

立法會
Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 3 April 2019

**Amendments to Hon Alice MAK's motion on
"Requesting the Government
to overcome the 'three big mountains' in people's livelihood"**

Further to LC Paper No. CB(3) 488/18-19 issued on 22 March 2019, 8 Members (Hon KWOK Wai-keung, Hon HO Kai-ming, Hon LUK Chung-hung, Hon LEUNG Yiu-chung, Dr Hon KWOK Ka-ki, Dr Hon Fernando CHEUNG, Hon CHU Hoi-dick and Hon AU Nok-hin) have respectively given notice to move amendments to Hon Alice MAK's motion. As directed by the President, the amendments will be printed in the terms in which they were handed in.

2. The President will order a joint debate on the above motion and the amendments. I set out below the relevant proceedings in which the President will:

- (a) call upon the motion mover to speak and move the motion;
- (b) propose the question on the motion;
- (c) call upon the Members who wish to move amendments to the motion to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon KWOK Wai-keung;
 - (ii) Hon HO Kai-ming;

- (iii) Hon LUK Chung-hung;
 - (iv) Hon LEUNG Yiu-chung;
 - (v) Dr Hon KWOK Ka-ki;
 - (vi) Dr Hon Fernando CHEUNG;
 - (vii) Hon CHU Hoi-dick; and
 - (viii) Hon AU Nok-hin;
- (d) call upon the public officer(s) to speak;
 - (e) invite other Members to speak;
 - (f) call upon the motion mover to speak on the amendments;
 - (g) call upon the public officer(s) to speak again;
 - (h) deal with the amendments in the order set out in paragraph (c) above, i.e. first invite the mover of the first amendment to move the amendment and forthwith propose and put to vote the question on the amendment, and thereafter proceed to deal with the remaining amendments; and
 - (i) after all amendments have been dealt with, call upon the motion mover to reply, and then put to vote the question on the motion, or the motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and the marked-up version of the amendments are set out in the **Appendix**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Requesting the Government
to overcome the ‘three big mountains’ in people’s livelihood”**

1. Hon Alice MAK’s original motion

That improving people’s livelihood is a key policy theme of the current-term Government; in recent years, the local community has 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; 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.

2. Motion as amended by Hon KWOK Wai-keung

That, *while* improving people’s livelihood is a key policy theme of the current-term Government; ~~in recent years~~, 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.*

Note: Hon KWOK Wai-keung's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon HO Kai-ming

That *it is stated in the Chief Executive's 2017 Policy Address that 'livelihood issues are closely related to the daily lives of our people. They are the pillars of a caring and inclusive society', and this reflects that* improving people's livelihood is a key policy theme of the current-term Government; in recent years, the local community has 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; 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; *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.*

Note: Hon HO Kai-ming's amendment is marked in *bold and italic type*.

4. Motion as amended by Hon LUK Chung-hung

That, *while* improving people's livelihood is a key policy theme of the current-term Government; ~~in recent years,~~ *some people are still discontented with the Government's policy implementation; among others,* the local community has 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; 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 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.***

Note: Hon LUK Chung-hung's amendment is marked in ***bold and italic type*** or with deletion line.

5. Motion as amended by Hon LEUNG Yiu-chung

That, ***since assumption of office, the Chief Executive has claimed that improving people's livelihood is a key policy theme of the current term Government; in recent years, the local community has been plagued by; yet, her blunders in policy implementation and failure to overcome the '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 which have plagued the local community over the years have caused immense sufferings to people's livelihood and aggravated the disparity between the rich and the poor;*** 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; ***this, coupled with Link REIT's vigorous sale of its shopping arcades and car parks for profits at the expense of the interests of residents and shop operators in recent years, has seriously***

affected people's daily lives; 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 doubts on the railway works safety, which jeopardize public safety*; and it has still increased its fares year after year under the Fare Adjustment Mechanism despite successive incidents, *thus arousing strong public discontent*; and the MPF offsetting mechanism has eroded employees' rights and interests over the years, significantly undermining MPF's function of providing retirement protection; 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; *specific measures include:*

- (1) *assuming historical responsibility for selling the public assets, and conducting studies on buying back some or all Link REIT shopping arcades and managing them by the Government, including planning afresh the relevant shopping arcades for use as livelihood-related facilities and setting shop rents at reasonable levels, so as to protect the room for survival of small shop operators and ensure the provision of sufficient livelihood-related facilities for residents;*
- (2) *as the major shareholder of MTRCL, assuming the responsibility of enhancing the monitoring of MTRCL's operation, including urging MTRCL to draw up transparent and specific notification criteria, linking MTRCL's service performance and works supervision quality with the remunerations and bonuses for the Chairman and Chief Executive Officer of MTRCL, taking into account MTRCL's profits when formulating fare adjustments so as to set the fares at reasonable levels, and incorporating the dividends received by the Government to the Fare Adjustment Mechanism to offset the fare increases; and in the long run, buying back all the shares of MTRCL, operating MTRCL under the monitoring of the Legislative Council, and adjusting its fares to reasonable levels based on people's affordability; and*
- (3) *expeditiously announcing the details on the abolition of the MPF offsetting mechanism and implementing the relevant arrangements.*

Note: Hon LEUNG Yiu-chung's amendment is marked in *bold and italic type* or with deletion line.

6. Motion as amended by Dr Hon KWOK Ka-ki

~~That improving people's livelihood is a key policy theme of the current term Government~~ *the incumbent Chief Executive avowed during her election*

*campaign that it was necessary to overcome ‘three big mountains’, namely Link Real Estate Investment Trust (‘Link REIT’), the MTR Corporation Limited (‘MTRCL’), and the offsetting mechanism for the Mandatory Provident Fund (‘MPF’); but actually, since her assumption of office, the Chief Executive would rather ‘pour money into the sea’ and spend over \$600 billion on developing artificial islands in the central waters than implement sustainable retirement protection systems, including universal retirement protection scheme; the measures for alleviating people’s plight introduced by the Government, such as the Public Transport Fare Subsidy Scheme, are merely small favours and fail to benefit the grass roots; in recent years, the local community has been plagued by *the* ‘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; *although the Government currently holds around 75% of MTRCL’s shares, it often neglects people’s affordability of fares and MTRCL’s social responsibility on the pretext of caring for the interests of other shareholders;* and the MPF offsetting mechanism has eroded employees’ rights and interests over the years, significantly undermining MPF’s function of providing retirement protection; 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; *the relevant measures are as follows:**

- (1) immediately effecting the abolition of the MPF offsetting arrangement to forbid employers to use MPF to offset the severance payments or long service payments that are payable to employees, so as to improve retirement protection for employees;*
- (2) conducting studies on buying back all the shares of MTRCL, so that the Government may, under the monitoring of the Legislative Council, oversee MTRCL’s overall operation, including determining its way forward and setting the fares at reasonable levels; and*
- (3) buying back the shopping arcades, markets and car parks divested by Link REIT in public housing estates and leasing them to shop operators and residents at inexpensive rents, and ensuring that non-profit-making organizations can rent such shops at concessionary*

rents below market rates, so as to provide public housing residents with affordable commodities, services and car parking spaces.

Note: Dr Hon KWOK Ka-ki's amendment is marked in ***bold and italic type*** or with deletion line.

7. Motion as amended by Dr Hon Fernando CHEUNG

That, *while* improving people's livelihood is a key policy theme of the current-term Government; in recent years, the local community has *still* 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; *besides, its continued resale of shopping arcades and markets to consortia has sacrificed the livelihood-related services and facilities needed by residents*; in the case of MTRCL, *the distraction from its core business (apart from operating railways, it also engages in property leasing and management, property development in Hong Kong and the Mainland, and business outside Hong Kong)*, 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; 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; *the relevant specific measures are as follows:*

- (1) *buying back the shares of MTRCL to restore it to a public organization, including in its Board of Directors Legislative Council Members elected by the people for monitoring MTRCL's operation, and requiring fare adjustments to be vetted and approved by the Legislative Council;*
- (2) *buying back shopping arcades and markets under Link REIT and vigorously constructing public markets, so that small shop operators can rent such shops and stalls at low rents and provide inexpensive commodities for people from the middle and lower strata; and*

- (3) *regarding the abolition of the MPF offsetting mechanism, standardizing the computation of severance payments and long service payments based on employees' wages at the time of departure, forbidding the use of MPF contributions made after the effective date of abolishing the offsetting arrangement to offset the severance payments and long service payments entitled by employees before the effective date, and allocating funding to subsidize employees who sustain losses of their MPF benefits due to the offsetting arrangement before the effective date.*

Note: Dr Hon Fernando CHEUNG's amendment is marked in *bold and italic type* or with deletion line.

8. Motion as amended by Hon CHU Hoi-dick

That, *while* improving people's livelihood is a key policy theme ~~of~~ *claimed by* the current-term Government; in recent years, the local community has *still* 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; ~~in this connection, this Council requests the Government to expeditiously formulate measures~~ *the fundamental reason why the 'three big mountains' are hardly shakable is that the political power of Hong Kong is controlled by the Beijing Government and is seriously tilted in favour of the business sector; through its functional constituency seats in the Legislative Council and also its majority seats in the Election Committee for electing the Chief Executive, the business sector has obtained disproportionate political and economic influence; the Beijing Government's persistent delay in implementing universal suffrage for electing all Legislative Council Members and the Chief Executive in Hong Kong has made it impossible to counterbalance the influence of the business sector and rendered it difficult to realize the general public's demands for buying back MTRCL and the shopping arcades and car parks in public housing estates under Link REIT, abolishing the MPF offsetting mechanism, etc.; in this connection, this Council urges the Government to expeditiously abolish the privileges of the business sector*

under the system of representative government and allow Hong Kong people to elect all Legislative Council Members and the Chief Executive on a ‘one person, one vote’ basis, in a bid to enable the legislature and the Government which truly represent people’s voices 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.

Note: Hon CHU Hoi-dick’s amendment is marked in *bold and italic type* or with deletion line.

9. Motion as amended by Hon AU Nok-hin

That improving people’s livelihood is a key policy theme of the current-term Government; in recent years, the local community has 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; 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; *specific proposals include:*

- (1) *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; and*
- (2) *in neighbourhoods monopolized by Link REIT, partially buying back Link REIT properties or finding sites for temporary markets, bazaars, etc., with a view to alleviating the shortage of local retail facilities and services.*

Note: Hon AU Nok-hin’s amendment is marked in *bold and italic type*.