redistribution and rationalize tunnel tolls. Nonetheless, this is inevitable. If we have to achieve redistribution of traffic among the three tunnels, I am afraid there is no painless proposal in administration as every proposal will cause some pain. Yet, for the overall interest of the public, would Members be willing to accept a slightly painful proposal with a view to attaining restoration on a larger scale. If we have to achieve redistribution of traffic among the three tunnels, alleviate traffic congestion, make the whole city mobile and achieve restoration, we have to implement a slightly painful proposal.

For the present proposal, the reduction of the tunnel toll of WHC is definitely attractive. Members should bear in mind that the tunnel toll of WHC is \$70 now. Members may consider the reduction to \$50 insignificant, yet given the ample room for toll increase, WHC may increase its toll in future, which they can do without consulting Honourable Members and the Government. As for the way to ensure that the tolls of these tunnels are maintained in a rationalized mode to achieve traffic redistribution from now until 2023 when the contract of WHC expires, I will leave it to Secretary Frank CHAN to give a detailed explanation to Members.

I have expressed similar views before. We have exerted our best, and I have also done my level best, in introducing the redistribution of traffic among the three tunnels. Our proposal is complete and we will submit it to the Legislative Council for discussion. If Members consider it worthy to adopt a slightly painful restoration proposal, and if Members agree with this, we will go ahead with it. If Members disagree, we will have to mark time and put up with the traffic congestion till 2023 when the contract of WHC expires. By then, we may consider various proposals, particularly when e-payment will be implemented on a full scale at that time and motorists will not have to stop to tap their cards for payment, and there will be more room for adjusting the peak hours and non-peak hours every day.

MR CHAN HAN-PAN (in Cantonese): *President, Chief Executive, there are actually many options for achieving this. Although the Government has put forth its proposal, the Legislative Council has also put forth many other proposals to the Government. I hope the Government will handle the issue with an open mind rather than stating that the Government has already selected the*

present proposal and we can only take it or leave it. I consider this approach not necessarily desirable. Moreover, we hope that the authorities will abolish the toll of Lantau Link, yet the Chief Executive has not responded to this point.

CHIEF EXECUTIVE (in Cantonese): In connection with these subjects, we have listened to a lot of views. But since the present arrangement involves a private company, it is necessary to have a proposal generally agreed by the parties involved. In other words, we cannot implement any one of these measures selectively, say requiring a toll reduction of WHC, for such an amendment is not possible, and we should adopt the proposal as a whole. Hence, I hope Members will examine the proposal as a whole and let us know if the proposal is acceptable.

As for the waiver of tunnel tolls for certain types of vehicles, it is premised on consideration of efficiency of road usage, which means vehicles with high efficiency of road usage, like franchised buses. Since a double-decker bus can carry 100-odd passengers, it is granted the toll-free concession in road usage, including roads, bridges and tunnels. On the other hand, this will encourage more people to use public transport, for savings from the toll-free concession will be ploughed back into passengers.

PRESIDENT (in Cantonese): The Chief Executive's Question and Answer Session ends here. The Chief Executive will now leave the Chamber. Members will please stand up.

(A number of Members repeatedly chanted slogans: "Artificial Islands: Against God's will; Lantau Tomorrow: Dupe Today!")

PRESIDENT (in Cantonese): Will Members please stop yelling.

(Mr Gary FAN and a number of Members kept yelling)

PRESIDENT (in Cantonese): Mr Gary FAN, if you keep yelling, I will order you to leave the Chamber.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 24 October 2018.

Adjourned accordingly at 12:04 pm.