

**(Translation)**

**Motion on  
“Requesting the Government  
to overcome the ‘three big mountains’ in people’s livelihood”  
moved by Hon Alice MAK  
at the Council meeting of 3 April 2019**

**Motion as amended by Hon KWOK Wai-keung, Hon HO Kai-ming,  
Hon LUK Chung-hung and Hon AU Nok-hin**

That, while improving people’s livelihood is a key policy theme of the current-term Government, the local community has all along been plagued by ‘three big mountains’ in people’s livelihood (i.e. Link Real Estate Investment Trust (‘Link REIT’), the MTR Corporation Limited (‘MTRCL’), and the offsetting mechanism for the Mandatory Provident Fund (‘MPF’)), which have added burden on people’s livelihood; as Link REIT is not subject to the Government’s restraint and monopolizes shopping arcades and markets in communities, shop and stall rents have risen substantially, and this has directly pushed up the prices of livelihood-related commodities; in the case of MTRCL, the lack of competition in railway operation and its ineffective management and works supervision have led to a decline in its service quality, and it has still increased its fares year after year under the Fare Adjustment Mechanism despite successive incidents; and the MPF offsetting mechanism has eroded employees’ rights and interests over the years, significantly undermining MPF’s function of providing retirement protection; the Policy Address of last year put forth a refined proposal for the abolition of the offsetting mechanism, under which the subsidy amount for employers will be substantially increased to \$29.3 billion, but the refined proposal has all along failed to obtain the consensus of various parties; in this connection, this Council requests the Government to expeditiously formulate measures to overcome the ‘three big mountains’ in people’s livelihood, so as to bring benefits to the livelihood of people from various strata, reduce their discontent, and in turn achieve social harmony; regarding the ‘big mountain’ posed by the MPF offsetting mechanism, the Government should expeditiously finalize the details of the refined proposal, and complete the legislative process and implement the proposal within its current term; and as the largest employer in Hong Kong, the Government should take the lead in fully abolishing the offsetting arrangement, so that the MPF benefits of all employees under direct or indirect employment by the Government will not be eroded; specific measures for counteracting Link REIT are as follows:

- (1) amending the Housing Ordinance to regulate the rate of rental increase for shopping arcades and markets under Link REIT, accord priority to existing tenants for tenancy renewal, and levy a vacancy tax on units which have been left vacant for prolonged periods;
- (2) constructing more public markets and public car parks and setting up bazaars in communities, so as to provide residents with options other than Link REIT facilities and in turn bring in more competition;
- (3) allocating additional resources to the Lands Department for setting up a dedicated team to inspect Link REIT properties, so as to ensure that its properties comply with the land uses specified in land lease clauses and prevent Link REIT from changing the uses of shopping arcades and markets without permission;
- (4) requiring Link REIT and buyers of Link REIT properties to discharge the obligations specified in the Agreement for Sale and Purchase of Properties which was signed when The Link REIT (now known as 'Link REIT') bought in assets from the Hong Kong Housing Authority, including sharing the management, repair and maintenance costs of the common areas and facilities of the relevant housing estates, so as to protect the interests of residents and small property owners of the relevant housing estates; and
- (5) considering buying back the properties put up for sale by Link REIT, so as to avoid continued fragmentation of ownerships that leads to the worsening of problems such as substantial rental increases for and mismanagement of shopping arcades and markets and in turn affect people's lives;

regarding the 'big mountain' posed by MTRCL, the Government as the major shareholder in MTRCL must expeditiously reform MTRCL's existing management and operating systems, including increasing the number of government officials on MTRCL's Board of Directors, reviewing the maximum fine under the Service Performance Arrangement and its coverage, formulating afresh a reasonable and fair mechanism for fare adjustment, reducing the outsourcing of repair and maintenance works, and in the long run, considering bringing in other railway companies to increase competition, so as to enhance MTRCL's overall service quality and put in place reasonable fares, thereby restoring public confidence in railway operation; besides, concerning the financing of railway projects, the Government must comprehensively review the 'concession approach' and adopt the 'ownership approach' before completing the review, so as to reduce the problems in railway projects, such as delays, cost overruns or falsifications;

other specific proposals include:

- (6) amending the Code on Real Estate Investment Trusts to stop real estate investment trusts such as Link REIT from engaging in real estate development and in turn reduce the incentives for Link REIT to divest its properties; and in the long run, exploring the enactment of legislation for regulating real estate investment trusts as a stronger way to monitor Link REIT.