

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 April 2021

**The Council met at
thirty-two minutes past Eleven o'clock**

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, G.B.M., G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, G.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, G.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 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 YIU SI-WING, B.B.S.

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

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

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

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

THE HONOURABLE KWOK WAI-KEUNG, J.P.

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

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

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, G.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 JIMMY NG WING-KA, B.B.S., J.P.

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

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI, J.P.

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

THE HONOURABLE YUNG HOI-YAN, J.P.

DR THE HONOURABLE PIERRE CHAN

THE HONOURABLE CHAN CHUN-YING, J.P.

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

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 VINCENT CHENG WING-SHUN, M.H., J.P.

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

PUBLIC OFFICERS ATTENDING:

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

CHIEF SECRETARY FOR ADMINISTRATION

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

THE HONOURABLE 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

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

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 THE CIVIL SERVICE

THE HONOURABLE ALFRED SIT WING-HANG, J.P.
SECRETARY FOR INNOVATION AND TECHNOLOGY

THE HONOURABLE ERICK TSANG KWOK-WAI, I.D.S.M., J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE CASPAR TSUI YING-WAI, J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE CHRISTOPHER HUI CHING-YU, J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

CLERKS IN ATTENDANCE:

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

MS DORA WAI, DEPUTY SECRETARY GENERAL

MS ANITA SIT, ASSISTANT SECRETARY GENERAL

MS MIRANDA HON, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): The third Budget meeting now commences.

LAYING OF PAPERS ON THE TABLE OF THE COUNCIL

The following papers were laid on the table under Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation	<i>Legal Notice No.</i>
Prevention and Control of Disease (Requirements and Directions) (Business and Premises) (Amendment) (No. 2) Regulation 2021	52 of 2021
Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 3) Regulation 2021	53 of 2021
Other Papers	
Report No. 76 of the Director of Audit on the results of value for money audits—March 2021	
Hong Kong Rotary Club Students' Loan Fund Financial Statements for the year ended 31 August 2020 (including Report of the Director of Audit)	
Sing Tao Charitable Foundation Students' Loan Fund Financial Statements for the year ended 31 August 2020 (including Report of the Director of Audit)	
Research Endowment Fund Financial Statements for the year ended 31 August 2020 (including Report of the Director of Audit)	
Report of the Bills Committee on Employees' Compensation (Amendment) Bill 2021	

Report of the Bills Committee on Immigration (Amendment) Bill 2020

Report of the Bills Committee on Road Traffic (Amendment) Bill 2021

Report of the Bills Committee on Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021

WRITTEN ANSWERS TO QUESTIONS

Allocation mechanism of ward offices under Housing Department

1. **MR STEVEN HO** (in Chinese): *President, at present, Legislative Council ("LegCo") Members and District Council ("DC") members may apply for leasing flats in housing estates and courts under the Housing Department ("HD") for use as members' offices ("ward offices"). Under the current mechanism, HD allocates ward offices according to the following four categories of priority: DC member returned by the DC constituency in which the flat is located, other DC members of the DC district in which the flat is located, LegCo Members returned by the LegCo geographical constituency in which the flat is located ("directly elected Members"), and LegCo Members returned by LegCo functional constituencies ("Members returned by FCs"). DC members may lease one ward office with a maximum area of 35 square metres, and LegCo Members may lease multiple ward offices with an aggregate area not exceeding 140 square metres. In December 2019, the Office of The Ombudsman ("the Office") released a direct investigation report entitled Allocation Mechanism of Ward Offices under Housing Department ("the Report"), which pointed out the deficiencies of the allocation mechanism. For example, when a vacant ward office is available for application, a directly elected Member who has successfully leased another ward office in the district still enjoys priority over a Member returned by FC who has not been allocated any ward office. Regarding the allocation mechanism of ward offices, will the Government inform this Council:*

- (1) *as the Report showed that the leasing rate of ward offices exceeded 96% as at 31 May 2019, of (i) the number of ward offices leased to the Member who had leased the most ward offices then, and (ii) whether all ward offices were then leased out without competition;*

- (2) *as it was stated in the Report that HD had sought views separately from Members of different political parties on the proposal of priority allocation of ward offices to those Members who had not been allocated any ward office, but quite a number of Members have relayed to me that HD staff have never sought their views, of the details of the views collection exercise (including the dates on which views were sought, the number of Members of each priority category from whom views were sought, and the information provided to these Members);*
- (3) *given that HD assigns the lowest allocation priority to Members returned by FCs on grounds that there is no restriction on constituencies for such Members when they apply for leasing ward offices, and that they have the most choices and may lease multiple offices, but there have been views that there is a need for some Members returned by FCs to maintain close contact with members of the public in certain districts, and yet HD may not have ward offices available for lease in such districts that meet the requirements, whether HD will review the allocation priority of such Members;*
- (4) *although the Report stated that upon commencement of the last term of DCs and the current term of LegCo, the success rate of Members returned by FCs (who belong to the fourth priority category) being allocated ward offices was higher than those of the second and third priority categories, there have been views that such situation was only due to the lower proportion of Members returned by FCs applying for allocation of ward offices (i.e. 12 Members out of 35), whether the Government has gained an understanding as to whether the relatively small number of Members of that priority category applying for allocation of ward offices was due to their being accorded the lowest allocation priority and the poor quality of the remaining ward offices available for them to choose; and*
- (5) *given that in the light of the recommendations of the Office, HD has revised the arrangements for leasing ward offices to Members under joint tenancies by categorizing joint tenants of ward offices into primary and secondary tenants, and stipulated that if the primary tenant is not re-elected or terminates the tenancy before it expires, the secondary tenant may retain the ward office until the end of his/her term provided that the aggregate area of the ward offices*

leased to him/her does not exceed his/her maximum entitlement, whether the Government has studied if such practice will reduce the chance of Members returned by FCs to apply for a ward office successfully?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my consolidated reply to the question raised by Mr Steven HO is as follows:

The Hong Kong Housing Authority ("HA") has all along been leasing, as far as practicable, suitable non-domestic premises in its public housing estates ("PHEs") to District Councilors ("DCs") and Legislative Councilors ("LCs") as ward offices for them to serve and keep in touch with the residents during their term of office. Under the current allocation mechanism, HA allocates ward offices in accordance with the following order of priority:

<i>Priority</i>	<i>Nature of Office</i>
First	The elected DC of the constituency concerned
Second	Other DCs of the district
Third	LCs returned from the geographical constituency concerned
Fourth	LCs returned from functional constituencies

Furthermore, a DC can only lease one ward office up to the size of 35 sq m in HA's PHEs. A LC may lease more than one ward office in HA's PHEs provided that the total size does not exceed 140 sq m. Councilors may also lease ward offices under joint tenancies.

As at 31 March 2021, HA had let about 320 ward offices in 196 PHEs/subsidized sale flat courts. As at 31 May 2019, councilors who had leased most ward offices had leased six ward offices in HA's PHEs at the same time, including those held under sole tenancies and joint tenancies.

According to the established procedures, when ward offices in PHEs are available for letting, HA will invite applications from DCs and LCs through their respective secretariats. If more than one application is received, HA will allocate the ward office according to the order of priority. If there is more than one applicant with the same priority, allocation will be determined by ballot. Such arrangement can ensure the rational utilization and equitable allocation of resources. HA does not keep statistics on the number of applications received in each invitation.

In response to the recommendations of the Office of The Ombudsman ("OMB"), HA revised the arrangements of letting ward offices under joint tenancies in 2018 with a view to preventing councilors from leasing the ward offices indefinitely by continuously adding/deleting joint tenants or deciding on his/her own the successor of the ward office. Under the revised arrangement, tenants leasing ward offices under joint tenancies are classified as primary tenant and secondary tenant. If the primary tenant is not re-elected or terminates the tenancy before its expiry for any reason, the secondary tenant is allowed to retain the ward office concerned for occupation under licence until expiry of his/her current term of office provided that the space allocation standard is not exceeded. The ward office will have to be returned to HA upon expiry of his/her current term of office.

In 2018, OMB also advised HA that they had received comments that some councilors who had already succeeded in leasing offices could still lease vacant ward offices again by virtue of their higher priority over other councilors who had not been allocated any offices, thereby resulting in difficulty for councilors with lower priority (such as LCs returned from functional constituencies) to be allocated ward offices. OMB indicated that there were also suggestions that higher priority should be accorded to councilors who had not been allocated any ward office in HA premises when allocating vacant ward offices. In this connection, when HA separately contacted councilors of different political parties through meetings or telephone discussions in June and July 2018 to brief them on the above revised letting arrangements, HA took the opportunity to seek their views on the suggestion of according higher priority in allocating offices to councilors who had not been allocated any office. As the suggestion was not supported by the councilors, HA did not implement such measure.

As a matter of fact, there is no limit on the geographical areas in which LCs returned from functional constituencies could be allocated a ward office. Since they have more choices, they are accorded with a lower priority than LCs returned from the geographical constituencies. There are individual LCs returned from functional constituencies who have leased multiple offices in HA's PHEs at the same time (including those under sole tenancies and joint tenancies), which reflects that the prevailing allocation mechanism has not hindered them from being allocated one or even multiple ward offices.

Due to keen demand for HA's non-domestic premises to provide various types of services and limited non-domestic space in PHEs, HA has to accord priority in providing facilities, such as retail and welfare facilities, to meet the

daily needs of residents. Therefore, HA is not able to satisfy the demands of all DCs and LCs for leasing ward offices in PHEs. In fact, there may not be HA's PHEs in each and every constituency. HA is only offering an option and councilors may decide whether to lease the premises.

OMB also acknowledged in the direct investigation report published in December 2019 that the prevailing mechanism for the allocation of ward offices (including the above revised letting arrangements) had already taken into account the needs of councilors of different categories and constraints, and the allocation arrangement was generally appropriate. HA will continue to keep in view the arrangements concerned and will endeavor to provide more ward offices in PHEs where practicable.

Ventilation requirement for dine-in catering premises

2. **MR WONG TING-KWONG** (in Chinese): *President, to reduce the risk of the Coronavirus Disease 2019 spreading in catering premises, the Government announced on the 17th of last month that the seating areas of dine-in catering premises must be in compliance with the following requirement on or before the 30th of this month: (1) fresh air change per hour therein must be at six times or above, or (2) air purifiers meeting the specified specifications have been installed. Quite a number of catering business operators ("the operators") have relayed to me that as they lack the knowledge about ventilation and air purifiers, they can hardly complete the ventilation works concerned and obtain a certificate of compliance issued by a registered specialist contractor (ventilation works category) ("contractor") within such a short time. The expenditure to be incurred for complying with the requirement will also aggravate their already heavy financial burden. In this connection, will the Government inform this Council:*

- (1) *whether it will publish, for reference by the operators, the ranges of the fees to be charged by a contractor for (i) undertaking the works concerned and (ii) issuing the certificate; if so, of the details; if not, the reasons for that;*
- (2) *whether it will expeditiously provide subsidies and technical support for the operators, so as to facilitate their compliance with the requirement; if so, of the details; if not, the reasons for that; and*

- (3) *whether it will exercise discretion to provide a grace period for the operators or postpone the commencement date of the requirement; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, in the directions issued on 17 March 2021 in relation to catering business under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), the Secretary for Food and Health stipulated a requirement on air change or air purifiers to be complied with in dine-in catering premises. Operators are required to register on the website of the Food and Environmental Hygiene Department ("FEHD") on or before 30 April 2021 to declare that the seating areas of their premises have a minimum of six air changes per hour or air purifiers that meet the specified specifications installed according to the on-the-ground situation (including the site condition) and the manufacturer's manual. Certification issued by a registered specialist contractor (ventilation works category) has to be submitted at the same time.

At present, there is no uniform worldwide standard on ventilation requirements for catering premises to prevent the transmission of COVID-19. Yet it is generally agreed that ventilation improvement measures could assist in infection control. The Government has made reference to various materials from other places, such as ventilation standards applicable to non-residential buildings, relevant scientific and clinical research, and information provided by the Chartered Institution of Building Services Engineers of the United Kingdom and others on design guidelines for ventilation systems at public venues (including catering premises). A balance has been struck between relevant factors including the effectiveness of the measures and their affordability to the trade.

We hope that the trade could fulfil the relevant ventilation requirement as soon as possible to protect the health of staff, customers and the public and to reinforce the public's confidence in patronizing catering premises. We could then refrain from using a "stop and go" approach on the catering industry in the face of epidemic situations in future as far as possible.

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

(1) and (2)

To enable the smooth implementation of the requirement, FEHD has established a Working Group comprising experts from a wide spectrum of backgrounds including public health, engineering, surveying and ventilation. The Working Group and relevant government departments are adopting a multi-pronged approach to help catering business operators and ventilation works contractors fulfil the requirement. Apart from meeting with representatives of catering premises, specialist contractors (ventilation works category), electrical appliance suppliers, hotels and other relevant trades, site visits have been conducted at a number of catering premises (including a bar, a Chinese restaurant, a Hong Kong-style tea restaurant and a hotel restaurant).

On assisting catering business operators and specialist contractors (ventilation works category), the Working Group and relevant government departments have made the following progress:

- (a) an online platform, with a link www.bd.gov.hk/en/resources/online-tools/registers-search/registrationsearch.html to the web page of the Buildings Department containing the list of 180 specialist contractors (ventilation works category), was launched by FEHD on 18 March 2021 for registration in respect of catering premises;
- (b) a list of air purifiers meeting the specified specifications was announced and uploaded to FEHD's website on 1 April 2021. The composite list www.fehd.gov.hk/english/licensing/guide_general_reference/Information_air-changes_purification.html will be updated from time to time based on supplementary information submitted. As at 19 April 2021, a total of 305 air purifiers met the specified specifications. According to the information obtained by the Working Group, there is a stock of around 36 000 air purifiers of models that meet the specified specifications available in the market (while individual demand and supply may be subject to commercial considerations); and
- (c) a Guide on Compliance with Requirement on Air Change/Air Purifiers in Seating Areas of Dine-in Catering Premises www.fehd.gov.hk/english/licensing/guide_general_reference/

[guide_on_compliance_with_requirement_on_air_change.html](http://www.fehd.gov.hk/english/licensing/guide_general_reference/Reference_Video_for_ACH-Air_purifier.mp4)> was promulgated on 12 April 2021 with a video uploaded to FEHD's website <www.fehd.gov.hk/english/licensing/guide_general_reference/Reference_Video_for_ACH-Air_purifier.mp4> to enable the trade to master the essential points on specific technical details and facilitate expeditious follow-up arrangements for the prompt compliance with the relevant ventilation requirement.

According to the information obtained by the Working Group from the Hong Kong Registered Specialist Contractors (Ventilation) Association, contractors in general will use specific calibration instrument to assess the per hour air change level of catering premises and then complete the registration at FEHD's website by providing the data as well as the certificate issued by them certifying the relevant air change level per hour and/or the air purifiers installed. The Association has set up a telephone hotline for catering business operators to directly contact contractors who are interested in providing the service. In addition, the Working Group has invited device suppliers to provide on FEHD's website information (including price range) on their air purifiers that meet the specified specifications.

The Working Group and relevant government departments will continue to enhance publicity and education with a view to assisting the trade in grasping the key concepts and relevant follow-up arrangements regarding enhancement of air change of premises and installation of air purifiers; organize a webinar for direct communication between catering business operators and specialist contractors (ventilation works category); and continue to meet with representatives of the trades and the stakeholders.

- (3) According to the guideline issued on 17 March 2021, catering business operators must submit an application to FEHD for extension of time if they cannot complete the registration before the deadline. FEHD will consider each application on individual merits. Catering business operators need not be overly worried. If they have taken reasonably practicable steps in an attempt to meet the relevant requirement but still consider it necessary to apply for an extension, they can download the application form from FEHD's website <www.fehd.gov.hk/english/licensing/guide_general_reference/

[Application_for_extension_of_time_for_registration_on_air_change_installation_of_air_purifier_in_catering_premises.html](#)> and submit their applications accordingly.

During the initial period of implementing the new requirement, FEHD will focus on publicity, education and giving advice, and will monitor the relevant situation closely for timely adjustments to the arrangement.

Revenues from stamp duties and land premiums

3. **MR LAU KWOK-FAN** (in Chinese): *President, regarding the revenues from stamp duties and land premiums, will the Government inform this Council, in each of the past five financial years:*

- (1) *of the respective total amounts of stamp duties charged on agreements for sale, conveyances on sale or leases of (i) residential properties and (ii) non-residential properties, as well as the respective percentages of such amounts in the total government revenue for that year; if a breakdown of the stamp duty for these two types of properties is not available, whether it will compile such statistics, so as to enhance the transparency of government revenue;*
- (2) *of the respective total amounts of stamp duties charged from the (i) Buyer's Stamp Duty, (ii) Special Stamp Duty and (iii) ad valorem stamp duty at the rates at Scale 1; and*
- (3) *of the total amount of revenue from land premiums and its percentage in the total government revenue for that year?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): *President, my response to each part of the Member's question is set out below:*

- (1) The amount of stamp duties collected from sale and purchase of residential and non-residential properties (including agreements for sale and conveyances on sale) and leases, and the percentage of total government revenue accounted for by such amount in each of the past five financial years are tabulated below:

<i>Financial year</i>	<i>Stamp duty on sale and purchase of residential properties</i>		<i>Stamp duty on sale and purchase of non-residential properties</i>		<i>Stamp duty on leases of residential and non-residential properties⁽³⁾</i>	
	<i>Amount (\$ million)⁽²⁾</i>	<i>Percentage of total government revenue</i>	<i>Amount (\$ million)⁽²⁾</i>	<i>Percentage of total government revenue</i>	<i>Amount (\$ million)</i>	<i>Percentage of total government revenue</i>
2016-2017	31,547	5.5%	8,006	1.4%	597	0.1%
2017-2018	45,038	7.3%	13,991	2.3%	663	0.1%
2018-2019	39,543	6.6%	9,875	1.7%	725	0.1%
2019-2020	29,791	5.0%	5,107	0.9%	672	0.1%
2020-2021 ⁽¹⁾	30,895	5.7%	4,159	0.8%	591	0.1%

Notes:

- (1) The amount of total government revenue in the 2020-2021 financial year refers to the revised estimate
 - (2) The amount does not include further stamp duty (applicable where the stated consideration is below the value of the property), fixed duty and penalty, and has not been adjusted due to refund
 - (3) As stamp duty payable on a lease is calculated by reference to the rent and lease term, those who submit stamping applications are not required to provide information on the types of properties to the Inland Revenue Department, and hence no breakdown of the statistics is available.
- (2) The amounts of Buyer's Stamp Duty ("BSD"), Special Stamp Duty ("SSD") and ad valorem stamp duty ("AVD") at Scale 1 rates collected in each of the past five financial years are tabulated below:

<i>Financial year</i>	<i>BSD (\$ million)⁽⁴⁾</i>	<i>SSD (\$ million)⁽⁴⁾</i>	<i>AVD at Scale 1 rates</i>	
			<i>Residential properties (\$ million)⁽²⁾</i>	<i>Non-residential properties (\$ million)⁽²⁾</i>
2016-2017	7,140	250	11,114	7,945
2017-2018	9,351	308	10,062	13,973
2018-2019	8,147	325	14,244	9,512
2019-2020	4,896	206	8,416	5,068
2020-2021	2,768	219	6,745	3,025

Notes:

- (2) The amount does not include further stamp duty (applicable where the stated consideration is below the value of the property), fixed duty and penalty, and has not been adjusted due to refund
- (4) The amount does not include penalty and has not been adjusted due to refund

- (3) The total amount of land premium and the percentage of total government revenue accounted for by such amount in each of the past five financial years are tabulated below:

<i>Financial year</i>	<i>Land premium (\$ million)</i>	<i>Percentage of total government revenue</i>
2016-2017	127,970	22.3%
2017-2018	164,811	26.6%
2018-2019	116,861	19.5%
2019-2020	141,728	24.0%
2020-2021 ⁽¹⁾	88,713	16.3%

Note:

- (1) The amount of total government revenue in the 2020-2021 financial year refers to the revised estimate

Protection of online personal data privacy

4. **MR MARTIN LIAO** (in Chinese): *President, it has been reported that the personal data of some 500 million users worldwide of LinkedIn, an employment-oriented community networking platform, have recently been scraped and sold, and the social media platform Facebook was hacked last year, resulting in the personal data of its over 500 million users worldwide (of which nearly 3 million were Hong Kong people) being stolen and made public. The Office of the Privacy Commissioner for Personal Data, Hong Kong ("PCPD") indicated earlier on that it had written to the operator of the former to seek clarifications, and to the operator of the latter to initiate a compliance check on the relevant incident. On the other hand, in recent years quite a number of people have engaged in online "doxxing", i.e. making public on the Internet (especially on social media) the personal data so obtained. In this connection, will the Government inform this Council:*

- (1) *whether it knows (i) the progress made by PCPD on its follow-up work/compliance check on the aforesaid two incidents, and (ii) the remedial measures taken by the operators concerned;*

- (2) *whether it knows if PCPD has assessed the effectiveness of the Guidance on Protecting Personal Data Privacy in the Use of Social Media and Instant Messaging Apps which PCPD issued early this month, and what relevant public education and publicity activities that PCPD has scheduled for the coming year (e.g. holding seminars);*
- (3) *given that PCPD refers personal data security incidents involving criminal elements (e.g. "access to computer with criminal or dishonest intent") to the Police for investigation, whether it knows if PCPD will refer the aforesaid two incidents to the Police for investigation; as the two incidents reportedly involved acts of stealing data by hackers outside Hong Kong, how PCPD and the Police deal with acts of infringements of Hong Kong residents' privacy by people outside Hong Kong; and*
- (4) *given that the Government is currently working jointly with PCPD on amending the Personal Data (Privacy) Ordinance (Cap. 486), including criminalizing the acts of doxxing and empowering the Privacy Commissioner for Personal Data to undertake investigation and prosecution work in respect of doxxing incidents, of the related preliminary proposals?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, in response to the question raised by Mr Martin LIAO, having consulted the Security Bureau and the Office of the Privacy Commissioner for Personal Data, Hong Kong ("PCPD"), the response is as follows:

- (1) Upon the suspected personal data leakage incidents affecting the social media platform users of Facebook and LinkedIn, PCPD immediately took an active lead in following up on the incidents, including initiating a compliance check against Facebook. PCPD also sent letters to remind the concerned social media platforms that if it was found that Hong Kong users were affected, they should notify the affected users as soon as possible to mitigate the possible risks arising from the incidents. According to the preliminary replies to PCPD from the concerned social media platforms,

Facebook responded that while investigations were ongoing, it was believed that the users' data was maliciously scraped from publicly accessible information on Facebook platforms before September 2019. To this end, Facebook provided an online contact form in its Help Centre for users to submit enquiries relating to the incident, including whether users' data had been improperly disclosed. LinkedIn responded to PCPD that it was investigating the incident, and the disclosed personal data included publicly accessible information of members on the LinkedIn website, as well as information aggregated from other websites. PCPD will continue to follow up on the above incidents.

- (2) In April 2021, PCPD issued the "Guidance on Protecting Personal Data Privacy in the Use of Social Media and Instant Messaging Apps" ("Guidance"), providing practical suggestions for the public to mitigate the privacy risks in the use of social media <https://www.pcpd.org.hk/english/resources_centre/publications/files/social_media_guidance.pdf>. Such suggestions included matters the public should look out for when registering a new social media account, as well as how to manage privacy settings to limit the extent of disclosure of publicly accessible personal data. Upon issue, the Guidance has been widely reported by the media. Many media reports quoted the "Step-by-Step Guide on Adjusting Privacy Settings" in the Guidance, which advised the public on the means to strengthen the protection of privacy while using social media. In various media interviews, PCPD also explained to the public the privacy risks associated with the use of social media and instant messaging software, and how to step up the protection of personal data privacy. Since its uploading to the PCPD website, the Guidance has gained over 2 200 views, and PCPD has achieved 10 000 reaches when promoting the Guidance through various social media platforms. Besides, PCPD has distributed the Guidance to the Home Affairs Enquiry Centres in all 18 districts for collection by members of the public. The Guidance has also been issued to various trade associations, professional bodies, public organizations and members of the PCPD Data Protection Officers' Club for their reference. PCPD has all along been undertaking various promotion, education and publicity activities to remind the public of the privacy risks involved in the use of social media and the

mitigation measures. For example, in April 2021, PCPD held an online seminar entitled "Protection of Personal Data Privacy in the Use of Information and Communications Technology". In the coming year, PCPD will continue to organize related seminars and promotional activities, including an upcoming free public online seminar entitled "Social Media and You" in May, together with the production of promotional leaflets and videos to raise the public's vigilance in the protection of personal data privacy.

- (3) Theft of personal data may not only contravene the Personal Data (Privacy) Ordinance ("PDPO"), but may also, depending on circumstances, breach other criminal offences, for example theft and obtaining property by deception offences under the Theft Ordinance (Cap. 210), access to computer with dishonest intent offence under the Crimes Ordinance (Cap. 200), etc. PCPD is continuing to follow up on the above two suspected data leakage incidents. If there is evidence suggesting possible contravention of criminal offences, the case will be referred to the Police for follow up. As for cases involving outside-Hong-Kong elements, the Police will handle in accordance with powers granted under relevant existing laws in Hong Kong, for example the Criminal Jurisdiction Ordinance (Cap. 461).
- (4) The Government attaches great importance to combating doxxing acts, which are intrusive to personal data privacy. To further combat doxxing acts, the Government and PCPD are working on the amendments to PDPO. The directions of amendments mainly encompass: (1) criminalizing doxxing acts as an offence under PDPO, (2) conferring on the Privacy Commissioner for Personal Data ("Commissioner") statutory powers to demand the removal of doxxing contents from social media platforms or websites, and (3) empowering the Commissioner to carry out criminal investigations and initiate prosecution. We aim to complete the drafting of the legislative amendments related to doxxing and submit the same to the Legislative Council for scrutiny within this legislative year.

Compulsory testing

5. **MS STARRY LEE** (in Chinese): *President, the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) has been implemented since 15 November 2020 to cope with the Coronavirus Disease 2019 ("COVID-19") epidemic. The Government may invoke the Regulation to issue compulsory testing notices ("CTNs") requiring the relevant groups or persons to undergo compulsory COVID-19 testing by a specified deadline. Moreover, the Government may delineate "restricted areas" and make restriction-testing declarations ("RTDs") requiring that all persons within the restricted areas stay in their premises and undergo compulsory COVID-19 testing in accordance with the Government's arrangement, and they may leave only after the test results have mostly been ascertained. In this connection, will the Government inform this Council, since November last year:*

- (1) *of the number of CTNs issued by the Government, the total number of persons who underwent compulsory COVID-19 testing as required under CTNs and, among them, the number of those confirmed to have contracted COVID-19;*
- (2) *of the number of law enforcement operations conducted by the Government to check whether the persons concerned had complied with the requirements of CTNs; the number of persons found during such operations to have breached the requirements, and the number of fixed penalty notices ("FPNs") issued to them;*
- (3) *of the number of restricted areas delineated by the Government, the number of persons within such areas who underwent the testing and, among them, the number of those confirmed to have contracted COVID-19; and*
- (4) *of the number of law enforcement operations conducted by the Government to check whether the persons within the restricted areas had complied with the requirements of RTDs; the number of persons found during such operations to have breached the requirements, and the number of FPNs issued to them?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Government has been adjusting its anti-epidemic strategies in view of the development of the COVID-19 epidemic, among which, extensive testing with a view to achieving "early identification, early isolation and early treatment" helps identify asymptomatic infected persons, and cut the transmission chains in the community as far as possible. The Government will strive to achieve the target of "zero infection", so the public can resume their normal life as early as possible.

My reply to the various parts of the question raised by Ms Starry LEE is as follows:

- (1) Since the implementation of the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) ("the Regulation") on 15 November 2020, the Government had conducted more than 2.87 million compulsory tests as at 23 April 2021, of which 4 318 samples or 0.15% were tested preliminarily positive.

On 21 November 2020, the Government exercised the power under the Regulation for the first time and issued a compulsory testing notice ("CTN") requiring persons who fell within the specified category to undergo a nucleic acid test for COVID-19 within the specified period in compliance with the requirements and procedure set out in CTN. During the period from 21 November 2020 to 23 April 2021, the Government issued a total of 197 CTNs in implementing the virus testing strategy of compulsory testing on a mandatory basis.

- (2) For buildings or workplaces included in CTNs, the Government will conduct enforcement actions to check the test records of the persons subject to compulsory testing so as to ensure their compliance with the CTN requirements. During the period from 24 December 2020 to 23 April 2021, 30 such operations were conducted and more than 200 fixed penalty notices ("FPNs") of \$5,000 were issued to those who had failed to comply with CTNs.
- (3) To achieve the target of "zero cases" in districts, the Government has actively conducted a number of large-scale compulsory testing operations. The Government may make restriction-testing

declarations ("RTDs") and delineate restricted areas under the Regulation requiring all persons within the restricted areas to stay in their premises and undergo compulsory testing in accordance with the Government's arrangement, and they may leave only after the test results have mostly been ascertained. A total of 41 RTD operations were successfully completed in a number of districts between 23 January and 23 April 2021, during which about 37 000 persons were tested and 22 confirmed cases were found.

- (4) In all of the above RTD operations (except the one on 16 April), the Government conducted enforcement operations in the areas concerned upon completion of compulsory testing arrangement so as to ensure that those persons within the restricted areas had undergone compulsory testing in accordance with the restriction and testing requirements. During these enforcement operations, about 40 FPNs of \$5,000 were issued to those who had failed to comply with CTNs.

During the RTD operation conducted on 16 April, a preliminary positive case with the test result involving the N501Y mutant strain was found in the building concerned. The Centre for Health Protection of the Department of Health considered it necessary to take prudent infection control measures. Hence, after all residents of the building within the restricted area had undergone compulsory testing, those without symptoms were taken to quarantine centres for compulsory quarantine, so as to prevent the potential risk of spreading the N501Y mutant strain to the community.

Protecting Hong Kong people who purchase properties outside Hong Kong

6. **MR CHEUNG KWOK-KWAN** (in Chinese): *President, it has been reported that Hong Kong people purchasing properties outside Hong Kong (in countries such as the United Kingdom, Australia, Canada and Thailand) has become a common phenomenon in recent years. Last year, the Estate Agents Authority received 66 complaints about the sale of properties outside Hong Kong, which is a tenfold surge from the six complaints received in the year before last. On protecting Hong Kong people who purchase properties outside Hong Kong, will the Government inform this Council:*

- (1) *of the number of complaints, received by the authorities in each of the past five years, about uncompleted properties which had become default property developments in the end, and the total amount of losses involved, with a breakdown by the country/region in which such properties were located;*
- (2) *whether it will consider afresh enacting legislation to regulate the practices of selling in Hong Kong properties outside Hong Kong (including the contents of advertisements), and to prohibit persons who are neither licensed estate agents nor licensed salespersons from engaging in estate agency work for properties outside Hong Kong;*
- (3) *as there has been an upward trend of complaints about purchases of properties outside Hong Kong in recent years, whether the authorities will consider establishing communication and cooperation mechanisms with the relevant regulatory authorities in those countries/regions in which the properties are hot commodities for Hong Kong people, so as to protect the rights and interests of Hong Kong people who have purchased properties therein; and*
- (4) *whether the authorities will step up publicity efforts to remind members of the public about matters requiring attention and common traps to avoid when they purchase properties outside Hong Kong, so as to avoid falling prey to frauds?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, having consulted the Commerce and Economic Development Bureau, the Constitutional and Mainland Affairs Bureau ("CMAB"), the Financial Services and the Treasury Bureau, the Security Bureau and the Estate Agents Authority ("EAA"), the consolidated reply to the question raised by Mr CHEUNG Kwok-kwan is set out below:

- (1) For complaints received by government departments/organizations which involved properties outside Hong Kong, there is no classification on whether the properties concerned were not completed on schedule (or referred to as "default property developments"). As regards the number of complaints received by

departments/organizations which involved uncompleted properties outside Hong Kong in the past five years, the breakdown by year is shown at Annex. Since the complainants could lodge complaints to different departments/organizations and the departments/organizations could refer individual case(s) to another department/organization, the complaints or cases received by different departments/organizations may involve the same cases.

- (2) Regarding the engagement in estate agency work involving properties situated outside Hong Kong, pursuant to the Estate Agents (Exemption from Licensing) Order (Cap. 511B), a person shall be exempted from the requirement for obtaining an estate agent's licence if he/she handles exclusively properties outside Hong Kong; and states in all his/her documents (including pamphlets and brochures, etc.) and advertisement that he/she is not licensed to deal with any property situated in Hong Kong. However, if the company or individual concerned performs estate agency work for properties both within Hong Kong and outside Hong Kong, that company/individual is required to obtain a licence issued by EAA and be regulated by EAA. If a licensed estate agent/salesperson is suspected of breaching the Code of Ethics and practice circulars issued by EAA in the course of the sale of properties, regardless of whether the properties concerned are Hong Kong properties or not, EAA will investigate the matter.

In December 2017, EAA issued a practice circular to provide guidelines on the appropriate practices and measures to be adopted in handling the sale of uncompleted properties situated outside Hong Kong for estate agent licensees to comply with. These practices and measures include, amongst others, due diligence measures and requirement on providing important sales documents. The guidelines have taken effect since 1 April 2018. Licensees who breach the guidelines may be subject to disciplinary actions from EAA.

There are likely substantial differences between the sale of properties situated outside Hong Kong and those in Hong Kong from the perspectives of market operation and conduct regulation. Moreover, the sale of properties situated outside Hong Kong

involves laws and regulations as well as tax regimes of different jurisdictions, and also various stakeholders (e.g. non-local developers, intermediaries and agents). Furthermore, vendors of non-local properties can easily conduct sales and promotion activities through the Internet, which is very difficult to regulate. It has been a more effective approach for EAA to educate the consumers through various channels and continue to enhance public education by reminding consumers the issues that they should pay attention to before deciding to purchase non-local properties.

Regarding the regulation of practices (including advertising content) for the sale of non-local properties in Hong Kong, according to the relevant codes of practice on advertising standards issued by the Communications Authority, all advertisements on television and radio are required to be legal, clean, honest and truthful. For advertisements of real properties outside Hong Kong, the codes of practice require the broadcasting licensees to seek certain substantiation information from the advertisers, unless the advertiser is an estate agent licensed under the Estate Agents Ordinance (Cap. 511). The codes of practice further require such advertisements to carry an advisory message reminding the audience to obtain and review all relevant information relating to the real properties before making any purchase decisions and seek professional advice if in doubt.

(3) and (4)

EAA has from time to time reminded investors and the public the risks and points-to-note before deciding to purchase properties situated outside Hong Kong (especially those uncompleted ones) through articles in newspapers and other media, educational booklets and public seminars, etc. EAA also set up a designated section about purchasing properties located outside Hong Kong under its consumer education website and published a new educational booklet entitled "Purchasing Non-local Properties Be SMART" in early 2020, reminding consumers about the risks of purchasing properties situated outside Hong Kong. EAA also rolled out its online promotion campaign to attract the public to visit its consumer education website and read the booklet.

Apart from organizing two large-scale public seminars on purchasing non-local properties, EAA also held two online seminars in 2020 and 2021 respectively, which generated over 80 000 views of the online seminar video. Besides, the practice circular issued to licensees as mentioned in part (2) of this reply is not only binding on the licensed estate agents, but also provides a reference for consumers to assess whether the sales arrangements adopted by individual persons (including the exempted persons) are appropriate.

Moreover, the Consumer Council has from time to time published articles in its publications to remind the public of the risks involved in the purchase of properties outside Hong Kong, for example, by extracting actual complaint cases relating to the purchase of properties outside Hong Kong in the "CHOICE" magazine.

Besides, the Securities and Futures Commission ("SFC") updated in 2016 its FAQs in relation to the Securities and Futures Ordinance to provide guidance on collective investment schemes involving real estate interests. Furthermore, SFC and its subsidiary, the Investor and Financial Education Council ("IFEC"), have issued educational materials on overseas property investment and reminded the public of the potential risks involved through various channels (e.g. IFEC's educational website "The Chin Family", social media, newspaper and seminars) from time to time. SFC and IFEC will continue to enhance investor education on this front.

Apart from the above, one of the main functions of the five Mainland Offices of the Hong Kong Special Administrative Region Government (namely the Beijing Office and the Hong Kong Economic and Trade Offices in Guangdong, Chengdu, Shanghai and Wuhan) is to provide assistance to Hong Kong residents in distress in the Mainland. If the Hong Kong residents seeking assistance wish to make complaints or appeals to the Mainland authorities as regards properties in the Mainland, the Mainland Offices will refer their cases to the relevant Mainland authorities on request. Besides, the Hong Kong Economic and Trade Office in Guangdong has commissioned an organization to provide free legal advisory service to Hong Kong residents in need through a telephone hotline or by arranging Mainland duty lawyers to meet the assistance seekers to provide preliminary advice on Mainland related legal matters.

To enhance the public's understanding of matters related to property purchase in the Mainland, the Mainland Offices published the Practical Guide for Hong Kong Residents Living in the Mainland, a booklet on living in the Mainland covering practical information about property purchase such as points to note for entering contracts on sale and purchase. A link to the web page of EAA containing practical information on the purchase of property outside Hong Kong has been provided on the websites of the Mainland Offices to facilitate access by citizens. CMAB has also published an article in the "CHOICE" magazine of the Consumer Council in February 2021 to remind citizens of the points to note when purchasing property in the Mainland. The web link of the article has been added to the websites of the Mainland Offices.

Annex

Number of Complaints Involving Uncompleted Properties Outside Hong Kong
Received by Different Departments/Organizations

(1) Estate Agents Authority:

<i>Year</i>	<i>Country/Region Involved (Number of cases)</i>	<i>Total</i>	<i>Amount of Loss Involved (\$ million)</i>
2016	Mainland (1) Australia (3) United Kingdom (13) United States (1)	18	No statistics on the amount of money involved in the complaint cases
2017	Mainland (1) United Kingdom (8)	9	
2018	Mainland (2) Australia (1) Canada (1) Thailand (2) United Kingdom (4)	10	
2019	Mainland (1) Malaysia (1) Thailand (2) United Kingdom (2)	6	

<i>Year</i>	<i>Country/Region Involved (Number of cases)</i>	<i>Total</i>	<i>Amount of Loss Involved (\$ million)</i>
2020	Mainland (36) Australia (1) Thailand (26) United Kingdom (1)	64	

(2) Consumer Council:

<i>Year</i>	<i>Country/Region Involved (Number of cases)</i>	<i>Total</i>	<i>Amount of Loss Involved (\$ million)</i>
2016	Mainland (1) Australia (1) Thailand (1) United Kingdom (9)	12	1.94
2017	Australia (5) Malaysia (1) Thailand (3) United Kingdom (7)	16	5.06
2018	Australia (2) Malaysia (1) Thailand (3) United Kingdom (5)	11	1.58
2019	Mainland (12) Australia (3) Canada (1) Malaysia (1) Singapore (1) Thailand (3) United Kingdom (3)	24	4.36
2020	Mainland (5) Australia (3) Malaysia (2) Thailand (29) United Kingdom (7)	46	16.13

(3) Customs and Excise Department:

<i>Year</i>	<i>Country/Region Involved (Number of cases)</i>	<i>Total</i>	<i>Amount of Loss Involved^{Note} (\$ million)</i>
2016	Australia (1) Malaysia (1) Thailand (1)	3	0.28
2017	United Kingdom (1)	1	0.29
2018	Thailand (1)	1	1.79
2019	Albania (1)	1	Not provided
2020	Australia (1) Thailand (22) United Kingdom (2)	25	0.60

Note:

Some of the complainants did not provide the amount of money involved.

(4) Police:

<i>Year</i>	<i>Country/Region Involved (Number of cases)</i>	<i>Total</i>	<i>Amount of Loss Involved (\$ million)</i>
2016	Note		
2017			
2018	Myanmar (1) United Kingdom (1)	2	160.15
2019	Mainland (2)	2	0.88
2020	Mainland (1) Myanmar (1) Republic of Palau (1) United Kingdom (1)	4	21.65

Note:

The Police has been maintaining the statistics of non-local property investment deception cases received since 2018.

Apart from those listed above, the five Mainland Offices of the Hong Kong Special Administrative Region Government also received assistance cases relating to property transactions in the Mainland. However, there is no information on whether the assistance cases involved uncompleted properties.

Besides, the Securities and Futures Commission also received complaints on alleged collective investment schemes involving non-local real estate projects. However, there is again no information on whether the complaints involved uncompleted properties.

Promoting the development of the maritime and port industries

7. **MR FRANKIE YICK** (in Chinese): *President, Hong Kong's overall ranking in the 2020 Xinhua-Baltic International Shipping Centre Development Index Report has fallen from the second place of the preceding year to the fourth place. Some members of the maritime industry have pointed out that although the 2017 Policy Address proposed to promote and facilitate the development of Hong Kong's maritime services and the Government successively introduced tax concessions for the ship leasing and marine insurance industries in the 2020-2021 financial year, the Government's efforts to promote Hong Kong's maritime industry are still inadequate when compared with competitors. On the contrary, Singapore, which continues to top the list in the aforesaid report, announced last month that it would increase the subsidies provided to the local small and medium enterprises ("SMEs") engaging in maritime technology business, and is committed to developing the maritime industry. In this connection, will the Government inform this Council:*

- (1) *of the achievements of the Government's work in the past three years on attracting maritime enterprises to establish their bases in Hong Kong (including the increase in the number and the scope of business of such enterprises, as well as the number of new jobs and the economic benefits brought to Hong Kong); whether it has set any target for its work in the future (e.g. attracting a certain number of maritime enterprises to establish their bases in Hong Kong in the coming decade);*
- (2) *given that the Government is studying the provision of tax concessions to commercial principals of the maritime industry (e.g. ship management companies, ship brokers and ship agents) to attract them to establish their bases in Hong Kong, thereby promoting the development of high value-added maritime services, of the progress of the relevant study and the timetable for implementing the relevant proposals; whether, apart from tax*

concessions, the Government will consider, by making reference to the practice of the Singapore Government, providing subsidies to SMEs of the maritime industry; if so, of the details; if not, the reasons for that; and

- (3) *as some members of the maritime industry have pointed out that the maritime and port industries are one of the important pillars of the Hong Kong economy, but the existing relevant policies are rather fragmented, lacking a set of complete and target-oriented policies, whether the Government will establish a statutory authority with decision-making and enforcement powers to formulate a long-term development blueprint for Hong Kong's maritime and port industries; if so, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Special Administrative Region Government has been committed to upholding Hong Kong's position as an international maritime centre and further consolidating our strengths in high value-added maritime services.

Indeed, the Central Government has all along been supporting the development of the maritime and logistics industry, including the consolidation of Hong Kong's position as an international maritime centre. The "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" as endorsed by the 13th National People's Congress on 11 March 2021 and the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" as promulgated in February 2019 also support the development of high value-added maritime services in Hong Kong for better integration into the country's development course.

To enhance Hong Kong's status as an international maritime centre and attract more maritime service companies to establish business presence in Hong Kong, the Government enacted the Inland Revenue (Amendment) (Ship Leasing Tax Concessions) Ordinance 2020 in June 2020 to offer tax concessions to qualifying ship lessors and ship leasing managers at 0% and generally 8.25% tax rate respectively, with retrospective effect from 1 April 2020. Another bill, the Inland Revenue (Amendment) (Profits Tax Concessions for Insurance-related

Businesses) Ordinance 2020, was also enacted in July 2020 to reduce profits tax rate by 50% (i.e. 8.25%) for specified insurance businesses, including eligible marine insurance businesses, in Hong Kong.

On enhancing Hong Kong's position in the international maritime arena, with the concerted efforts of the industry and the Government, the International Chamber of Shipping established its first-ever overseas office in Hong Kong in 2019. The Baltic and International Maritime Council ("BIMCO") published the BIMCO Law & Arbitration Clause 2020 in September 2020, which includes Hong Kong as the fourth named arbitration venue, alongside London, New York and Singapore. Meanwhile, we have gradually established the Hong Kong Shipping Registry ("HKSR") Regional Desks in selected overseas and mainland Economic and Trade Offices ("ETOs") so as to widen the HKSR's service network, provide more direct and prompt support for shipowners and strengthen the promotion of HKSR's services. The first batch of HKSR Regional Desks in London, Shanghai and Singapore have been up and running since late 2019. The Marine Department will continue to set up four more Regional Desks in other overseas ETOs, including Sydney, San Francisco and Tokyo in 2021, and Toronto in 2022. By then, services of HKSR will have been extended to cover almost all major parts in the world regularly visited by Hong Kong registered ships.

Despite the COVID-19 pandemic, the Government spared no effort in promoting Hong Kong's role as an international maritime centre and its quality high value-added maritime services. In 2020-2021, the Hong Kong Maritime and Port Board ("HKMPB") proactively supported and participated in various local and international promotional activities such as the Lloyd's List Hong Kong Ship Finance & Law Forum, the Young Professionals in Shipping Network's global start-up competition "The Captain's Table", the 2nd Annual Capital Link Hong Kong Maritime Forum, and The Economist's Asia Trade Week 2021. Amid keen competition, the Government will continue to bolster the growth of high value-added maritime services, facilitate port operations and step up promotion and publicity of Hong Kong's maritime and port industry for consolidating and enhancing Hong Kong's status as an international maritime centre.

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

- (1) The trading and logistics sector is one of Hong Kong's four key economic pillars, accounting for approximately one fifth of Hong Kong's GDP in 2019 and providing over 670 000 jobs. The maritime industry, though contributing only 1.1% (HK\$30.8 billion) to Hong Kong's GDP and over 80 000 jobs, serves as the cornerstone underpinning the development of the trading and logistics sector. There are nearly 900 shipping-related companies operating in Hong Kong, providing a great variety of quality maritime services, including ship owning and operating, ship agency and management, ship broking, ship registration, ship finance, marine insurance, maritime legal and arbitration services, classification societies, making Hong Kong the ideal city for international maritime enterprises to receive various kinds of maritime services. In the past three years, there has been an increase of around 70 maritime enterprises in Hong Kong, with business ranging from ship owning and operating, ship agency and management, ship broking, ship finance, marine insurance, maritime legal and arbitration services, classification societies, etc. We will continue to promote the strengths of Hong Kong as a maritime centre and attract more maritime enterprises to establish business presence in Hong Kong.
- (2) To further promote the development of the high value-added maritime services sector, with reference to the ship leasing tax concession exercise, a dedicated Task Force on Commercial Principals has been formed under HKMPB to study tax concession measures and advise on the economic impacts and details of the tax concession proposals, with a view to drawing up the legislative framework for introducing tax concessions for shipping commercial principals (such as ship managers, agents and brokers). It is anticipated that the study will be completed in the second half of 2021. Subject to the outcome of the study, the Government will conduct consultation with industry stakeholders and introduce relevant legislative amendments to the Legislative Council accordingly. As for the suggested provision of subsidies to small and medium enterprises of the maritime industry, the Government will continue to maintain communication with industry members to understand their actual situation and needs, and will explore ways to provide appropriate support to the industry.

- (3) Regarding the establishment of a new statutory authority, HKMPB, together with its three Subcommittees, have been operating smoothly since their inception. Thanks to the valuable suggestions and support offered by the Board members, we have implemented many new policies and initiatives in recent years, such as the new tax regime for ship leasing and the arrangements for enhancing the services of HKSR. Whilst for the proposal of setting up a statutory maritime body, key issues such as financial sustainability and whether statutory power is required to perform the proposed functions would have to be sorted out first. Without a stable source of income, it would be difficult for the proposed maritime body to operate on a self-financing basis. The Government is open to the suggestion for establishing a statutory maritime body as a long-term arrangement, and will study further arrangements as appropriate.

Maintaining Hong Kong's status and competitiveness in the international community

8. **IR DR LO WAI-KWOK** (in Chinese): *President, the National People's Congress made decisions, in May last year and March this year respectively, on implementing the National Security Law for Hong Kong in the Hong Kong Special Administrative Region ("SAR") and improving the electoral system of SAR. The governments of certain western countries have alleged the relevant decisions to be in violation of the "one country, two systems" and the Basic Law, and imposed sanctions on certain SAR Government officials and organizations. In this connection, will the Government inform this Council:*

- (1) *whether it has taken measures to refute the allegation, including explaining to government offices of foreign states in Hong Kong, the International Monetary Fund, international rating agencies, Hong Kong's major trading partners and chambers of commerce that such move of the Central Authorities has plugged loopholes of SAR's system, which can ensure the steadfast and successful implementation of "one country, two systems"; if so, of the details; if not, the reasons for that;*

- (2) *of its new thinking on enhancing Hong Kong's capability of responding to the complex and volatile international political and economic environment, and better seizing the opportunities of post-pandemic economic development; and*
- (3) *given that Hong Kong has been implementing a low and simple tax regime, what strategies the Government has put in place to deal with the situation where governments of various countries, in response to the recent appeal of the United States Government, jointly set a uniform minimum rate of corporate profits tax that is applicable to multinational companies, so as to prevent Hong Kong's competitiveness from being undermined?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, having consulted the Chief Secretary for Administration's Office, the Financial Secretary's Office, the Constitutional and Mainland Affairs Bureau, the Financial Services and the Treasury Bureau, the Security Bureau, and the Information Services Department ("ISD"), the consolidated reply to the question raised by Ir Dr LO Wai-kwok is as follows:

- (1) The Hong Kong Special Administrative Region ("HKSAR") Government places high importance on external engagement. On the one hand, through the efforts of the above mentioned bureaux and departments, as well as the overseas Economic and Trade Offices ("ETOs"), the Government has, as a whole, actively engaged in external promotion on Hong Kong's advantages to bolster Hong Kong's international image. On the other hand, the Government has regularly disseminated the latest information on Hong Kong to overseas communities through different channels and responded to biased reports to ensure that interlocutors have a proper understanding on Hong Kong's situation. With the rising geopolitical tensions in recent years, some overseas stakeholders have hyped issues on Hong Kong, making unfair comments and reports on issues including the implementation of the National Security Law and improving the electoral system, which has definitely affected Hong Kong's international image adversely. The Government has therefore made strenuous efforts in stepping up our relevant work.

Following the passage of "the Decision on establishing and improving the legal system and enforcement mechanisms for the HKSAR to safeguard national security" by the National People's Congress on 28 May 2020, as well as the National Security Law by the Standing Committee of the National People's Congress on 30 June 2020, the HKSAR Government actively explained to the international communities and overseas stakeholders the legal basis for the National Security Law through different channels, and promptly rebutted the corresponding false allegations by foreign countries to dispel misconceptions, including issuing press releases immediately through ISD and ETOs to clarify the issues, publishing promotional pamphlets, placing newspaper advertisements, arranging principal officials from relevant Policy Bureaux to take part in media interviews, and to meet with the Consuls-General in Hong Kong, major foreign chambers of commerce, and overseas stakeholders, etc. It was emphasized that the National Security Law is beneficial to political and social stability of Hong Kong and conducive to maintaining Hong Kong's investment and business environment in the long run, and that the legislation will not adversely affect the rights and freedoms enjoyed by Hong Kong residents in accordance with the law.

As for the decision by the National People's Congress on improving the electoral system of HKSAR, the HKSAR Government has so far held over 110 briefing sessions for various sectors, especially chambers of commerce and the financial sector to brief them on the background, principles and major content of improving the electoral system. The Government will continue to strengthen its explanatory and publicity work so that different sectors of the community will recognize the necessity and urgency of improving the electoral system as well as support the relevant work.

ISD has also been closely monitoring reports in the mass media and messages posted on major social media platforms. When it comes to its knowledge that rumours relating to the Government or false information are being widely circulated, ISD would immediately makes clarifications through various channels to curb the spread of rumours and address public concerns, including arranging relevant officials to explain to the media, and disseminating widely the correct information on the Internet and social media platforms.

In addition, from June 2020 to the end of March 2021, ETOs have organized over 20 webinars for the Chief Executive and principal officials to conduct direct dialogue with various overseas stakeholders, including think tanks, academic institutions, as well as business organizations, to explain to them the situation in Hong Kong and directly address their concerns on the National Security Law. To maintain the confidence of the overseas communities in Hong Kong, it was emphasized to the audience that the legislation is fully justified and legitimate, with stability restored in Hong Kong and the rights and freedoms enjoyed by Hong Kong residents in accordance with the law will continue to be upheld. In the meantime, ETOs have proactively engaged the overseas communities through their network, providing update information and explanation on Hong Kong's latest situations to their interlocutors, as well as issuing articles and responding to reports in a number of local media on the relevant subjects to dispel misconception.

- (2) Against the background of rising protectionism in recent years, coupled with the unprecedented challenge to global economy brought about by the pandemic, the HKSAR Government will continue to proactively integrate into the overall development of the country to better seize the opportunities arising from national development and post-pandemic economic recovery. "The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" ("the 14th Five-Year Plan") adopted on 11 March 2021 sets out various measures on supporting Hong Kong to consolidate and enhance competitive advantages as well as to better integrate into the overall development of the country, and on proactively and progressively taking forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). Under the new development pattern which takes the domestic market as the mainstay while enabling domestic and foreign markets to interact positively with each other, and with the support of the 14th Five-Year Plan, Hong Kong's development opportunities are evident. Currently, the HKSAR Government is working at full steam on disease prevention and control, and

proactively on vaccination for members of the public. Once the epidemic subsides later, given Hong Kong's own advantages and the advantages under the "one country, two systems" principle, the city will be able to proactively become a participant in domestic circulation and a facilitator in international circulation. We will take the GBA development as the best entry point to better integrate into the overall development of the country, which will bring continuous impetus to Hong Kong's economy.

The 14th Five-Year Plan also supports the HKSAR Government in continuing to foster cooperation and exchanges with countries and regions around the world, and fully utilizing its unique status and advantages. In particular, Hong Kong will continue to make the best use of the advantages under the "one country, two systems" principle to tap into the business opportunities brought about by the twin engines of the country's economic development in the Belt and Road Initiative and the GBA development, while striving to establish close economic and trade relations with other economies including developing mutually beneficial economic and trade relations with economies around the world by leveraging on Hong Kong's status as a separate customs territory conferred by the Basic Law; continuing with the expansion of ETO network to enhance trade and economic relations between Hong Kong and its trading partners; promoting proactively regional economic cooperation and engaging member economies of the Regional Comprehensive Economic Partnership with a view to commencing early discussions on Hong Kong's accession.

- (3) The international community has been actively promoting the prevention of cross-border tax evasion in recent years. Jointly championed by the Organisation for Economic Co-operation and Development ("OECD") and G20, OECD sought to counter the base erosion and profit shifting ("BEPS") activities of multinational enterprises ("MNEs") by promulgating in October 2015 the BEPS action plans. As an international financial and trading centre, Hong Kong has implemented all necessary measures as required under the BEPS action plans.

OECD is now working on proposals to address the BEPS risks arising from the digitalization of economy ("BEPS 2.0 proposals"), which include a global minimum tax rate. The global minimum tax rate targets those large MNEs with global revenue exceeding a specified threshold. If the tax paid by an MNE in a particular jurisdiction is lower than the global minimum tax rate, its parent company or subsidiary will be subject to additional taxes imposed by the jurisdiction where it is located. The target of OECD is to reach a global consensus on the key policy features of BEPS 2.0 proposals by mid-2021.

To formulate response measures, the Government set up an Advisory Panel in June 2020 to review the possible impact of BEPS 2.0 proposals on the competitiveness of the business environment of Hong Kong, and to make recommendations to the Financial Secretary on how to facilitate the sustainable development of Hong Kong as an international financial, trading and business centre in light of the changing international tax landscape. The Advisory Panel has consulted stakeholders from the business sector. Taking into account the preliminary views of the Advisory Panel, the Financial Secretary presented in the Budget this year the direction of the Government's response measures. The Financial Secretary indicated that Hong Kong would actively implement BEPS 2.0 according to international consensus while striving to maintain the key advantages of our tax regime, namely simplicity, certainty and fairness; minimize the compliance burden on the affected enterprises; and continue to enhance the business environment and competitiveness of Hong Kong. The Advisory Panel on BEPS 2.0 will submit a report to the Government after BEPS 2.0 proposals are finalized. The Government will then carefully study the report with a view to formulating specific response measures.

Growing of plants of ornamental value

9. **MR YIU SI-WING** (in Chinese): *President, some members of the tourism industry have pointed out that quite a number of famous tourist hotspots around the globe have attractions showcasing spectacular scenery of beautiful blooms. During flower viewing seasons, the tourism sectors in those places launch promotional activities in a pro-active manner and have attracted tourists from*

various places (with quite a number of them being residents of Hong Kong) to visit those hotspots. Contrarily, local residents and visitors to Hong Kong in general have little knowledge of the growing of flowers and other plants of ornamental value in various districts of Hong Kong. In this connection, will the Government inform this Council:

- (1) whether it will compile a flora map to promote flower beds of a considerable scale across the territory to facilitate members of the public as well as tourists to visit them in the right seasons for appreciation and photo-taking;*
- (2) whether it will grow more flowers and plants of ornamental value in various districts of Hong Kong to increase the attractiveness of Hong Kong to tourists; if so, of the species of plants to be grown; if not, the reasons for that; and*
- (3) whether it will deploy additional manpower to enhance efforts on planning and caring of the landscapes in various districts; if so, of the details; if not, the reasons for that?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, in response to the questions raised by Mr YIU Si-wing, in consultation with the Development Bureau ("DEVB") and the Home Affairs Bureau, my reply is as follows:

- (1) To facilitate public's appreciation of flowering plants, the Leisure and Cultural Services Department ("LCSD") has created a dedicated web page "Blossoms Around Town" <<http://www.lcsd.gov.hk/en/green/blossoms.html>> to introduce common flowering trees and special ornamental plant species in LCSD parks as well as to provide timely information for locals and visitors to appreciate flower blossoms in different seasons. Besides, the Greening, Landscape and Tree Management Section of DEVB has published the "Tree and Landscape Map" <www.greening.gov.hk/en/knowledge_database/map.html> to introduce special trees and green spaces of each district, including information on flowering plants, with a view to providing a guide for the public to visit these attractions to enjoy the local green spaces and landscape assets.

The Tourism Commission ("TC"), in collaboration with the Hong Kong Tourism Board ("HKTB") and the travel trade, has been promoting events and activities in local neighbourhoods with tourism appeal to visitors through various channels. As regards appreciation of plants and gardening in Hong Kong, apart from promoting the annual Hong Kong Flower Show on the DiscoverHongKong website, HKTB also makes use of its "Great Outdoor Hong Kong" platform to introduce natural scenery at various points of interest in different seasons, such as miscanthus (commonly known as silvergrass) at Sunset Peak, cherry blossoms at the Rotary Club Campsite on Tai Mo Shan, and *Melaleuca leucadendra* (commonly known as the paperbark tree) in Shing Mun Country Park. TC will, in collaboration with HKTB, continue promoting flowering appreciation events and activities arranged and organized by relevant departments to overseas visitors as appropriate.

- (2) The Government is committed to promoting greening, landscape and tree management. In view of the growing interest of the public and visitors on flower appreciation in recent years, the Government has been identifying more appropriate locations for suitable planting in the 18 districts wherever possible. The introduction of plants in parks under the management of LCSD, such as cherry trees in Hong Kong Velodrome Park, Yellow Pui in Nam Cheong Park and water lilies in Shing Mun Valley Park, has attracted many visitors during their flowering seasons every year. In view of the growing public interest on and appreciation for autumn scenery, LCSD has also planted some seasonal trees in suitable parks. For example, species that can create autumn forest scenes such as Bald Cypress and Chinese Swamp Cypress are planted in Tsing Yi Park for public enjoyment. The Hong Kong Flower Show, held in March every year in Victoria Park, is an annual spectacular event in the city which attracts hundreds of thousands of visitors.
- (3) The Government has been rolling out various landscape and greening projects in an orderly manner, and will increase the manpower in accordance with the actual needs as appropriate, having regard to the new development projects of various

departments as well as the progress of greening, landscaping and tree maintenance, to enhance the landscape planning and maintenance work in various districts.

Mental health services

10. **DR CHIANG LAI-WAN** (in Chinese): *President, it has been reported that a survey conducted early this year interviewed 2 700-odd members of the public. The survey findings show that, after experiencing the Coronavirus Disease 2019 epidemic and complying with the various social distancing measures for more than one year, about 20% to 30% of the respondents suffered from moderate to severe emotional disturbances, and about 40% of them felt isolated. On the other hand, some parents have indicated that during class suspension for schools implemented on a number of occasions last year, they had to spend more energy on taking care of their children and assisting them in learning at home, which made them feel very stressful. At the end of last year, a parent committed suicide and died allegedly due to problems in teaching her child to do homework. Regarding mental health services, will the Government inform this Council:*

- (1) *whether it has conducted any survey on how the mental health of members of the public has been affected by the epidemic; if so, of the findings;*
- (2) *of the number of attempted or fatal suicide cases reported last year which were suspected to be related to the emotional disturbances caused by the epidemic, as well as the details of such cases, including the number, age and gender of the persons concerned, and whether they were unemployed (if so, how long they had been unemployed);*
- (3) *whether it knows the following information about the mental health services (including in-patient services) under the Hospital Authority ("HA") in each of the past five years:*
 - (i) *the total number of patients and, among them, the number of those who were patients with severe mental illness,*

- (ii) *the attendance at the psychiatric specialist outpatient clinics, and*
- (iii) *the respective numbers of psychiatric doctors, psychiatric nurses, clinical psychologists and occupational therapists;*
- (4) *whether it has assessed if the demand for the mental health services under HA will increase in the coming year due to the epidemic; if it has assessed and the outcome is in the affirmative, whether the Government will allocate additional resources to HA for recruiting more healthcare personnel;*
- (5) *whether it knows the latest progress of HA's current application of information technology in HA's mental health services for providing tele-consultation services;*
- (6) *whether it will allocate additional resources to social welfare organizations for enhancing mental health tele-support services;*
- (7) *whether it will establish an online emotional support platform for the provision of emotional support services by professional counsellors to members of the public suffering from emotional disturbances; if so, of the details; if not, the reasons for that; and*
- (8) *whether, in the coming year, the Government will enhance mental health support measures for different target groups (e.g. students, parents and healthcare personnel); if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the question raised by Dr CHIANG Lai-wan is as follows:

(1) and (2)

The Government has not commissioned any institutions to undertake mental health surveys in connection with the COVID-19 epidemic, nor has it conducted any researches on whether attempted suicide or suicide cases are related to the epidemic.

- (3) (i) The table below sets out the total number of psychiatric patients treated and the number of patients diagnosed with schizophrenic spectrum disorder in the Hospital Authority ("HA") from 2016-2017 to 2020-2021 (projection as at 31 December 2020):

<i>Year</i>	<i>Total number of psychiatric patients treated⁽¹⁾ (including inpatients and patients at specialist outpatient clinics ("SOPCs") and day hospitals)</i>	<i>Number of patients diagnosed with schizophrenic spectrum disorder^{(1) and (2)}</i>
2016-2017	240 900	49 100
2017-2018	251 300	49 800
2018-2019	261 800	50 400
2019-2020	270 700	50 500
2020-2021 (projection as at 31 December 2020)	271 700	50 400

Notes:

- (1) Figures are rounded to the nearest hundred.
- (2) In HA, patients with severe mental illness generally refer to those suffering from schizophrenic spectrum disorder and do not include severely mentally ill patients diagnosed with other disorders.

- (ii) The table below sets out the total number of attendances of psychiatric SOPCs in HA from 2016-2017 to 2020-2021:

	<i>2016-2017</i>	<i>2017-2018</i>	<i>2018-2019</i>	<i>2019-2020</i>	<i>2020-2021 (provisional figures)</i>
Total number of attendances of psychiatric SOPCs	859 338	873 141	897 777	901 284	916 802

- (iii) The table below sets out the numbers of psychiatric doctors, psychiatric nurses, clinical psychologists and occupational therapists working in the psychiatric stream of HA from 2016-2017 to 2020-2021 (as at 31 December 2020):

<i>Year</i>	<i>Psychiatric Doctors^{(3) and (4)}</i>	<i>Psychiatric Nurses^{(3) and (5)} (including Community Psychiatric Nurses)</i>	<i>Clinical Psychologists⁽³⁾</i>	<i>Occupational Therapists⁽³⁾</i>
2016-2017	349	2 493	90	257
2017-2018	347	2 588	86	263
2018-2019	351	2 670	90	263
2019-2020	370	2 814	93	278
2020-2021 (as at 31 December 2020)	390	2 905	105	301

Notes:

- (3) Figures are calculated on a full-time equivalent basis, including permanent, contract and temporary staff, and excluding staff in the HA Head Office.
- (4) Psychiatric doctors refer to doctors working for the specialty of psychiatry except interns.
- (5) Psychiatric nurses include nurses working in psychiatric hospitals (i.e. Kwai Chung Hospital, Castle Peak Hospital and Siu Lam Hospital), nurses working in psychiatric departments of other non-psychiatric hospitals, and all other nurses working in the psychiatric stream.
- (4) HA has earmarked additional funding of around \$156 million (including additional recurrent funding of around \$147 million) in 2021-2022 for addressing the escalating demand for psychiatric services across different age groups in both hospitals and community settings. Relevant measures include:
- (i) enhancing psychiatric services for children and adolescents ("C&A") by developing specialized C&A psychiatric services in both Hong Kong East and Kowloon Central Clusters in phases, and strengthening the collaboration between paediatricians and psychiatrists in Kowloon West Cluster;
- (ii) increasing manpower to tie in with the expansion of the Student Mental Health Support Scheme to more schools in the 2021-2022 school year by the Food and Health Bureau;

- (iii) enhancing community psychiatric services by recruiting additional case managers;
- (iv) enhancing psychogeriatric outreach services;
- (v) supporting the upcoming service commencement of the new Kwai Chung Hospital; and
- (vi) enhancing psychiatric inpatient services.

HA will keep in view the situation, continue to review and monitor its services to meet patients' needs, and allocate additional resources in a timely manner to cope with new service demands that may arise.

- (5) During the COVID-19 epidemic, HA has maintained normal consultation services in psychiatric SOPCs for patients to attend scheduled follow-up medical appointments. Patients who have rescheduled their appointments due to the epidemic will be given drug refills as appropriate to ensure that they have the necessary medication. If necessary, hospitals will provide services through other channels for suitable patients, e.g. following up their conditions by phone.

Meanwhile, HA's psychiatric units are piloting a mobile application for provision of telehealth services. For example, tele-consultations will be arranged when providing elderly psychiatric outreach service for suitable patients living in residential care homes for the elderly.

- (6) and (8)

The Chief Executive announced in the 2020 Policy Address that in view of the social unrest in 2019 and the persisting COVID-19 epidemic since early 2020, which had brought different levels of impact and influence on the mental well-being of people, the Government decided to provide additional resources of \$300 million under the Beat Drugs Fund to better support the needy in the community and raise public awareness of mental health. The Advisory Committee on Mental Health ("ACMH") is responsible for

coordinating the initiative, and will work with service providers and non-governmental organizations in the sector to identify needs and set priorities, with a view to facilitating or promoting projects as appropriate.

A draft framework for the funding scheme was endorsed by ACMH at its meeting in February 2021, details of which are being firmed up. Proposals will be invited in due course.

Separately, primary and secondary school students enrolled in the Student Health Service ("StdHS") will be given an annual appointment to attend the Department of Health's Student Health Service Centre for health check-ups, which include the use of the Health Assessment Questionnaire to help screen for psychological and behavioural problems, interviews, counselling, health promotion activities and follow-up work. Students screened to have physical and/or psychological problems will be referred to Special Assessment Centres, specialist clinics, school social workers, the Social Welfare Department ("SWD") or other appropriate service providers for follow-up. In the coming year, StdHS will further strengthen liaison and communication with various stakeholders, whereas doctors and nurses will keep contact with students referred to psychiatry to follow up on their progress and provide appropriate support.

- (7) SWD and HA provide mental health hotline services to offer emotional support to members of the public. Various non-governmental organizations also provide online platforms for emotional support, such as "Open UP", "Counseline@MHAHK", "eSm^_iley Cyber Youth Support Team" and "Caritas Infinity Teens—Cyber Youth Support Team". Target audience of the service cover the youth, parents, as well as people in need of emotional support and suicide prevention. The relevant information and hyperlinks are available on the one-stop thematic website of "Shall We Talk", the mental health promotion and public education initiative launched by ACMH.

Premium payment for subsidized sale housing flats

11. **MR WONG KWOK-KIN** (in Chinese): *President, under the Housing Ordinance (Cap. 283), an owner of subsidized sale housing flat must pay a premium to the Hong Kong Housing Authority ("HA") for the removal of the assignment restrictions before he/she may sell, let or otherwise assign his/her flat in the open market. Subsidized sale housing flats put up for sale by the Hong Kong Housing Society ("HKHS") are subject to similar assignment restrictions. Regarding the premium payment for such housing flats, will the Government inform this Council:*

- (1) *of (i) the number of flats for which applications for premium assessment were received by HA, and (ii) the average amount of premium payable for each flat, in each of the past five years; whether it knows the relevant figures of HKHS flats;*
- (2) *of a breakdown of the cases mentioned in (1) by the saleable area of the flats (i.e. (i) below 21 square metres, (ii) 21 to 39.9 square metres, (iii) 40 to 59.9 square metres, and (iv) 60 square metres or above) (set out in Table 1); whether it knows the relevant figures of HKHS flats;*

Table 1

<i>Year</i>	<i>(i)</i>	<i>(ii)</i>	<i>(iii)</i>	<i>(iv)</i>	<i>Total</i>
<i>2016</i>					
<i>...</i>					
<i>2020</i>					

- (3) *in respect of each of the housing courts put up for sale by HA, of the District Council district to which it belongs, the year in which it was put up for sale, and the numbers of premium-paid flats at present and in each of the past five years (set out by subsidized sale housing schemes (namely (i) the Buy or Rent Option Scheme, (ii) the Home Ownership Scheme, (iii) the Private Sector Participation Scheme, (iv) the Middle Income Housing Scheme, and (v) the Mortgage Subsidy Scheme) respectively in tables of the same format as Table 2);*

Table 2 Housing scheme:

District Council district	Name of housing court	Year of sale	Number of flats with premiums paid					
			Present	2016	2017	2018	2019	2020

- (4) *whether it knows, in respect of each of the housing courts put up for sale by HKHS, the District Council district to which it belongs, the year in which it was put up for sale, and the numbers of premium-paid flats currently and in each of the past five years (set out by subsidized sale housing schemes (namely (i) the Flat-for-Sale Scheme, (ii) subsidized sale flat projects, and (iii) the Sandwich Class Housing Scheme) respectively in tables of the same format as Table 2);*
- (5) *as The Hong Kong Mortgage Corporation Limited has launched the Premium Loan Guarantee Scheme and the Premium Loan Insurance Scheme to assist the relevant owners in paying premiums, of the respective (i) numbers of applications received and (ii) total amounts of the loans granted, in respect of the two Schemes in each of the past five years; and*
- (6) *as there are views that the Government should consider (i) allowing owners of flats with premiums unpaid to pay the premiums by instalments, i.e. to determine the time and payment rate according to the market situation and their own financial means, and (ii) introducing a mechanism under which an owner may choose to adopt either the market value of his/her flat at the time when his/her relevant application is processed or that during the various instalment periods for the calculation of the premium amount for his/her flat, whether the Government has studied such proposals in depth; if so, of the details; if not, the measures in place to enhance the premium payment arrangements?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to the question raised by Mr WONG Kwok-kin is as follows:

- (1) Information on premium payment of subsidized sale flats ("SSFs") under the Hong Kong Housing Authority ("HA") and the Hong Kong Housing Society ("HKHS") in the past five years (i.e. from 2016 to 2020) is set out at Annex 1.
 - (2) HA has not kept statistics on the premium paid by saleable areas of flats. Relevant information in relation to the subsidized sale projects under HKHS in the past five years (i.e. from 2016 to 2020) is set out at Annex 2.
 - (3) The number of HA's SSFs with premium paid in the past five years (i.e. from 2016 to 2020) by district⁽¹⁾ is at Annex 3. As at March 2021, there were about 61 320 HA's SSFs with premium paid, including about 58 950 Home Ownership Scheme ("HOS") Flats⁽²⁾ and about 2 370 flats sold under the Tenants Purchase Scheme.
 - (4) Information in relation to the premium payment of subsidized sale projects under HKHS in the past five years (i.e. from 2016 to 2020) by District Council district is set out at Annex 4.
 - (5) No application was received under the Premium Loan Guarantee Scheme between its launch in 2010 and termination in 2018. As regards the Premium Loan Insurance Scheme ("PLIS") which was introduced in 2015 and ended in 2019, there were 12 applications involving a total amount of \$10.5 million. Many PLIS applicants intended to settle the land premium in order to apply for the Reverse Mortgage Programme ("RMP"). As RMP has been extended to cover subsidized sale flats since October 2016 and the borrowers are allowed to withdraw a lump-sum payout to settle the land premium, the market did not have keen demand for PLIS. PLIS was therefore terminated in 2019.
-
- (1) HA does not maintain statistics on SSFs with premium paid by District Council districts, different sale schemes or individual SSF projects.
 - (2) HOS Flats means flats sold under Home Ownership Scheme, Private Sector Participation Scheme, Buy or Rent Option Scheme, Mortgage Subsidy Scheme, Middle Income Housing Scheme and Green Form Subsidised Home Ownership Scheme.

- (6) SSFs, such as HOS Flats, are sold to eligible persons at a price lower than the market value to assist low-to-middle income families to achieve home ownership. Based on the principles of effective and rational use of public housing resources and equity, if an SSF owner no longer wishes to reside in the flat, the owner must first pay the premium in full in order to alienate the flat in the open market. For HA's SSFs, rules regarding the amount of premium to be paid are prescribed in the Schedule to the Housing Ordinance or the relevant land leases.

Allowing owners to pay the premium by instalments is not in line with the principles of effective and rational use of public housing resources and equity, and may also indirectly stimulate speculative activities. If SSF owners are in need of financial assistance when they pay the premium, they may consider making financial arrangements through financial institutions, or choose to sell their flats in the HOS Secondary Market with premium unpaid.

Annex 1

Information in relation to the Premium Payment of SSFs under HA

<i>Year</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Number of Flats with Premium Paid	840	876	839	623	572
Average Amount of Premium for Flats with Premium Paid (approximate) (\$ million)	1.19	1.46	1.73	1.66	1.66

Information in relation to the Premium Payment of SSFs under HKHS

<i>Year</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Number of Flats with Premium Paid	101	104	101	76	128
Average Amount of Premium for Flats with Premium Paid (approximate) (\$ million)	1.46	1.7	1.9	2.1	2.1

Annex 2

Number of Units with Premium Paid under the Subsidized Sale Projects under HKHS by Saleable Area

<i>Year</i>	<i>Less than 21 square metres ("sq m")</i>	<i>21-39.9 sq m</i>	<i>40-59.9 sq m</i>	<i>More than 60 sq m</i>	<i>Total Number of Units</i>
2016	0	5	81	15	101
2017	0	11	73	20	104
2018	0	10	81	10	101
2019	0	6	55	15	76
2020	0	8	93	27	128

Annex 3

Number of HA's HOS Flats with Premium Paid by District

<i>District</i>	<i>Number of HOS Flats⁽³⁾ with Premium Paid (according to the year in which premium was paid)</i>				
	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Hong Kong Island	62	58	58	43	46
Kowloon	187	183	151	135	114
Tseung Kwan O	70	75	61	52	43
Kwai Tsing/Tsuen Wan	35	43	29	31	28
Sha Tin	93	89	81	60	70
Ma On Shan	51	60	79	37	46
Tai Po	55	52	52	24	34
North	40	31	27	29	31
Tuen Mun	121	98	119	96	83
Yuen Long	0	1	0	0	0
Tin Shui Wai	22	18	21	22	21
Islands	7	8	5	6	6
Total	743	716	683	535	522

Note:

- (3) HOS Flats means flats sold under Home Ownership Scheme, Private Sector Participation Scheme, Buy or Rent Option Scheme, Mortgage Subsidy Scheme, Middle Income Housing Scheme and Green Form Subsidised Home Ownership Scheme.

Number of HA's TPS Flats with Premium Paid by District

<i>District</i>	<i>Number of TPS Flats⁽⁴⁾ with Premium Paid (according to the year in which premium was paid)</i>				
	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Hong Kong Island	4	6	7	0	0
Kowloon	23	28	24	20	9
Tseung Kwan O	6	21	19	10	4
Kwai Tsing/Tsuen Wan	5	7	12	4	3
Sha Tin	9	19	19	8	6
Ma On Shan	5	14	12	8	5
Tai Po	17	24	24	10	9
North	19	23	24	17	10
Tuen Mun	8	14	13	9	4
Yuen Long	1	4	2	2	0
Tin Shui Wai	0	0	0	0	0
Islands	0	0	0	0	0
Total	97	160	156	88	50

Note:

(4) TPS Flats means flats sold under Tenants Purchase Scheme.

Annex 4

Information in relation to the Premium Payment of Flat-For-Sale Scheme and SSFs Project under HKHS

<i>District Council district</i>	<i>Estate</i>	<i>Year of Sale</i>	<i>Number of Units that Paid Premium (according to the year in which premium was paid)</i>					<i>Total Number of Units with Premium Paid (as at 16 April 2021)</i>
			<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	
Eastern District	Healthy Village Phase I	1993	1	1	1	0	1	116
	Healthy Village Phase II	1997	1	1	2	1	1	

<i>District Council district</i>	<i>Estate</i>	<i>Year of Sale</i>	<i>Number of Units that Paid Premium (according to the year in which premium was paid)</i>					<i>Total Number of Units with Premium Paid (as at 16 April 2021)</i>
			<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	
Kowloon City District	Ka Wai Chuen Phase III	1990	0	0	0	0	0	71
	Ka Wai Chuen Phase IV	1993	0	1	0	1	0	
Sham Shui Po District	Cronin Garden	1994	0	0	0	1	0	53
Wong Tai Sin District	Kai Tak Garden Phase I	1997	4	0	3	1	1	74
	Kai Tak Garden Phase II	2007	0	3	2	1	2	
Tsuen Wan District	Clague Garden Estate	1989	3	8	4	6	5	327
	Bo Shek Mansion	1996	1	2	0	0	1	22
Tuen Mun District	Kingston Terrace Phase I	2007	3	5	5	2	0	110
	Kingston Terrace Phase II	2008	4	5	1	0	0	
Sai Kung District	Verbena Heights	1996	6	5	8	0	1	354
	Lakeside Garden	1997	2	1	1	0	0	147
Kwai Tsing District	Broadview Garden	1989	3	10	5	5	5	298
	Greenview Villa	2012	0	0	1	0	0	2

Information in relation to the Premium Payment of Sandwich Class Housing
Scheme under HKHS

District Council district	Estate	Year of Sale	Number of Units that Paid Premium (according to the year in which premium was paid)					Total Number of Units with Premium Paid (as at 16 April 2021)
			2016	2017	2018	2019	2020	
Southern District	Marina Habitat	1996	7	7	7	6	11	356
Kowloon City District	Cascades	1997	8	9	11	4	12	270
Wong Tai Sin District	Bel Air Heights	1999	3	6	3	1	10	261
Kwai Tsing District	Hibiscus Park	1997	0	1	2	1	5	141
	Highland Park	1997	19	15	20	13	15	477
Sha Tin District	Park Belvedere	1995	6	4	3	6	9	282
Sai Kung District	The Pinnacle	1997	16	11	14	16	23	250
	Radiant Towers	1996	7	0	3	6	11	247
Sha Tin District	Sunshine Grove	1997	4	4	2	3	9	144
Kwai Tsing District	Tivoli Garden	1994	3	5	3	2	6	291

Combating illegal smoking

12. **MR WILSON OR** (in Chinese): *President, under the Smoking (Public Health) Ordinance (Cap. 371), no person shall smoke in a no smoking area, and no smoking areas include the indoor areas of premises such as bars and restaurants. It has been reported that in recent years, quite a number of bars, restaurants and private clubs have provided waterpipes for smoking by customers*

in order to solicit business, and have not stopped their customers from smoking illegally on their premises. In this connection, will the Government inform this Council:

- (1) whether it has compiled statistics on the current number of various types of premises providing waterpipes to their customers; if so, of the details; if not, the reasons for that;*
- (2) of (i) the number of inspections of bars, restaurants, party rooms and private clubs conducted, and (ii) the number of prosecutions instituted by invoking the provisions on smoking-related offences under Cap. 371, by the Tobacco and Alcohol Control Office ("TACO") of the Department of Health in each of the past five years, with a breakdown by the offence involved, type of premises and District Council district;*
- (3) whether it has taken targeted measures at the premises where illegal smoking is prevalent, e.g. by listing such premises as black spots for smoking offences and stepping up law enforcement efforts there, as well as sending officers there to distribute promotional materials on smoking ban;*
- (4) given that for the first time, a bar and a staff member of it were convicted of and fined last month for aiding and abetting its/his customers to smoke a waterpipe in a no smoking area, whether TACO will step up the relevant law enforcement efforts; and*
- (5) whether it will study amending Cap. 371 to stipulate that the person-in-charge of premises who knowingly does not stop any customer from smoking in a no smoking area of his/her premises commits an offence?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the various parts of the question raised by Mr Wilson OR is as follows:

- (1) The sale, distribution and advertising of tobacco products in Hong Kong are strictly regulated under the Smoking (Public Health) Ordinance (Cap. 371). It is illegal to smoke waterpipe in no

smoking areas. Since no specific licence is required for retailers selling tobacco products, we are unable to collate statistics on the number of premises selling waterpipes in Hong Kong. During the enforcement inspections conducted by the Tobacco and Alcohol Control Office ("TACO") of the Department of Health, more than 80 restaurants/bars were found to be providing waterpipes to customers for consumption at present.

- (2) The numbers of Fixed Penalty Notices ("FPNs")/summonses issued and inspections conducted by TACO from 2016 to 2020 to restaurants and bars on the offence of prohibition on smoking in no smoking areas under the Smoking (Public Health) Ordinance (Cap. 371) and the Fixed Penalty (Smoking Offences) Ordinance (Cap. 600) are as follows:

	2016	2017	2018	2019	2020
Number of inspections conducted	4 333	5 092	4 199	4 303	4 928
- restaurants	(3 538)	(3 838)	(3 088)	(3 429)	(3 987)
- bars	(795)	(1 254)	(1 111)	(874)	(941)
Number of FPNs issued	904	1 000	712	505	330
- restaurants	(592)	(656)	(537)	(342)	(236)
- bars	(312)	(344)	(175)	(163)	(94)
Number of summonses issued	9	18	9	6	9
- restaurants	(6)	(16)	(5)	(3)	(5)
- bars	(3)	(2)	(4)	(3)	(4)

TACO does not maintain a breakdown of the figures by type of premises, namely party room and private club, as well as by District Council district.

- (3) TACO will follow up and investigate every complaint about illegal smoking by, inter alia, conducting inspections and taking enforcement actions in the venue concerned. To strengthen the deterrent effect, proactive inspections are conducted in venues where illegal smoking is prevalent. TACO also adopts different strategies as appropriate to enhance the effectiveness of law enforcement. These include conducting joint inspections and enforcement actions

with other law enforcement agencies, as well as stepping up detection and evidence collection by plain-clothes officers. To address the increasing demand for enforcement duties, a task force with retired disciplined services officers was established in the end of 2017 to strengthen the enforcement actions, especially during night-time or public holidays and in venues where illegal smoking is prevalent. TACO will continue to adjust its enforcement strategies and measures in a timely manner to strengthen its enforcement efforts on tobacco control.

- (4) During a covert operation mounted by TACO at a bar in Central on 23 June 2020, the bar and its staff member were found providing waterpipe apparatus and tobacco to customers for consumption in the bar where smoking was prohibited. The two customers who smoked the waterpipe at the time were each fined \$1,500 for the smoking offence. The bar and its staff member, who aided and abetted customers to smoke in a statutory no smoking area, were convicted of an offence contrary to section 89 of the Criminal Procedure Ordinance (Cap. 221) for aiding, abetting, counseling or procuring the commission by another person of any offence, and fined \$2,000 and \$1,500 respectively. This is the first convicted case for aiding and abetting smoking offences prosecuted by TACO. The Liquor Licensing Board was notified of the case and made aware of the contraventions of the law and the smoking offence situation at this bar.

In view of the growing popularity of waterpipe smoking, TACO sent letters in April 2020, January 2021 and March 2021 to restaurants and bars known to have provided waterpipes to remind their venue managers not to provide waterpipes for consumption in no smoking areas. TACO has also stepped up proactive inspections of such restaurants and bars since June 2020. So far, TACO conducted 566 proactive inspections at this type of restaurants and bars, issued 35 FPNs/summonses to persons smoking waterpipes in no smoking areas, and prosecuted a bar and its staff member for aiding and abetting customers to smoke waterpipes in a statutory no smoking area (i.e. the above mentioned case). TACO will continue to take enforcement actions against any person who aids and abets a smoking offence.

- (5) Under the Smoking (Public Health) Ordinance (Cap. 371), venue managers are empowered to require smokers to cease smoking in or leave the statutory no smoking area, and may call for police assistance if necessary. To ensure effective implementation of the smoking ban legislation, TACO has rendered assistance to venue managers in the effective management of no smoking areas, including drawing up implementation guidelines which set out the steps and practical tips for implementing smoke-free policies in different venues to facilitate the implementation of tobacco control legislation and measures by venue managers in charge of statutory no smoking areas; distributing no smoking signs and promotional materials to venue managers for display in no smoking areas; and organizing talks as well as providing information during inspections to enable venue managers to understand their authority empowered by the ordinance.

The Government will review the overall tobacco control strategy and various control measures from time to time. Regarding the proposal to impose legal liability on a venue manager who knowingly failing to stop any customer from smoking in the no smoking area of his/her premises, the Government will need to look into the implementation and effectiveness of the existing smoking ban legislation, the acceptability of various sectors and the public, as well as the feasibility of law enforcement, etc.

Cultivating a sense of belonging towards the country and a sense of national identity among students

13. **MR LEUNG CHE-CHEUNG** (in Chinese): *President, the Secretary for Education indicated last month that the Education Bureau ("EDB") was cultivating among students a sense of belonging towards the country and a sense of national identity through multiple means, such as revising school curriculum, providing guidelines on teaching materials, and implementing extra-curricular activities. EDB will also distribute a set of books entitled My Home is in China to all primary and secondary schools in Hong Kong for use as teaching materials. In this connection, will the Government inform this Council:*

- (1) *how EDB ensures that teachers will make good use of the various means to help student foster correct values and acquire the relevant knowledge, as well as build up a strong sense of belonging towards the country and a strong sense of national identity;*
- (2) *whether EDB will gain an understanding, through inspections, of how teachers teach the relevant knowledge within and outside the classroom, so as to ensure that teachers use the teaching materials appropriately and accurately; and*
- (3) *whether EDB will formulate key performance indicators for evaluating the performance of teachers in the relevant educational work?*

SECRETARY FOR EDUCATION (in Chinese): President, the Education Bureau ("EDB") attaches great importance to cultivating students' positive values, attitudes and behaviour, and designates "National Identity" as one of the education goals and priority values. It is the responsibility of schools to help students cultivate positive values and acquire knowledge, and foster a strong sense of belonging to the country and national identity. EDB has been adopting a "multi-pronged and coordinated" approach to support schools in promoting values education, national education and national security education. Through various means, such as issuing guidelines to schools, updating the curriculum, developing diversified learning and teaching resources, providing training for teachers, as well as organizing activities and exchange programmes for students, schools are enabled to cultivate students' sense of belonging towards the country within and outside the classroom, help students acquire an understanding of our country and a sense of national identity so that they will be concerned about society, the nation and the world, and become citizens who are responsible, appreciative of Chinese culture and committed to society and the country.

Our reply to the questions raised by Mr LEUNG Che-cheung is as follows:

- (1) Different subjects in primary and secondary schools, such as General Studies for the primary level, Life and Society, Chinese History, History and Geography for the secondary level contain curriculum content illustrating the development of our country, which enables students to deepen their understanding of the national conditions and

the status of Hong Kong as an inseparable part of China and enhances their sense of belonging to the nation. To strengthen Chinese History education, EDB has offered Chinese History as an independent compulsory subject at the junior secondary level from the 2018-2019 school year onwards. The revised Junior Secondary Chinese History subject curriculum has been implemented progressively starting from Secondary One in the 2020-2021 school year, enabling all students to learn Chinese history and culture holistically and systematically. To further cultivate the atmosphere for learning Chinese history and culture, EDB distributed complimentary copies of the book series 《我的家在中國》 (Chinese version only) to all primary and secondary schools in Hong Kong (two sets for each primary school; one set for each secondary school and special school) in March this year. The series can serve not only as one of the reference reading materials for the competition "Take a Spark, Pass it on: The First Territory-wide Primary Schools Quiz Competition on Chinese History and Culture" held from April to July this year, but also as support materials for promoting Chinese history and culture education. This arrangement was welcomed by the education sector.

EDB continues organizing training programmes, workshops, seminars, online self-learning courses and experience-sharing sessions to enable teachers and school leaders to have a better understanding of how to promote Constitution and Basic Law education, national education and national security education through various subjects, learning activities, adoption of learning and teaching resources as well as effective, diversified teaching strategies. EDB also continues updating/enriching the learning and teaching resources and organizing life-wide learning activities (including exchange activities for teachers and students to the Mainland) to let them have a comprehensive understanding of the country's history, culture and development in various aspects, and facilitate students' correct understanding of the Constitution, the Basic Law and the "one country, two systems" concept, as well as strengthen their understanding of the rule of law and national conditions, thereby strengthening their sense of national identity.

As the National Security Law has come into effect, EDB has issued EDB Circular No. 3/2021 "National Security: Maintaining a Safe Learning Environment Nurturing Good Citizens", EDB Circular No. 2/2021 "National Security Education in School Curriculum—Implementation Mode and Learning and Teaching Resources" and EDB Circular No. 4/2021 "National Security Education in School Curriculum—Curriculum Documents" to provide schools with guidelines on school administration and education in relation to the implementation of the National Security Law, and inform schools about matters relating to the implementation mode of national security education as well as the relevant learning and teaching resources. These guidelines aim to support schools in implementing related measures and discharging their responsibility of maintaining a safe and orderly learning environment in schools, and facilitate schools' coordination and planning in promoting national security education within and beyond the classroom through various learning activities in different subjects.

EDB will continue to adopt the aforesaid "multi-pronged and coordinated" approach in supporting schools' promotion of national security education within and beyond the classroom via individual subjects, cross-curricular topics in moral and civic education, as well as organizing life-wide learning activities. Through these means, schools can nurture students into good citizens who have a strong sense of nationhood and national identity, are aware of their common responsibilities to safeguard national security, show respect for the rule of law, and abide by the law.

(2) and (3)

EDB's various policies, including curriculum, learning and teaching and student support cannot be implemented in schools without the concerted efforts of the school management and teachers. In addition to the professional accountability for the quality of teaching, teachers demonstrate their professionalism through teaching in line with the curriculum, selection and adaptation of teaching materials, as well as catering for student diversity with the application of appropriate teaching methodology. As "National Identity" is an

education goal and one of the priority values to be cultivated among students, teachers have the responsibility to implement it both within and outside the classroom.

Incorporated Management Committees/School Management Committees have the responsibility to manage schools. There are both empowerment and accountability in school-based management. For the benefits of students, the school management has the responsibility to understand and monitor teachers' teaching quality and remind teachers that they should not promote in class or incorporate into teaching/learning materials content or information that is biased/unsubstantiated/inconsistent with curriculum aims and objectives, or else they are in breach of professional ethics and it is unacceptable. As the employers of teachers, Incorporated Management Committees/School Management Committees have the responsibility to establish a fair and open appraisal system to evaluate teachers' performance in accordance with the mutually accepted indicators, so as to promote teachers' professional development and ensure the quality of school education.

EDB officers have always been seeking to understand and monitor the quality of learning and teaching of schools through inspections and curriculum development visits. During inspections, through scrutinizing the teaching materials and samples of students' assignments, observing lessons and relevant learning and teaching activities as well as discussing with school personnel, inspectors get to understand and evaluate the implementation of the school curriculum. Inspectors will, according to schools' performance in learning and teaching, provide concrete professional advice to schools.

Charging facilities for electric vehicles

14. **MR JIMMY NG** (in Chinese): *President, to promote popularization of electric vehicles ("EVs"), the Government has formulated a series of policies and measures, including extending the EV public charging network and encouraging owners of private buildings to install EV charging facilities for the parking spaces in their buildings. In this connection, will the Government inform this Council:*

- (1) *given that the Government rolled out a three-year programme in 2019 with a view to installing by 2022 over 1 000 additional medium EV chargers in the public car parks under its management, of the latest progress of the programme and whether it anticipates that such target can be met;*
- (2) *given that public charging facilities for EVs are unevenly distributed across the various districts at present, e.g. there being 827 and 39 EV chargers in Kwun Tong and Tai Po districts respectively, with a twenty-fold difference between them, of the Government's new measures to facilitate an even distribution of public charging facilities in the various districts;*
- (3) *given that there is a strong demand for quick charging facilities for EVs, whether the Government will set a growth target for the number of such facilities; if so, of the details; if not, the reasons for that;*
- (4) *as the Hong Kong Planning Standards and Guidelines stipulates that 30% of the private car parking spaces in public car parks will be equipped with EV chargers, whether it will explore raising the percentage; if so, of the details; if not, the reasons for that;*
- (5) *given that the Government is carrying out preparatory work for the fee charging arrangement for EV charging services in the car parks under its management, and it is anticipated that charging fees will be imposed from 2025, whether it has assessed if such arrangement will hinder the popularization of EVs; if it has not assessed, whether it will make such an assessment; if it has assessed, of the outcome;*
- (6) *given that in the first four months after the launch of the EV-charging at Home Subsidy Scheme in October last year, the Government received over 200 applications involving 60 000 parking spaces (i.e. being close to the target of the Scheme), of the number of applications approved by the Government so far and the number of parking spaces involved; given the overwhelming public response to the Scheme, whether the Government will increase the funding allocated to the Scheme (which is \$2 billion); and*

- (7) *as the Environment Bureau is exploring the adjustment of the requirement for the installation of EV charging-enabling infrastructure in the car parks of new buildings so that such infrastructure will cover all parking spaces of new private buildings and provide the power supply needed for medium chargers, of the expected completion date of the relevant exploration and the initial ideas of the adjustment proposal?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the Environment Bureau ("ENB") announced in March this year our first Hong Kong Roadmap on the Popularisation of Electric Vehicles ("EV Roadmap"), setting out the long-term policy objectives and plans on the adoption of EVs and their associated supporting facilities. The key measures include ceasing new registration of fuel-propelled private cars ("PCs") in 2035 or earlier, proactively promoting trials for electric public transport and commercial vehicles, expanding the EV charging network and promoting its marketization, training for technicians and mechanics on EV maintenance, formulating a Producer Responsibility Scheme for retired EV batteries, establishing a task force to examine the high-end development of new decarbonization technologies globally, etc. The Government will also set EVs as standard for procurement and replacement of government small and medium PCs.

As regards the question raised by Mr Jimmy NG on the EV public charging network and the installation of EV charging facilities in private buildings, my response is as follows:

- (1) The Government allocated \$120 million in 2019-2020 to extend the public EV charging network at government car parks in three years, including the installation of additional medium chargers at the car parks managed by the Transport Department, the Government Property Agency, the Leisure and Cultural Services Department and the Tourism Commission which are open to public use. Over 1 000 additional public chargers are expected to be in place by 2022, bringing the total number of public chargers in these car parks to about 1 800.

As at March 2021, 547 additional medium chargers were installed. It is expected that installation of the remaining additional medium chargers will be completed in 2021-2022.

(2) and (3)

As at the end of 2020, more than 3 300 EV chargers from the private and public sectors were open to public use, among which over 1 100 were offered by the Government and the rest by the private sector.

As stated in the EV Roadmap, the Government's target is to have at least 5 000 public chargers provided by the private and public sectors by 2025, and we plan to double the number in future. A consultant engaged by the Government completed a study early this year and compiled a list of preliminary potential sites for setting up public quick charging facilities across our 18 districts. The Government will further study the potential sites and devise proposals on setting up such territory-wide facilities. We will also explore the feasibility of progressively converting some of the existing petrol and liquefied petroleum gas filling stations to quick charging stations in the medium to long term.

Besides, it is noted that quite a number of developers and property management companies have installed EV chargers at their commercial buildings or shopping malls to meet the needs of their tenants or visitors. With the growing EV uptake, the Government will progressively marketize EV charging services and has planned to start imposing EV charging fees in government car parks from around 2025. This will help drive the provision of much more customized public EV charging services by the private sector and hence further expanding the EV charging network in Hong Kong.

(4) In the new government public car parks, 30% of their PC parking spaces are currently provided with medium chargers while all PC parking spaces are equipped with EV charging-enabling infrastructure including laying cables, distribution boards, conduits, trunking, and the power supply necessary for standard chargers.

As mentioned in the EV Roadmap, in light of the market situation and technological development of EVs, we are exploring to adjust the requirement for EV charging infrastructure in car parks of new private buildings so that all parking spaces are required to be provided with EV charging infrastructure and the necessary power supply that supports medium chargers.

- (5) At present, EV charging services in government car parks are free of charge. The policy aims to provide financial incentives to encourage members of the public to switch to EVs in the initial stage of EV development. However, with the increasing EV uptake, the Government will marketize EV charging services progressively to promote their sustainable development.

In this connection, the Government has embarked on the preparation work for imposing EV charging fees in government car parks from around 2025. This, being an appropriate step to support the popularization of EVs, will help avoid the abuse of EV chargers and, at the same time, stimulate the private sector's participation in providing EV charging services, further expanding the EV charging network in Hong Kong.

- (6) The \$2 billion EV-charging at Home Subsidy Scheme ("EHSS") has been launched since 21 October 2020. Up to mid-April this year, more than 300 applications involving over 76 000 private parking spaces were received. The Environmental Protection Department has started issuing notices to the approved car parks since February 2021. The approved car parks can proceed with procuring the services of engineering consultants to design and monitor the installation works of EV charging-enabling infrastructure to be carried out by contractors.

The Government will review the effectiveness of and financial resources for EHSS within this year to decide the way forward.

- (7) ENB is working with other relevant government departments to further enhance the requirement for EV charging infrastructure in car parks of new private buildings so that all parking spaces in these buildings are required to be provided with such infrastructure and the power supply that supports medium chargers. We will consult stakeholders once our preliminary proposal is available.

Handling online shopping complaints and disputes

15. **MR VINCENT CHENG** (in Chinese): *President, the Consumer Council ("the Council") reached a collaboration agreement with the China Consumers' Association ("CCA") in November 2019 to expedite the handling of cross-boundary consumer complaints by the "Online Shopping Consumer Protection Express Platform" scheme under CCA. Under the scheme, upon receipt of cross-boundary consumer complaints involving the online traders participating in the scheme, the Council will, provided that the conditions prescribed by the scheme are met, upload the details of such complaints to the data system of the Platform to allow the online traders concerned to handle the complaints by directly contacting the complainants. The objective of the scheme is to assist consumers through a more effective channel and increase their success rate in reaching conciliation with the online traders concerned. Regarding the handling of online shopping complaints and disputes, will the Government inform this Council:*

- (1) *whether it knows the total number of complaints lodged by Hong Kong people and handled through the Platform since November 2019 and, among such complaints,*
 - (a) *the number of those in respect of which conciliation has been reached, with a tabulated breakdown by (i) type of complaints, (ii) the amount of money involved, and (iii) the solution agreed by both parties;*
 - (b) *the number of those in respect of which conciliation has not been reached, with a tabulated breakdown by (i) type of complaints, (ii) the amount of money involved, and (iii) the outcome/progress of the follow-up actions taken by the Council;*
- (2) *whether it knows if the Council has assessed the effectiveness of the aforesaid Platform in assisting in resolving relevant disputes; and*
- (3) *given that quite a number of members of the public in Hong Kong frequently shop online, how the Government, by enforcing the relevant legislation such as the Trade Descriptions Ordinance (Cap. 362) and the Sales of Goods Ordinance (Cap. 26), effectively*

handles acts of selling goods which do not match the descriptions or counterfeit goods and fraudulent acts relating to online shopping (especially cross-boundary online shopping)?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, having consulted the Consumer Council ("the Council") and the Customs and Excise Department ("C&ED"), my reply to the question raised by Mr Vincent CHENG is as follows:

On parts (1) and (2) of the question, the Council was established in accordance with the Consumer Council Ordinance (Cap. 216), the statutory functions of which include receiving and examining complaints by and giving advice to consumers of goods and services. If the complaint is under the jurisdiction of individual government departments or professional associations, the consumer may lodge his/her complaint with the relevant departments/organizations. If the complaint involves traders outside Hong Kong, the consumer may need to take the issue directly with the relevant local authorities.

Nonetheless, in view of the rapid development of cross-boundary e-commerce in recent years, the Council reached an agreement with the China Consumers' Association ("CCA") in November 2019, to strengthen the support to Hong Kong consumers by joining the "Online Shopping Consumer Protection Express Platform" ("the Platform") scheme established by CCA. Under the Platform scheme, if a consumer has a dispute with a participating online trader and seeks assistance from the Council, as long as the conditions prescribed by the scheme are met (i.e. the complaint is between an individual consumer and a trader, the trader under complaint is among the designated online traders of the Platform, and the complainant has given his/her consent to have the case referred to the Platform for processing), the Council will upload the details of the complaint to the data system of the Platform. After that, the participating online trader can directly obtain from the system the details of the relevant complaint and directly contact the complainant to handle the complaint. The Platform will record the follow-up progress and result of the case. The Council can also access the Platform to learn the progress and record the relevant result after the case is closed.

The number and details of the cases referred to the Platform by the Council between November 2019 and March 2021 are as follows:

<i>Year</i>	<i>2019 (November to December)</i>	<i>2020</i>	<i>2021 (January to March)</i>
Number of cases	0	1	1
Product type	-	Personal care products	Toys
Nature of the complaint	-	Product quality	Late delivery
Amount involved (in Renminbi)	-	40,000	5,280
Result/Progress	-	Given that the products had been unsealed and used by the complainant, the trader refused the return of the products. No settlement was reached by the parties.	The case is still being followed up.

There are a total of 25 designated online traders on the Platform. However, only two to three of them are more familiar to and frequently used by consumers in Hong Kong. As some of these online traders also have offices in Hong Kong, depending on the transaction details provided by the complainants and whether they agree to give consent to have the complaints referred to the Platform, the Council can handle such cases in accordance with its established mechanism and contact the offices of these traders in Hong Kong directly for follow-up, without the need to route them through the Platform for processing. In parallel, the Council will continue to monitor the effectiveness of the Platform in assisting the resolution of online shopping complaints and disputes.

On part (3) of the question, the rights of consumers, including online shoppers, are currently protected by various laws in Hong Kong. The Sale of Goods Ordinance (Cap. 26), the Control of Exemption Clauses Ordinance (Cap. 71), the Supply of Services (Implied Terms) Ordinance (Cap. 457) and the Unconscionable Contracts Ordinance (Cap. 458) all regulate contracts related to transactions, for example, by stipulating implied conditions in the contract of sale of goods, including that the goods supplied are of merchantable quality and that a buyer has the right to reject defective goods unless he or she has a reasonable opportunity to examine the goods; a supplier of a service is obliged to carry out

the service with reasonable care and skill and within a reasonable time; and the courts are empowered to refuse to enforce, or to revise unconscionable terms in consumer contracts for the sale of goods or supply of services, etc.

In addition, the Trade Descriptions Ordinance (Cap. 362) prohibits unfair trade practices such as "false trade descriptions" (including a false trade description made by whatever means and in whatever form, e.g. paper, verbal and advertisement) and "misleading omissions" (including omitting or hiding material information, or providing material information in a manner that is unclear, unintelligible, ambiguous or untimely), and is applicable to both online and physical traders.

Unfair trade practices may occur in different sales channels, including online trading platforms. C&ED will continue to monitor different types of illegal online activities by using tools for evidence collection and investigation, and initiate follow-up actions and prosecutions where appropriate. If local or overseas websites are found to be conducting illegal activities, C&ED may demand such websites to remove the relevant contents or links. Depending on the circumstances, joint operations with overseas enforcement agencies will also be mounted as and when required.

The Government will continue to keep a close watch on the development of online platforms and review the relevant laws as necessary for the protection of consumer rights.

Macroeconomic data of Hong Kong

16. **MR LUK CHUNG-HUNG** (in Chinese): *President, regarding the macroeconomic data of Hong Kong, will the Government inform this Council:*

- (1) *of the (i) compensation of employees ("CoE"), (ii) gross operating surplus ("GOS"), (iii) ratio of CoE to Gross Domestic Product ("GDP") (i.e. labour's share of national income) and (iv) respective contributions of CoE and GOS to rate of change in nominal GDP in percentage-point, in each year from 2012 to 2020; and*
- (2) *when conducting a test by applying a time-series econometric model, how the changes in the labour's share of national income in Hong Kong during the aforesaid period were affected by the following*

determinants: (i) trade openness, (ii) the size of public sector, (iii) the statutory minimum wage, (iv) the year-on-year growth in real GDP and (v) technological progress?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, after consulting the Census and Statistics Department and the Office of the Government Economist, my reply to Mr LUK Chung-hung's question is as follows:

- (1) According to the Census and Statistics Department's latest data up to 2019, the relevant statistics are set out at Annex.
- (2) Labour's share of national income, measured in terms of the ratio of compensation of employees ("CoE") to Gross Domestic Product ("GDP"), is commonly used as a crude indicator of income distribution among labour and capital in an economy. Between 2012 and 2019, the ratio of CoE to GDP hovered around 52%, indicating a broadly stable labour's share of national income.

Using the time-series econometric model in the box article "Labour's share of national income in Hong Kong" in the "2013 Economic Background and 2014 Prospects" published by the Government and updating the analysis with data up to 2019, the results show that trade openness, size of public sector, Statutory Minimum Wage, year-on-year growth in real GDP, and technological progress all have statistically significant impacts on Hong Kong's labour's share of national income. In gist, trade openness is negatively correlated to labour's share of national income, while size of public sector, Statutory Minimum Wage, and technological progress are positively correlated to labour's share of national income.

Yet, it is worth noting that labour's share of national income will also be affected by other factors, such as economic structure and educational attainment of the labour force, and these other factors may also interact with the aforementioned five factors. Hence, the above simple econometric analysis is only meant to provide crude statistical results for reference, instead of conducting a thorough analysis on the change in the respective share.

Statistics on compensation of employees and gross operating surplus, 2012-2019

Year	Compensation of employees			Gross operating surplus	
	HK\$ million	As percentage of nominal GDP*	Contribution to rate of change in nominal GDP* (percentage points)	HK\$ million	Contribution to rate of change in nominal GDP* (percentage points)
2012	1,027,492	51.8%	3.6	956,639	2.4
2013	1,066,948	51.7%	2.0	997,132	2.0
2014	1,129,222	52.2%	3.0	1,033,518	1.8
2015	1,181,077	51.9%	2.4	1,095,610	2.9
2016	1,247,966	52.6%	2.9	1,123,186	1.2
2017	1,317,123	52.6%	2.9	1,186,967	2.7
2018	1,375,387	51.8%	2.3	1,278,204	3.6
2019	1,409,327	52.3%	1.3	1,283,260	0.2

Note:

* Refers to GDP at basic prices, excluding taxes on production.

Source: Census and Statistics Department

Anti-epidemic measures

17. **MR CHAN HAN-PAN** (in Chinese): *President, an expert on epidemiology has pointed out that while the fourth wave of the Coronavirus Disease 2019 ("COVID-19") epidemic has become stable recently, there may still be silent transmission in the community. On the other hand, during holidays and weekends, everywhere in the street is packed with people, and members of the public have not maintained an appropriate social distance. Under such circumstances, the epidemic may rebound on a large scale at any time. In this connection, will the Government inform this Council:*

- (1) *whether it has drawn up a contingency plan for a large-scale rebound of the epidemic; if so, of the details; if not, the reasons for that;*
- (2) *whether it has plans to fully introduce COVID-19 rapid self-testing services to increase the testing capability; if not, of the reasons for that; if so, whether it will provide those categories of persons such as teachers, students and restaurant practitioners with free or subsidized services to encourage them to conduct testing on their own daily; and*
- (3) *given that currently some scheduled premises (such as bars and karaoke establishments) have not yet been allowed to resume business, whether the Government will consider relaxing the operation restrictions of such scheduled premises subject to the following conditions being met: operators of scheduled premises must arrange for their staff to undergo COVID-19 tests more frequently, and operators may only receive customers who have undergone COVID-19 rapid tests; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the number of local confirmed cases has declined to a lower level in recent days. To continue containing the spread of the disease, we cannot let our guard down. It is essential for us to take all necessary measures to strengthen epidemic control by guarding against the importation of cases and the resurgence of domestic infections, and to further enhance the precision of the control measures in a bid to achieve the target of "zero infection" with the support and cooperation of the general public. At the same time, we will adopt the concept of "vaccine bubble" as announced earlier as the new direction in fighting the epidemic.

My reply to the various parts of the question raised by Mr CHAN Han-pan is as follows:

- (1) On the prevention of importation of cases, more targeted measure in stopping the introduction of the virus into Hong Kong at the source, the Government implemented on 14 April the tightened flight-specific suspension mechanism, as well as the new

place-specific flight suspension mechanism in parallel. Under the place-specific flight suspension mechanism, if a total of five or more passengers among all flights from the same place, regardless of airline, were confirmed by arrival tests for COVID-19 with the N501Y mutant strain within a seven-day period, the Government would invoke the Prevention and Control of Disease (Regulation of Cross-boundary Conveyances and Travellers) Regulation (Cap. 599H) to prohibit all passenger flights from that place from landing in Hong Kong for 14 days, and would at the same time specify that place as an extremely high-risk place under Cap. 599H to restrict persons who have stayed in that place for more than two hours from boarding passenger flights for Hong Kong for 14 days, so as to prevent persons from the relevant place from arriving at Hong Kong via transit.

At the same time, the Government has in place very stringent inbound prevention and control measures, including requiring travellers arriving at Hong Kong to undergo "test-and-hold" at the airport, as well as the arrangement of dedicated transport to transfer persons who have stayed in different places outside China to designated quarantine hotels for compulsory quarantine. All travellers arriving at Hong Kong via land boundary control points, including Hong Kong residents returning under the Return2hk scheme, are also subject to tests.

As the global epidemic situation remains severe with the new virus variants still ravaging many parts of the world, the Government needs to maintain the 21-day compulsory quarantine requirement for persons who have stayed in high-risk places outside China. However, considering that the epidemic situations in certain places have stabilized and pose lower public health risks, with reference to the "vaccine bubble" concept, the Government will adjust the quarantine arrangements for persons who have stayed in overseas places other than extremely high-risk and very high-risk places under the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C), the Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation (Cap. 599E) and Cap. 599H. The basic boarding and quarantine requirements will remain unchanged for high-risk and medium-risk

places (i.e. Group B and Group C specified places), but the Government will supplement in due course new arrangements applicable to fully vaccinated persons and shorten the compulsory quarantine period for the relevant persons from 21 days to 14 days under the "vaccine bubble" concept. As for low-risk Group D specified places (i.e. Australia, New Zealand and Singapore), the compulsory quarantine period for fully vaccinated persons will also be correspondingly shortened from 14 days to seven days in due course under the "vaccine bubble" concept. Persons that have completed quarantine under the adjusted Group B, Group C and Group D requirements will be required to self-monitor for seven days and undergo compulsory testing after their shortened quarantine. The Government will announce at appropriate juncture the adjusted arrangement and the exact grouping of places after finalizing the relevant details.

In terms of prevention of rebound within the community, the Government has all along been adjusting our social distancing measures having regard to the latest development of the epidemic situation. If and when there are cluster outbreaks on individual types of premises, we would, taking into account the actual circumstances and the operating characteristics of individual sectors, enhance the infection control measures on the relevant premises. For instance, in view of the cluster in eateries earlier, we have introduced two infection control measures in respect of catering premises successively, in order to step up infection control thereat and reduce transmission risks: (1) starting from 4 March, all catering premises are required to arrange, if practicable, dedicated staff for clearing used utensils and cleaning and disinfecting used tables and partitions or suitably adopt hand hygiene measures; and (2) by end April, all catering premises must enhance its air ventilation to a minimum level of six air changes per hour, and if this could not be achieved, appropriate air purifier(s) should be installed as an alternative, in order to reduce the relevant transmission risks. In addition, there was a large-scale cluster outbreak involving a fitness centre earlier. To contain the outbreak, we tightened the infection control measures in fitness centres with immediate effect from 12 March by reinstating the mask-on requirement.

Virus testing is an integral part of our anti-epidemic strategies. Regarding the strategy for virus testing, we will continue to expand and enhance the implementation of compulsory testing on a mandatory basis, targeted testing on an obligatory basis and testing on a voluntary basis, and provide more convenient testing services to encourage members of the public to undergo testing, with a view to achieving the objective of "early identification, early isolation and early treatment" and cutting the transmission chains as early as possible.

On the other hand, the COVID-19 Vaccination Programme is being implemented in full swing. Members of the public are provided with the Sinovac and Comirnaty vaccines which meet the criteria of safety, efficacy and quality. So far, a total of over 1.3 million doses of COVID-19 vaccines have been administered to the public (including about 700 000 doses of the Sinovac vaccine and about 600 000 doses of the Comirnaty vaccine). The Vaccination Programme has already covered persons aged 16 or above. Members of the public can receive COVID-19 vaccines at 29 Community Vaccination Centres throughout Hong Kong, designated General Outpatient Clinics under the Hospital Authority, as well as designated private clinics.

- (2) The Government has all along been providing convenient testing services to the public through various channels, including free testing service. The 21 community testing centres across the territory provide self-paid testing services to the public for general community or private purposes (such as certification for travelling or work); and free testing services for persons subject to compulsory testing or targeted groups requiring testing (including employees of designated scheduled premises and catering businesses, construction site workers as well as school staff). The number of tests available for appointments at community testing centres has been further increased to more than 38 000 per day, and more manpower has been deployed to serve the public. In the past few weeks, the average booking rate for the next 7 day at the 21 community testing centres in the territory was only about 20%, and there were sufficient quotas to meet the demand. In addition, there are about 20 mobile specimen collection stations throughout Hong Kong that provide free testing services to the public, some of which exclusively serve staff

of catering premises and designated scheduled premises and local residents and workers subject to compulsory testing, with sufficient capacity to meet the testing needs of the public and the relevant sectors.

The Government has been monitoring the latest developments of COVID-19 testing technology. With reference to scientific studies around the world and in Hong Kong, practical experience and expert advice, the Government will roll out rapid antigen tests in specific settings. For instance, the Hospital Authority announced earlier the resumption of special visiting arrangements in infirmary hospitals. Relevant departments are also exploring the possibility of applying rapid antigen testing in the visiting arrangement at care homes.

- (3) The Chief Executive announced on 12 April that the Government would adopt a new direction in fighting the pandemic down the road, which is manifested by the adjustments of social distancing measures with "vaccine bubble" as the basis, with a view to giving a clear path to help the community to build a consensus and work together, so that Hong Kong can gradually return to normality.

The Government had earlier met with the relevant trade representatives to listen to their views and suggestions on the implementation of social distancing measures under the "vaccine bubble" and finalized the details of the relevant measures after considering their views. The relevant details was announced on 27 April.

Under the "vaccine bubble" concept, the six types of premises that are currently required to be closed (viz. bar or pub, bathhouse, party room, club or nightclub, mahjong-tin kau premises and karaoke establishment) may gradually resume operation on the premise of adopting the specific measures in relation to staff and/or customers receiving COVID-19 vaccination and customers using the "LeaveHomeSafe" mobile application to record the premises visited. At the same time, the Government will make appropriate arrangements for the staff of these premises who are unable to receive COVID-19 vaccination because of health reasons and the elderly and children who are unable to use the "LeaveHomeSafe" mobile application.

The Government will continue to closely monitor the implementation situation of the relevant measures, and having regard to the development of the epidemic situation, suitably adjust the social distancing measures.

Indecency offences

18. **MR HOLDEN CHOW** (in Chinese): *President, it has been reported that earlier on, two video clips of an indecent nature were published on the Internet, which respectively showed two naked men engaging in sexual intercourse in an MTR train compartment, and another naked man masturbating in a train compartment. The persons captured in the clips and the publishers of the clips may have committed the offences under section 148 (Indecency in public) of the Crimes Ordinance (Cap. 200), and section 21 (Prohibition on publishing obscene articles) of the Control of Obscene and Indecent Articles Ordinance (Cap. 390), as well as the offence of "outraging public decency" under common law (collectively referred to as "indecent offences" below). Regarding indecent offences, will the Government inform this Council:*

- (1) *of the respective numbers of persons who were (a) prosecuted for and (b) convicted of the offences (i) of outraging public decency, (ii) under section 148 of Cap. 200, and (iii) under section 21 of Cap. 390, in each of the past five years; the lowest and highest penalties imposed on the convicted persons;*
- (2) *among the cases referred to in (1), of the number of those that occurred in MTR train compartments and on train platforms;*
- (3) *of the measures put in place in the past five years by the MTR Corporation Limited to prevent the occurrence of indecent offences within the precincts of MTR stations; and*
- (4) *of the new measures for combating indecent offences to be put in place by the Police in the coming three years, and whether such measures will include increasing the manpower for patrolling the black spots for such offences and stepping up publicity efforts; if so, of the details?*

SECRETARY FOR SECURITY (in Chinese): President, having consulted the Transport and Housing Bureau and the Police, our reply to the various parts of the question raised by the Member is as follows:

(1) and (2)

The offence of "outraging public decency" under the common law is punishable with imprisonment of up to seven years in accordance with section 101I of the Criminal Procedure Ordinance (Cap. 221). Section 148 of the Crimes Ordinance (Cap. 200) stipulates that a person who, without lawful authority or excuse, in any public place or in view of the public indecently exposes any part of his body shall be guilty of an offence and shall be liable on conviction to a fine of \$1,000 and to imprisonment for six months. According to section 21 of the Control of Obscene and Indecent Articles Ordinance (Cap. 390), any person who publishes any obscene article in Hong Kong commits an offence and is liable on conviction to a maximum penalty of a fine of \$1 million and imprisonment for three years.

The numbers of prosecution, conviction and sentencing of the above offences in the past five years are at Annex. The Government does not maintain the breakdown of other figures requested in the question.

(3) and (4)

The MTR Corporation Limited ("MTRCL") and the Police have been working closely and sharing information about the latest crime trends to prevent crimes. Among the collaborations, MTRCL and the Railway Police District have been launching various publicity initiatives to remind passengers to be vigilant about clandestine photography, such as the putting up of posters at prominent locations in MTR stations and the broadcasting of crime prevention messages on electronic display boards. Victims and witnesses are also encouraged to come forward to report. MTRCL also arranges station staff to conduct patrols within the precincts of MTR stations from time to time, and deploys additional staff during rush hours to cope with unexpected situations.

Moreover, MTRCL has been enhancing its staff training with the Police to provide crime prevention training for its frontline staff. The training serves to improve their understanding of indecency offences and sexual offences, as well as skills in handling related matters. This in turn helps the Police combat crimes and MTRCL offer more appropriate assistance to passengers. Over the years, MTRCL have been reviewing the situation of different station facilities and taking corresponding measures to address passengers' concerns, such as by putting opaque stickers on the glass panels of lifts and escalators.

MTRCL will timely review the effectiveness of relevant measures and continue to monitor the situation of station facilities. It will make every effort to prevent crimes, including indecency offences, within the precincts of MTR and provide safe rides for passengers.

The Police will continue to deploy manpower flexibly to step up high profile anti-crime patrols at such black spots of sex crimes, such as MTR stations, during rush hours to combat crimes. It will also enhance publicity and educational efforts through its online platforms to raise public awareness. For instance, at the end of last year, Police worked with various organizations to hold a region-wide promotional and educational campaign called "Child Protection Week" to exchange views with teachers, parents, social workers and students through online talks, sharing sessions and social media platforms, so as to promote disseminate sex crime prevention message.

Annex

Number of prosecution and conviction of the offence of "outraging public decency" under the common law and the relevant sentencing in the past five years

	2016	2017	2018	2019	2020
Number of persons prosecuted in concluded cases	174	177	136	177	170
Number of persons convicted in concluded cases	171	168	132	170	158
(a) Immediate imprisonment	52	34	31	37	24
(b) Fine	2	1	4	1	0
(c) Probation order	66	74	55	76	82

	2016	2017	2018	2019	2020
(d) Community service order	39	45	36	46	39
(e) Suspended imprisonment	12	13	5	10	13
(f) Others ⁽¹⁾	0	1	1	0	0

Note:

(1) Including detention centre and hospital order.

Number of prosecution and conviction of the offence of indecency in public under section 148 of the Crimes Ordinance (Cap. 200) and the relevant sentencing in the past five years

	2016	2017	2018	2019	2020
Number of persons prosecuted in concluded cases	28	30	27	14	11
Number of persons convicted in concluded cases	23	20	24	11	10
(a) Immediate imprisonment	7	8	10	1	0
(b) Fine	5	8	3	1	3
(c) Probation order	5	1	8	4	3
(d) Suspended imprisonment	4	3	1	4	3
(e) Others ⁽²⁾	2	0	2	1	1

Note:

(2) Including addiction treatment centre, community service order, caution and hospital order.

Number of prosecution and conviction of the offence of publication of obscene articles under section 21 of the Control of Obscene and Indecent Articles Ordinance (Cap. 390) and the relevant sentencing in the past five years

	2016	2017	2018	2019	2020
Number of persons prosecuted in concluded cases	109	128	103	60	31
Number of persons convicted in concluded cases	106	128	101	59	30
(a) Immediate imprisonment	95	125	99	58	28
(b) Fine	0	0	0	0	1
(c) Drug addiction treatment centre	7	2	2	1	0
(d) Others ⁽³⁾	4	1	0	0	1

Note:

(3) Including detention centre and suspended imprisonment.

Enhancing Hong Kong's status as an international financial centre

19. **MR CHAN CHUN-YING** (in Chinese): *President, the Z/Yen Partners in the United Kingdom and the China Development Institute in Shenzhen jointly published on 17 March this year the 29th edition of the Global Financial Centres Index Report. The overall global ranking of Hong Kong leaped from the sixth in the 27th edition and the fifth in the 28th edition to the fourth in the 29th edition of the Report. Furthermore, there was a mere one point difference between the overall ratings of the financial centres in the second to the fifth places in the overall ranking (namely London, Shanghai, Hong Kong and Singapore), indicating a very keen competition among them. Even though the overall ranking of Singapore was lower than that of Hong Kong, in respect of the five areas of competitiveness (i.e. business environment, reputation and general, human capital, financial sector development and infrastructure), which were formulated based on data, its rankings in the first four areas were higher than that of Hong Kong. With regard to enhancing Hong Kong's status as an international financial centre, will the Government inform this Council:*

- (1) *whether it has summed up the reasons for the leap in Hong Kong's ranking in the last two editions of the Report; if so, of the details; if not, the reasons for that;*
- (2) *whether it has conducted an analysis and comparison of the strengths and weaknesses of London, Shanghai, Singapore and Hong Kong in the aforesaid areas of competitiveness, and formulated plans for closing or widening the rating gaps between Hong Kong and those financial centres; if so, of the details; if not, the reasons for that; and*
- (3) *given that the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035 approved earlier by the National People's Congress has mentioned giving support to enhancing Hong Kong's status as an international financial centre, whether the Government has set objectives and formulated a roadmap in this respect; if so, of the details; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the Global Financial Centres Index ("GFCI") Report has been released in March and September every year since 2007. In the March 2021 Report, Hong Kong was ranked fourth. My reply to the various parts of the question is as follows:

(1) and (2)

The GFCI Report takes into account both instrumental factors, which are formulated based on data, and online questionnaires, which gauge views from respondents based on their perceptions on individual financial centres, in compiling the ranking of financial centres. As reflected by the results, Hong Kong has all along been one of the leading international financial centres.

The Report published in March 2020 noted a high level of volatility in the ranking of the financial centres when compared with previous reports, probably reflecting the uncertainty around international trade and the impact of geopolitical and local unrest. Among the five areas of competitiveness (namely Business Environment; Human Capital; Infrastructure; Financial Sector Development; and Reputational and General), Hong Kong ranked above some of these centres with a higher overall ranking in four or more areas. However, in the online questionnaire, Hong Kong's score has comparatively dropped more significantly.

The Report published in March 2021 pointed out that the overall ratings of financial centres have yet to recover to the levels in 2019, which reflects the continuing uncertainty brought about by international trade, the impact of the COVID-19 pandemic and the geopolitical environment. Notwithstanding that financial markets globally have become more volatile over the past year or so, Hong Kong's institutional strengths and underlying fundamentals stay intact and strong, and the financial system has been resilient. Different facets of the financial services sector continue to function in an orderly manner. Hong Kong's overall ranking rose by two places from March last year to rank number four in the world. Among the aforementioned five areas of competitiveness, Hong

Kong rose by one place in both Infrastructure and Financial Sector Development to rank number four and five in the world respectively, bringing the overall rating up by four points to 741, which was the biggest rise among the top seven financial centres. We are endeavouring to enhance the competitiveness of Hong Kong as an international financial centre. On creating a favourable business environment, Hong Kong possesses institutional strengths including highly open and internationalized markets, rule of law and a free flow of information and capital, as well as the unique advantages of the "one country, two systems". The Government is carrying out the legislative work to improve the electoral system of Hong Kong for the implementation of "patriots administering Hong Kong", so as to bring Hong Kong back on its right track and promote the long-term stability and prosperity of Hong Kong. On promoting the development of the financial sector, we will continue to leverage our role as the gateway between the Mainland and international markets.

- (3) The "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" ("the 14th Five-Year Plan") acknowledges the significant functions and positioning of Hong Kong in the overall development of the country, which includes supporting Hong Kong to enhance its status as an international financial centre, strengthen its status as a global offshore Renminbi ("RMB") business hub, an international asset management centre and a risk management centre, as well as deepening and widening of mutual access between the financial markets of Hong Kong and the Mainland. Under the new development pattern of "dual circulation", the Government will, in accordance with the content of the 14th Five-Year Plan, formulate and implement various policy measures, make good use of Hong Kong's connectivity with the Mainland and international market, and leverage the enormous opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area") development and the Belt and Road Initiative to contribute to the economic development and opening up of the country, as well as to promote sustainable development of the local financial sector.

Specifically, we are taking forward the following key policy measures:

- (i) **Asset management:** The Hong Kong Monetary Authority ("HKMA") will continue to work with the relevant authorities to step up the preparation for the two-way cross-boundary wealth management connect pilot scheme with a view to expediting its implementation. At the same time, we will propel the further development of the asset management business of Hong Kong. Policy measures include providing tax concession for carried interest issued by private equity funds operating in Hong Kong, establishing mechanisms to attract existing non-Hong Kong funds to re-domicile to Hong Kong, and providing subsidies for open-ended fund companies and for promoting the development of real estate investment trust ("REIT") of Hong Kong to encourage the listing of more REITs in Hong Kong.
- (ii) **Risk management:** We are striving for early establishment of after-sales service centres by the Hong Kong insurance industry in the Mainland cities of the Greater Bay Area, as well as implementation of the "unilateral recognition" policy for Hong Kong motor vehicles entering Guangdong through the Hong Kong-Zhuhai-Macao Bridge, in order to promote mutual insurance market access in the Greater Bay Area. We will also launch a two-year Pilot Insurance linked Securities Grant Scheme to attract insurance enterprises or organizations to issue insurance-linked securities in Hong Kong.
- (iii) **Mutual market access:** Together with the regulators, we will continue to work with the relevant Mainland authorities step by step to take forward various proposals for expanding the mutual market access programmes and the arrangements for enhancing the programmes, including the inclusion of exchange-traded funds under the mutual capital market access programmes, as well as to launch the Southbound Trading of Bond Connect within this year.

- (iv) Green and sustainable finance: We will promote more Greater Bay Area institutions to make use of Hong Kong's capital market for green investment, financing and certification, thereby supporting green enterprises and projects in the Greater Bay Area, developing Hong Kong into a green finance centre and promoting the ecological conservation and green development of the country. We plan to expand the scale of the Government Green Bond Programme and launch a new Green and Sustainable Finance Grant Scheme to mobilize capital towards sustainable projects in the region.

- (v) Financial infrastructure and financial technology ("Fintech"): We plan to enhance the efficiency and capacity of our domestic Central Moneymarkets Unit ("CMU") and introduce new functions, so as to develop CMU into a major central securities depository platform in Asia and in the world in the long run. We will also continue to promote the cross-boundary application of Fintech in Hong Kong and the Mainland, so as to reinforce Hong Kong's status as a leading Fintech hub. We will, in concert with the financial regulators, actively encourage the industry to explore and test various Fintech solutions and products with cross-boundary applications involving the Greater Bay Area, including the proof of concept project that connects the HKMA-facilitated eTradeConnect with the People's Bank of China's Trade Finance Platform.

The above measures can further enhance Hong Kong's status as a global offshore RMB business hub and facilitate the RMB internationalization process.

As announced by the Financial Secretary in the 2021-2022 Budget, our Bureau has set up a joint working group together with financial regulators to explore how Hong Kong can complement the economic and financial development of our country and meet the needs of international investors, with a view to setting out the development blueprint for engagement with the Central Authorities to secure their support. We will follow the guiding principles of the 14th Five-Year Plan when setting out the development blueprint to

implement the various planned goals. We will strive to consolidate our role as the international financial centre of our country while contributing to national development.

Traffic congestion problems in Kwun Tong

20. **MR PAUL TSE** (in Chinese): *President, it has been reported that the traffic congestion problems in Kwun Tong are acute at the roundabout at the junction of Hoi Yuen Road and Kwun Tong Road, on Kwun Tong Road, and in the Kwun Tong industrial area. It takes nine minutes during non-peak hours but 77 minutes during the evening peak hours for buses to complete a journey of departing from Kwun Tong Ferry Pier and arriving at the bus stop adjacent to Millennium City 5 via King Yip Street and Cha Kwo Ling Road, which is merely 1.7 kilometres in length, reflecting that the traffic along the aforesaid roads is almost paralyzed during peak hours. In addition, there have been views that the Energizing Kowloon East Office ("EKEO") has been focusing solely on the development of commercial land lots to the neglect of the fact that a number of roads in the district have long reached their maximum capacity, resulting in the traffic congestion problems being aggravated. In this connection, will the Government inform this Council:*

- (1) *given that the Government had spent 13 years and more than \$92 million to study the proposal of constructing an Environmentally Friendly Linkage System for Kowloon East (which comprised an elevated monorail), which disappeared into obscurity, and that the Government announced in November last year its decision to abandon the construction of the monorail and provide, instead, additional bus/green minibus routes in the district, whether the Government has studied if that decision will make the situation even worse and further aggravate the traffic congestion problems on the aforesaid roads;*
- (2) *whether it will reverse the direction of traffic along Hing Yip Street and Hung To Road where the vehicular flow is relatively low, so as to reduce the number of vehicles turning from Shing Yip Street into Hoi Yuen Road, thereby alleviating the traffic congestion problems on Hoi Yuen Road;*

- (3) *whether it will step up prosecution efforts against vehicles illegally parked on roads in the Kwun Tong industrial area (covering Hing Yip Street, How Ming Street and Shing Yip Street), including the commissioning of the illegal parking monitoring system at smart lampposts expeditiously, and instructing the Police to take law enforcement actions round-the-clock; and*
- (4) *apart from the proposals mentioned in (2) and (3) for alleviating the traffic congestion in the district, of the practicable policies that EKEO and the relevant government departments have put in place to resolve the traffic congestion problems in the district?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has all along been concerned about the traffic condition in the Kwun Tong Business Area ("KTBA"). Relevant bureaux/departments have continuously been striving hard to improve the pedestrian environment and traffic condition in the area and have proposed an overall improvement framework with recommendations for various short, medium and long-term improvement schemes. Most of the short-term measures have been accomplished whilst the implementation of some other measures are in progress. In response to the question raised by Mr Paul TSE and in consultation with relevant bureaux/departments, a consolidated reply is provided as follows:

- (1) The Government has proposed the implementation of a "multi-modal" environmentally friendly linkage system to complement the increasingly comprehensive road and railway infrastructure, and the efficient public transport services in Kowloon East ("KE"). The proposed "multi-modal" initiatives comprise a package of green measures that are complementary to the connectivity enhancement functions, which include among others deploying electric vehicles to run new bus/green minibus ("GMB") routes in the area. As for the bus/GMB services in the area, having regard to the district developments, demographic changes, completion of transport facilities, existing and planned public transport services in the districts concerned, etc., the Transport Department ("TD") will continuously enhance the existing bus/GMB service network to cater for the travelling needs of the public. As such, TD will review the arrangements of bus/GMB routes in the

relevant areas as appropriate while considering whether there is a need to introduce new bus/GMB services or enhance existing services, and consult the relevant councils.

- (2) Relevant bureaux/departments will further consider the idea of reversing the direction of traffic along Hing Yip Street and Hung To Road.
- (3) Since September 2020, the Police Force has implemented different traffic management measures at KTBA during weekdays which include deploying police officers to direct traffic at the dominant entrances and exits of KTBA (viz. Hoi Yuen Road roundabout, Lai Yip Street/Wai Yip Street junction and Chong Yip Street/How Ming Street junction) and to advise/warn the drivers not to violate traffic regulations. In November 2020, Kwun Tong Police District set up the District Traffic Enforcement Team dedicated to handling of traffic complaints and scenes of traffic accidents. Regarding the enforcement against illegal parking, the Police Force is conducting enforcement actions against illegally parked vehicles at irregular hours on a daily basis to enhance the deterrent effect. The relevant Police District has also made use of technologies such as electronic ticketing and mobile video recording to enhance the enforcement efficiency. For illegal parking that causes obstruction to the traffic or endangers other road users, the Police will step up deterrent actions, such as issuing multiple tickets and towing away the vehicles in question. The Police Force will continue to flexibly deploy resources and take stringent enforcement actions during busy hours, with a view to changing the illegal parking behaviour of drivers.
- (4) Under the feasibility study on improving pedestrian environment in KTBA, we have introduced an overall improvement framework and have proposed 16 short-term traffic improvement schemes of which 13 have been completed, including provision of more kerbside loading and unloading bays where appropriate and amendment of no-stopping restriction zones and signages. We will implement enhancement measures such as improvement works at the How Ming Street/Tsun Yip Street junction to increase its design capacity. In addition, taking the opportunity arising from the development of the former bus depot at KTIL 240, we plan to improve the junction layout of How Ming Street/Chong Yip Street by adding a left-turn

traffic lane from How Ming Street, and changing the section of How Ming Street between Chong Yip Street and Hung To Road to two-way traffic so as to relieve traffic at Chong Yip Street towards Kwun Tong Road.

The Government also takes the opportunity of developing the two Action Areas in KE to improve traffic conditions. In association with the Kwun Tong Action Area, we have proposed to form a new through road to divert traffic away from the Wai Yip Street/Hoi Yuen Road roundabout, and convert the roundabout into a signal-controlled junction to rationalize traffic flows. In relation to the Kowloon Bay Action Area, we are considering the feasibility of widening Sheung Yee Road and improving the Hoi Bun Road/Cheung Yip Street junction to enhance the reserve capacity.

By means of the "My Kowloon East" mobile app, we disseminate real-time data in KE including parking vacancy data and location, shortest driving route leading to the entrance of the car park, etc., helping drivers to locate available parking spaces easily without excessive circulation that may cause traffic congestion. Provision of real-time parking vacancy information has been stipulated as a requirement, where appropriate, for new land sale sites in KE since November 2016.

In the long term, the Government is taking forward the Route 6 project comprising the Tseung Kwan O-Lam Tin Tunnel, the Central Kowloon Route, Trunk Road T2 and the Cha Kwo Ling Tunnel. It will provide an east-west express link between Tseung Kwan O and West Kowloon and is anticipated to commission in 2026. By then, the traffic demand on the existing major road links in KE will be relieved.

As for railway, apart from the Kwun Tong Line, the Tuen Ma Line Phase 1 was commissioned in mid-February 2020, extending railway service to the Kai Tak Development Area. Upon the planned commissioning of the entire Tuen Ma Line in the third quarter of this year, a more convenient and efficient railway service between KE, New Territories East and New Territories West will be available to the public, enhancing the transport connectivity and accessibility of KE.

Upon completion of the improvement schemes and the major infrastructure projects, we envisage that the transport network in the area would be able to cater for the future traffic flow.

Extension of land leases

21. **MR TONY TSE** (in Chinese): *President, in reply to a question raised by a Member of this Council on 27 November 2019, the Secretary for Development ("SDEV") indicated that the Lands Department ("LandsD") was collating information on all the land leases in Hong Kong expiring on or before 30 June 2047, and the collation exercise was expected to be completed by phases from 2021 onwards. SDEV also indicated that the LandsD would generally begin processing the extension of a land lease three years before its expiry, and LandsD was exploring whether there would be more streamlined procedures and more convenient means to effect the extension of land leases. Some members of the surveying sector have relayed that whether land leases can be extended in a smooth and timely manner and whether the Government will impose additional conditions on lease extension will have significant impacts on not only the rights and interests of the land owners concerned, but also the development, leasing and sale, redevelopment, as well as repair and maintenance arrangements for the land and properties concerned. They therefore hope that the Government processes the applications for extending the aforesaid land leases as early as possible and streamline the relevant procedures. In this connection, will the Government inform this Council:*

- (1) *of the respective numbers of land leases expiring within the coming (i) five years and (ii) six to 10 years, and the information on the lots involved, such as the user categorization and number of interests;*
- (2) *of (i) the respective numbers of applications for extending land leases received, approved and rejected by LandsD, with a breakdown of the number of approved applications by the term of lease extension and the conditions imposed (if any), (ii) the average time taken by LandsD to process an application, and (iii) the main reasons for LandsD rejecting some applications (if any), in the past five years;*

- (3) *of the latest progress of the exercise of collating information on land leases, and the respective expected completion dates of the entire exercise and its various phases; whether there have been delays in any phase of the exercise; if so, of the reasons for that;*
- (4) *whether the exploratory work on streamlining lease extension procedures has been completed; if so, of the details; if not, the latest progress, and the reasons why the work, which commenced more than one year ago, has not yet been completed; and*
- (5) *whether LandsD will consider (i) advancing the date on which it begins processing the extension of a land lease from three years to five years before expiry, and (ii) undertaking that under normal circumstances it will make a decision, within one year after the commencement of processing, on whether or not the lease will be extended so that the land owners concerned may formulate plans in advance for the development, leasing and sale, redevelopment, as well as repair and maintenance arrangements for the land and properties concerned, with a view to optimizing the use of precious land resources?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has clear and unequivocal policy for handling matters related to the extension of expiring land leases all along.

According to the policy statement promulgated by the Hong Kong Special Administrative Region ("HKSAR") Government in July 1997, leases not containing a right of renewal (excluding short term tenancies and special purpose leases) may, upon expiry and at the sole discretion of the Government, be extended for a term of 50 years without payment of an additional premium, but an annual rent shall be charged equivalent to 3% of the rateable value of the property, adjusted in step with any changes in rateable value thereafter. Under this policy, generally the lease terms of land leases granted since the establishment of the HKSAR Government have been for 50 years and extending beyond 2047.

Since the establishment of HKSAR, the Lands Department ("LandsD") has been dealing with matters related to the extension of expiring land leases in accordance with the aforementioned policy. Factors to be taken into account when considering lease extension include whether serious breaches are found

under the original lease and whether such breaches were purged before the specified period; and if the original lease was granted on certain policy considerations (e.g. promoting the development of an individual industry), whether such policy considerations remain valid. Since the above policy came into effect in July 1997, setting aside leases granted for special purposes on policy considerations, most expiring leases not containing a right of renewal have been extended, with terms largely based on the original lease terms.

My reply to the five-part question is as follows:

- (1) Insofar as land leases for general commercial/residential/industrial uses are concerned, on the basis of the information on the Land Registry ("LR"), no such leases will expire between 2021 and 2024, and the leases of about 50 lots (on subdivided lot basis) will expire in 2025 and the number of interests involved is about 300 (based on number of subdivided registers on LR). In the next five years (i.e. from 2026 to 2030), the land leases of about 320 lots (on subdivided lot basis) for general commercial/residential/industrial uses will expire and the number of interests involved is about 8 500 (based on number of subdivided registers on LR).
- (2) In the past five years (2016 to 2020), there was no expiry of land leases of lots for general commercial/residential/industrial uses.
- (3) Regarding land leases expiring on or before 29 June 2047, there are leases of about 2 400 lots (on subdivided lot basis) for general commercial/residential/industrial uses. The collating exercise for these leases has been completed, and the result shows that the number of interests involved is about 66 000 (based on number of subdivided registers on LR). As for land leases expiring on 30 June 2047, LandsD is collating the relevant information, including number of lots involved, their user categorization, and the number of interests, etc. Owing to the larger volume of leases involved, the relevant compilation exercise is expected to be completed by phases from this year to end of 2022.
- (4) and (5)

Under the existing practice, LandsD will generally begin accepting application for extension from the relevant owner three years before the expiry of the lease. For more complicated cases or those with a

large number of owners, LandsD will consider commencing the internal work and making preparations for extension of the relevant leases earlier, with a view to completing the extension of the land leases in a smooth and timely manner.

Where extension of a land lease is approved, LandsD will complete the necessary procedures and execute relevant instruments with the owner(s) through appropriate means. For land under single ownership, or multiple ownership with all owners unanimously agreeing to the lease extension arrangement, LandsD will generally execute a lease extension document with all owner(s). For land under multiple ownership but owners not unanimously agreeing on or having difficulties in unanimously agreeing on the arrangement for lease extension (e.g. residential buildings with alienated units), after the expiry of the current lease, the Government will grant a new lease to the Financial Secretary Incorporated, which will then assign the undivided shares of the individual premises to their registered owners. This arrangement ensures that even if individual owners do not agree with or cannot execute the lease extension arrangement, the interests of other owners who are ready to accept the lease extension and complete the assignment procedures will not be affected.

The procedures of the above mentioned mechanism are relatively complex (in particular the lots with more multiple ownerships) including the requirement for execution of document(s) by each and every lot owner. The Government is exploring whether there are other suitable arrangements under which the extension of land leases could be effected through streamlined procedures and more convenient means, including exploring the possibility of reducing the formalities needed from the owners through legislation while preserving the legal effect of the relevant lease if approved for extension. Currently, land leases for general commercial/residential/industrial uses will expire in 2025 the earliest. The Government will come up with a proposal and communicate with the stakeholders at an appropriate juncture before then.

Communal facilities relating to subsidized sale housing

22. **MS ALICE MAK** (in Chinese): *President, earlier on, some residents of Ching Tai Court, a Home Ownership Scheme court, sought my assistance, saying that the salt water supply to the court was suspended due to the bursting of a section of a communal salt water main located within an adjoining Tenants Purchase Scheme estate. According to the record of the Water Supplies Department, the responsibility for the repair and maintenance of that section of salt water main rests with the Housing Department, rather than the owners of the court concerned as in general cases. In this connection, will the Government inform this Council:*

- (1) *of the current number of subsidized sale housing courts within which there are communal facilities (e.g. underground mains) not for the use of their respective residents, and set out, by name of housing court, the type of such communal facilities and the party responsible for the repair and maintenance of such facilities;*
- (2) *whether the sales information provided by the Hong Kong Housing Authority ("HA") to prospective buyers of subsidized sale housing has set out (i) the presence or otherwise of communal facilities within the housing court concerned not for the use of its residents, (ii) the presence or otherwise of communal facilities outside that housing court for the use of its residents, and (iii) the parties which are responsible for the repair and maintenance of these two types of communal facilities; whether it is clear which parties are responsible for the repair and maintenance of such communal facilities; if not, whether HA will clarify with the relevant government departments; and*
- (3) *whether it will set up a dedicated fund to cover the repair and maintenance expenses of the communal facilities within subsidized sale housing courts which are not for the use of their respective residents; if not, of the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): *President, my reply to the question raised by Ms Alice MAK is as follows:*

- (1) As at end December 2020, there are about 260 housing courts/estates sold under the Subsidised Sale Flat Schemes and the Tenants Purchase Scheme of the Hong Kong Housing Authority ("HA"). Generally speaking, if there are communal facilities within the court/estate boundary that are not for the use of their residents, or communal facilities located outside the court/estate that are for the use of the residents, relevant information will be provided in the Government Lease ("land lease") of the court/estate. HA does not keep central record of such information, but owners can enquire the land lease and Deed of Mutual Covenant ("DMC") of the related properties through the Land Registry to understand the management and maintenance responsibilities of individual courts/estates.
 - (2) HA has all along been providing prospective purchasers with information on the developments when putting up subsidized sale flats for sale. Since 2013,⁽¹⁾ the information provided by HA as set out in the sales brochure when putting up new development for sale has included information on communal facilities, public open spaces and maintenance of slopes in the development as well as summary of DMC and land grant, etc. Facilities that are required to be provided in the development under the land lease and their maintenance responsibility are set out under the summary of land grant. In other words, if the land lease stipulates that the respective owner(s) of the development is required to maintain certain communal facilities within the development for use by non-residents, or to maintain communal facilities outside the development for use by residents, such information will be set out under the summary of land grant. HA will also set out information in the sales brochure reminding prospective purchasers that they shall appoint a separate firm of solicitors of their choice to act for them in relation to the transaction before attending flat selection, so that their solicitor will be able to give them independent advice and advise them on their risks and rights, as well as other matters in connection with their transactions.
- (1) The Residential Properties (First-hand Sales) Ordinance ("the Ordinance") has come into operation since 2013. Divisions 2 to 8 of Part 2 of the Ordinance, which include the information required to be provided in the sales brochure, do not apply to the developments constructed by HA. Nevertheless, HA's policy is to follow the requirements as set out in the Ordinance for providing information required as far as practicable when putting up new developments for sale. For subsidized sale flats sold before 2013 (including those flats sold under the Tenants Purchase Scheme to sitting tenants), there are different arrangements in providing information on the development which may not be conclusive.

- (3) HA's subsidized housing courts/estates are no different from private properties of which they are governed by the Building Management Ordinance and related legislations and regulations, land lease and DMC. Daily management affairs are undertaken by the property management company appointed by the Owners' Corporations ("OCs") in accordance with the land lease, DMC and related legislations. The land lease and DMC of these courts clearly stipulate the rights and responsibilities of the owners. Respective OCs and property management companies must perform the management and maintenance responsibilities in accordance with relevant requirements. Therefore, we are of the view that it is not necessary to establish a dedicated fund to handle the relevant matters.

GOVERNMENT BILLS

Second Reading of Government Bills

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): Government Bills.

This Council now continues with the Second Reading debate on the Appropriation Bill 2021. As Members had already spoken at the last meeting, I will now call upon the Secretaries concerned to speak and then the Financial Secretary to reply.

APPROPRIATION BILL 2021

Resumption of debate on Second Reading which was moved on 24 February 2021

SECRETARY FOR DEVELOPMENT (in Cantonese): President, earlier on, many Members have put forward a lot of valuable views on issues related to the work of the Development Bureau. Here, I would like to give a brief response on land supply, streamlining development process, improving building drainage system, preserving Bishop Hill and cost management of public works which is the concern of Mr LEUNG Chi-cheung just now.

In respect of land supply, the Government has been adopting a multi-pronged approach to continue to develop land by actively taking forward the land supply options and other measures recommended by the Task Force on Land Supply.

New development areas and new town extensions are one of the major sources of land and housing supply in the future. New development areas and new towns that will be gradually completed for intake from 2024 include the Tung Chung East New Town, Kwu Tung North/Fanling North New Development Areas, Hung Shui Kiu/Ha Tsuen New Development Area and Yuen Long South Development Area. These projects can provide a total of over 227 000 housing units.

We are also making every effort to promote the development of New Territories North ("NTN"). This project includes three Potential Development Areas, covering about 1 400 hectares of land. The feasibility study on the San Tin/Lok Ma Chau Development Node has substantially completed. According to preliminary assessment, it will be able to provide about 31 000 residential flats and generate around 64 000 job opportunities. The other two Potential Development Areas, i.e. the NTN New Town covering Heung Yuen Wai, Ping Che, Ta Kwu Ling, Hung Lung Hang and Queen's Hill, as well as Man Kam To Logistics Corridor, are expected to accommodate not less than 200 000 residents and provide about 134 000 job opportunities. We will submit funding application to the Legislative Council shortly for the investigation and detailed design for San Tin/Lok Ma Chau Development Node, as well as the planning and engineering study for NTN New Town and Man Kam To Logistics Corridor in advance. We hope that the above mentioned studies can commence within this year.

In addition to new development areas and new town extensions, we will speed up the studies on the artificial islands in the Central Waters involving about 1 000 hectares. The Government obtained funding approval from the Legislative Council for the studies in December 2020. I hereby express my heartfelt gratitude to Members for that. We are currently conducting the tender exercise.

For brownfield sites, we have promulgated the results of the second-phase review on scattered brownfield sites. In the two-phase review, we have shortlisted a total of 12 brownfield clusters for higher density public housing

development in the short to medium term. Together with the new development areas and other ongoing efforts to develop brownfield sites already announced, we believe that a total of over 860 hectares of brownfield sites would be gradually developed for housing and other land uses, accounting for over 50% of the total brownfield area in Hong Kong.

Moreover, we will continue to rezone sites for housing development. Over the past few years, we have identified some 210 sites with potential for housing development. Rezoning has been completed for 70% of them. It is estimated that about 40% of the public housing units to be completed in the next 10 years will come from the rezoned sites.

In order to formulate a long-term strategic planning in a timely manner, we will also assess the land demand from time to time. We are currently finalizing the recommendations in the Hong Kong 2030+ study and aim to release the finalized Hong Kong 2030+ territorial development strategy, as well as the updated data on long-term land demand and supply later this year.

In addition to our ongoing effort in land creation through a multi-pronged approach, we are also working on streamlining the procedures and accelerating the land supply process.

To this end, the Steering Group on Streamlining Development Control under the Development Bureau has expanded its remit to include vetting departments other than those under the Development Bureau, with a view to reviewing more comprehensively the development approval processes and rationalizing the development-related requirements imposed by different bureaux. Apart from the administrative vetting procedures of individual departments, we will also examine whether there is any room for accelerating or streamlining the development process under respective legislation, including the town planning process and procedures related to road works.

Moreover, the Development Bureau has set up the Development Projects Facilitation Office in December 2020 which will track the applications for private residential developments with 500 flats or more leading up to the commencement of works, include planning, lease modification/land exchange and building plan, to ensure effective processing of cases.

To promote the revitalization of industrial buildings and create more commercial and residential floor areas, the Development Bureau and the Lands Department launched a two-year pilot scheme, charging land premiums at standard rates for lease modifications for redevelopment of industrial buildings constructed before 1987 to provide an alternative to the conventional mechanism for premium assessment. The scheme provides certainty on land premiums, with a view to speeding up the transformation of industrial buildings and achieving efficient use of the land.

In order to better tackle the COVID-19 epidemic and improve the environmental hygiene in old buildings, \$1 billion has been earmarked in the Appropriation Bill 2021 ("the Bill") to implement the Building Drainage System Repair Subsidy Scheme. I hereby express my heartfelt gratitude to Members once again for their support for the scheme during the previous discussion in the Legislative Council and hope that the Bill will be passed smoothly today. The Urban Renewal Authority will play a complementary role and has made necessary arrangements. The scheme will be launched on 1 May this year and applications will be accepted in an orderly manner based on risk-assessment. We expect to provide assistance to owners of over 3 000 old and dilapidated domestic buildings under the scheme.

With regard to the Ex-Sham Shui Po Service Reservoir, which is of public concern, the Government has made it clear that it will not be demolished. The Antiquities Advisory Board endorsed the recommended Grade 1 status for this historic structure in March this year. Public consultation on the recommended grading is underway and will be confirmed later subject to the outcome.

The Water Supplies Department has also launched a virtual tour of the service reservoir earlier. Upon the completion of the strengthening, tidying up and other improvement works, we plan to open the ex-service reservoir as appropriate, so that the public can visit this precious site through guided tours. Meanwhile, we will also conduct studies on the long-term conservation and revitalization of the service reservoir.

With regard to the cost management of public works projects, we expect that the annual capital works expenditure will exceed \$100 billion in the next few years. Just now, Mr LEUNG Chi-cheung mentioned that the Government's applications for funding might reach some \$200 billion. That is because the works span several years. If you look at our medium range forecast, the annual

average will exceed \$100 billion and may reach \$120 billion to \$130 billion later on. In order to strengthen cost management, we will not only enhance the cost-effectiveness of works projects through the Project Strategy and Governance Office, but also join hands with the industry to promote cost management culture in works projects. We have also earmarked \$6 million for the provision of systematic professional training to mid-tier managers in the Government with a view to ensuring more effective use of public resources.

Thank you, President.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, I would like to thank Members for their valuable views on issues related to the Financial Services and the Treasury Bureau ("FSTB") during the debate on the Appropriation Bill 2021 ("the Bill").

FSTB will focus its efforts on three major areas this year, namely the introduction of relief measures in the short-term, planning for the development of the financial market in the medium to long-term, as well as ensuring healthy public finances.

On relieving people's hardships, we thank Members for their support at the meeting of the Finance Committee on 26 March for the introduction of a 100% Personal Loan Guarantee Scheme, as announced by the Financial Secretary in the Budget. The Government will provide a total guarantee commitment of \$15 billion for the Scheme to provide a supplementary financing option to help unemployed persons affected by the pandemic tide over the interim difficulty. The 100% Personal Loan Guarantee Scheme is officially launched today. Eligible applicants may submit their application forms and required documents to the participating banks starting from today. The application period will last for six months.

In regard to planning for the development of the financial market in the medium to long-term, we will continue to leverage Hong Kong's advantages and strive to develop Hong Kong into a comprehensive international financial centre.

Under the new development pattern featuring "dual circulation" of domestic and foreign markets interacting positively with each other, we will continue to strengthen financial cooperation with the Mainland, capitalize on

Hong Kong's bridging role between the Mainland and the rest of the world, and leverage the enormous opportunities presented by the Guangdong-Hong Kong-Macao Greater Bay Area development to Hong Kong's financial services industry. FSTB has set up a joint working group with various regulatory bodies to set out a blueprint exploring how the Hong Kong market can complement the development of our country and meet the needs of international investors in the future.

Bond market development is one of our key areas of work. The Financial Secretary will lead a steering group comprising FSTB, various regulatory bodies and the Hong Kong Exchanges and Clearing Limited ("HKEX") to formulate a roadmap for promoting the diversified development of Hong Kong's bond market.

As for the proposal to expand the scales of the Government Bond Programme and the Government Green Bond Programme, we consulted the Panel on Financial Affairs on 9 April and Members generally supported the proposal. We will strive to have the resolution passed in the current legislative session to allow room for us to continue to promote market development. Moreover, we will issue more iBonds and Silver Bonds this year and lower the eligible age for subscribing Silver Bond from 65 to 60. The Government will also issue retail green bonds for the first time to enable broader public participation. I believe that these measures will have the support of the general public.

I would like to thank Members for acknowledging our policy objectives of enhancing Hong Kong's competitiveness as a preferred fundraising platform for enterprises and facilitating mutual access with the Mainland financial market. We, together with the regulatory bodies, will maintain communication with various stakeholders and take forward measures to enhance the attractiveness of Hong Kong's securities market to Mainland enterprises and investors. In particular, HKEX is conducting a consultation on the expansion of the secondary listing regime.

Mrs Regina IP specifically mentioned SPAC in her speech. I thank Members for supporting the Government's ongoing efforts to develop Hong Kong into a broader and deeper fundraising platform and enhance our competitiveness. I also agree with Members that, while reforming the listing regime, we have to consider investor protection and maintain market quality. In this connection, the Financial Leaders Forum chaired by the Financial Secretary has requested the

Securities and Futures Commission and HKEX to explore suitable listing regimes to further enhance the competitiveness of Hong Kong as an international financial centre, while safeguarding the interests of the investing public.

I notice that Members are also concerned about the development of the insurance industry. Thanks to the support of Legislative Council Members, we have implemented a series of new initiatives in March this year to enhance Hong Kong's competitiveness as an international risk management centre. The Financial Secretary announced in the Budget the introduction of the Pilot Insurance-linked Securities Grant Scheme. This, coupled with the newly implemented regulatory system, will help promote Hong Kong into the preferred domicile for issuance of insurance-linked securities.

Just like the situation faced by governments around the world, increased expenditure due to the epidemic has posed many challenges to our public finances. In order to increase government revenue, the Financial Secretary proposed to raise the rate of stamp duty on stock transfers. I thank most Members and the public for their understanding and agreeing that the Government should increase the revenue while maintaining the development and competitiveness of Hong Kong's financial industry. I notice that some Members have proposed to add a "sunset clause" to the Bill, raise unilateral stamp duty rate only and even postpone the effective date of the rate adjustment, etc. However, we cannot support those proposals. In the face of the increasing pressure on public finances, we have an apparent and ongoing need to improve the Government's financial position. Raising unilateral duty rate only or even postponing the effective date will not be able to achieve the original intention of significantly increasing the revenue. In deciding whether the relevant duty rate has to be adjusted, we must consider a basket of factors, including the economic, financial and market conditions. Therefore, we do not approve of the inclusion of a "sunset clause" in this legislative exercise to restore the duty rate automatically. As we have stressed repeatedly, the Government will continue to take forward policy reforms with a view to bringing the development of Hong Kong's financial industry to the next level.

Lastly, I notice that some Members are concerned about the active promotion of the prevention of cross-border tax evasion by the international community in recent years. The Organisation for Economic Co-operation and Development ("OECD") is now working on proposals to address base erosion and profit shifting risks arising from the digitalization of economy by promulgating

the BEPS 2.0 proposals, which include a global minimum tax rate and digital tax. The global minimum tax rate targets those large multinational enterprises ("MNEs") with global revenue exceeding a specified threshold. If the tax paid by an MNE in a particular jurisdiction is lower than the global minimum tax rate, its parent company or subsidiary will be subject to additional taxes imposed by the jurisdiction where it is located. As for the digital tax under BEPS 2.0, the objective is to replace the digital services tax levied unilaterally by individual tax jurisdictions. OECD aims to reach an international consensus on the specific policy content of the BEPS 2.0 proposals by the middle of this year.

The global minimum tax rate will undoubtedly affect Hong Kong's low tax policy. However, I want to stress that the proposal mainly targets large MNEs. It will not have any direct impact on small and medium enterprises in general. In order to formulate response measures, we have set up an Advisory Panel as early as in June last year to review the possible impacts of the proposals on the competitiveness of Hong Kong's business environment and advise on the response measures. The Advisory Panel has consulted stakeholders in the business sector. The Financial Secretary has set out the direction of the Government's response. The Advisory Panel will put forth its report to the Government upon the implementation of the BEPS 2.0 proposals. We will then study the report carefully in order to formulate specific response measures.

With these remarks, President, I hope that Members will support the Bill.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first of all, I would like to thank Honourable Members for their views raised during the debate on the Appropriation Bill 2021 ("the Bill"). I would now give a brief response on the two aspects of transport and housing.

Regarding air transport, to consolidate Hong Kong's position as the premier air cargo hub in the region, the Airport Authority ("AA") has all along been striving to enhance the capacity and capability of the Hong Kong International Airport ("HKIA") in handling air cargo, and to leverage on Hong Kong's edges in its international air network to expand the hinterland and cargo sources of HKIA to meet the economic and development needs of the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area") as well as the whole country.

To support the development of the Greater Bay Area, AA has been actively promoting the development of intermodal cargo transportation by seamlessly connecting HKIA's extensive air cargo network with the Greater Bay Area, thereby greatly enhancing the global accessibility of the Greater Bay Area. It will not only further give play to Hong Kong's function as an air cargo transfer hub, but also create new opportunities for the economic development of the Greater Bay Area cities.

We believe that the air cargo and passenger businesses of HKIA will show a steady recovery after the pandemic has subsided. The aforesaid measures, coupled with the three-runway system, will continue to consolidate Hong Kong's position as an international aviation hub in the long term.

In respect of land transport, given that Hong Kong is a small and densely-populated city, the Government has all along been encouraging the public to take public transport instead of driving private cars for commuting to ensure the efficient use of limited road space. From 2010 to 2020, the average vehicular speed during the morning peak hours on weekdays in Hong Kong has remained low. Whilst improvement can be seen in individual districts, the vehicular speed on some urban roads is less than 4 km/h, which is similar to the walking speed of an average adult, hence revealing that the traffic congestion problem still persists. The Government has been adopting a multi-pronged strategy that encompasses efforts to improve transport infrastructure, expand and enhance the public transport system, and manage the use of roads, in order to alleviate traffic congestion. Relevant measures include building additional roads and widening the existing ones, continuously expanding the coverage of public transport services, disseminating real-time public transport arrival information, providing more parking spaces, as well as conducting studies on "Congestion Charging" and the Electronic Road Pricing Pilot Scheme in Central respectively.

I believe Honourable Members also understand that it takes time to implement quite a number of measures to alleviate the transport problems. Moreover, given the limited land resources in Hong Kong, the large number and continuous growth of vehicles in Hong Kong will make it difficult to sustain the effectiveness of the relevant relief measures over time. Between 2010 and 2020, the number of licensed private cars has increased from about 420 000 to about 570 000, representing an increase of 40%. The annual vehicle mileage of private cars have also increased considerably between 2009 and 2019 by more

than 40%, reaching 41%, reflecting a simultaneous increase in the use of private cars and their number.

Hong Kong has a well-developed public transport system, with about 90% of passenger trips made on public transport every day at present, while those using private cars only account for about 10% of the total daily passenger volume. This has precisely highlighted the fact that private cars occupy a large proportion of road space despite the small number of passengers carried by them, thereby causing traffic congestion. According to the Annual Traffic Census 2019, private cars accounted for about 45% to 70% of the total traffic flow on major roads, while buses and light buses accounted for only about 5% to 20%. Therefore, we must contain the fleet of private cars to prevent further deterioration of traffic congestion.

Although the growth of private cars has slowed down in the last year or two, the growth of first registered and licensed private cars has resumed in recent months. The number of licensed private cars has already reached a record high of almost 580 000. If we do not take resolute and prompt action to curb the growth of private cars in a timely manner, we will encounter more challenges in implementing measures to alleviate traffic congestion in the future.

We have been pointing out in the past that the first registration tax and vehicle licence fee for private cars have not been adjusted for about 10 and 30 years respectively. When determining the rates of increase, we have taken into account a number of factors such as public affordability and the prevailing economic conditions. Given that the first registration tax rates and vehicle licence fee structure are already tiered according to the private cars' taxable value and engine cylinder capacities, by increasing first registration tax rates and vehicle licence fee levels across all tiers by the same percentage, in actual monetary terms, the progressivity can be maintained under our proposals.

While we will adjust the first registration tax and vehicle licence fee for private cars this time around, exemption has been granted to private cars ordered by buyers or arranged to be delivered to Hong Kong by owners before the effective date, as well as those eligible for licence renewal on or before 24 February 2021. Owners of these private cars will not be required to pay the new tax or licence fee, thus balancing the impact on the public and the trade. We have also listened to the views of the trade and are grateful to the trade for putting forth proposals including deferring the implementation of this measure.

Yet, after careful consideration, we believe that if the measures are not implemented resolutely today, it will run counter to the direction of curbing the growth of private cars, which is undesirable. All in all, we must bear in mind the overall interest of the community and pragmatically address the issue of traffic congestion in Hong Kong, which has stemmed from its dense population and scarce land resources.

On the housing front, we have identified sufficient land for constructing 316 000 public housing units at the end of last year. As it takes time to identify land and construct housing, whereas it also takes time to create land, apart from implementing the long-term housing policies and measures, the Government will continue to actively promote transitional housing projects to alleviate the housing difficulties faced by families waiting for public rental housing and others living in inadequate housing.

Last year, the Finance Committee of the Legislative Council approved the funding of \$5 billion to subsidize non-governmental organizations to launch transitional housing projects. The Panel on Housing also supported the injection of an additional \$3.3 billion into the subsidy scheme early this year with a view to achieving the target of providing 15 000 transitional housing units. We are grateful for their support.

As regards rent control of subdivided units, the Government set up the Task Force for the Study on Tenancy Control of Subdivided Units ("the Task Force") in April last year to advise on whether tenancy control on subdivided units should be introduced in Hong Kong and the feasible options. The Task Force has completed its study ahead of schedule and submitted a report to the Government at the end of March this year.

We attended the meeting of the Subcommittee on Issues Relating to Transitional Housing and Subdivided Units under the Panel on Housing of the Legislative Council on 26 April to brief members on the main contents of the report of the Task Force as well as the Transport and Housing Bureau's initial response to the recommendations made in the report. We further listened to members' views as well.

We consider that the Task Force has conducted a comprehensive, objective and professional study, and agree in principle to the various legislative proposals to introduce tenancy control as put forward by the Task Force. We believe that the relevant proposals can provide appropriate protection for tenants of

subdivided units. We are pressing ahead with the drafting of the legislation, and will introduce the relevant bill into the Legislative Council for its scrutiny as soon as possible within the current legislative session.

With these remarks, President, I sincerely implore Members to support the Bill. Thank you.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I would like to respond to Members' speeches in the resumed Second Reading debate in relation to labour and welfare.

During the resumed Second Reading debate, a number of Members have put forward their views on assisting the unemployed and setting up a temporary or short-term unemployment assistance fund. As I already explained to Members in detail for more than 20 minutes the Government's analysis, view and position on the issue during the discussion over the motion on "Supporting the unemployed and underemployed" at the Legislative Council meeting on 18 March, I will not repeat myself here. Members who are concerned about this issue may also refer to the paper submitted by the Government to the Subcommittee to Study the Setting up of an Unemployment Assistance System in Hong Kong under the Panel on Manpower of the Legislative Council for the meeting on 13 April.

The Budget proposes to further allocate \$6.6 billion to create around 30 000 additional time-limited jobs in the public and private sectors for a period up to 12 months through the Anti-epidemic Fund. The Civil Service Bureau is coordinating the job creation proposals from various bureaux/departments. The Government welcomes proposals from the private sector, professional bodies and non-governmental organizations to the relevant bureaux/departments on these time-limited jobs.

Moreover, the Government has been granted additional resources by the Finance Committee of the Legislation Council, allowing us to relax the working hour requirements under the Working Family Allowance Scheme and the asset limits of the Short-term Food Assistance Service Projects for one year.

The case of two elderly persons aged over 80 who were found dead at

home in North Point a few days ago is saddening. The Social Welfare Department ("SWD") and social welfare organizations will continue to reach out to families in need. I also appeal to elderly people and carers in need to seek early assistance and support from SWD and subvented elderly centres.

Since October 2018, SWD has allocated additional resources to subvented elderly centres, including district elderly community centres and neighbourhood elderly centres, as well as home care services teams, including integrated home care services teams and enhanced home and community care service teams, to identify elderly persons and carers with potential needs through different outreach services and community networks, and to provide necessary support services, such as respite care, to relieve the stress of carers of the elderly.

At the same time, the total number of places for various home care services for the elderly provided by the current-term Government has increased by 60% from 8 365 in July 2017 to 13 365 at present. The number of community care service vouchers for the elderly has also increased by 167% from 3 000 in July 2017 to 8 000 at present. The number of people on the waiting list for the services has dropped significantly by 51% from the peak of 8 678 at the end of August 2019 to 4 243 at the end of March 2021. The waiting time has also dropped from the peak of 21 months to 9 months on average. Of course, the waiting time for community care services is still not satisfactory.

Similarly, Members have noted that among various rehabilitation services, the waiting time for residential care services is quite long. We will continue to strive for resources to provide additional services and initiate the construction of more premises for the necessary services. In addition, we have continuously increased the supply of day care and respite services for the elderly and persons with disabilities, and piloted the provision of various allowances for carers under the Community Care Fund. On the aforesaid basis, we are conducting a study on the policy in respect of carers, with a view to making expeditious proposals to improve the support services.

The recent court ruling on a fatal child abuse case which occurred in early 2018 has once again aroused the concern in society about child abuse. In particular, there have been extensive discussions about whether legislation should be introduced for mandatory reporting of child abuse. Following the occurrence of this child abuse case in 2018, the Government has improved the policy in

various aspects, including the Education Bureau's improvement of the reporting mechanism of kindergartens on children's non-attendance, SWD's implementation of the pilot scheme on social work services in kindergartens/child care centres, and enhancement of the work of the Family and Child Protective Services Units in handling enquiries on possible child abuse.

In 2019, the Law Reform Commission ("LRC") released a consultation paper which proposed criminal liability for cases where a child or vulnerable adult dies or is seriously injured as a result of abuse or neglect while within the care of his parent, carer or another person. It is learnt that LRC will complete the relevant work soon. The Government will seriously consider the relevant proposal and follow it up as soon as possible.

Besides, some Members are concerned about the requirement on residence in Hong Kong under the Old Age Allowance and Old Age Living Allowance Schemes. The Government will continue to monitor and review the implementation of the Guangdong Scheme and the Fujian Scheme, and take into account the development of the Guangdong-Hong Kong-Macao Greater Bay Area as well as the future needs of the Hong Kong elderly in their retirement life.

With these remarks, President, I hope Members will support the motion.

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese):
President, I thank Members for raising many valuable views on Hong Kong's innovation and technology ("I&T") development and the I&T initiatives in this year's Budget during the Second Reading debate.

Promoting I&T development is one of the work priorities of the current-term Government. Since taking office, the current-term Government has committed over \$100 billion to support I&T development. While it often takes some time for I&T investment to achieve results, Hong Kong's I&T ecosystem has been significantly enhanced in recent years. For example, the gross domestic expenditure on research and development ("R&D") increased from around \$16.7 billion in 2014 to around \$26.3 billion in 2019, and the total number of researchers grew from 35 500 to 44 600 during the same period. Moreover, the number of start-ups tripled from over 1 000 in 2014 to over 3 300 in 2020; the venture capital investment in Hong Kong also increased substantially by seven

times from \$1.24 billion in 2014 to nearly \$10 billion in 2019. Various indicators show that our I&T ecosystem has become increasingly vibrant, which also prove that we are heading in the right direction in promoting I&T development.

In this year's Budget, the SAR Government continues to consolidate and strengthen the various measures that promote local I&T development, particularly in terms of nurturing and pooling I&T talents, promoting R&D, supporting technology start-ups, promoting re-industrialization, strengthening I&T cooperation with the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area"), etc. Next, I will focus my response on several areas of concern to Members.

First of all, some Members are concerned about the increasingly fierce competition for technology talents among various places in the current international environment. I very much agree that Hong Kong needs to nurture and attract more outstanding technology talents to expand our talent pool. To this end, the SAR Government has been cultivating the interest among the young generation in I&T at an early age and pooling together local, Mainland and overseas I&T talents through different measures and funding schemes.

In the 2020-2021 school year, we have implemented the three-year IT Innovation Lab in Secondary Schools Programme to subsidize all publicly-funded secondary schools in Hong Kong to organize information technology ("IT")-related extra-curricular activities ("ECAs"), and the programme has received a rather positive response from the school sector. It was announced in this year's Budget that the programme will be extended to all publicly-funded primary schools through the roll-out of the Knowing More About IT Programme whereby primary schools will receive subsidies for organizing ECAs to enhance students' interest in IT.

Furthermore, the pilot STEM Internship Scheme under the Information and Technology Fund ("ITF"), launched in June last year, subsidizes local universities to arrange short-term internships for students in STEM-related programmes, so as to encourage them to experience I&T-related work during their studies. In view of the enthusiastic response from the academia and the industry, it was also announced in this year's Budget that the scheme will be regularized. This measure is expected to be implemented within this summer holiday.

Meanwhile, the Global STEM Professorship Scheme will be launched in the first half of this year, involving an expenditure of about \$2 billion to be borne by the Government, the Hong Kong Jockey Club Charities Trust and universities, with a view to stepping up support for local universities in attracting world-renowned I&T scholars and their teams to Hong Kong to participate in STEM teaching and research.

In addition, some Members hope that the Government will keep increasing R&D resources to assist the local I&T industry in upgrading and transformation, such that Hong Kong can continue to stand out in the fierce global competition. I concur with Members' views. It was also announced in this year's Budget that a total of \$9.5 billion will be injected into ITF for the coming two years to sustain its 17 funding schemes as well as the work of over 50 R&D laboratories in the next three years, so as to ensure adequate financial support for R&D in Hong Kong. Furthermore, I am glad to report to Members that the first batch of around 20 R&D centres of our flagship R&D project—InnoHK Research Clusters—have completed the renovation of their laboratories and commenced operation progressively. It is estimated that the remaining R&D centres will commence operation progressively later this year.

Start-ups play a vital role in the I&T ecosystem and serve as an important engine for economic growth. The Government has been helping technology start-ups to thrive and grow through different initiatives and investment funds.

The Government is determined to promote the development of the entrepreneurial investment ecosystem in Hong Kong and assist more start-ups with good potential in expanding their business operations. This year's Budget approved the Hong Kong Science and Technology Parks Corporation ("HKSTPC")'s injection of \$350 million into the Corporate Venture Fund and Cyberport's injection of \$200 million into the Cyberport Macro Fund, as well as the extension of their scope to cover start-ups in Series B and later stage investments.

On hardware facilities, we have earlier announced Phase II of the Science Park expansion and Cyberport 5 development mainly for R&D or the operation of I&T enterprises and the incubation of start-ups. The preparatory work for the expansion programmes is progressing smoothly.

Some Members have also expressed concern during the debate about the results achieved by the promotion of re-industrialization in Hong Kong. In recent years, the Government has been actively developing advanced manufacturing industries that are based on new technologies and smart production but do not require much land, so as to stimulate R&D demand, identify new areas of growth for Hong Kong's economy and create quality employment opportunities. The Government has been fostering favourable conditions for re-industrialization in terms of infrastructure, talent, funding, technology and R&D. In last July, we launched the Re-industrialisation Funding Scheme to subsidize manufacturers, on a matching basis, to set up new smart production lines in Hong Kong. On the other hand, HKSTPC is developing the Advanced Manufacturing Centre and the Microelectronics Centre, which will be completed next year and the year after next respectively and provide support for smart production and high-end manufacturing. I am delighted that a number of enterprises have expressed interest in admission.

While the Greater Bay Area development brings unlimited opportunities for Hong Kong's I&T, the 14th Five-Year Plan endorsed by our country last month also clearly supports building the city as an international I&T hub. We must seize this golden opportunity to proactively integrate Hong Kong into national development by strengthening I&T cooperation with the Greater Bay Area. At present, we are actively developing the Hong Kong-Shenzhen Innovation and Technology Park ("HSITP") in the Loop. HSITP serves as an important engine for the development of the Greater Bay Area into an international I&T hub by the SAR Government. Upon full development, it will be the largest ever I&T platform in Hong Kong and therefore vital to local I&T development. I am very grateful to the Finance Committee for approving the related funding early this year. The site formation and the Batch 1 topside development in HSITP are in full swing, and the first batch of buildings is expected to be completed in phases from 2024 to 2027.

Before the completion of the first batch of buildings in HSITP, HKSTPC will lease and manage certain areas of the Shenzhen Innovation and Technology Zone ("SITZ"), so that institutes and enterprises that are interested in starting their business in the Greater Bay Area can first establish their presence in SITZ. At the same time, the Hong Kong and Shenzhen governments are working out a joint policy to explore the provision of supportive measures that facilitate the flow of R&D resources, capital and people, with a view to attracting talents and

enterprises from the Mainland and overseas to the Zone. The SAR Government will also continue to liaise with relevant ministries of the Central Government to promote the convenient flow of the four major R&D innovation elements, i.e. the flow of people, goods, capital and information.

President, Honourable Members, a number of important I&T initiatives have been proposed in this year's Budget, which will provide a strong impetus to further promote the local I&T development. We will continue to maintain close communication and join hands with the sector and various stakeholders in actively promoting the implementation of various I&T policies to create more room for Hong Kong's I&T development and build the city into a more competitive international I&T hub, which will in turn bring new impetus to our economy.

With these remarks, I hope Members will support the Appropriation Bill 2021.

PRESIDENT (in Cantonese): I now call upon the Financial Secretary to reply.

FINANCIAL SECRETARY (in Cantonese): President and Honourable Members, good morning. I would like to first extend my gratitude to Honourable Members for expressing their valuable views on the 2021-2022 Budget ("Budget") at the Legislative Council meeting last week. Just now five Directors of Bureaux have given brief responses in certain important policy areas that are of concern to Members.

Next I will give a brief overview of the latest state of the global economy and the Hong Kong economy, and provide a conclusive response to several issues that are of concern to Members.

Over the past year or so, the novel coronavirus pandemic has been dealing an unprecedented blow to global economic activities and our daily lives. However, as massive fiscal stimulus measures and easing monetary policies are being introduced by major economies one after another, and vaccination programmes are successively launched in many parts of the world, the global economy is gradually regaining momentum, and trade activities are obviously

picking up. In early April the International Monetary Fund ("IMF") raised its forecast for global economic growth by 0.5% point to 6%, while pointing out that the outlook is highly uncertain and the development of the pandemic is of utmost importance.

Among major economies of the world, the Mainland was the only one that registered positive growth last year. It has seen a sustainable and strong economic recovery since early this year, and recorded a year-on-year growth of 18.3% in the first quarter of this year. The export sector, in particular, delivered an impressive performance, with a year-on-year growth of nearly 50%. The Report on the Work of the Government issued by the State Council in March sets the annual economic growth rate of the Mainland this year at above 6%, and stresses that the continuity, stability and sustainability of macro policies will be maintained so that the Mainland economy will operate within a reasonable range. It is believed that the Mainland will be one of the key drivers of an upturn in the global economy this year. IMF forecasts that the Mainland economy will grow by 8.4% this year.

The economy of the United States has also delivered a strong performance recently. In March this year, the United States Government introduced fiscal stimulus measures in the total amount of US\$1.9 trillion to further prop up the economy. The market expects the economy of the United States to regain a slight year-on-year growth in the first quarter of this year, and IMF has also raised its forecast for the economic growth of the country this year to 6.4%. In addition, local consumer confidence has strengthened recently and the labour market continues to improve. As regards monetary policy, the market anticipates that the Federal Reserve will make no change to interest rates and the scale of bond purchases at the meeting tonight (Hong Kong time).

Despite recent improvement in economic sentiment in the Eurozone, economic activities in the region remained relatively weak in the first quarter. As various economies in the region are still threatened by the spread of the pandemic, the pace of overall economic recovery still largely hinges on efforts to contain the pandemic as well as the speed and coverage of vaccination programmes even though an upturn in the Eurozone economy is expected in the second half of this year.

Resumption of economic activities in Asia continues, and most economies in the region have registered growth in exports of goods. The latest manufacturing purchasing managers' indexes generally remain in the expansion zone, reflecting the continued positive outlook for manufacturing industries in Asia.

As regards Hong Kong, figures in recent months indicate continued improvement in the local economy, but certain economic activities are still affected by the pandemic and social-distancing measures and restrictions.

Benefiting from the continued resumption of global trade and production activities, Hong Kong's exports of goods picked up remarkably in the first quarter of this year, recording a substantial year-on-year increase of around 33% in value terms. However, inbound tourism remains frozen, and the retail sector still sees difficult operating conditions, but local consumption coupled with low base effects has still facilitated a slight year-on-year increase in the first two months in aggregate. Business sentiment has improved alongside the obvious easing of the fourth wave of local infections. According to the Census and Statistics Department's latest Quarterly Business Tendency Survey, the proportion of large enterprises expecting their business situation to be better in the second quarter had increased. The results were far better than the results of the survey in the previous quarter.

The labour market was still under notable pressure in the first quarter, but the situation stabilized in the latter part of the quarter as the local pandemic receded. The seasonally adjusted unemployment rate decreased from 7.2%, a record high in 17 years, to 6.8% in the first quarter.

As regards inflation, the underlying Composite Consumer Price Index recorded a slight year-on-year decrease of 0.1% in the first quarter. Overall price pressures should stay mild in the near term, as global and local economic activities have yet to recover.

The advance estimates on Gross Domestic Product for the first quarter will be announced next week. I expect that thanks to solid export performance and low base effects, a considerable year-on-year economic growth will be recorded, ending the trend of contraction over the preceding six consecutive quarters. Having regard to the roughly 2% stimulus effect provided by countercyclical

measures proposed in the Budget, I forecast in the Budget that the Hong Kong economy will grow by 3.5% to 5.5% in real terms this year. The Government is currently reviewing the full-year economic growth forecast for this year and will announce the latest forecast figures in mid-May.

In a nutshell, the outlook for the local economy is affected by various factors. Containing the pandemic is the key to economic recovery, and mass vaccinations are an important part of our anti-pandemic efforts. If the pandemic continues to recede, local consumption and business sentiment will likely recover in a more comprehensive way in the second half of this year, and cross-border business and leisure travel will also likely return to normal. For this reason, I would like to take this opportunity to call on people who have not yet arranged for vaccination to take the initiative to get vaccinated and encourage their family members and friends to do so in order to protect themselves and their families, and to restore normalcy to our lives, and to facilitate a full and steady economic recovery.

In terms of external factors, robust growth of the Mainland economy is expected to continue to support Hong Kong's exports. However, as the relations of our country with the United States and some other Western countries remain tense, and other geopolitical developments and soaring global public debt will also trigger financial risks, we need to continue to closely monitor the situation.

President, the economy is expected to gradually recover alongside the easing of the pandemic, but the pain of members of the public and small and medium enterprises ("SMEs") and the difficulties faced by them are still real. For this reason, despite an unprecedentedly huge fiscal deficit, I have still pressed ahead for countercyclical measures of a scale of more than \$120 billion in my Budget, so as to give a stronger boost to the economy, relieve people's hardship, provide support to enterprises and employment, and benefit the overall economy to the largest extent.

I have proposed in the Budget various one-off relief measures, including reducing salaries tax and tax under personal assessment, waiving rates, electricity charge subsidy for residential units, and providing an extra half a month allowance to recipients of CSSA, with the hope of alleviating people's financial pressure.

As regards enterprises, to continue to help more enterprises hard hit by the pandemic cope with cash flow problems, the Budget has further enhanced the Special 100% Guarantee Product under the SME Financing Guarantee Scheme. In addition, the Budget has also proposed measures such as reducing profits tax, waiving rates for non-residential properties and exempting business registration fees, so as to ease the operating burden of enterprises.

To help individuals suffering from cessation of main recurrent incomes to tide over the interim difficulty, the Budget has proposed introducing the time-limited 100% Personal Loan Guarantee Scheme, so that they will have one more supplementary financing option. The scheme has earlier been approved by the Finance Committee of the Legislative Council and has started receiving applications today.

In addition to the aforesaid measures, the Budget has also proposed a series of measures to boost the economy and build a liveable city, so as to lay the foundation for economic recovery in a post-pandemic Hong Kong, and develop Hong Kong into a greener, more liveable and more caring city.

The electronic consumption voucher scheme is one of the budget initiatives that public and Members are most concerned about. Ever since its announcement, we have been carefully listening to and considering the valuable views raised by various social sectors. The Government earlier announced the selection of four Stored Value Facility operators to assist in its implementation, each covering a network of some 30 000 to 100 000 merchants in the local retail, catering and service industries. I believe that members of the public will choose payment devices that suit their needs for receiving and using consumption vouchers. In order to attract more merchants that are SMEs to participate in the scheme, the operators have agreed to waive, as far as practicable, local merchants' installation and transaction fees. We will set up a central registration system for the public to register online. Of course, written applications are also accepted.

We are working in full steam to take forward the scheme, and we will finalize and announce the other details of the scheme as soon as possible, with a view to commencing registration this summer.

Quite a number of Members referred to the proposal to raise the rate of stamp duty on stock transfers ("Stamp Duty") at the meeting last week. I would like to thank Members for supporting the proposal and recognizing the move of the Government to increase revenue and improve its financial position given its

current tight fiscal position. I also understand that some Members are concerned about whether raising the rate of Stamp Duty will affect the competitiveness of the stock market. At a meeting of the Finance Committee of the Legislative Council after the delivery of the Budget, I have already explained why this proposal would not erode the competitiveness of the Hong Kong market. I will not repeat it at this juncture. I would like to reiterate that the status of Hong Kong as an international financial centre is maintained through not merely such a single factor as Stamp Duty. Rather, we need to rely on continuous policy innovation to promote the development of our financial market and enhance the competitiveness of the Hong Kong market. We have been striving to do a good job in this regard. Apart from launching the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect years back, we have also reformed the listing regime in recent years. In addition, the Budget this year has also proposed various measures to develop the financial market, including developing green and sustainable finance, bond market, asset management, wealth management and insurance risk management. The Government will continue to press ahead with the various tasks, and enhance the depth, breadth and liquidity of our financial market.

In fact, from the delivery of the Budget until last week, the average daily turnover of the Hong Kong stock market was around HK\$190 billion, far higher than the full-year average daily turnover of around HK\$130 billion last year. If the market remains steady and booming, the 0.03% increase in the rate of Stamp Duty is expected to bring in an additional revenue of some \$20 billion for the Treasury.

In addition, some Members have specifically mentioned the special-purpose acquisition company ("SPAC") in their speeches. To keep enhancing the competitiveness of the local capital market, I have invited the Securities and Futures Commission ("SFC") and the Hong Kong Exchanges and Clearing Limited ("HKEX") to jointly explore the possibility of designing a SPAC listing regime that suits Hong Kong. While enhancing the competitiveness of Hong Kong's financial market, the proposal should also have regard to investor protection and the need to maintain market quality. After conducting a study on the SPAC regime, SFC and HKEX will consult the market in due course.

When it comes to public finance, President and Honourable Members, the current-term Government has, since it took office, kept introducing measures to

support the general public and improve people's livelihood. Over the past year or so, as the Hong Kong economy has been battered by the pandemic, and various social sectors have been affected to varying degrees, the Budget has continued to introduce a massive package of countercyclical measures to support members of the public and enterprises. To protect people's livelihood and maintain confidence, we have not, despite a fiscal deficit, cut recurrent expenditure that has a bearing on people's livelihood, particularly resources committed for such three policy areas as education, social welfare and healthcare. In 2021-2022, the estimated recurrent expenditure on the three policy areas amounts to \$302.3 billion in total, accounting for 58% of the aggregate government recurrent expenditure. The cumulative increase in recurrent expenditure in these three areas is 53% over the past five years.

The fiscal deficit in two consecutive years has resulted in our fiscal reserves dropping sharply from the equivalent of 23 months of government expenditure to 13 months in two years. We must be prudent with our public finance. The Budget has proposed revenue-raising and expenditure-cutting measures, and the Government will set an example. Apart from having zero growth in the civil service establishment in 2021-2022, we will also implement an expenditure reduction programme by requiring all Policy Bureaux and departments to reduce expenditure without affecting livelihood-related spending. The objective is to trim recurrent expenditure by 1% in 2022-2023. The estimated savings will be about \$3.9 billion.

I note that some Members have advised the Government to actively study the introduction of new taxes, such as capital gains tax. I would like to thank Members for raising their views. As Members know, the proposal to levy any new taxes needs to undergo thorough, in-depth and informed discussions in society and takes time to incubate. Nowadays, the entire community is still focusing on tasks to fight the pandemic and revive the economy. For the time being, conditions are not ripe for us to initiate discussions on introducing new taxes, but the Government will conduct a relevant study and make reference to the practices and experience of other places.

Furthermore, I have also noted Members' mention of digital services tax levied by individual tax jurisdictions on large digital enterprises in recent years. There is also a proposal to introduce the global minimum tax. In fact, the Organisation for Economic Co-operation and Development ("OECD") is working on new proposals to address base erosion and profit shifting ("BEPS 2.0"), so as

to tackle the tax challenges arising from the digitalization of the economy. OECD aims to replace the digital services tax levied unilaterally by individual tax jurisdictions with the digital tax under the multilateral framework of BEPS 2.0, and require large multinational enterprises to pay a certain level of tax.

Hong Kong must implement BEPS 2.0 according to international consensus, but at the same time strive to maintain the key advantages of the low and simple tax regime of Hong Kong; minimize the compliance burden on the affected enterprises while safeguarding the taxing rights of Hong Kong; and continue to improve the business environment and competitiveness of Hong Kong.

President and Honourable Members, the Government and all people of Hong Kong have been making every effort to fight the pandemic over the past year. Against the backdrop of an economic downturn, I have introduced various measures in the Budget, with the hope of not only addressing the present needs of members of the public and enterprises but also looking into the future, making early preparations and creating favourable conditions for a post-pandemic economic recovery.

We have chosen green as the colour for the Budget cover this year, as it represents vibrancy, vitality and our hope for the future. Not only are Hong Kong people diligent, but they are also renowned for their flexibility and resilience. I firmly believe that as long as we are united as one, we will certainly be able to come out of the haze of the pandemic and build a better future together.

President, I implore Members to support the Appropriation Bill 2021, so that measures proposed in the Budget can be implemented as soon as possible, and members of the public can benefit from them early.

President, I so submit. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Appropriation Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(A Member raised his hand)

Dr CHENG Chung-tai rose to claim a division.

PRESIDENT (in Cantonese): Dr CHENG Chung-tai has claimed a division. The division bell will ring for five minutes.

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

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Ms Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr Holden CHOW, Mr Wilson OR, Ms YUNG Hoi-yan, Dr Pierre CHAN, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Dr CHENG Chung-tai voted against the motion.

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

THE PRESIDENT announced that there were 42 Members present, 40 were in favour of the motion and 1 against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Appropriation Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Appropriation Bill 2021.

In accordance with Rule 68 of the Rules of Procedure, the committee will first consider the Schedule, and then the clauses.

CHAIRMAN (in Cantonese): In the relevant circular to all Members, the Clerk to the Legislative Council has informed Members that the committee will deal with the relevant proceedings of the Bill by dividing them into two sessions. Details of the debate and voting arrangements are set out in the Appendix to the Script. In the first session, the sums for all the heads standing part of the Schedule and the Schedule standing part of the Bill will be dealt with. In the second session, all the clauses standing part of the Bill will be dealt with.

I remind Members that in accordance with the House Rules, in a debate in committee of the whole Council, each Member may speak more than once for a maximum of five minutes each time.

APPROPRIATION BILL 2021

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

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

CLERK (in Cantonese): Heads 21 to 28, 30, 31, 33, 37, 39, 42, 44 to 49, 51, 53, 55, 59, 60, 62, 63, 70, 72, 74, 76, 78 to 80, 82, 90 to 92, 94 to 96, 100, 106, 112, 114, 116, 118, 120 to 122, 135 to 144, 147, 148, 151, 152, 155, 156, 158 to 160, 162, 163, 166, 168 to 170, 173, 174, 180, 181, 184, 186, 188, 190 and 194.

CHAIRMAN (in Cantonese): In this session, the committee will first proceed to a joint debate on the sums for all the heads read out by the Clerk just now standing part of the Schedule.

Upon the conclusion of the debate, the committee will vote on the sums for all the heads standing part of the Schedule, and then the Schedule standing part of the Bill.

CHAIRMAN (in Cantonese): The debate now commences. Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, I now call upon the public officers to speak. Then, the debate will come to a close.

CHAIRMAN (in Cantonese): Does any public officer wish to speak?

(No public officer indicated a wish to speak)

CHAIRMAN (in Cantonese): The debate comes to a close.

I now put the question to you and that is: That the sums for the heads read out by the Clerk stand part of the Schedule. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CHAIRMAN (in Cantonese): The committee has completed dealing with all the heads in the Schedule.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the Schedule stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CHAIRMAN (in Cantonese): We now proceed to the second session to deal with the clauses of the Bill.

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 and 2.

CHAIRMAN (in Cantonese): In this session, the committee will first proceed to a joint debate on clauses 1 and 2 standing part of the Bill. Members may indicate whether they support the Bill as a whole in this debate.

Upon the conclusion of the debate, the committee will vote on the two clauses standing part of the Bill.

CHAIRMAN (in Cantonese): The debate now commences. Mr Michael TIEN, please speak.

MR MICHAEL TIEN (in Cantonese): Chairman, Secretary, last week I said that how I voted would depend on the details of the consumption vouchers. I really do not want a good thing being turned to a bad thing, which will further exacerbate public grievances against the Government. Meanwhile, I also hope that the policy objective can be achieved, for the consumption vouchers are a tool with a clear objective. If there is no objective, the Government had better give cash handouts directly, and failure to achieve this policy objective is no different from wasting public money.

After repeated inquiries, although the Secretary remained tight-lipped and discreet in his public remarks today, I believe for the time being that the Government's proposal is very close to what I have suggested, so I will vote for it and hope that the Secretary will not disappoint me and the public.

DR PRISCILLA LEUNG (in Cantonese): Chairman, I also rise to speak in support of the Schedule standing part of the Appropriation Bill 2021.

Today, when we discuss the Budget, we must be talking about the estimates, that is, the future. As I pointed out in my first speech, I hope that today's Budget will set up more funds for future development, just like the decision made in 2016 to establish the Future Fund with an initial endowment of \$220 billion from the Land Fund. With \$100 billion accumulated so far, the

former can plough back \$25 billion this year to ease the deficit at a difficult time. In this regard, I think the Budget is a bit inadequate and fails to show us the direction of the future.

On the other hand, I believe this requires cross-bureaux efforts because very often we hear the Financial Secretary say that in many cases, he can only allocate funding after policy initiatives have been proposed by bureaux. However, I think a lot of preparatory tasks relating to future development warrant cross-bureaux action. One of them is ... Of course, we do not lack financial talents, but our technology talents are far from adequate. Even though the Secretary has mentioned many technology projects earlier, the supply of such talents in Hong Kong leaves much to be desired taking into account the general trend. A professor of The Hong Kong University of Science and Technology once told me that several of his brilliant students undertaking research in biochemistry should have become scientists, but they joined the insurance industry, in which Mr CHAN Kin-por is engaged, and simply gave up the pursuit of scientific research.

As regards the education environment in Hong Kong ... I am very glad that as reported in the newspaper I read yesterday, our primary school students won a gold medal in Geneva for the first time for their research in crop growing technologies. I am very happy, but do we have to wait until our primary school students grow up ... I know that the education overhaul has now commenced but what will happen in the 10 years from now? We are neither retaining nor attracting talents. In the 1990s, we absorbed the "overseas returnees", that is, people from the Mainland who came back from abroad, to work in Hong Kong. However, nowadays we may lose to the Mainland in competing for these technology talents.

Yesterday I asked an ethnic minority leader who has been rooted in Hong Kong for many years, "I will give my closing remarks on the Budget tomorrow, what do you want me to say?" He said that Hong Kong is attractive in many ways and wondered why Hong Kong people always look to the United Kingdom and the United States ("US"). He was born in Hong Kong and has been here for 63 years. He said that these technology talents ... For example, 20 years ago, US has already started to absorb many computer elites from India. In fact, our neighbouring countries have to vie for these talents as well. We have many people leaving—in fact, people come and go for political or other reasons—how are we going to attract technology talents from other places? Actually, the Mainland has also taken away a lot of our talents. Many of our doctoral

graduates have gone to Shenzhen in the Mainland ... Just now, two doctoral candidates are given \$6 million in cash and they can start their own businesses right away. Therefore, as regards how to absorb these talents in terms of funding and policies, I believe in the coming days, all bureaux must put their heads together instead of still talking about waiting until our primary or junior high school students ... It is because in the past 20 years, we have discussed too many politically controversial issues, and may have lost a generation of people. How can we make up for our present shortfall?

I hope that the Financial Secretary can really be our forward eyes and set his sights on holding cross-bureaux discussions to explore ways to invest in the future, establishing a future fund to plan for our future, so that Hong Kong can surely look at our country, look at the next generation and look at the world.

Chairman, I so submit.

MR CHRISTOPHER CHEUNG (in Cantonese): Chairman, I support this year's Budget as a whole and the policies of supporting enterprises and safeguarding jobs are particularly agreeable to me. However, the sector and I cannot accept the Government's decision to increase stamp duty on stock transfers ("Stamp Duty") because any increase in Stamp Duty will seriously undermine the competitiveness of Hong Kong as an international financial centre, while at the same time discourage southbound capital inflow, as well as hinder the business environment and reduce the room for survival of local small and medium-sized securities brokers. I express deep regret that the Government has not taken into account the sector's views at all. Therefore, I will abstain from voting on the Third Reading of the Appropriation Bill 2021. Thank you, Chairman.

MR SHIU KA-FAI (in Cantonese): Chairman, I support most of the directions of the Budget, except for the proposals on increasing the first registration tax for private vehicles by 15% and vehicle licence fees. As I have said at other committees, various trades and industries in Hong Kong are suffering in 2021 in the wake of the pandemic, and, as far as members of the automotive sector are concerned, increasing the first registration tax would certainly deal a severe blow to vehicle sales. Over the past year or so, they have been operating under very difficult conditions. As a representative of the automotive sector, I certainly understand their views, and I have relayed their situation to the Government at various committees. I hope that the Government can think twice.

However, on the whole, I support this year's Budget. In the past year, the Government has allocated nearly \$300 billion as assistance to cope with the pandemic. It still takes care of members of various trades and industries by providing them with support this year, particularly electronic consumption vouchers, to which many pro-establishment figures have expressed their support. As various trades and industries are struggling in a sluggish economy, the introduction of electronic consumption vouchers will be of great help to revitalizing frontline industries such as retail and catering industries and even the supply and advertising sectors behind them. I know that the Government has selected four electronic platforms, and many trades and industries are looking forward to and preparing for the distribution of electronic consumption vouchers in July.

In fact, members of the Hong Kong community hold differing views on electronic consumption vouchers and talk about the inadequacies of electronic consumption vouchers. I have earlier brought up the pros and cons of electronic consumption vouchers, but I understand that in Hong Kong in 2021, it is not easy for all people to applaud and support good policies, as many people are highly suspicious of the Government. However, since Hong Kong as a whole has been severely battered by "black-clad violence" arising from social events and the ongoing pandemic, I hope that people will appreciate rather than merely criticize the SAR Government for its way of doing things. This is of no help to Hong Kong as a whole. In any event, with the introduction of electronic consumption vouchers, every Hong Kong citizen will have an additional \$5,000, which will be of great help to many Hong Kong businessmen in safeguarding their businesses and staff.

Last year, when the Government proposed a universal handout of \$10,000, the whole city chastised the Government, saying that the \$10,000 would only be saved in banks and be of no use to helping various trades and industries. Everyone asked the Government why it did not introduce consumption vouchers. Later, when Macao introduced electronic consumption vouchers, all the people in Hong Kong came out again to chastise the Government, questioning why it did not follow the example of Macao and introduce electronic consumption vouchers. This can be done in a simple way. One card for each person, and everyone can benefit from it. Why not do it? This time around, the Government has decided to introduce electronic consumption vouchers, and the amount is higher than that of Macao, with \$5,000 for each Hong Kong citizen. Some people come out again and criticize the Government for not handing out cash. What is going on?

When the Government handed out cash, there were people asking why it did not give away electronic consumption vouchers; when the Government is going to distribute electronic consumption vouchers, there are people asking why not hand out cash. If things go on like this, Hong Kong will not fare well. I therefore hope that Hong Kong people can appreciate the policies introduced by the Government, as the policies are ultimately meant to help Hong Kong people. Thank you, Chairman.

MS STARRY LEE (in Cantonese): Chairman, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") supports the Budget. Chairman, this is an extraordinary time. At this difficult time, I believe the Financial Secretary has done his best to balance the deficits and the fiscal pressure that we may face, and to boost the economy. Therefore, I consider the Budget worthy of support.

Certainly, despite our support for the Budget, it does not mean that we support all government policies and measures. We think that the Government still needs to work hard, especially when political stability has been restored in Hong Kong after the implementation of the Hong Kong National Security Law and the imminent introduction of an improved electoral system. The public expects the Government, being the executive and the administering authority, to make good use of this period of time to introduce social reform. We all know that the public has great expectation for the Government to bring about good governance in the future. We hope that we will continue to work hard together to promote economic recovery as well as improving people's livelihood.

I would like to discuss specifically several points. The first is consumption vouchers. In our previous speeches, we have asked the Financial Secretary to consider this repeatedly. I also notice that the Financial Secretary has listened to our views. He initially insisted that the consumption vouchers must be distributed in five installments, but now he has changed his mind, saying that he will consider Members' views. DAB hopes that the Financial Secretary will find the balance and increase the flexibility of using the consumption vouchers. I suggest that he may consider issuing the vouchers in two installments, for I think this can strike a balance. Moreover, I also hope that the administrative costs for their distribution can be reduced, and that discussions can be held with some large companies about waiving the administrative fees. At this extraordinary time, I hope we can tide over the difficulties together.

Regarding the support for the unemployed, I note the response from Secretary Dr LAW Chi-kwong earlier, yet I am still extremely disappointed with the Government for refusing to offer short-term unemployment assistance during the epidemic. I hope Secretary Dr LAW Chi-kwong and the Government will reconsider how to render assistance to the unemployed, as we have not yet seen the dawn of economic recovery. If we are to see the dawn of economic recovery, I again implore ... During the Chief Executive's Question Time today, I also urged the Chief Executive to continue to work hard with the Government as a whole to urge the public to get vaccinated. This is because I believe that only through vaccination can we gather people together to develop a herd immunity, so that the economy of Hong Kong will recover. As for how to increase the incentives, the greatest incentive is naturally ... Secretary Patrick NIP is here now. I hope he will make another effort to reflect this to the Central Authorities and to strive for quarantine-free entry to the Mainland for people who have received two doses of vaccine as the epidemic situation in Hong Kong is relatively mild at present. He may even discuss with Macao the possibility of allowing people who have received two doses of vaccine to visit Macao. We often talk about early and pilot implementation, so this can be implemented in the Greater Bay Area first. I know the Bureau has worked hard on this, and we also need the support of the State and the Greater Bay Area. I hope the authorities will have good news for the public very soon.

Finally, it is about public finance. The Financial Secretary is not here now. I know the Government will increase the stamp duty on stock transfers ("Stamp Duty") and the first registration tax for private vehicles this year. In fact, the sectors concerned have contacted DAB, for they are facing a very difficult situation. Certainly, the Financial Secretary considers it necessary to open up new sources of revenue at this time. Yet, I hope the Financial Secretary will not give up his ongoing efforts to review the tax base of Hong Kong. In fact, a stable tax base is crucial to the promotion of changes in Hong Kong in enhancing fairness and justice in society. I think that increasing Stamp Duty or the first registration tax for private vehicles alone cannot achieve this purpose. I hope the Financial Secretary and the Government will continue to work hard to ensure a more stable source of fiscal income for Hong Kong, so as to create conditions for taking forward social reform in a better way.

Chairman, with these remarks, I support the Budget.

MR TOMMY CHEUNG (in Cantonese): Chairman, I rise to speak in support of the passage of the Third Reading of the Appropriation Bill 2021.

Allow me to add some brief remarks. I did not mention in my speech during the resumption of the Second Reading debate that both the Liberal Party and I welcome the Government's proposal to continue to waive 75% of water and sewage charges payable by non-domestic households, subject to a ceiling of \$20,000 and \$12,500 respectively. However, I am a bit disappointed that this time, there is no subsidy for non-domestic accounts to cover their electricity charges. As the catering industry has to pay hefty electricity bills, the Government may as well consider providing subsidies once again.

Financial Secretary, my party members and I are somewhat divided in our appraisals of this Budget. Some of my party members give it 70 marks probably because they think that their sector has not benefited from it, or they deduct marks because the Budget mentioned the need to collect taxes. However, for me, I give it 99 marks. I will not repeat what I have said and praised during my Second Reading speech. Yet, what I want to say is that the 99 points are not only for this Budget, but also for the measures that can be traced back to June 2019 when the riots took place.

At that time, the "black-clad rioters" came out every week to wreak havoc, setting fires, hurling petrol bombs everywhere, and vandalizing restaurants and shops with different political views, so to speak. Their behaviour was appalling. The public did not dare to go out, and the catering and retail businesses were hard hit. Then (i.e. in early August 2019) I made an appointment to meet with the Financial Secretary, telling him the kind of support to which we were looking forward. As a result, he introduced the first round of measures in mid-August to support enterprises, followed by several other rounds of measures formulated in the light of the situation. I am very grateful for that.

From August 2019 to today, the Government has rolled out a series of relief measures to support enterprises, such as waiving 27 types of government fees and charges, providing rental waivers for short-term tenancies of government land and public market stalls under the Food and Environmental Hygiene Department, providing electricity charge subsidy for each eligible non-residential electricity account, reducing water and sewage charges, and providing subsidies under the Employment Support Scheme and Catering Business (Social Distancing) Subsidy Scheme and so on.

Both the Chief Executive and the Financial Secretary have been able to make a decisive move by introducing a total of \$300 billion worth of support between 2019 and early 2021. At a time when the Hong Kong economy is still in the doldrums, measures which will bring about a deficit of over \$100 billion will continue to be rolled out this year to benefit the people and businesses, so as to provide timely relief to various sectors and the public. The catering industry has received tens of billions of dollars, if not \$100 billion, under the many rounds of support schemes. Therefore, as a representative of the catering industry, I am very grateful and will give the Budget 99 marks.

Chairman, the Liberal Party supports the passage of the Third Reading of the Appropriation Bill 2021.

I so submit.

CHAIRMAN (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): Does any public officer wish to speak?

(No public officer indicated a wish to speak)

CHAIRMAN (in Cantonese): The committee will now vote on the clauses standing part of the Bill.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1 and 2 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Appropriation Bill 2020 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

FINANCIAL SECRETARY (in Cantonese): President, I now report to the Council: That the

Appropriation Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Financial Secretary be passed.

In accordance with Rule 69A(2) of the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

APPROPRIATION BILL 2021

FINANCIAL SECRETARY (in Cantonese): President, I move that the

Appropriation Bill 2021

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Appropriation Bill 2021 be read the Third time and do pass.

In accordance with Rule 70 of the Rules of Procedure, the motion for Third Reading shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(A Member raised his hand)

Dr CHENG Chung-tai rose to claim a division.

PRESIDENT (in Cantonese): Dr CHENG Chung-tai has claimed a division. The division bell will ring for five minutes.

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

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Ms Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr Holden CHOW, Mr SHIU Ka-fai, Mr Wilson OR, Ms YUNG Hoi-yan, Dr Pierre CHAN, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Dr CHENG Chung-tai voted against the motion.

Mr Christopher CHEUNG abstained.

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

THE PRESIDENT announced that there were 43 Members present, 40 were in favour of the motion, 1 against it and 1 abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Appropriation Bill 2021.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Air Pollution Control (Amendment) Bill 2021.

I remind Members that in accordance with the House Rules, each Member may speak once for a maximum of 10 minutes.

AIR POLLUTION CONTROL (AMENDMENT) BILL 2021

Resumption of debate on Second Reading which was moved on 24 March 2021

PRESIDENT (in Cantonese): Does any Member wish to speak?

MR CHAN HAN-PAN (in Cantonese): President, in Hong Kong, air pollution is mainly attributed to emissions from exhaust gas, marine vessels and power plants. Therefore, the tightening of the Air Quality Objectives actually warrants support. For vehicles on land, we can require them to switch off engines while idling but for ocean-going vessels berthing in Hong Kong, can we require them to switch off engines while idling? The amount of fuel consumption required to sustain the operation of a vessel and the volume of its exhaust emission are vastly different from those of land vehicles. Of course, marine vessels cannot easily switch off engines anytime and besides, as Hong Kong is the first Asian city imposing legislative control on fuel-switch by vessels while at berth, ocean-going vessels entering Hong Kong are already required to use clean fuel. But can we be complacent with this? Can this already improve our air quality? Is there still room for improvement?

Nowadays, the ports in many places have been using on-shore power, and actually it is already a general trend for ocean-going vessels to switch to electric power while at berth. Not only can this help reduce fuel consumption but the level of exhaust emission and noise pollution can also be abated. This is a very good practice, and a very good trend too. But much to our regret, Hong Kong

has remained stagnant in this area of work. Imagine that you are one of those residents living adjacent to the Kwai Chung Container Terminal, including residents in Tsing Yi and Kwai Chung, and you face a port for container vessels but the vessels at berth are emitting black smoke day in day out. How can the living of these residents and the air quality there to be good? Even though the standard is tightened now, how can the new standard be met in future? In this paper I do not see how this can be achieved. We hope that the Government will provide a road map to tell us what it will do. Not only land vehicles and even "Euro VI" or the future electric vehicles should be required to switch off engines while idling. How about marine vessels? I also hope that the Secretary can give an explanation.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

The Ministry of Transport in the Mainland published in 2019 the "Measures Governing On-shore Power in Ports and for Marine Vessels", which formally took effect on 1 February 2020. In the relevant chapters it is stated that the responsible transport (port) departments should actively urge the Government to introduce policies, such as stipulating that the power consumption of vessels at berth should not be counted as power consumption of the port, and encouraging the relevant authorities to implement measures, such as priority berthing, concessionary charges for on-shore power services, priority entry, and priority passage, so as to further encourage the development of on-shore power facilities and the use of on-shore power by vessels while at berth.

According to the information of the Water Transportation Bureau of the Ministry of Transport, at the end of 2019, there were more than 5 400 sets of on-shore power facilities in developed ports in the Mainland, covering some 7 000 berths. On-shore power facilities at the five types of berths as required in the Port Shore Power Layout Plan have covered 787 berths, amounting to 160% of the minimum requirement and representing an increase of 171 berths over 2018. Meanwhile, on-shore power facilities have still been developing in the Mainland. Berths at river ports are also retrofitted with on-shore power facilities and the number of these berths, which has been increasing, has grown by 47 to date. In 2019, on-shore power was used by 386 berths at the coastal ports in the Mainland, recording 310 000 hours of power connection and a total electricity consumption of 33 million kWh.

However, it seems that Hong Kong has not made any preparation in this respect. At present, Mainland ports where on-shore power is used include Shenzhen, Ningbo-Zhoushan, Haikou, Shanghai, Xiamen, Weihai, Suzhou, Quanzhou, Zhenjiang and Dalian, and the power consumption of Shenzhen accounts for 55% of that of the coastal ports. But where can we find on-shore power in Hong Kong? Vessels at berth are still emitting black smoke now. The Government is telling us today that the standard will be tightened and that the air quality will become very good.

Cruise terminals in Hong Kong are also equipped with on-shore power facilities. In 2015, the Environmental Protection Department ("EPD") submitted a paper to the Legislative Council, pointing out that there were only 35 on-shore power supply ("OPS")-capable cruises in the world, accounting for merely about 16% of the international cruise ships owned by members of the Cruise Lines International Association, and that most of these OPS-capable cruises operated in routes in North America. Besides, in May 2015, of the 56 cruise-calls at the cruise terminals in Hong Kong, only six calls were made by OPS-capable cruises. The report of that year also pointed out that there were about 60 cruise terminals in the Asia Pacific region and that only five ports were considering the provision of OPS. Survey findings suggested that setting up OPS was not a priority task among cruise ports in the Asia Pacific region.

In terms of cost, according to the calculation made by the consultant in 2014, the development of OPS system would cost \$315 million and the annual recurrent cost would be \$14 million. Given the high cost of the OPS system and the estimated low utilization rate, EPD suggested against developing OPS at various ports for the time being. This is why these facilities have not been developed at our container terminals altogether. That was the report of 2015 but nowadays, I think the scenario has completely changed. On-shore power is not used at container terminals whereas the cruise terminals are using it. But the cruise terminals have few vessels whereas there are vessels berthing at the container terminals everyday. This explains why on-shore power facilities are relatively underutilized.

I would like to know how much a blue sky and fresh air, as well as the health of the public, are worth in the eyes of the Government. The Government has earmarked \$7.1 billion for providing ex gratia payment for phasing out 40 000 Euro IV diesel commercial vehicles. Is it really so difficult to provide

\$300 million for developing on-shore power? The Government can spend \$7.1 billion subsidizing the replacement of vehicles. Can it not spend \$300 million for developing on-shore power?

Five years have passed, and the question is whether the authorities have conducted further studies on the development of on-shore power. I very much hope that the authorities can give an account in this regard and boldly promote forward-looking initiatives which include, as mentioned in paragraph 18 of the Government's paper, continuing to regularly review Hong Kong's Air Quality Objectives, with a view to identifying further air quality improvement measures, including Pearl River Delta regional collaboration.

The Pearl River Delta ports in the Mainland are already using on-shore power, and I would like to know if there is any cooperation between Hong Kong and the Mainland. Is there any liaison between us? Why is it that on-shore power cannot be used at Hong Kong ports? Has the Government thought about the feelings of the residents in Kwai Chung, Tsing Yi and Tsuen Wan? It does not matter for containers terminals to be developed in these districts, for this is a characteristic of Hong Kong. But they live just beside these terminals, and think about this: How far is the nearest housing estate away from a container terminal? Actually it is very near. There is a container terminal just outside the Rambler Crest, right? And a container terminal is situated right below Cho Yiu Chuen. Of course, the Government is saying now that the standard will be tightened and a gradual, step-by-step approach will be adopted in future. I very much hope that the Government can tell us when vessels can be required to switch off engines while idling. When can we use on-shore power at Hong Kong ports? I understand that on-shore power facilities are developing rapidly and with the vigorous promotion of the use of on-shore power in the Mainland in recent years, the construction cost has dropped considerably and what is more, many new inventions have also been taken forward continuously.

Therefore, I hope that this time around, the Government will not just tell us that the Air Quality Objectives have been tightened by how much and that the vessels at berth in our ports can no longer emit pollutants wantonly in Hong Kong. Tightening the standard does not mean making improvement. The situation now is that emissions will still be allowed, just that they will be reduced in volume or required to be cleaner, or the standard will be raised a little higher, so that they will breach the rules more often. But will this really be of great help? Regarding these amendments, it is impossible for me to oppose them but I

really very much wish to know how the Government is going to bring them into practice, including the measures relating to on-shore power. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for the Environment to reply. Then, the debate will come to a close.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I thank Mr CHAN Han-pan for expressing his views on the Air Pollution Control (Amendment) Bill 2021 ("the Bill"). I will give an overall response to his views.

The main objective of the Government in introducing the Bill is to tighten the three Air Quality Objectives ("AQOs") under the Air Pollution Control Ordinance, namely, the 24-hour AQO for sulphur dioxide, and the one-year and 24-hour AQOs for fine suspended particulates, as recommended in the AQO review completed at the end of 2018.

We have invited some 60 individuals from various sectors to participate in this review. They included representatives from the field of air science, health professions, green groups, the academia, chambers of commerce, professional bodies, relevant trades, including the maritime industry, as well as representatives from relevant government bureaux and departments. We have reviewed the new measures for further improving air quality, and with the use of scientific data available to us at the time, we have assessed the improvement in air quality by 2025 and the scope for further tightening the AQOs. Extensive consultation was conducted with the Legislative Council Panel on Environmental Affairs, the Advisory Council on the Environment and the public respectively from 2019 to 2020, and taking into account the views of various parties and factors, we have drawn up the Bill to tighten the three AQOs.

I appreciate Mr CHAN Han-pan's concern over issues relating to emissions from marine vessels. In this connection, we will not stop carrying out our work. First of all, I thank Mr CHAN for supporting this Bill. In the meantime, we will immediately launch a new round of the AQO review. As we made public some time ago, we will update the Clean Air Plan for Hong Kong in the middle of this year. Targeting marine vessels, vehicles and power plants, we will, jointly with various sectors, think about how the latest technologies can be put to best use for improving the air quality in Hong Kong and even in the region. So, Mr CHAN can rest assured that we will work closely with the industries to further improve the overall air quality in Hong Kong by making good use of technologies as appropriate.

Finally, I implore Members to support the Bill, so that the Administration can tighten the AQOs expeditiously.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Air Pollution Control (Amendment) Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Air Pollution Control (Amendment) Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

DEPUTY CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Air Pollution Control (Amendment) Bill 2021.

I remind Members that in accordance with the House Rules, each Member may speak more than once for a maximum of five minutes each time.

AIR POLLUTION CONTROL (AMENDMENT) BILL 2021

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 4.

DEPUTY CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

DEPUTY PRESIDENT (in Cantonese): All the proceedings on the Air Pollution Control (Amendment) Bill 2021 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I now report to the Council: That the

Air Pollution Control (Amendment) Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

DEPUTY PRESIDENT (in Cantonese): Government Bill: Third Reading.

AIR POLLUTION CONTROL (AMENDMENT) BILL 2021

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I move that the

Air Pollution Control (Amendment) Bill 2021

be read the Third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Air Pollution Control (Amendment) Bill 2021 be read the Third time and do pass.

I remind Members that in accordance with the House Rules, each Member may speak once for a maximum of three minutes.

Does any Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Air Pollution Control (Amendment) Bill 2021.

Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Employees' Compensation (Amendment) Bill 2021.

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 2021

Resumption of debate on Second Reading which was moved on 24 February 2021

DEPUTY PRESIDENT (in Cantonese): Mr LUK Chung-hung, Chairman of the Bills Committee on the Bill, will first address the Council on the Bills Committee's Report.

MR LUK CHUNG-HUNG (in Cantonese): Deputy President, in my capacity as the Chairman of the Bills Committee on Employees' Compensation (Amendment) Bill 2021 ("the Bills Committee"), I now report to the Council.

The Employees' Compensation (Amendment) Bill 2021 ("the Bill") seeks to extend employees' compensation protection to the situation where an employee sustains an injury or dies as a result of an accident when the employee is commuting to or from work in the event of super typhoon or extreme conditions arising from other natural disaster of a substantial scale. I will now report in brief the main concerns expressed by members.

Members have noted that in the event of super typhoon or other natural disaster of a substantial scale, the Administration will set up an interdepartmental steering committee under the chairmanship of the Chief Secretary for Administration, who will make a territory-wide extreme conditions announcement to provide for extended hours for resumption of work if the situation warrants. Apart from the essential staff who have an agreement with their employers to be on duty when the extreme conditions exist, members of the public are advised to stay in the places they are currently in or safe places for the period within which extreme conditions exist. In view of the mass devastation caused by Super Typhoon Mangkhut in 2018 and the difficulties for members of the public to return to work, after Signal No. 8 was lowered, due to the serious disruption of public transport services, members welcome the legislative proposal to provide better employees' compensation protection to employees who have to commute to or from work under extreme conditions. Members have expressed particular concern about how to activate the mechanism of the Steering Committee chaired by the Chief Secretary for Administration in making an extreme conditions announcement.

The Administration has advised that in the event of super typhoon or other natural disaster of a substantial scale, the Chief Secretary for Administration will consider the anticipated strength of the super typhoon, the duration that Hong Kong will likely be affected, the damage that it will likely cause to Hong Kong, and the anticipated time needed for recovery work etc., in deciding whether the Steering Committee should be activated. Taking into consideration the actual situation, a territory-wide extreme conditions announcement will be made to provide for extended hours for resumption of work for people in employment and specify in the announcement a period within which extreme conditions exist.

Members have also expressed concern about the possible increase of premiums of employees' compensation insurance due to the extension of the coverage of employees' compensation. The Administration has advised that no extreme conditions announcement has been made since the introduction of the mechanism in 2019. Making reference to the experience of extending the employees' compensation protection to employees sustaining an injury or dies as a result of an accident when commuting to or from work under Signal No. 8 or above or the Red or Black Rainstorm Warning, the resultant increase in premium for employees' compensation insurance has not been significant. Given the rare nature of extreme conditions, the increase in premium for employees' compensation insurance arising from the legislative proposal will be fairly nominal.

Moreover, members have noted that in response to the possible announcements on extreme conditions to be made by the Government, the Labour Department has revised the content of the Code of Practice in times of Typhoons and Rainstorms ("CoP"), advising employers and employees to make arrangements on work and resumption of work in advance. Since CoP is not mandatory in nature, members have called on the Administration to step up its publicity efforts to enhance the public's understanding of CoP, so that employers and employees will expeditiously draw up work arrangements under adverse weather conditions before the coming typhoon season to protect the rights and benefits of employees.

The Bills Committee raises no objection to the resumption of the Second Reading debate on the Bill.

Deputy President, the following is my opinion on the Bill.

Deputy President, today is the 28th of April, the International Commemoration Day for Dead and Injured Workers. There are indeed many causes for work injuries. Apart from injuries sustained at work, another possible cause of work injuries is having accidents when commuting to or from work under adverse weather conditions. As such, it is the right timing to discuss and hopefully pass the Bill today, which is particularly meaningful. The extension of employees' compensation protection to cover employees commuting to or from work under extreme conditions is a move made by the Government in response to the disastrous situation in Hong Kong after being hit by Typhoon Mangkhut in September 2018. Typhoon Mangkhut is the strongest typhoon in 35 years, causing at least 15 000 cases of fallen trees, serious flooding in various places and traffic gridlock. The aftermath of the typhoon left Hong Kong in a devastated state and the situation was extremely bad. Major roads in various districts, the New Territories in particular, were blocked by fallen trees. Most bus routes had to be suspended, even the MTR East Rail Line ("ERL") and Light Rail could merely maintain very limited services. The situation had lasted for several days. Under such circumstances, residents in the New Territories had no way to go to work on time in a safe environment.

Nonetheless, after the typhoon signal was lowered, the Hong Kong Government only announced the suspension of school for two consecutive days but not the suspension of work. It merely made strong appeals to employers to be understanding and accommodating, not to deduct wages or good attendance

bonus of staff who were late for work due to the typhoon. The Government was really suffering from naivety. Eventually, a lot of wage earners ... The scenes in these two pictures found on the Internet are extremely typical. No one can stop a wage earner from commuting to or from work in Hong Kong. They will queue up for hours to take MTR and buses, bearing all the plights and removing every obstacle to find their way to work. Therefore, at that time, people joked that "Hongkongers just really ... love going to work".

Truly, we are dedicated to our work. Yet, there is no reason to force employees to go to work under such adverse and dangerous conditions. Secretary, try to put yourself in their shoes. I believe you would not force your colleagues to commute to or from work under such circumstances. However, some employers are mean. They require that their employees to go to work no matter what, that is, even if typhoon signal No. 1 000 is in force, they still have to risk their lives to go to work. This is really cold-blooded. As the Government is too naïve, our trade unions have received many complaints. Some employees did brave the storm to go to work, yet their employers deducted their wages or leave because they were late. The typhoon this time reflects the reality that employees are always in a disadvantaged and passive position in labour relation. The boss's remark that "people can die but they must come to work" really breaks the heart of wage earners, showing how mean some, or a small number of, employers are. Certainly, I trust that most employers are reasonable and scrupulous, and I hope that employers' associations will adopt a more open attitude towards these laws. Even if studies are conducted in the future on the provision of further protection, I hope they will be as open as they are this time, so as to better protect the employees.

We note from the present incident the Government's inaction on employee protection. We often talk about the inadequate protection for employees commuting to or from work, and the lack of a mechanism for the Government to announce the suspension of work in case of emergency. The Hong Kong Federation of Trade Unions has reflected to the Government time and again that the two problems mentioned above have to be solved as soon as possible. Though the Government has subsequently amended CoP to include the proposal that in the event of disruption in society, the Chief Secretary for Administration will make an extreme conditions announcement after the Government cancels Signal No. 8 and the public do not need to start going to work in the first two hours, Members have to understand that CoP is just a toothless tiger with no legal effect. The authorities can merely encourage employers to follow it. If

employers do not follow it and require employees to go to work on time, the Government can do nothing about it and employees are left with no choice but are forced to have their leave and pay deducted.

From our many years of experience in handling labour disputes, if we rely solely on the Government's earnest appeal for mutual understanding and mutual accommodation, we should forget about it. Secretary, sometimes, when faced with unscrupulous employers, you cannot presume that they are very kind. Before the passage of the Bill, employees who sustain an injury or die while commuting to or from work are not protected under the Employees' Compensation Ordinance ("ECO"), so the present situation is worrying. In this connection, I proposed a Member's Bill in 2019: Arrangements for Suspension of Work during Natural Disasters and Emergency Situations Bill, proposing that in the event of natural disasters or emergency situations, such as disruption of transport services, the Chief Executive in Council may declare suspension of work according to the criteria set out by the Contingency Committee for Natural Disasters and Emergency Situations—this is the view I put forth in the Member's Bill. I also propose amending section 5 of ECO, so that employees sustaining injuries or die as a result of accidents while commuting to or from work within the four-hour period before the typhoon signal or the Red or Black Rainstorm Warning is hoisted or after it is lowered, will be deemed as being caused by an accident arising out of and in the course of employment and be entitled to the relevant compensation. Regrettably, the Government has not adopted this proposal. I hope that upon completing the present legislative amendment, the Government will further examine my proposal on "work suspension order".

The amendments submitted by the Government this time around, that is, the amendments to ECO we are discussing today, have only adopted some of my proposals, which is the proposal on compensation for employees commuting to or from work under extreme conditions. This will have a positive effect on employees' compensation and I consider this a good policy. However, I hope the Government will re-examine the proposal on work suspension arrangement. As I mentioned earlier, the existing CoP merely requires employers and employees to negotiate the work arrangement under adverse weather conditions. Yet, why is it impossible to set up a mechanism on work suspension? Apart from employees engaging in certain essential public services, such as medical, police and fire services, which are the most basic services in society that should be maintained, is it possible to put in place a work suspension arrangement? Why can we not take one step further? Actually, the traffic conditions as seen in these two pictures, Deputy President, are really typical. This picture shows Tai

Wai Station of ERL, where passengers could not get on ERL after waiting for more than four hours. In this picture, likewise, the worker was surrounded by fallen trees, yet he still tried to squeeze through the gaps among the trees to go to work. We really do not want to see these classic scenes again.

Hence, we hope one day the Government can adopt administrative measures to announce that employees have the right not to go to work under certain extreme conditions—which I believe will only occur once in a decade or once in 20 years—without having their leave, wages and benefits deducted. The present amendment can merely ensure that employees who die as a result of accidents while commuting to or from work under extreme conditions are protected under ECO. In other words, compensation is only available after an accident is occurred. Yet, the accident has already occurred. Touch wood. If people sustain severe disability or even die for this reason, they do not want compensation but just wish that the accident has not happened. What can be done to avoid such accidents? By allowing them not to go to work and giving them the option of not going to work, which are the greatest wishes of wage earners. Wage earners do not like to have "typhoon leave", for they have to finish their work the day following the "typhoon leave". Wage earners in Hong Kong are dedicated employees who deserve respect. However, employees still do not have the right to refuse commuting to or from work under dangerous conditions, so the protection is inadequate.

Deputy President, after improving the electoral system, Hong Kong will enter a new stage in governance. We need the Government to be more proactive in resolving the deep-seated conflicts, and that the Secretary will act more courageously instead of implementing stop-gap measures passively in resolving problems. In my view, though the amendments proposed this time are trivial and piecemeal, they are after all an enhancement. Yet, I hope the Government will be more forward-looking, widen the scope of protection, strive for more reasonable protection for wage earners, so as to manifest the fairness, progress and justice in society and strike a balance between the dominance of employers and the lack of protection for wage earners in Hong Kong.

Deputy President, finally, I hope the authorities will not wait till accidents occur to make improvement hastily. The next time there is a severe typhoon or natural disaster like this, I do not want to see employees having accidents while commuting to work and the Government repeating the mistake by announcing legislative amendments only afterwards. Thank you, Deputy President.

MR VINCENT CHENG (in Cantonese): Deputy President, let us take a quick glance at the past. Do Members still remember the Super Typhoon Mangkhut three years ago? This super typhoon was so destructive that broken tree branches were all over the streets. Some people say that Hongkongers are a group of people who loves to go to work. As Mr LUK Chung-hung said earlier, Hongkongers love working. Hongkongers will brave storms and rain to go to work and no one can stop them from going to work. A photo taken three years ago—I have to ask Mr LUK Chung-hung to give it to me—captures how people clambered over fallen trees to go to work. They were actually battling their way through all kinds of obstacles and dangers. I believe the scene has left an imprint on our mind.

The Employees' Compensation (Amendment) Bill 2021 ("the Bill") under scrutiny today is formulated against this background. The Bill seeks to extend the coverage of employees' compensation to include employees commuting between their places of residence and their places of work during the period when extreme conditions have been specified by the authorities, so that employees sustaining injuries or die on their way to or from work are entitled to employees' compensation. The intention is straightforward, which is to better protect the rights and benefits of employees.

We support these long-awaited amendments. Let us revisit the situation three years ago. Back then, Typhoon Mangkhut was a Signal No. 10 typhoon of great intensity. The Democratic Alliance for the Betterment and Progress of Hong Kong, including myself, and members from certain political parties, had openly urged the Chief Executive to make a territory-wide work suspension arrangement. Subsequently, the Chief Executive, probably due to the limitations of the powers conferred by the law, merely urged employers to be flexible in handling employees' resumption of work, make the so-called understanding and accommodating work arrangement with employees and not to deduct wages, attendance bonus and leave of employees who were late for work.

In fact, on 17th September, that is the day after Hong Kong was struck by Typhoon Mangkhut, transport services had not yet resumed normal. Thousands of passengers crammed into MTR stations, including Tai Wai Station, and many wage earners could not return to their work places after spending three to five hours on travel. We think the ordeal of the public are important, for their safety is also at risk. Back then, Typhoon Mangkhut had caused extensive damage to various districts in Hong Kong. According to the official website of the Hong

Kong Observatory ("HKO"), 458 people were injured and there were no less than 60 000 reports of fallen trees, the highest number in six years, as well as collapsed scaffolding and shattered exterior walls of buildings, and so on. At that time, the Scientific Officer of HKO pointed out that falling objects and damage to buildings were found in many places.

The wind speed of Typhoon Mangkhut at the centre and near the centre was 250 km/h, which is the highest among the many typhoons necessitating the issue of Signal No. 10 and the most severe typhoon in 30 years. Yet, what had the Government done in the aftermath of Typhoon Mangkhut? The authorities have introduced a measure whereby the Chief Secretary for Administration, having regard to the views of the Steering Committee for Handling Super Typhoons (or other natural disasters of a substantial scale) ("Steering Committee") and the prevailing situation, will make a territory-wide extreme conditions announcement before HKO replaces Signal No. 8 with Signal No. 3. Under such circumstances, during the period when extreme conditions have been announced, the public, except essential staff who have an agreement with their employers to work under extreme conditions, are advised to stay in the places they are currently in or safe places for two hours after the cancellation of Signal No. 8, and the Chief Secretary for Administration may consider whether or not to extend the period under the extreme conditions announcement. Moreover, the Government says that the Code of Practice in times of Typhoons and Rainstorms has been revised in the light of the arrangement.

Having said so much, is the protection adequate? We consider the protection inadequate. In the event that an employee sustains an injury at work or dies as a result of accidents while commuting to or from work, compensation from the employer is definitely important. For this reason, the current legislative amendments are proposed to extend the coverage under the existing Employees' Compensation Ordinance to plug the loopholes. The relevant legislation also provides that during the specified period of extreme conditions, an accident to an employee shall be deemed to arise out of and in the course of employment if the accident happens to an employee when the employee is travelling from his place of residence to his place of work within a period of four hours before the time of commencement of his working hours for that day, or from his place of work to his place of residence within a period of four hours after the time of cessation of his working hours for that day, which means the employee is entitled to employees' compensation protection.

As I mentioned earlier, do these series of arrangements sound adequate? Deputy President, during the scrutiny of the Bill by the Bills Committee and as early as three years ago, we considered the protection inadequate, for the possibility of Signal No. 8 being hoisted and being hit by super typhoon has increased as a result of changes in global climate. According to the figures of the authorities, in the past four years, Tropical Cyclone Warning Signal No. 8 or above were hoisted for 31 days, including days when Red or Black Rainstorm Warnings were issued. The rainy season is round the corner and the summer holidays are approaching, there have been 170 cases of injuries of employees while commuting to or from work in this period. We have also heard of cases where employees' wages or leave have been deducted for failing to resume work on time due to serious disruption of public transportation services under adverse weather conditions. We often heard of such cases. Hence, we always think that it is most proper for the authorities to consider the arrangement of giving directions on work suspension in a timely manner.

Deputy President, during Typhoon Mangkhut, many cities in the Mainland, including the flood prevention authorities of the Guangzhou Municipal Government and the Shenzhen Municipal Government, had directed the suspension of classes, work and businesses. I hope the authorities will reconsider this and draw reference from the practice of these cities as they are in our vicinity. The authorities should review the arrangements under extreme weather conditions in a timely manner. Apart from relying on employers and employees to negotiate whether or not to go to work with mutual understanding and mutual accommodation, can the Government make better arrangements? We are now talking about 3 million employees who need to commute to or from work every day. Is it really prudent to rely solely on the negotiation between employers and employees, or can the Government give directions on work suspension at its discretion? It is May now. No one knows when the next super typhoon will come. Upon the cancellation of typhoon signals, millions of employees will rush to the streets to go to work, and before public transportation services resume normal, the previous situations will recur. This will pose a problem to social order and public safety.

In conclusion, I hope the Government will think it over to see how best to protect the public. Deputy President, with these remarks, I support the Bill.

MR POON SIU-PING (in Cantonese): Deputy President, I support the Employees' Compensation (Amendment) Bill 2021 ("the Bill"). There is no doubt that the Bill can extend the coverage of the employees' compensation to the situation where an employee sustains an injury or dies as a result of an accident when commuting to or from work during the period of extreme conditions caused by super typhoons or other natural disasters.

Certainly, we expect the Government to conduct regular reviews and pay particular attention to the situation where some employees, such as healthcare or support grade staff providing public services, have their wage or vacation leave deducted unreasonably by employers as a result of their absence from work due to the lack of transportation under extreme weather.

Another concern is that the Code of Practice in times of Typhoons and Rainstorms ("the Code") is unable to protect employees' rights and benefits as it is non-mandatory and non-legally binding. For employers who insist on requiring employees to go to work, the Code is just a dead letter that can be completely ignored. It is unable to protect the safety of employees when commuting to or from work under adverse weather conditions.

Lastly, I hope that the Administration will review the definition of adverse weather conditions. Specifically, it should examine the guidelines and legislation relating to employees working under hot weather, typhoon, rainstorm or severe air pollution, so as to strengthen the protection for employees' working arrangements under adverse weather conditions or severe air pollution, in particular, the safety and health of those working outdoors.

Deputy President, I so submit.

MR CHAN KIN-POR (in Cantonese): Deputy President, I support the Employees' Compensation (Amendment) Bill 2021 ("the Bill"). The Bill mainly seeks to extend protection to employees travelling to or from their places of work under extreme conditions, thus affording protection to the relevant employees on par with that under Typhoon Warning Signal No. 8 or above or when the Red or Black Rainstorm Warning is in force.

The Bill has been discussed by the Labour Advisory Board and received support from both employees and employers. It provides further protection to employees and the insurance industry has no objection to it. However, during the scrutiny by the Bills Committee, some Members from the business sector were concerned that the Bill would lead to an increase in labour insurance premiums. As a matter of fact, the insurance industry is also very concerned about the issue of insurance premiums given the huge losses that have been accumulated in labour insurance. The Hong Kong Federation of Insurers has said that the competition law restricts it from providing information on the impact of the Bill on premiums and claims while according to the Government, the impact should be minimal. I also believe that the impact will not be significant because extreme weather conditions, such as super typhoons or large-scale natural disasters, do not come about frequently after all. It is anticipated that it may not exert pressure on premiums.

Why are we so concerned about labour insurance premiums? It is because labour insurance has already accumulated huge losses in recent years. According to the data compiled by the Research Office of the Legislative Council Secretariat, labour insurance suffered a cumulative loss of nearly \$3.2 billion from 2011 to 2019, averaging at \$355 million each year. Although the situation improved in 2020, it did not make any substantial difference on the whole. In fact, labour insurance fraud is quite rampant in Hong Kong and it is the major reason for the heavy losses in labour insurance. Therefore, the Government has to plug the loopholes in labour insurance by, specifically, combating insurance fraud. If it can combat insurance fraud successfully, premiums will naturally reduce, which will help ease the burden on employers. It will also facilitate the Government's consideration of providing further protection for employees, thus killing two birds with one stone. I hope the Government will take immediate actions.

Thank you, Deputy President.

IR DR LO WAI-KWOK (in Cantonese): Deputy President, the Employees' Compensation (Amendment) Bill 2021 ("the Bill") seeks to provide that an accident that unfortunately happens to an employee when the employee is travelling between the employee's place of residence and place of work within the period specified in an extreme conditions announcement is deemed to arise out of and in the course of the employee's employment.

At present, under section 5 of the Employees' Compensation Ordinance (Cap. 282), if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, his employer shall be liable to pay compensation. Besides, under section 5(4)(f), an accident to an employee shall be deemed to arise out of and in the course of the employee's employment if it unfortunately happens and causes injuries or death to an employee when, within the duration of a Tropical Cyclone Warning Signal No. 8 or above is in force or of a Red or Black Rainstorm Warning is in force, the employee is travelling from his place of residence to his place of work within a period of four hours before the time of commencement of his working hours for that day, or from his place of work to his place of residence within a period of four hours after the time of cessation of his working hours for that day.

Deputy President, the Bill is proposed to effectively deal with the occurrence of extreme conditions. In mid-September 2018, Hong Kong was hit by Super Typhoon Mangkhut, bringing raging storms and torrential downpours and wreaking serious havoc. Members may still have a vivid memory of it. Floods or seawater inundation occurred in many districts, with Hang Fa Chuen being hard hit and inundated. The windows of many high-rise buildings in the urban area were smashed by the strong wind, causing many dangerous situations. Many collapsed tree reports were received, and traffic was paralysed in a lot of places. Under these circumstances, many people had difficulties in resuming work due to serious disruption of public transport services, and they even had to face extra risks when travelling between their place of residence and place of work.

As the saying goes, a fall in the pit, a gain in your wit. The SAR Government has subsequently put in place a new mechanism, so that in the event of a super typhoon or other natural disaster of a substantial scale in Hong Kong, an interdepartmental Steering Committee will be set up under the chairmanship of the Chief Secretary for Administration to oversee the Government's preparedness, emergency response and recovery efforts. The Chief Secretary for Administration may, having regard to the views of the Steering Committee and if the situation warrants, make a territory-wide extreme conditions announcement to provide for extended hours for resumption of work. In the case of a super typhoon, an announcement will be made before the Hong Kong Observatory replaces a Tropical Cyclone Warning Signal No. 8 with No. 3 Signal. Apart

from the essential staff who have an agreement with their employers to be on duty when the extreme conditions exist, the public are advised to stay in the places they are currently in or safe places for the period within which extreme conditions exist.

Deputy President, the Bill seeks to correspondingly extend employees' compensation protection to the situation where an employee sustains an injury or dies as a result of an accident when the employee is travelling between the employee's place of residence and his place of work within the period during which the specified extreme conditions exist, as in the case where the employee so travels within the duration of a gale warning or rainstorm warning now.

Deputy President, my colleagues in the Business and Professionals Alliance for Hong Kong and I have always considered that employers and employees are actually in the same boat. It only stands to reason that we should tide over the difficulties together and support each other, and only in this way can we achieve a win-win situation. Therefore, we welcome and support that the Bill be amended to provide more comprehensive employees' compensation for employees who need to travel to and from work during extreme weather conditions. These amendments, when being put into practice, will not constitute a serious burden on the employers because extreme conditions will not arise frequently. In fact, since the mechanism for extreme conditions announcement was introduced in 2019, no such announcement has been made, let alone the fact that the actual number of employees who still need to travel to and from work under extreme conditions is not expected to be too high.

Notwithstanding this, in order to scrutinize the Bill seriously, this Council has set up the Bills Committee on Employees' Compensation (Amendment) Bill 2021, of which I am also a member. The Bills Committee held one meeting on 12 March this year and completed the deliberations on the Bill smoothly. There is no objection to the resumption of the Second Reading debate on the Bill, and no amendment is proposed by the Administration or the Bills Committee. All this shows that there is not much controversy on the Bill among Members from different parties and groupings.

With these remarks, Deputy President, I support the passage of the Bill.

DR CHENG CHUNG-TAI (in Cantonese): Deputy President, we are now scrutinizing the relevant amendments to the Employees' Compensation (Amendment) Ordinance 2021 ("the Bill"). The scope of discussion focuses on the inadequacy in labour protection—I have used a Mainland term—employee protection after the attack of Typhoon Mangkhut in 2018, that is, the relevant protection for labour and employees commuting to or from work during super typhoon or under extreme weather conditions. At the Bills Committee on Employees' Compensation (Amendment) Bill 2021 ("the Bills Committee"), I have stated several positions. Regarding this amendment exercise, I can only say that it has reflected the backwardness of Hong Kong in terms of labour laws or labour protection.

During my university days, I had an internship which was mainly about reviewing the development of the Employment Ordinance ("EO") in Hong Kong in the past 50 years and I was mainly responsible for the part on policy analysis. EO is considered outdated as it focuses on the area of employees' compensation. In other words, most of the protection under the Employees' Compensation Ordinance ("ECO") can only be obtained after accidents or in the event of loss. I will not say much about the history involved. It is mainly about an incident occurred to a female worker commuting to or from work during a typhoon, and the discussion started before 1997. Why do I say that the amendments this time around are outdated? The present amendments will introduce additional provisions relating to protection by adding two conditions other than the specified Signal No. 8: First, super typhoon; second, extreme weather conditions, and the relevant provisions will take into account the strength of the storm force. As long as the Director of Hong Kong Observatory considers a typhoon to be a super typhoon based on some relatively scientific data, the protection coverage under the amendments will be automatically applied.

The second condition is extreme weather conditions. Upon the passage of the Bill, the Chief Secretary for Administration is empowered to determine and judge whether certain conditions are extreme weather conditions, so that the relevant protection as described by other Members earlier will be applicable. This is the biggest problem, for we consider that as far as employees' or labour compensation is concerned, protection for employees commuting to or from work should not merely be provided under the so-called extreme weather conditions. Why? There are two reasons. First, this mindset is outdated. In fact, many new job types in Hong Kong fall within the grey areas in the law. Take the

so-called self-employed takeaway food couriers as an example. In the past year, the number of persons engaging in this trade increased significantly. They are self-employed persons and legal loopholes of course exist. However, in some court cases, employers are not exempted from their obligation of providing protection to these so-called self-employed persons—takeaway food couriers—under EO on the grounds that these people are self-employed. At issue is that this grey area in the law will still exist despite the passage of the present amendments, meaning that they are not provided with absolutely reasonable protection when they commute to or from work under extreme weather conditions or similar weather conditions. I should explain it clearly. I am talking about the direction. In everyday life, the one or two hours prior to the commencement of work or after the cessation of work should be regarded as the period an employee is commuting to and from work, so it should also be included as a condition of commuting to work—I think the Deputy President understands what I mean—which means that the inclusion of the one or two hours for commuting to or from work as a consideration of employees' compensation should not be subject to extreme conditions or super typhoons.

I think this is crystal clear. The scope of coverage should not merely be applicable to special weather conditions, so that employees are entitled to labour protection in the event of accidents. Why does the protection not cover employees commuting to work? Employees have to commute to work, particularly from Tuen Mun to Central, which takes two hours. Therefore, it is only reasonable to discuss the issue from this perspective and direction. Regrettably, the amendments to this part are trivial and insignificant.

Another point is the content of protection. As the present discussion is on employees' compensation, it means that even if the amendments are passed, employees will only be entitled to the relevant protection after the accident happened. Nonetheless, no specific condition about essential staff as mentioned in the provision has been set out—for example, employees of property management companies are required to work during typhoon. If these employees refuse to go to work, or refuse to work due to the condition of the relevant districts—Members may have noticed the rain was particularly heavy or there were extreme flooding situations in certain districts in the past year or two—they are not protected from wage deduction or penalty on commission under the existing legislation.

In other words, though the present amendments are a move in the right direction, the assistance offered to employees in reality ... Frankly, Deputy President, how many times will extreme weather condition or super typhoon occur in a year? Just once at most. Yet, representatives from the business sector exaggerate how this will increase the labour costs and insurance premiums. If that is the case, they will have business. Am I right?

The current backward situation is not simply a comparison between the Hong Kong in 2021 and the Hong Kong in the 1970s, for we should draw a comparison with the Mainland if we are to be politically correct. The amendments made to the labour law of the Mainland China in the last decade, Deputy President, have really made us feel helpless. Regarding the amendments this time around, simply put, extreme weather conditions in Hong Kong do not only refer to heavy rain but also hot weather—very hot weather. In this connection, I have to ask a question: As an outdoor temperature of 35°C or above is considered as very hot weather, why has not the relevant laws on employees' compensation provided for some kind of protection in a high-temperature environment? In 2021, or in the past two years, the Mainland has been discussing protection in severe cold weather.

Deputy President, protection in hot weather is not merely about whether employees will suffer from heat stroke—heat stroke has been listed as a compensable occupational disease which is a common occurrence as we all understand. At issue is that employees working in hot weather should be granted extra allowance as a kind of basic guarantee, that is, how employers can provide employees with relative incentives to work in hot weather? Nonetheless, the current discussion about employees' compensation is narrow in scope, which is only related to the occurrence of accidents. Yes, it is because we were very frightened when Hong Kong was struck by Typhoon Mangkhut, the once-in-a-century typhoon in Hong Kong's history, that the present amendments are made. However, as I said earlier, we are lagging behind in the following areas. First, in terms of the nature of coverage, we cannot merely consider providing protection for employees under extreme conditions, for employees should be protected under the relevant employment laws in their daily commute to work, meaning employees should be protected during the two hours they commute to work. Second, the decision on what constitutes extreme weather conditions is in the hands of the Chief Secretary for Administration. In fact, there are many relatively objective criteria for us to assess under whether employees should be protected under certain weather conditions. As I

mentioned earlier, the labour law of the Mainland has a clear definition of hot weather, that is, 35°C, 37°C. Third, the compensation under discussion is compensation in the event of accidents. There is not any additional protection for the rights and benefits of employees. Even if employees judge that they have to be absent from work under certain weather conditions, they are not protected from wage or commission deduction under the law. For these reasons, I consider the amendments outdated. Yet, I have no option but to support this direction quietly. I so submit.

MR SHIU KA-FAI (in Cantonese): Deputy President, the Liberal Party supports the Employees' Compensation (Amendment) Bill 2021 ("the Bill"). As many fellow colleagues have said just now, the reason for conducting this amendment exercise is that following the experience with Typhoon Mangkhut hitting Hong Kong in September 2018, we realize that even after the typhoon warning signal was cancelled, the actual environment would still pose danger to many employees when they go to work. Some video footage even showed that some employees had to climb over hills, stride over branches or wade through water to get to work, which is utterly undesirable.

Under the existing Employees' Compensation Ordinance ("ECO"), employees are eligible for employees' compensation if they fall victim to an accident during the period when Typhoon Warning Signal No. 8 or a Red or Black Rainstorm Warning is in force, and they are injured on their way to or from work within four hours before or after working hours, which is included in ECO. However, as I have said earlier, I believe that at the time of the enactment of the legislation, the sole consideration was that when Typhoon Warning Signal No. 3 was issued after Typhoon Warning Signal No. 8 had been cancelled, employees could go to work since the wind would not be so strong or it would be less dangerous. They did not consider the fact that the actual environment might not be suitable for people to go to work even if the typhoon warning signal had been cancelled. This is why this Bill was introduced.

The amendment in question provides that in the event of a super typhoon, the Chief Secretary for Administration will take charge of the recovery work in the aftermath of the super typhoon by making arrangements having regard to the actual environment and extreme conditions, etc. I have confidence in the official who is capable of taking up the post of the Chief Secretary for Administration. In addition, a steering committee will also be set up to

undertake the relevant work. The Chief Secretary for Administration will then evaluate the relevant circumstances and let the people of Hong Kong, employees and employers know immediately whether they should go to work during that period. I think this is actually appropriate.

Second Reading of the Bill will be resumed today. As I have said a moment ago, the Bill mainly deals with super typhoons and extreme conditions, such that employees should be given extra protection in future. I have never heard my friends from the business sector oppose this amendment. It is because as far as employee protection is concerned, employers also have a moral responsibility apart from their legal responsibilities. At the same time, employees are the fundamental resources of their business as well. If they fail to protect their employees properly, or even if the employees feel unhappy, how can employers foster the sound development of their companies?

In the past, many friends from the labour sector have often portrayed a confronting relationship between employees and employers. I always disagree with this. Those who really have a job would know that a vast majority of the employers will in fact try their best to provide a safe working environment for their employees and ensure that they are treated fairly at work. It is because Hong Kong is a free economy and society, if employers do not treat their employees well, actually those employees can quit without giving any explanation or reason, and they do not have to stay in those companies. This is no longer the case of black slaves in the old times as if they are slaves who are put in chains and made to work. This will not happen at all. If employees are not satisfied with their treatment, or even if they think that their employers do not have a good attitude, or if another company offers them a higher pay, these employees will sometimes think otherwise and quit their job after doing some calculations on their own. Therefore, many employers in Hong Kong actually treasure their employees nowadays, and they will exhaust all means to protect them.

But then, I heard Mr LUK Chung-hung say very loudly that those unscrupulous employers said, "People can die, but they must go to work". He said these words so loudly. But fortunately, I heard him say in a very low voice later that there were still many good employers in Hong Kong who would not act in this way. I find the second half of his statement reasonable, but he said this so softly, and the first half so loudly. In this way, those unscrupulous media will only report widely the first half of his statement tomorrow, that is, unscrupulous

employers in Hong Kong would risk the lives of their employees to make them go to work. In fact, is it really good for the Hong Kong society as a whole to say so? Is this statement really telling the truth? There are so many wage earners out there, they actually know that, as I have said before, employees can quit their job if they are dissatisfied. Therefore, I hope that we in the legislature should try our best to disseminate correct messages to let the Hong Kong society know—especially since Hong Kong is an economic-oriented society—many employers actually treasure their employees.

Regarding this Bill, many friends of mine from the business sector have raised their hands in support of it, considering that it is the right thing to pursue. Just like the scenes shown on the television when Typhoon Mangkhut hit Hong Kong last time, all the trees have collapsed for instance. It was so dangerous. How could the employees get to work? How would the employers let their staff still go back to work? Besides, how much business could be done as only half a day was left on that day? Therefore, they believe that employees should not be required to go to work and should not be allowed to do so. I have all along been hearing this from friends around me. No one has ever said, "Please ask them to come back by striding over the fallen trees and wading through water. They still have to go to work even if their clothes get soaked since they can change them." I have never heard anyone say this. If Mr LUK Chung-hung manages to find such employers, he can refer these cases to me, and I will join him in condemning that employer, and I will condemn him. I think these employers are a disgrace to the normal employers in Hong Kong, and this is not the fact either.

Therefore, regarding this Bill, we from the business sector ... Secretary Dr LAW has once again done a good deed. The Bill has obtained the consent of the business sector while it can help the employees by providing extra protection. There is absolutely no problem with it. Besides, I would also like to add that concerning the actual environment back on that day, if some employers really asked their staff to go to work despite the damage wrecked by Typhoon Mangkhut, perhaps it was because those employers did not watch the television at all and they did not know the situation and what the external environment was like. At that time, they probably thought that the staff should go to work since the typhoon warning signal had been cancelled. As a matter of fact, we could see that it was sunny in many places on that day, and if we were not in places where trees had fallen, I saw that the conditions in Central had resumed normal. There would be no problem for the public to get to work by MTR. That said, if employees were really in those places, they would not have been able to get

through the flooded areas and collapsed trees, so they should not have gone to work certainly. Yet, not everyone could see this situation, Secretary, not everyone could see this. Therefore, it is very appropriate to set up a steering committee, with the Chief Secretary for Administration making a judgment after monitoring all cameras and the environment in Hong Kong comprehensively. This will prevent the situation from happening again, that is, some people simply have no idea of what is going on, they only know that the employees should go to work after the typhoon warning signal has been cancelled. In this way, there will no longer be the problem that they cannot see the environment, and no one will make such an excuse anymore.

For these reasons, Deputy President, I definitely support the Bill. Thank you.

MR WILSON OR (in Cantonese): Deputy President, I reiterate that I and the Democratic Alliance for the Betterment and Progress of Hong Kong support the Employees' Compensation (Amendment) Bill 2021 ("the Bill"). This legislative amendment exercise is conducted in the light of the lesson learnt by the Government from the attack of Super Typhoon Mangkhut in 2018, resulting in the introduction of amendments to extend the coverage of employees' compensation to the situation where an employee sustains an injury or dies as a result of an accident when commuting to or from work during the period of extreme conditions. In other words, an injury sustained by an employee when commuting to or from work during the period of specified extreme conditions is regarded as work injury, and the employee will be eligible to make an insurance claim. The Bill has won unanimous approval from members of the Labour Advisory Board, representing a small step forward in labour protection.

Deputy President, many people still vividly recollect what happened when Mangkhut attacked Hong Kong. Mangkhut brought the largest ever storm surges to Hong Kong, resulting in flooding and collapse of trees in various districts, damaged glass curtain walls of various buildings, and severely damaged roads. During the typhoon, people were unable to commute to work. And post-typhoon relief efforts likewise made them at a loss. Even classes at schools were suspended for two days due to the typhoon. Wage earners, however, were not that fortunate, as they needed to return to their workplaces within two hours after the typhoon warning signal was cancelled pursuant to their employment

contracts. Mangkhut gave the Government, the labour sector or the business sector a big reminder, showing us the loopholes and risks. I therefore would like to reiterate that I fully support this legislative amendment exercise.

Deputy President, many scientists have predicted that given global warming, future climate will inflict severer damage on society. A responsible government must take early precautions to protect people's lives. The Bill empowers the Chief Secretary for Administration to make an extreme conditions announcement, under which an employee who sustains an injury when commuting to or from work will be covered by insurance. I think this is very good, as it is on a par with the arrangements under Red Rainstorm Warning, Black Rainstorm Warning and Typhoon Warning Signal No. 8 to protect wage earners. But I still hope that the SAR Government can give more thoughts to this. Deputy President, the Government should find ways to give wage earners more comprehensive protection in addition to protection at work.

Labour rights and benefits have always been an issue of public concern. As indicated by Dr CHENG Chung-tai just now, there is a big gap between comprehensive labour protection in Hong Kong and that of the Mainland, and there is much room for improvement. Deputy President, I think the Government needs to work harder. Having taken a small step this time, the Government should further play its role as a leader in policy advocacy and a facilitator of employer-employee relationship. I often use the analogy that the employer and the employee are a pair of chopsticks, which are inseparable and must work in tandem.

In my view, the Government has not fully played its role in the past, nor has it done its job properly. Wage earners are thus somewhat at a loss. I hope that the SAR Government will catch up by working harder, adopt an innovative and responsible mindset, examine ways to strike a balance between employers and employees, and reach more consensuses to protect the two parties. I often say that if we can achieve synergy, we will certainly be able to properly address issues often discussed in the community, such as minimum wage, maximum work hours and the MPF offsetting arrangement. Deputy President, the Government is duty-bound to play this coordinating and leading role. I hope that the Government will make further efforts to promote labour rights and benefits, so that the legislative amendments can better protect employers and employees.

Deputy President, I will not use up all my 10-minute speaking time, but before ending my speech, I would like to urge Secretary Dr LAW Chi-kwong or his team to be sympathetic or put themselves in others' shoes. Let me repeat two lines that both wage earners and employers like to hear. I hope that the Government will catch up by working harder, and become a leader in policy advocacy and a facilitator of employer-employee relationship. As the Deputy President also knows, there are many grass-roots people in Kowloon East. When we visited the district and talked with local residents, they often complained about the lack of labour protection and cited Mangkhut as an example. Despite all our lobbying and candid and compassionate conversations with them, they eventually told us that they hoped the Government could do more and do better. It is undeniable that the Government cannot evade its role.

Finally, Deputy President, I support the Bill. I also hope that this can give the SAR Government a bigger, longer-term and broader reminder to achieve what I have just described as a pair of chopsticks working in tandem, so that employers and employees can work together with one heart to solve deep-seated problems with labour rights and benefits in Hong Kong.

Deputy President, I so submit.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Labour and Welfare to reply. Then, the debate will come to a close.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, first of all, I would like to thank Mr LUK Chung-hung, Chairman of the Bills Committee on Employees' Compensation (Amendment) Bill 2021 ("the Bills Committee") and members of the Bills Committee for their prompt and detailed examination and discussion of the provisions of the Employees' Compensation (Amendment) Bill 2021 ("the Bill"), which has enabled us to conclude the scrutiny of the Bill smoothly and resume the Second Reading of the Bill today.

The Bill seeks to extend the coverage of the Employees' Compensation Ordinance ("ECO") to the situation where an employee sustains an injury or dies as a result of an accident when commuting to or from work during the period of extreme conditions.

Following the experience with Super Typhoon Mangkhut hitting Hong Kong in September 2018, the Government conducted a review of the mechanism in response to super typhoons or other natural disasters of a substantial scale. One of the outcomes is the extreme conditions announcement and its related work arrangements. In the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public to resume work effectively, the Government will review the situation and may, depending on the circumstances, make a territory-wide extreme conditions announcement and specify in the announcement a period within which extreme conditions exist. The public, apart from the essential staff who have an agreement with their employers to be on duty when the extreme conditions exist, are advised to stay in the places they are currently in or safe places, instead of immediately heading for work or going out. During the first two-hour period when extreme conditions are in force, the Government will continue to review the situation and further make an announcement as to whether the period of extreme conditions will be extended.

According to the existing ECO, an accident to an employee resulting in injury or death is deemed to arise out of and in the course of his employment if it happens to the employee whilst Typhoon Warning Signal No. 8 or above or the Red or Black Rainstorm Warning is in force and the employee travels from his place of residence to his place of work by a direct route within a period of four hours before the time of commencement of his working hours for that day, or from his place of work to his place of residence within a period of four hours after the time of cessation of his working hours for that day. The employee is therefore eligible for the protection under ECO.

Having considered that employees commuting to or from work during extreme conditions can be subject to more dangerous circumstances, similar to those under a Typhoon Warning Signal or Rainstorm Warning as mentioned just now, the Government finds it necessary and justified to accord adequate employees' compensation protection to them. Therefore, the Bill proposes to bring employees commuting to or from work under extreme conditions under the protection of ECO, so that the employees concerned can enjoy the same protection in respect of employees' compensation.

I am grateful to the eight Members who have spoken in support of the Bill a moment ago. Apart from expressing support for the Bill, some Honourable Members have also put forward valuable views on various issues, including the protection of employees when they are commuting to or from work under general circumstances and the issue regarding a "suspension of work order". Some Members have also raised the issue of false self-employment, whereas some have even mentioned the issue of fraudulent practice in respect of labour insurance. I notice that the Government has already responded to the Bills Committee on issues such as the protection of employees when they are commuting to or from work as well as a "suspension of work order", which are not directly related but relevant to the Bill. I also believe that Honourable Members will continue to follow up these issues regarding employees' rights and benefits with great perseverance in the future. I hence will not repeat the Government's views here today.

The Government is happy to listen to Members' views regarding the ways to prevent fraudulent practice in respect of labour insurance, especially those mentioned by Mr CHAN Kin-por a short while ago. We are willing to work together to explore the relevant work and issues if such a need arises in the future.

If the Third Reading of the Bill is passed by the Legislative Council today, the Government will announce its commencement date in the Gazette as soon as possible. The commencement notice is a piece of subsidiary legislation subject to the negative vetting procedure. We hope that the amended ordinance will come into effect in July this year, so that we can get well-prepared for the typhoon season.

I implore Members to support and pass the Bill. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Employees' Compensation (Amendment) Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Employees' Compensation (Amendment) Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

DEPUTY CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Employees' Compensation (Amendment) Bill 2021.

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 2021

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 3.

DEPUTY CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

DEPUTY PRESIDENT (in Cantonese): All the proceedings on the Employees' Compensation (Amendment) Bill 2021 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I now report to the Council: That the

Employees' Compensation (Amendment) Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Labour and Welfare be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

DEPUTY PRESIDENT (in Cantonese): Government Bill: Third Reading.

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 2021

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Deputy President, I move that the

Employees' Compensation (Amendment) Bill 2021

be read the Third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Employees' Compensation (Amendment) Bill 2021 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Employees' Compensation (Amendment) Bill 2021.

Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Immigration (Amendment) Bill 2020.

IMMIGRATION (AMENDMENT) BILL 2020

Resumption of debate on Second Reading which was moved on 16 December 2020

DEPUTY PRESIDENT (in Cantonese): Ms Elizabeth QUAT, Chairman of the Bills Committee on the Bill, will first address the Council on the Bills Committee's Report.

MS ELIZABETH QUAT (in Cantonese): Deputy President, in my capacity as Chairman of the Bills Committee on Immigration (Amendment) Bill 2020 ("the Bill"), I now report on the deliberations of the Bills Committee.

The main object of the Bill is to enhance the efficiency of screening non-refoulement claims by the Immigration Department ("ImmD"), improve the procedures and functions of the Torture Claims Appeal Board ("TCAB"), strengthen removal of unsuccessful claimants, and enhance detention and enforcement. The Bill also provides for savings and transitional arrangements relating to the handling of claims. It also seeks to amend the Weapons Ordinance ("WO") and the Firearms and Ammunition Ordinance ("FAO") to enable members of the Immigration Service to possess arms and weapons otherwise prohibited by those ordinances. I will now give a brief account of the issues which are of major concern to members.

Members note that a number of proposals are made in the Bill to enhance the efficiency of screening non-refoulement claims. Most members agree that the Administration must expedite the screening procedures and formulate measures to prevent uncooperative claimants from using various tactics to delay the screening and appeal procedures. Therefore, most members are supportive of the proposed amendments, including requiring claimants to attend interviews or undergo medical examination at a specified date. Yet, some members notice that notwithstanding the claimant's request for interpretation services in a particular language, it is provided in the Bill that an immigration officer may direct a claimant to communicate in a language that the officer reasonably considers the claimant is able to communicate in. These members are concerned whether such an arrangement would cause unfairness to the claimants. The Administration has advised that the suggestion of using language in the screening interview is similar to the practice in other countries such as Germany and the United Kingdom. In addition, ImmD or TCAB will continue to arrange publicly-funded simultaneous interpretation service for the claimants in need.

Members also note that with a view to enhancing removal efficiency in respect of unsuccessful claimants, it is proposed in the Bill that after a claim is rejected, the Administration may in parallel liaise with the relevant authorities for the purpose of making arrangements for removal. Some members have expressed concern that this arrangement may endanger the safety of the claimant and his/her associates. The Administration has indicated that it will not disclose to such authorities whether the person concerned has lodged any non-refoulement claim in Hong Kong when making arrangements for removal. Besides, ImmD will not execute removal of a claimant with a pending appeal.

The Bills Committee has also discussed in depth the factors of consideration in deciding the length of detention of individual claimants. Some members consider that apart from the certain circumstances proposed in the Bill under which the length of detention of a claimant would be considered as reasonable and lawful, the Administration should also consider whether the claimant concerned is likely to pose a threat or security risk to the community. Having regard to members' concerns and views, the Administration has agreed to move amendments to further specify that whether the person poses or is likely to pose a threat or security risk to the community should be taken into account in deciding the reasonableness and lawfulness of a period of detention of a claimant.

Some members have also urged the Administration to consider identifying more suitable facilities for setting up reception centres or closed camps to detain non-refoulement claimants in order to reduce their security risks to the community.

The Bill also proposes to increase the criminal penalties for employing persons overstaying in Hong Kong (including non-refoulement claimants) in order to combat unlawful employment and reduce the incentive for persons overstaying to lodge non-refoulement claims in order to take up unlawful employment in Hong Kong. Members are of the view that the Administration should step up the relevant publicity efforts.

Members note that the Bill empowers the Secretary for Security to make regulations to direct that a passenger or member of the crew of a carrier may or may not be carried on board the carrier. Some members are concerned whether the Secretary for Security's proposed new power will affect Hong Kong residents' freedom to enter or leave Hong Kong.

The Administration has pointed out that the relevant provisions seek to fulfil the international obligations of the Hong Kong Special Administrative Region under the Convention on International Civil Aviation, including the implementation of an Advance Passenger Information ("API") system to require airlines to provide passenger and crew information to the immigration authorities in the destination countries before flight departure. Such personal data to be collected are similar to those collected by ImmD at present. The Administration has emphasized that the relevant provisions seek to prevent potential claimants, or those who have been previously deported, from entering Hong Kong again. Given that Hong Kong residents' freedom to travel and right to enter or leave

Hong Kong are guaranteed under the Basic Law, the authorities do not consider it necessary to spell it out in the Bill. Members also note that the Administration will make regulations pursuant to the negative vetting procedure in the future to set out the operational details of the API system and the provisions in more specific terms.

In addition, the Bill also amends WO and FAO to allow immigration officers to possess arms and ammunition, thereby enabling them to handle emergencies and take enforcement actions at detention centres. Some members are concerned whether the relevant amendments would expand the power of immigration officers in using arms and ammunition. The Administration has indicated that ImmD is presently not one of the designated departments authorized to possess arms or ammunition and carry regulated weapons. Upon implementation of the relevant amendments, ImmD will no longer have to apply to the Police Force for exemptions on an annual basis. It would have more flexibility in staff deployment and would be able to conduct staff training on its own.

Regarding the commencement date of the Bill, members note that the Administration will propose an amendment to specify that the Bill, if passed, will come into operation on 1 August 2021. The Bills Committee raises no objection to the amendments proposed by the Administration and the resumption of the Second Reading debate on the Bill.

Deputy President, my views on the Bill are as follows. Deputy President, the abuse of the non-refoulement claim mechanism (commonly known as "bogus refugees") has been a problem plaguing Hong Kong for years. Hong Kong devotes a lot of public money, manpower and resources to deal with the problem of "bogus refugees" every year, which has also brought about law and order problems. In recent years, the operation of the Judiciary has even been affected. Let us take a look at some figures, they are really appalling indeed. There were nearly 20 000 non-refoulement claim cases in the past seven years, among which 99% of the cases screened were unsubstantiated. For the time being, 1 600 cases are still pending for screening. We have seen that in the past, the applicants often attempted to delay the screening procedures by a bunch of reasons. This amendment exercise is thus strictly necessary. We can see that nowadays, the majority of the non-refoulement claimants mainly come from countries such as Vietnam, India, Pakistan, Indonesia, Bangladesh and the Philippines, 86% of them come from these countries and none of them are war-torn.

Yet, a long time has passed during which the authorities have amended the legislation and allocated a lot of additional manpower and resources, but there are still over 13 000 claimants stranded in Hong Kong presently. They are not qualified for non-refoulement after the screening conducted by ImmD, but why are they still stranded in Hong Kong? It is because they have all appealed to the Judiciary. Over the past three years, more than 8 900 non-refoulement claim cases have applied for judicial review, and thousands of them are still being processed. When they are not granted the approval for judicial review, they will then appeal to the Court of Appeal, and there are now over 1 000 cases being processed. If they are still unsuccessful, they will appeal to the Court of Final Appeal ("CFA"), and some 600 cases are now listed at CFA. We can hence imagine that if the Judiciary continues to handle these cases at the present speed, these 8 000-odd persons will be stranded in Hong Kong for years. Therefore, apart from introducing legislative amendments, we also hope that the Judiciary can handle these cases as quickly as possible by making use of special courts.

For the people of Hong Kong, it is even too long to delay for one day. But it will even take years in the present case, which is really intolerable to members of the public. In addition, non-refoulement claimants will also apply for legal aid to seek judicial review. There were over 3 000 such cases in the past few years, among which 149 cases had been granted legal aid. It does not only add to the burden of the Judiciary, but also means spending taxpayers' money on litigation. The figures are even more shocking when it comes to money. Deputy President, we have spent \$6 billion on processing non-refoulement claims and providing support over the past few years, and will spend another \$1.27 billion in the coming fiscal year, representing an increase of 25%. From this we can see that it has placed a heavy burden on our finances. But the biggest problem is that it poses a major threat to the law and order of Hong Kong on top of entailing both manpower and money.

Referring to the figures for the past three years, the number of persons on recognizance (mostly non-refoulement claimants) who have committed criminal offences is very high, with over 2 700 cases recorded in the past three years. Such offences include theft, burglary, serious drug offences, wounding, serious assault, criminal damage, fighting and possession of offensive weapon, etc. Some newspapers have reported that as these persons have been staying in Hong Kong for many years, there are a large number of them and they have even formed their own gangs, and "turf wars" have become increasingly serious as

well. More than 240 persons have committed these criminal offences in the first three months of this year, representing an increase of more than 30% over the same period of the previous year. These figures are really scary.

Which districts are worst-hit? Looking at the figures, cases can actually be found in every district, but the problem is particularly serious in West Kowloon and Yau Tsim Mong District, and there are also a lot of cases in New Territories North. There were 934 such criminal offences in 2020 and many people are on tenterhooks. I often receive complaints from members the public saying that they used to go home at night without fear, but they have become extremely worried in recent years. They have witnessed an increase in street fights as well. Even some ethnic minority persons born and bred and living in Hong Kong have complained to us. Apart from robbery cases in which jewellery traders were beaten over the head and robbed of their diamonds and jewellery on the street, some ethnic minority persons have relayed that their relatives in their hometowns are threatened by these persons who demand them to pay money in Hong Kong, otherwise they will harm their relatives in their hometowns. These have also affected Hong Kong people's perception of the ethnic minorities, such that those law-abiding ethnic minority persons who were born and bred in Hong Kong feel that they are greatly affected. Therefore, it is also their hope that the problem of "bogus refugees" can be resolved as soon as possible.

As a matter of fact, the problem of illegal workers still exists despite the many actions taken by ImmD in the past, such as anti-illegal employment operations. It seems that the strongest incentive for these persons abusing the non-refoulement claim mechanism or "bogus refugees" to come to Hong Kong is to work illegally, make quick money or engage in illegal activities in Hong Kong. Therefore, we consider it necessary to make legislative amendments to deal with these law-breaking employers and illegal workers, and to increase the penalties to enhance the deterrent effect, with a view to reducing such incentives. We can also see that many non-refoulement claimants on recognizance are repeated offenders. At present, they have to go to jail if they break the law. They will be sent to the Castle Peak Bay Immigration Centre for detention after completing their sentence. But then, they will be allowed to go out on recognizance if the Centre is full. They may continue to break the law and go to jail again. This problem has posed an extremely serious threat to the law and order of Hong Kong.

In view of this, I welcome the Government's decision to accept the Bills Committee's recommendation of including whether the person concerned would pose a security risk to the community as one of the factors to be considered in determining whether detention is reasonable. We believe that non-refoulement claimants who keep breaking the law and pose a threat to law and order, human lives and other lives in Hong Kong should not be allowed to continue to walk free in the community, thereby threatening the lives and properties of Hong Kong people.

With so many problems having arisen over the years, we realize that tackling the abuse of the non-refoulement claim mechanism is a matter of utmost urgency for Hong Kong. We need to use all possible means to heal this malignant tumour. Only by tackling the abuse of the non-refoulement claim mechanism will we be able to help those in genuine need, and to put our resources to good use for those Hong Kong people who need them.

That said, while we are making legislative amendments under these circumstances, some people are still trying to make use of the Bill to create panic. We have seen some people keep smearing the Bill during this period of time, describing the Bill as a so-called "Lock Up Hong Kong Ordinance". We have seen some organizations smear the Bill by employing the same tactics used in the anti-legislative amendment movement. They stir up troubles, distort the truth, mislead the public and create panic. We have also seen them set up the "United Front of Trade Unions concerning the 'Lock Up Hong Kong Ordinance'" (關注鎖港條例工會聯合陣線). Do you find such names familiar? They query that while the Bill is dealing with non-refoulement claims on the surface, it grants ImmD enormous power in reality. They even assert that ImmD will prohibit members of the public from entering or leaving Hong Kong, therefore undermining Hong Kong people's right to travel, study abroad or even emigrate. The Hong Kong Alliance in Support of Patriotic Democratic Movements of China also keeps accusing that the Bill will "lock up" Hong Kong, whereas its real objective is to restrict Hong Kong people from entering and leaving the territory. The Hong Kong Public Relations and Communications Professional Union also describes the Bill as very vague and ambiguous, claiming that it will turn Hong Kong into a "big prison".

From this we can reckon that they are actually trying to use the Bill to intimidate Hong Kong people, stir up chaos, incite hatred against China and the Government as well as anti-government sentiments among the public. Here I

have to strongly condemn them for telling blatant lies, since we can see that the immigration laws, etc. ... I have also mentioned in my earlier remarks that detailed legal provisions will be made in future to provide further explanation. Moreover, Hong Kong people's freedom to enter or leave Hong Kong is in fact protected by the Basic Law. Therefore, they merely intend to create panic by putting forth these fallacious comments. We hope that the public should discern fact from fiction and not to be influenced by their attempts to smear the Bill.

Tackling the abuse of the non-refoulement claim mechanism is the mainstream public opinion in Hong Kong. I hope that the Bill can be passed as soon as possible in order to solve this problem. Deputy President, I so submit.

MR TONY TSE (in Cantonese): Deputy President, I speak in support of the Second Reading of the Immigration (Amendment) Bill 2020 ("the Bill").

Since 2011 when the Court of Final Appeal ruled against the Immigration Department ("ImmD") in two cases on non-refoulement claims, there has been the problem of so-called "bogus refugees" in Hong Kong. What do "bogus refugees" mean? They refer to people without the right of abode in Hong Kong who came to Hong Kong through various ways and then made claims to ImmD that they were subjected to political persecution or torture in their homeland in a bid to apply for the status of refugees for staying or even settling in Hong Kong. But in fact, many of them came to Hong Kong mainly because they aspired to and wished to enjoy the various types of welfare provided to them by taxpayers in Hong Kong while at the same time seeking illegal employment to make quick money.

The "bogus refugees" problem in Hong Kong was once very serious. At the peak level, there were over 5 000 new applications each year and an aggregate of close to 20 000 to 30 000 people awaiting screening of their refugee status. As at the end of last year, ImmD has completed screening some 23 000 claims but only 1% or about 230 cases were substantiated, meaning that 99% of them were false claims. However, in the last eight fiscal years, the Hong Kong Government has spent on them as much as \$6.9 billion of public coffers cumulatively, which is hardly value for money.

Deputy President, the "bogus refugees" problem not only leads to a waste of public coffers but also undermines the law and order in Hong Kong as well as the employment opportunities of legal local residents. It is because many

"bogus refugees" will work illegally while awaiting the screening result and some of them may even be recruited by triad society to engage in a myriad of criminal activities, such as drug trafficking, robbery, and fighting, many victims of which also include their fellow townsmen. Following a number of administrative measures taken by the Security Bureau and ImmD, which include fostering cooperation with the places of origin of "bogus refugees", the number of "bogus refugees" arriving in Hong Kong has dropped substantially in recent years. But as there are many loopholes in the existing legislation and the relevant court rulings, coupled with the hints given by some members of the legal profession who claimed to be human rights lawyers but actually only intended to take advantage of human rights issues to make money and get rich, many "bogus refugees" whose claims were rejected would lodge an appeal. When their appeals were rejected, they would file judicial review proceedings, and after their applications for judicial review were rejected, they would lodge an appeal again. In short, they would try to prolong their stay as far as possible, not wanting to leave, in order to buy more time to stay in Hong Kong and make money. Now there are still close to 10 000 claimants whose claims have been verified to be false awaiting judicial review proceedings. No one knows how many years their cases will drag on before they can be sent away and in the interim, we taxpayers have to keep on paying for their legal aid and living expenses, continuously throwing down the drain the hard-earned money of Hong Kong taxpayers.

This Bill, of which the Second Reading resumes today, precisely serves to plug the relevant legal and institutional loopholes, in order to help expedite the handling of the "bogus refugees" problem. The specific proposals include enhancing the efficiency of ImmD in screening claims, preventing unreasonable delaying by claimants, improving the procedures and functions of the Torture Claims Appeal Board, streamlining and expediting repatriation, allowing ImmD to extend the detention period for claimants under certain circumstances, increasing the penalty for crimes relating to illegal employment, empowering some ImmD officers to use arms, and so on.

I think these measures, together with the amendments to be proposed by the Secretary for Security later, have struck a balance between the protection of the human rights and freedoms of the claimants and the protection of the rights and well-being of the general public in Hong Kong. Therefore, I will throw weight behind them.

Regarding the proposal made in the Bill of setting up an Advance Passenger Information system, requiring airlines to provide the information of passengers on board to ImmD before flight departure, some people have besmirched this measure by saying that the Hong Kong Government's intention is to impose outbound restrictions and ban emigration by Hong Kong people. Is that true? In fact, the Security Bureau has made clarifications many times. Firstly, this proposal is to implement the new requirement imposed by the International Civil Aviation Organization in 2018. It is not invented by the Hong Kong Government itself. Moreover, the Bureau has openly stated that the information system targets only inbound flights and visitors, not those departing from Hong Kong. The freedom to enter and leave Hong Kong enjoyed by Hong Kong residents under the Basic Law will not in the least be affected by the information system or this amendment exercise.

Deputy President, looking back on the whole issue and the sophistry of these rumour mongers, the situation is actually most ironic. On the one hand, lots of people from many countries around the world are striving hard to stay in Hong Kong by hook or by crook, including making claims of political persecution. But on the other hand, recently a small number of Hongkongers who claimed to have been subjected to political persecution in Hong Kong are racking their brains to find ways to emigrate overseas, or flee Hong Kong, or go into exile abroad, willing to degenerate into the Hongkonger version of "bogus refugees". If these people do think that Hong Kong in its previous situation where the streets were full of rioters setting fire everywhere is suitable for them to live in, and if they consider that the present Hong Kong which has turned from chaos to order and where the rule of law and stability have been restored is not suitable for them, how will the SAR Government make life difficult for them? How will it impose outbound restrictions by proposing these legislative amendments? But for suspects and wanted criminals alleged to have committed serious offences in Hong Kong who are wanted by the court or restricted from leaving Hong Kong while on bail, ImmD and the Police must properly carry out their intelligence, enforcement and interception work, in order to prevent them from jumping bail and absconding abroad to escape the punishment by law. The authorities must make the utmost effort to bring them to justice, holding them responsible and making them pay the price for the offences they committed, for the damages that they have done to the rule of law, and for the harm that they have caused to the lives and properties of the people.

Lastly, Deputy President, I would like to talk about the abuse of legal aid. This Bill has made improvements to the screening, appeal and court procedures in relation to non-refoulement claims but it has not dealt with the issues relating to legal aid. Some days ago when the Finance Committee discussed the allocation of funding for the Legal Aid Department to upgrade its information technology system, a number of Legislative Council Members with legal background all pointed out that in the legal profession of Hong Kong there are some black sheep who have specifically abetted members of the public to apply for legal aid and then institute legal proceedings against the Government or sue insurance companies, and they have abetted the "bogus refugees" to sue ImmD and file judicial review proceedings. Recently it has been heard that some lawyers and barristers have maintained close brotherly ties with the young rioters, treating them as if they are brothers. Then they told the young rioters not to admit their guilt too early and not to accept caution by a police superintendent or agree to be bound over. In so doing, they actually hope that the defendants, after successfully applying for legal aid, will choose them to be their legal representatives, so that they can make more earnings from the lawyers' fees. But at the end of the day, the young people concerned may have to face a heavier sentence meted out by the court and serve a longer jail term. Deputy President, I understand that these issues are already outside the purview of the Security Bureau but I hope that the Secretary for Justice and the Chief Secretary for Administration can hear them and follow them up.

Deputy President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, the problem of "bogus refugees" costs \$1 billion of the public coffers every year. The estimate for 2021-2022 has even reached \$1.27 billion. Not only has it posed a huge financial burden but also given rise to many law and order problems. In 2020, 934 people were arrested for committing criminal offences. Besides, 156 people were arrested for taking up illegal employment. According to the figures of the Security Bureau, almost all the people in these two groups are torture claimants. Deputy President, the regions which I have been serving, including Kowloon West, Hung Hom, Whampoa, Tsim Sha Tsui, Sham Shui Po and To Kwa Wan, are in fact the hard-hit areas.

With law and order problems occurring year after year, we can see that Hong Kong has a heavy burden on both the judicial and administrative fronts. At the ceremonial opening of the legal year 2019, Mr Geoffrey MA, the then

Chief Justice of the Court of Final Appeal ("CFA"), particularly mentioned in his speech that judicial review of torture claims had put heavy pressure on the Court. The figure he mentioned at that time was that there were 6 000-odd judicial review cases pending. Back then, "black-clad riots" had not yet happened, but cases of the Occupy Central movement in 2014 had already piled up. In the following two to three years, there was a spate of cases arising from the "black-clad riots", leaving the Court with a backlog of over 10 000 cases awaiting trial. He also pointed out that such a heavy judicial burden would affect the progress of cases in other areas, given the need to deploy judges to hear the relevant cases to reduce the large number of pending judicial review cases on torture claims as soon as possible. Among these figures, in 2020 the Court of First Instance of the High Court received 2 500 applications for leave for judicial review, of which 95% concerned non-refoulement claims made by torture claimants. None of them had sufficient justifications to obtain the leave. This is a hard fact. Yet all these people insisted on appealing all the way to CFA. Of course, a lot of people reasonably opine that many of such people were taking advantage of the legal procedures to stay and work in Hong Kong. Why did they make a torture claim as soon as they set foot in Hong Kong? It is precisely because under the international treaties signed by our country, we cannot repatriate them.

As a matter of fact, the welfare in Hong Kong is pretty good. I remember that according to figures from a few years ago, the amount of subsidies provided to them was over \$3,600 a month. Moreover, a court precedent in the early years had allowed them to work in Hong Kong on a limited basis. I have had contact with ethnic minority groups, including people from India, Nepal and Pakistan. They have come to my office for assistance. I remember very well that they have also sent their own representatives to the Legislative Council to express their views. The reason is that compared with Hong Kong residents of Chinese descent, they have suffered even more from the problem of "bogus refugees". Some advertisements in India have tempted "bogus refugees" to come to Hong Kong from India, misleading them that they would enjoy "one-stop" services upon arrival in Hong Kong. As long as they had a proper job, the Hong Kong Government would offer a subsidy of some \$3,000. Together with the money earned from their job, they would have at least \$8,000 to \$9,000 a month. If they applied for legal aid, they could even stall for a few years and stay in employment. In the worst cases, they have stalled for 8 to 10 years as reported in the news on the television.

Actually, a more horrible point which has not received much mention is that some claimants had joined illegal organizations, and after being transported by these organizations to Hong Kong to commit crimes, they disappeared on the high seas during repatriation. Since Hong Kong has no information on their identity, it is not known whether these people are still alive. Many people came to Hong Kong because they had been misled.

Among the ethnic minority groups, a lot of people work in such districts as Tsim Sha Tsui and Hung Hom, especially those engaged in the jewellery business, such as Indians. They said that a box of jewels may worth more than \$1 million, and they have been robbed many times. One of them has even been attacked in the neck, sustaining serious injury. They took me straight to their office, and I saw some people downstairs, but I am not sure whether they were their fellow countrymen or "bogus refugees" with no identity. Consequently, in 2016, we held a press conference with representatives of the Consulate General of Nepal in Hong Kong. They said they would prefer Hong Kong to follow the practice of their own country by accommodating the people concerned in a refugee centre outside the community so that legal residents could live separately from illegal immigrants and need not worry about the safety of their lives and property every day.

In 2016, my party comrade Mr Jeffrey LAM and I especially visited the Guangdong Provincial Public Security Department to meet with the officials concerned. At that time they personally told us that since the conditions in Hong Kong were too generous and lenient, many "bogus refugees" from Southeast Asian countries had deliberately gone there for transfer to Hong Kong. Therefore, apart from assisting Hong Kong in blocking the entry of "bogus refugees" via Guangdong by sea, since they had to receive the people in such cases, every day they had to subsidize a lot of money for their repatriation. Certainly, being more decisive, their policy was tougher than that of Hong Kong. For this reason, they hoped that Hong Kong could tighten its policy. In view of the development in recent years, I think the Government has also acted decisively.

Of course, whenever the Government does something, the other side will surely attack it. This is always the case. Hence, clause 3 of the Immigration (Amendment) Bill 2020 ("the Bill") has certainly aroused attacks from those who support "bogus refugees", or whom we call "fathers of bogus refugees". Just now some Honourable colleagues also mentioned something like the "Lock Up

Hong Kong Ordinance". As a matter of fact, the Bill simply empowers the Secretary for Security to make regulations to empower the Director of Immigration to direct that a passenger or member of the crew of a carrier may or may not be carried on board the carrier. All these are aimed at protecting the safety of Hong Kong.

Yet regrettably, despite the Government's repeated clarifications, we all know that a specious argument said a hundred times will become the truth, especially when the Government has yet to regulate fake news on the Internet. Now they keep telling stories on their side, while we shout ourselves hoarse to make our voices heard. Among others, the Secretary has explained many times, and we have also pointed out that according to Article 31 of the Basic Law, members of the public have freedom to enter or leave Hong Kong. Everything we are doing now merely seeks to deal with illegal immigrants and set up the Advanced Passenger Information system. These measures are really good and safe. However, those people still keep smearing the Government on the Internet. Fortunately, the Hong Kong National Security Law has been passed now. Otherwise, they might have stirred up a repeat of the Fugitive Offenders Ordinance ("FOO") incident. They try to smear the Government as much as they can, scaring the public into thinking that they can no longer enter or leave Hong Kong freely, as though the Bill is directed against Hong Kong permanent residents. They even approach the circle of ethnic minorities to talk nonsense. Nevertheless, as I have recently attended the activities of ethnic minorities more often, I found that the ethnic minority communities in Hong Kong are quite clear-headed. They know very well what the Hong Kong Government is doing. Hence, Hong Kong people must have confidence in themselves.

I hope that the Government will learn a lesson from the FOO incident. Although currently, the "mutual destruction camp" is no longer present in this Chamber and they cannot disrupt the business of the Council again, but distortions and smears are still rampant. The Government must continue to work properly with regard to public opinion and effectively strike back at such unscrupulous fake news, fake information and fake comments. It should strike back in a high profile so that the public in Hong Kong will not be misled and thus become more supportive of the Government's constructive legislative work.

Deputy President, I so submit.

MR LUK CHUNG-HUNG (in Cantonese): Deputy President, I speak in support of the Immigration (Amendment) Bill 2020 ("the Bill"). Refugees, genuine or bogus, have caused considerable pressure and numerous problems to Hong Kong. I recollect that when I was a child, Hong Kong was plagued by Vietnamese boat people, and a refugee camp was also set up in my neighbourhood in Tuen Mun. Back then, the United Nations undertook to pay us the \$1.3 billion that we had spent on refugees, which was not a small amount, but it has so far paid us only \$160 million. I believe that the United Nations will certainly default the payment, and we will not be able to recover such bad debt.

(THE PRESIDENT resumed the Chair)

Hong Kong people are renowned for their compassion, and we are very much willing to help people who are in need of help and in agony, including those from our own Motherland. It can be said that we have the spirit of internationalism. Over the past decade or so, however, some people have taken advantage of Hong Kong people's compassion and made Hong Kong suffer immensely from problems associated with "bogus refugees". Hong Kong is a signatory to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment ("CAT"). Pursuant to CAT, Hong Kong shall not expel, return or extradite a person to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture.

However, the question is whether non-refoulement claimants in Hong Kong are genuine refugees. In fact, most of them are not. They prolong their applications for staying in Hong Kong by abusing the procedure of judicial review and resorting to various specious reasons, such as pretending that they do not understand a certain dialect, that they can only communicate in a rare tongue of their homeland, and even failing to attend a hearing for no good reason, thus resulting in a protracted trial. In the process, some "bogus refugees" may be engaged in—I am talking about some rather than all of them, and I will not tar all of them with the same brush—some of them indeed participate in criminal activities and even take up illegal employment, disrupting law and order and affecting the employment of local workers.

In this connection, there were some 1 150 crime cases involving non-refoulement claimants in 2018, and 934 such cases in 2020. There are some one thousand such cases each year. There were 152 cases in January and February this year. Shop theft is the most common among these cases, followed by drug offences. It is thus clear that "bogus refugees" bring big problems to Hong Kong. What is the percentage of "bogus refugees"? From 2009 until September last year, of the 22 700-odd cases that were screened by the Immigration Department, only 231 torture/non-refoulement claims were substantiated, representing a substantiation rate of only 1%. In other words, 99% of the claimants were "bogus refugees".

The Government improved the administrative mechanism in 2009, and implemented the unified screening mechanism in 2014. Problems associated with "bogus refugees", however, still constantly occur, and a large number of cases are recorded. For this reason, we really need to amend the Immigration Ordinance to expedite the processing of torture/non-refoulement claims, including improving the appeal mechanism. Frankly speaking, if they were really tortured or persecuted in their homeland, there must be concrete and clear evidence. Why would they prolong their applications? The only explanation is that they lack evidence or their case is false. In a nutshell, "bogus refugees" who do not meet the criteria for refugees are actually economic refugees who want to use Hong Kong as a springboard and earn money before returning to their homeland. In Hong Kong, they are even given free food and accommodation, and are treated in a very humane way.

This year we are spending \$100 million on legal support for them, and the estimated expenditure for 2021-2022 will even be increased to \$180 million. Legal costs and other costs of humanitarian assistance for the seven years from 2014 to 2021 incurred by Hong Kong amounted to \$6,666 million—President, there are four "6s". If this sum of money is used for unemployment loans, we can help some 83 000 unemployed workers with unemployment loans of \$80,000 for each applicant. Certainly, it will be better if it can be used for unemployment allowance, President. It will be great if we can save this sum of money or even half of it, as some people may really in need of help. For this reason, we must deal with the problem of "bogus refugees" pragmatically rather than elevate it to a political level.

However, over the past few years, Hong Kong has been highly politicized. Some opposition forces are fond of stirring up trouble lest all under heaven is not in chaos. This is their true nature. But what is most despicable is that one of

such forces stirring up trouble is Radio Television Hong Kong ("RTHK"). This is really infuriating. Last December, RTHK produced a special programme on refugees. While failing to mention the pressure exerted by refugees on Hong Kong, the programme slandered staff at the Castle Peak Bay Immigration Centre of the Immigration Department by accusing them of treating detainees inhumanely or even abusing them. Devoid of any factual basis, it was merely based on hearsay evidence with three "no's", namely no name, no proof and no formal complaint. The Bureau or the Department requested RTHK to provide the name of the person concerned for the Department to follow up the complaint, but to no avail.

The report of such a case in an RTHK special programme is deliberately directed against this Bill. Are there any hidden agendas? One is possibly that some people want to create political issues and cause chaos in Hong Kong on the pretext of safeguarding the interests of "bogus refugees". The other is that some people rely on such lawsuits for a living. In the "yellow legal circle", youngsters who were identified to act as rioters came to these people for filing lawsuits when they got into trouble. Similar with the "yellow legal circle", there are people who encourage "bogus refugees" to come to Hong Kong. One who is known as "father of bogus refugees" has said that legal assistance would be provided to them, and lawyers specializing in refugee-related lawsuits would provide them with one-stop services. Our public money slips away as opposition figures focus on stirring up trouble rather than doing in anything serious.

Another case in point is all their hyping surrounding section 6A(1)(b) of the Bill, "to empower the Director to direct that a passenger or a member of the crew of a carrier may or may not be carried on board the carrier". They claim that this provision will restrict the entry and leaving of Hong Kong people. In fact, defamation campaign of the "mutual destruction camp" no longer works in the new era. The provision is added for the reason that in 2018, the International Civil Aviation Organization updated the Convention on International Civil Aviation, including imposing a new mandatory requirement for its members to put in place the Advanced Passenger Information system, and airlines are required to provide passenger and crew information to the immigration authorities in the destination countries before flight departure, so as to prevent unwanted persons or even terrorists from entering another country or region. This provision simply empowers the Director to, upon being informed by a country or region to prohibit a suspicious person from boarding a plane, prohibit a person that may endanger the security of our own country or another country or region

from boarding a plane. However, a bunch of scaremongers allege that this provision prohibits Hong Kong people from leaving Hong Kong. I basically hold that either they are scaremongering in disregard of passenger safety and the status of Hong Kong as an international aviation hub; or they have ulterior motives. Most members of the "mutual destruction camp" are overly sensitive as they want to flee to escape punishment.

President, even though Hong Kong was troubled by the pandemic last year, some 1 200 non-refoulement claims were still received. We can thus imagine that no pandemic can prevent them from coming to Hong Kong. For this reason, we need to amend the relevant legislation as soon as possible to expedite the processing of non-refoulement claims, so that our taxpayers' money will be put to proper use and those people who are really in need of help can get humane treatment. This is the right way to go. We must strongly condemn any scaremongering and alarmist speech and make clarifications.

Thank you, President. I so submit.

MR FRANKIE YICK (in Cantonese): President, "bogus refugees" have indeed been a long-standing problem in Hong Kong and causing disturbances in the community. Looking back at the past period, we once had a huge backlog of cases. The fact that these torture claimants could apply for "going-out passes" had given rise to many problems with illegal workers as well as law and order in some districts, on which several Members have already elaborated in detail just now. Subsequently, the Government adopted the approach of interception at source by reinforcing collaboration with relevant countries in order to prevent cases of "bogus refugees" from happening. The result has been satisfactory with an actual decline in the number of cases, but the problem still exists.

The aim of the legislative amendments today—as clearly set out in the paper—is to enhance the efficiency of screening torture claims by the Immigration Department and processing appeals by the Torture Claims Appeal Board. As already mentioned by a number of Members just now—and I have also noticed—some people think that the Government has other objectives, for the principal bill does not clearly specify that it is only directed at inbound travellers and so the Government can invoke the Immigration (Amendment) Bill 2020 ("the Bill") to deal with people with different political views in the future by prohibiting them from leaving Hong Kong. Although the Security Bureau has

repeatedly clarified that there is no hidden agenda and the public's freedom to enter or leave the region is protected by the Basic Law, people who distrust the Government will still not trust it. To prevent these rumours from spreading endlessly and misleading the public, I just hope that in his reply later, the Secretary can state categorically whether the Bill, when introduced, will clearly specify that it has nothing to do with the exit control over Hong Kong people, so as to allay public concerns.

President, I so submit and support the Bill.

MR YIU SI-WING (in Cantonese): President, the "bogus refugees" resulting from non-refoulement claims in recent years have given rise to many social problems in Hong Kong. These claimants entered Hong Kong through different channels and exploited the loopholes in the laws of Hong Kong to overstay in Hong Kong during the course of their claims. It was not until their non-refoulement claims failed that they could be repatriated. During their stay, not only a large amount of government funds was wasted to protect their daily lives. What is worse is that some claimants would take up illegal employment and even commit such illegal acts as robbery, assault and drug trafficking during their stay in Hong Kong.

Among the overall crime figures last year, more than 900 non-refoulement claimants were arrested, up by 40% over the previous year. The situation has become increasingly serious. These claimants who broke the law were not under persecution in their home countries as we have imagined. Rather, they turned out to be a malignant tumour affecting the law and order in Hong Kong, about which members of the public are gravely concerned.

Similarly, the tourism industry has suffered deeply. To plug the loopholes in the non-refoulement claim mechanism, the Immigration Department ("ImmD") introduced the pre-arrival registration requirement for Indian nationals in January 2017, under which Indian nationals must first apply for and successfully complete the pre-arrival registration online before coming to Hong Kong. Otherwise, ImmD will require them to apply for an entry visa before they can visit Hong Kong. If there is any slight suspicion, they will be prohibited or suspended from entering Hong Kong. This initiative is indeed effective in blocking Indians who may exploit the policy loopholes, but it has led to a drop in the number of Indian visitors to Hong Kong in recent years, which decreased by 18.3% in 2017, 1.6%

in 2018 and 12.6% in 2019. It has somewhat affected the room for Hong Kong's expansion into the Indian market, causing a considerable impact on our industry's business.

President, in order to deal with the huge backlog of non-refoulement claims which have been pending for a long time, the Government has to conduct laborious work such as screening and prosecution in accordance with the established statutory procedures, thereby greatly increasing the workload of ImmD and the Judiciary. Not only does it cost a large amount of public money every year, but also affects the efficiency of the organizations concerned in providing services to the people of Hong Kong. This year, the Security Bureau has set aside nearly \$1.3 billion for the major expenditure of the relevant work, representing an increase of \$260 million over the previous year. In view of this, there have been many calls in society for tightening the relevant policy on the claimants who have abused the mechanism, and repatriating them to their home countries expeditiously, so as to alleviate the long-term burden on public funds and the threat posed to law and order. Through this amendment exercise, the Government seeks to improve the procedures for processing non-refoulement claims and introduce enhanced measures in three aspects, that is, law enforcement, removal and detention. As this is conducive to the enhancement of efficiency of various departments in handling relevant cases and enforcement, it is certainly welcomed by the public.

President, the Immigration (Amendment) Bill 2020 ("the Bill") proposes to amend Part II by adding provisions to empower the Secretary for Security to make regulations on the provision of information relating to the passengers of a carrier. As China is a contracting state of the International Civil Aviation Organization, the Special Administrative Region Government has the duty to comply with the standards set out in the Convention on International Civil Aviation ("CICA") in order to fulfil its international obligation. The updated CICA requires all its members to implement the Advance Passenger Information system. According to the requirement, airlines shall provide information on all passengers and crew members to the immigration authorities in the port of destination before flight departure. The practice is adopted in accordance with the requirement, not for any political purpose as some malicious people have smeared. However, to facilitate the operation, I suggest that the authorities draw up clear guidelines for airlines in the light of the said amendment, including details such as the format of the list of advance information to be submitted by the airlines, the time limit for submission and responsibilities of the airlines. To

ensure that airlines can effectively comply with the requirements after the implementation of the amendment, the Government may consider providing a transitional period to allow airlines to take time to adapt. It should also provide support to facilitate their implementation of the new measures.

President, I believe that the passage of the Bill can effectively reduce the number of illegal immigrants abusing non-refoulement claims in Hong Kong. If the relevant measures can bring about obvious improvement to the chaotic situation, I hope the Government will relax the pre-arrival registration requirement for Indian nationals in a timely manner and progressively resume normal people flow between the two places, so that business and tourism between the two places will be back on track.

With these remarks, President, I support the Bill.

MR CHAN HAK-KAN (in Cantonese): President, I speak in support of the Immigration (Amendment) Bill 2020 ("the Bill"). The problem of "bogus refugees" has long been troubling Hong Kong. Although "bogus refugees" cannot come to Hong Kong even they want to do so during the pandemic, I believe that this is only a temporary situation. We need to tackle the root cause of the problem from an institutional perspective. I therefore believe that the Government has actually made a timely and necessary move to propose amending the legislation at this stage.

President, my position on this issue is very clear. I have long stated that we must help genuine refugees but crack down on "bogus refugees", who must no longer be allowed to stay in Hong Kong for a long time. We have noted from some reports that these so-called "bogus refugees", or torture claimants, can stay in Hong Kong for as long as 10 to 20 years. Some of them may commit crimes in violation of the law. Statistics have shown that many "bogus refugees" are involved in criminal cases, such as robbery and drug possession. Even if they have not done such things, they will still affect people's livelihood when they compete with local wage earners for jobs or take up illegal employment. We therefore must crack down on these "bogus refugees".

Furthermore, "bogus refugees" are actually economic refugees who have come to Hong Kong only to take advantage of Hong Kong. They are not subject to any political persecution or torture in their own country. For this reason,

some of them have approached the so-called human rights lawyers or our former colleagues, and, by using human rights as a pretext or shield, taking advantage of our legal loopholes, taking advantage of Hong Kong people, taking advantage of our institutional loopholes, and taking advantage of the court's sympathy for them, they have stayed in Hong Kong to break the law and commit crimes. As such, I find the introduction of the Bill by the Government a necessary, albeit a little belated, step.

I understand that in dealing with the problem of "bogus refugees", the Government's hands are somewhat tied by a judgment of the Court of Final Appeal, which simply states that the SAR Government can be more lenient or less stringent to torture claimants. I understand the underlying legal justification, but the court judgment has tied the Government's hands in dealing with these torture claimants. Many things cannot be done as it cannot adopt relatively strict measures to deal with torture claimants. While the court holds such a view, what about members of the public in Hong Kong?

Hong Kong people actually hope that the SAR Government can adopt a stringent and strict attitude in dealing with torture claimants, particularly bogus claimants. The reason is that not only do they inflict harm on society, but they also cost us some \$1 billion a year. Over the past seven years, the Government has spent \$6 billion on such "bogus refugees". It is simply ironic that the Government would rather spend \$6 billion on helping "bogus refugees" than providing a short-term unemployment assistance of \$6,000 to Hong Kong people for six months. People will naturally get angry. As such, a broad consensus on this issue in society is that the Government should do something as soon as possible.

Speaking of money, Secretary, I would also like to say that the Office of the United Nations High Commissioner for Refugees ("UNHCR") still owes us some \$1 billion, so please expedite your efforts to recover it. Such money is our hard-earned money, and it is a good thing to hand out the money recovered to unemployed persons. Regarding such historical events as the arrival of Vietnamese boat people in Hong Kong, the United Kingdom, the then suzerain power, told us to be the port of first asylum. We have wasted some \$1 billion for this, but UNHCR is procrastinating, being irresponsible and unwilling to pay off its debt. Have we run out of solutions? We still need to recover the money because it is our money.

For this reason, President, as regards the Bill, I have long hoped that the Government can enhance its efficiency of the determination of torture claims. Nowadays, many claimants are taking every possible means to procrastinate, resorting to all possible lawful means to extend their stay in Hong Kong, including refusing to attend an interview or return a document. For example, they can refuse to return a document required or refuse to undergo a body check required. Such loopholes will be fully plugged following the legislative amendment exercise. If they fail to comply with the requirements without reasonable grounds or explanation, or not because of circumstances beyond their control, we will not process their cases, thus plugging loopholes of their failing to attend an interview, return a document or undergo a body check. As such, all these new measures serve as a response to Hong Kong people's call for the Government to take stricter measures to crack down on "bogus refugees".

Certainly, the legislation involves two other major discussions, the first of which concerns detention. Before the reunification, there was a court ruling that the period of detention should not be too long, which has imposed constraints on the SAR Government in restricting the movement of torture claimants. Under the amended legislation, detention will not be lawful or unlawful simply because of the duration of detention. This is a big change which I believe better suits the situation nowadays. If "bogus refugees" are detained, they will not be able to take up illegal employment, and their purpose of coming to Hong Kong will not be fulfilled, thus discouraging their hometown folks or people with similar thoughts from coming to Hong Kong. Certainly, the legislation has raised the punishment from a fine of \$350,000 and imprisonment for three years to a fine of \$500,000 and imprisonment for 10 years. I believe this can enhance the deterrent effect. However, in the trial of a court case, the court should not adopt lower sentencing tariffs, otherwise, no matter how much the fine is increased and how long the imprisonment term is extended, one would not be scared given the absence of deterrent effect. I therefore think the amendments this time have made progress in this respect.

Certainly, another item that has been more frequently discussed and mentioned by my colleagues just now concerns restrictions on entry and exit. As regards the deliberate smearing of the Bill, I know that the Secretary will later give a response to Members' remarks, and he has written to the Bills Committee offering his explanation. I believe that this can offer a satisfactory explanation in response to the deliberate challenges raised by certain members of the community against this amendment legislation.

Finally, President, I think the Bill is the right antidote targeted at some problems which the Government has wanted to address but might not be able to do so properly in the past, and it can effectively crack down on "bogus refugees". For this reason, I will support the Bill. I so submit.

MS YUNG HOI-YAN (in Cantonese): President, first I would like to declare that I am a practising barrister and have handled cases of non-refoulement claims.

I speak in support of the Immigration (Amendment) Bill 2020 ("the Bill") and the amendments thereto. I hope that the legislative amendment can effectively enhance the efficiency of screening claims by the Immigration Department ("ImmD"), prevent delaying tactics, improve the procedures and functions of the Torture Claims Appeal Board ("TCAB"), strengthen removal of unsuccessful claimants, and enhance detention and enforcement.

Hong Kong has been beset with the problem of non-refoulement claims for many years. In recent years, the Government has adopted many proactive measures, including reducing at source the number of non-ethnic Chinese illegal immigrants and overstayers who may lodge non-refoulement claims in Hong Kong, expediting screening of claims and appeals under the Unified Screening Mechanism, expediting repatriation of the claimants whose claims have been rejected and stepping up law enforcement (against crimes such as unlawful employment) and improving detention arrangements.

(THE PRESIDENT'S DEPUTY, MR MA FUNG-KWOK, took the Chair)

However, at present, over 13 000 claimants still remain in Hong Kong. For claims that have already been screened, the majority (i.e. 99%) of them were not substantiated. In the past few financial years, the total public expenditure on handling non-refoulement claims amounted to \$1.1 billion each year. The issue of non-refoulement claims has not been properly resolved and the claimants have created many law and order problems. The public generally hope that the Government can actively address the problems.

There are several major proposed amendments this time, including enhancing the ImmD's screening efficiency and preventing delaying tactics. It means that a claimant is obliged to attend any interview as required by ImmD.

Even if the claimant fails to show up, ImmD may still make a decision on the relevant claim. Also, ImmD may direct a claimant to communicate in a language that it reasonably considers the claimant able to understand and communicate in. Secondly, it is to improve the procedures and functions of TCAB. Thirdly, as regards the enhanced measures for removal of unsuccessful claimants, it is proposed to stipulate in the Immigration Ordinance that, once a claim is rejected by an immigration officer, ImmD may in parallel liaise with the relevant authorities (including other governments) for the purpose of making arrangements for removal, such as issuance of travel documents. Even if the appeal is pending with TCAB, ImmD can still take actions as early as possible.

Next, I wish to discuss the number of criminal offences relating to claimants, the impact on law and order of Hong Kong, and the concerns about the detention of the relevant claimants. The commission of criminal offences by claimants has persistently impacted the law and order of Hong Kong. There has been a declining trend in the numbers of non-ethnic Chinese persons on recognizance arrested for criminal offences—mostly claimants—and the numbers have even dropped by almost half, from 1 506 in 2016, 1 542 in 2017 and 1 150 in 2018 to 657 in 2019. Nevertheless, from January to February this year, 152 non-ethnic Chinese persons on recognizance were arrested for committing criminal offences, the absolute majority of which, likewise, were claimants. Among them, 64 persons committed shop theft, 18 miscellaneous theft, 17 wounding and serious assaults, 15 serious drugs offences, 7 the serious offence of illegal entry, 4 criminal damages, 3 burglaries, and 24 other offences. Therefore, the problems have not abated but remained very serious. In the same period, 43 persons were also arrested for illegal employment. Such problems have been obstinately serious.

On the issue of illegal employment, the Government proposes to amend section 38AA so that overstaying visitors who have taken up employment can also be prosecuted under this section and be subjected to the same penalties for illegal immigrants who have taken up employment. As for employers of illegal workers, the Government also proposes to raise the maximum penalties for employing a person who is prohibited from taking up employment under the amended section 38AA to a fine of \$500,000 and 10 years' imprisonment. I consider that it can effectively exert a deterrent effect.

Deputy President, I made a number of suggestions in the Bills Committee. Firstly, the authorities should consider identifying more suitable detention facilities for setting up reception centres or closed camps to detain all claimants in

order to reduce their security risks to the community and deter potential claimants from coming to Hong Kong with an attempt to take up unlawful employment while making false non-refoulement claims. Secondly, the authorities should consider adding a new factor to the Bill, namely whether the person concerned is likely to pose a threat or security risk to the community, for determining whether or not he or she should be detained.

I am glad that the authorities adopted the views of mine and other members of the Bills Committee and agreed to propose amendments to Clauses 5 and 16(2) of the Bill to further specify that a claimant may be detained if he or she is very likely to pose a threat or security risk to the community. However, the authorities did not accept the suggestion of setting up reception centres or closed camp to detain such claimants, and merely reiterated that, in principle, claimants posing higher security risks to the community would be detained as far as practicable. The Government should seriously consider identifying more suitable detention facilities for setting up reception centres or closed camps to detain such claimants in order to reduce their security risks to the community and deter potential claimants from coming to Hong Kong in an attempt to take up unlawful employment while making false non-refoulement claims.

Moreover, I note that the Security Bureau issued solemn statements one after another on Wednesday and Friday last week to strongly condemn online media and organizations for publishing false statements about the provision in the Bill, which is to empower the Secretary for Security to make regulations in relation to the provision of passenger information by carriers, and about the legislative purpose, distorting facts, deliberately misleading members of the public and creating fear.

The new section 6A is proposed to fulfil the international obligation of the Hong Kong Special Administrative Region ("SAR") under the Convention on International Civil Aviation. In 2018, the International Civil Aviation Organization ("ICAO") updated the Convention, including imposing a new mandatory requirement for its members to put in place the Advanced Passenger Information ("API") system. According to the requirement, airlines need to provide passenger and crew information to the immigration authorities in the destination countries before flight departure.

The API system, being a requirement by ICAO, is intended to enhance aviation security and facilitate immigration authorities around the world to exercise more effective immigration control on visitors. It is highlighted that the

API system would only apply to flights bound for Hong Kong. As per the information provided by the authorities, so far 97 countries or places already have the API system in place, including the Members States of the European Union, the United States of America, Canada and Australia.

I concur with the Government's explanation that the provisions concerned mainly seek to prevent potential claimants or those who have been previously issued with a deportation order from entering Hong Kong again. That is also the sole purpose.

In fact, Article 31 of the Basic Law stipulates that Hong Kong residents shall have freedom of movement within the Hong Kong SAR and freedom of emigration to other countries and regions. They shall have freedom to travel and to enter or leave SAR. Unless restrained by law, holders of valid travel documents shall be free to leave the Hong Kong SAR without special authorization. Our freedom to travel and to enter or leave Hong Kong is fully protected under the Basic Law. The amendment to the Ordinance this time will definitely not affect us in any way. We can rest assured.

Deputy President, I support the Security Bureau to proactively issue statements to clarify, condemn and curb all disgraceful acts of malicious smearing, spreading false statements and misleading members of the public.

With these remarks, Deputy President, I support the Bill.

MR MICHAEL TIEN (in Cantonese): Deputy President, the Immigration (Amendment) Bill 2020 ("the Bill") under discussion today involves the problem of refugees and "bogus refugees" which has all along been of great concern to me. If the Bill does not tighten the relevant requirements, it may lead to an increase in the number of "bogus refugees" in Hong Kong, ultimately making it impossible to tackle the problem. But if the legislation becomes too strict after amendment, some human right issues may then be involved. This is why there is no perfect proposal, so to speak, and all we can do is to strike a balance as far as possible.

I am a Member who does practical work, and when I have heard different voices in society, I am duty-bound to champion their causes. In December last year, the Refugee Concern Network conveyed to me their concerns about the Bill, hoping that I could speak up for them. For those demands which I consider

justified, certainly I will do my utmost to fight for them. I have, therefore, expressed these aspirations to the Security Bureau and at meetings of the Bills Committee.

Regarding the legislative amendments proposed this time around, some provisions mainly seek to expedite the screening and repatriation procedures by, for instance, making an application in parallel for the claimants to be issued with travel documents. In the past, the Immigration Department ("ImmD") could make an application for the claimants only when the latter's appeal and judicial review cases have been rejected and all the procedures completed, and it took about six months for the travel documents to be issued. It means that for the claimants whose claims are rejected, they can still stay in Hong Kong for six more months before being repatriated. In these six months, where can ImmD accommodate them? If they are allowed to go out, will they fail to show up as scheduled, thus not leaving Hong Kong according to the procedures? This is a big problem. If they go into hiding, it will lead to social problems. Therefore, I think it is an effective amendment that applications be made in parallel for the claimants to be issued with travel documents.

However, with regard to some of the provisions, the concerned organizations have put forward their views many times, and I have also conveyed these views to the Security Bureau and the Bills Committee many times. First, regarding the amendment of the Weapons Ordinance and the Firearms and Ammunition Ordinance, the concerned organizations told me that as ImmD staff all along do not carry arms and if, after these amendments, they can carry weapons, will it intensify the risk of the abuse of power or torture? Particularly as we all know, weapons are now a most controversial issue. The officials concerned had given me a very detailed reply, pointing out that actually ImmD can use anti-riot arms, just that it has to apply to the Commissioner of Police for exemption every year, and after amendment, ImmD will be able to streamline the procedures and conduct training on its own.

I think the Government's explanation is acceptable and reasonable. Let us take a look at the disciplined forces now. The Police Force, Customs and Excise Department and Correctional Services Department can legally possess and use arms. Like these disciplined forces, ImmD also has to perform duties that are very much on the frontline and if they have such need, there is really no reason for them to be singled out, not allowing them to be provided with arms while other disciplined forces can carry them. Therefore, I do not oppose this

amendment in principle. Having said that, I think even if ImmD staff can carry arms, they still need to be brought under regulation and control. Some complaint mechanisms have to be put in place in the detention centres to monitor the use of weapons by ImmD staff, in order to balance the interests of both sides and pre-empt criticisms.

Besides, I understand that the Government first planned to shorten the period for the submission of new evidence by a claimant pending appeal to seven days. This really strikes me as a bit shocking because seven days are a very short period, and I think even the professionals may not be able to obtain new evidence so quickly, not to mention ordinary claimants. In this connection, I have collected views from various parties and conveyed them to the Security Bureau. In the end, they have taken on board all my views and maintained the original 21-day period. On this point, I very much appreciate the readiness of the Security Bureau to listen to these rational views.

Language interpretation is, to me, an issue of utmost concern. A new clause provides that if, according to an immigration officer, a claimant is able to understand a certain language, then the claimant has to communicate in that language. But what are the criteria? ImmD has made no mention at all, and it is entirely for ImmD to make a decision which people consider to be unpredictable. Under such circumstances, how can a claimant choose a language suitable for him or her? ImmD may say that a judgment will be made based on supporting facts but what if the claimant speaks a rare language? Can ImmD provide the relevant interpretation service? What if they cannot find the right interpreters in Hong Kong? If they eventually cannot communicate with each other, will it be fair to the claimant? Therefore, I have all along suggested to the Security Bureau that consideration can be given to using other channels, such as hiring interpreters from overseas to provide interpretation services and conducting hearings by videoconferencing, in order to protect the rights and interests of the claimants.

The Security Bureau did go back and seriously study my proposal. During the sessions of the National People's Congress and Chinese People's Political Consultative Conference in March this year, I received a phone call in Beijing and learned that they were eventually willing to undertake in black and white that if no suitable interpreter could be found in Hong Kong, they would, through international organizations or relevant agencies, look for qualified interpreters in the claimants' places of origin and engage them to provide

assistance to the claimants in Hong Kong. Therefore, generally speaking, in view of the various arrangements to be improved by the Bill and the Security Bureau's sincerity in following up and responding to my concerns, I have decided to vote in support of the Bill.

I so submit.

DR CHENG CHUNG-TAI (in Cantonese): Deputy President, regarding the Immigration (Amendment) Bill 2020 ("the Bill"), something has happened during the scrutiny period over the past two months. And because of the so-called pandemic, we were unable to hold any public hearings. At the scrutiny stage of the Bills Committee, certain affected organizations or concern groups were invited to write to the Legal Adviser of this Council and consult the Security Bureau on some relevant provisions, but the result was undesirable, much to our frustration. I think this is due to the fact that in terms of interactions at the scrutiny stage, there is no way to put forward questions and replies directly, and explanations have to be made via correspondences or in writing. The period of scrutiny was also relatively short.

For this reason, the key points of the Bill as understood by members of the public seem to be vastly different from the point-to-point explanations constantly offered by the Government or the Bureau. I think that the responsibility certainly lies in the Government. At the early stage of scrutinizing the Bill, Mr Michael TIEN and I encountered the same situation, in which certain concern groups approached us, saying that some international refugee concern groups find it very difficult to do their work in Hong Kong at this day and age. The reason is that most people in Hong Kong do not believe that we are not refugees, while we are supposed to take care of refugees from other countries. As far as I am concerned, this is a very profound expression of emotion. As Hong Kong is so wealthy, it is in a position to fulfil its international obligation to provide for a refugee claim process, so to speak, for people from war-torn countries or countries having human rights issues. Against this backdrop, the concerns these international human rights organizations or concern groups have brought to our attention are centred on several areas.

First, will the refugee claim process become unfair under the amended legislation? As described by Mr Michael TIEN just now, the amended legislation confers almost absolute power on the immigration officer to determine

whether a person can communicate in a second language. The immigration officer can direct an ethnic minority to communicate in English if the latter is deemed to be able to communicate simply in English. In other words, it is possible that no interpreter will be arranged, or that the person will be deemed to pretend to be unable to comprehend another language, thus prolonging the judicial review application. This is a change that is of concern to many international human rights organizations. Is this not like beating a man to extort a confession? I am not talking about beating him in reality, but for one who can only speak "hi" or "bye" in English, is he accorded equal treatment if he is deemed to be able to communicate in English in respect of legal issues? No one will believe that this is equal treatment.

Second, there is a change that was initially very controversial under the amended legislation, namely, to authorize officers of the Immigration Department to possess arms at detention centres without having to apply to the Police for exemptions. Some Members have just referred to this, which I believe is an unnecessary arrangement. As we have long understood, the number of people detained in a detention centre does not need to be on a par with that held in a prison or holding centre as we understand. In that case, is there any need to use ammunition or arms? Certainly, this is a power that has long rested in them, but there is such administrative inconvenience for them to apply to the Police for the use of arms. Now such inconvenience will be removed. At the same time, I believe that if this arrangement is put in place, a corresponding mechanism should be introduced to allow, for example, Members of this Council and Justices of the Peace to exercise oversight or supervision in a way that is similar to what they do with prisons. Though such arrangement is already in place, it is barely implemented at detention centres. Quite a number of international human rights organizations have already asked whether this indicates that the Government will subsequently hold claimants on a massive scale rather than allow them to live relatively freely, as it did previously.

Certainly, the provision imposes a condition that law enforcement agencies may detain at a detention centre a person who they believe may undermine the security and order of the local community. Why do I take this into account? The reason is that this has long been a concern of mine. I am concerned about whether this will virtually become arbitrary arrest. We understand the law enforcement agencies usually seem to ... I take back this remark, and I should not have made it. I therefore believe that this is understandable. When a detention centre is empowered and enjoys the convenience to use heavy weapons, can we

assume that it is ready to detain the so-called refugees or "bogus refugees" on an even more massive scale in the future? This is a matter that the Bills Committee is most concerned about.

As for my own position, I have stated that I am opposed to the Bill a long time ago. As far as its provisions are concerned, there is one thing that does not involve discussions in the community but rather relates to the right of the Secretary for Security to obtain passenger and crew information of arrival flights. This is a practice established over the past decade under the Convention on International Civil Aviation, and, as indicated by some other Members, some 90 countries have put in place the Advanced Passenger Information ("API") system. As far as I understand it, the API system does not simply empower the Secretary for Security to arbitrarily obtain crew or passenger information. However, there is a possibility with the arrangement of the provision. Will the legislation become the legal basis for the immigration blacklist we have long criticized?

Let us use common sense in understanding this issue. If an ordinary person comes from a safe country rather than a refugee-producing or war-torn country, how can we know for sure whether he will become a refugee or apply for refugee status upon entering Hong Kong? Do Members clearly understand this question? If we are talking about a refugee-producing country or a war-torn country such as Syria, it is likely that one from that country will become a refugee upon arrival in Hong Kong. But if we are talking about a country on the international list of safe countries, how can we know for sure that an ordinary person from that country will possibly apply for refugee status upon arrival in Hong Kong, and how can we obtain the relevant crew and passenger information in advance? As such, is there a mechanism in place or has the Security Bureau set up a specific database of such lists? For those who might have come to Hong Kong before but were repatriated, it is normal to deal with them in this way if they seek to enter Hong Kong again. But apart from this, is there any other objective? It is not clearly stated in the legislation.

Finally, I have only a few seconds left in my speaking time. I am wondering whether this will be a proper message. Over the past days, some people have questioned whether the provisions of the Bill would empower the Secretary for Security to prohibit Hong Kong people from leaving Hong Kong, and they have even labelled it as the Lock Up Hong Kong Ordinance. I hope that people will use common sense in understanding the issue. If the Government intends to bar anyone from leaving Hong Kong, it can simply

prohibit him from leaving on the grounds that he has failed to pay a fine. Have Members got it? There is no need for the Government to amend the legislation. Furthermore, if the Government intends to bar anyone from leaving, it can employ all possible means. Is not asset seizure a more convenient way? As such, I hope that Members (*The buzzer sounded*) ... will understand the intent of the Bill. I also hope that the Government will make clarifications. I so submit.

DEPUTY PRESIDENT (in Cantonese): Dr CHENG Chung-tai, please stop speaking.

MR SHIU KA-FAI (in Cantonese): Deputy President, the Immigration (Amendment) Bill 2020 ("the Bill") has proposed amendments mainly to target "bogus refugees". Concerning this issue, I think in recent years, many people of Hong Kong have known it only too well and found it more and more necessary for the Government to vigorously carry out interception work.

In the past when Dr Fernando CHEUNG still sat on this Council, he often suggested various ways to help and accommodate refugees. For genuine refugees, I believe many Hong Kong people with a sense of compassion are willing to lend a helping hand. But as we have pointed out many times, a vast majority of the 10 000-odd people who have arrived in Hong Kong are "bogus refugees". How to prove that they are "bogus refugees"? Statistics showed that according to the investigation of the Immigration Department ("ImmD"), over 99% of these people are not refugees. But when they have come to Hong Kong, can we turn our back on them? No, we cannot, Deputy President. We have to lend them a helping hand and provide them with support in terms of money, food, and so on, at a cost exceeding \$1 billion annually. Hong Kong is quite an affluent place but due to the epidemic, our budget has already been shrinking and there are fewer and fewer jobs. Even though we are quite an affluent place, could this be a pretext for "bogus refugees" to come to Hong Kong?

Oriental Daily News has made a very detailed list showing a multitude of crimes committed by "bogus refugees" in Hong Kong—Members may take a look at it—and these crimes happen just every day. Cases such as fighting or assault on females involving South Asians actually happen every day in Hong Kong. If these people are allowed to stay, will it be any protection to the people of Hong

Kong? Regarding these amendments proposed to the Immigration Ordinance this time around, we in the Liberal Party very much support them. These amendments will deal with, among others, problems in the application procedures. For example, they often use excuses claiming that they do not know English or other languages, or pretend to be sick, in order not to appear in court and keep stalling, so as to stay in Hong Kong. If they are not genuine refugees and stay in Hong Kong, they will pose greater risks to us and we should ask them to return to their places of origin. For genuine refugees, we certainly have mechanisms to tell them apart and then we can come up with measures to help them. But if they resort to those ploys that I have just mentioned, such as pretending not to speak a certain language, faking sick or deliberately staying out of contact in which case further arrangements have to be made to start the legal proceedings afresh, all this will be digging into our pockets at the end of the day.

Having listened to Dr CHENG Chung-tai's speech earlier—he is not in the Chamber—I wonder if he wishes to take Dr Fernando CHEUNG's place. I do find it very strange. So, when ImmD, after identifying those ludicrous loopholes in its investigation, have now come up with some counter-measures, I feel happy about it, and I thank ImmD for identifying these loopholes.

In respect of arms as mentioned earlier, some people said that ImmD does not quite need to carry arms. As far as I understand it, among all the disciplined forces, ImmD is, in fact, most civilian in nature because most of its work is clerical. This is why they did not quite need to use arms in the past and they would borrow them from the Police when necessary. This, the people of Hong Kong understand. But when they have to deal with these over 10 000 "bogus refugees", do Members know that many South Asians are very burly? If the staff in the detention centre meet with them one-on-one, or perhaps when they outnumber the ImmD staff and other colleagues may not have arrived in time, will the situation be very dangerous to the ImmD staff? How can they protect themselves? I heard Dr CHENG Chung-tai say that they could make an application to the Police but that will take too long a time. Given that the situation is different now, there is a need for them to be provided with arms. Of course, even if they are provided with arms, they will not use them wantonly because every time they use them, I believe they have to submit a report and also bear legal responsibilities for inappropriate use. Therefore, in short, the arms provide additional protection for ImmD staff, so that they can have more assistance and protection when they face "bogus refugees". For this reason, I personally very much support this amendment.

Besides, when these people plan to fly to Hong Kong, ImmD will be able to prohibit them from boarding the flight in order to promptly stop them from coming to Hong Kong. As far as I understand it, in the Bills Committee, colleagues from the Security Bureau mentioned the relevant statistics showing that in the past, many of the "bogus refugees" became "bogus refugees" only after they arrived in Hong Kong. They did not say that they were flying to Hong Kong to file an application for becoming "bogus refugees" before boarding the flight with their passports in their hands. No, that was not the case. They might have resorted to any means to come to Hong Kong and it was only after their arrival in Hong Kong that they lodged an application all of a sudden and became "bogus refugees". Then they would, in accordance with the established procedures, apply for legal aid, engage lawyers, and so on. No one knows for how many years they are going to stay in Hong Kong, and there have been more and more of these people. After their arrival in Hong Kong and as we currently have a mechanism in place, we can do nothing about them. We cannot send them away immediately and so, they can continue to stay in Hong Kong. Therefore, we should ban them from coming to Hong Kong at source, and just as the handling of COVID-19, we should take interception actions at source and prohibit them from boarding a flight to Hong Kong. Could it be that the problem can be dealt with slowly after they are let into Hong Kong?

In this connection, the Bill has given powers to the Director of Immigration, so that when he knows from the intelligence received or under special circumstances that some people come to Hong Kong actually not for sightseeing, not for doing business and not for visiting relatives, then for what purpose do these people come to Hong Kong? If we can know early that there are these people, we can stop them from coming to Hong Kong. If they truly come as tourists, or they come to visit relatives or do business, then they have to provide proofs to convince us.

(THE PRESIDENT resumed the Chair)

There is the view that the powers to be conferred on ImmD will enable it to target actions not only at these people but that all the people will be subjected to suppression. Come to us when there are such cases. If those people are not "bogus refugees" but ImmD has invoked powers to ban them from coming to Hong Kong, they can go to Members of the Legislative Council to seek redress.

Therefore, for legislation intending to protect Hong Kong people and improve the original provisions, and for amendments that can resolve more quickly the "bogus refugees" problem that all of us do not wish to see, I appeal to Members not to block their passage for whatever reason.

Lastly, President, the Liberal Party and I support the Bill.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Security to reply. Then, the debate will come to a close.

SECRETARY FOR SECURITY (in Cantonese): President, my thanks go to the Members who have spoken just now. I am particularly grateful to Ms Elizabeth QUAT, Chairman of the Bills Committee on Immigration (Amendment) Bill 2020 ("the Bills Committee") as well as members of the Bills Committee, the Secretariat and the legal adviser for their efforts, so that the deliberation of the Immigration (Amendment) Bill 2020 ("the Bill") can be smoothly concluded.

I would also like to thank the Legislative Council, various organizations and individuals who have expressed valuable views on the Bill and the handling of non-refoulement claims to the Security Bureau ("SB") over the past few years, including through the Panel on Security, the Subcommittee to Follow Up Issues Relating to the Unified Screening Mechanism for Non-refoulement Claims and the Bills Committee of the Legislative Council.

As I have stressed when moving the Second Reading of the Bill in the Legislative Council in December last year, the Government has always been determined to address issues relating to non-refoulement claims. Over the past few years, SB and the Immigration Department ("ImmD") have implemented a number of measures targeting the various stages of handling non-refoulement claims, including combating at source, expediting the screening of claims and the handling of appeals, expediting repatriation, while at the same time stepping up such law enforcement actions as combating illegal workers.

The various measures have achieved some progress. In particular, the number of non-ethnic Chinese illegal immigrants has dropped drastically by more than 70% from the peak, from a monthly average of 318 in 2015 to 93 in 2020. The number of new non-refoulement claims received has also dropped about 80%, from a monthly average of 421 in 2015 to 102 in 2020. The number of appeal cases pending handling by the Torture Claims Appeal Board ("TCAB") has substantially decreased from the peak of over 6 500 to some 1 600 cases; and it is expected that TCAB can complete the handling of these remaining cases within this year at the earliest.

Despite this, we are still facing considerable challenges. The publicly-funded legal assistance services have been affected for a period in the past owing to the epidemic. As a result, there is presently a backlog of about 960 cases in which the claimants are waiting for ImmD to complete the screening of their cases, with another 600-odd claim cases the screening procedures of which have yet to be commenced. On the other hand, more than 11 000 persons are still staying in Hong Kong at present due to various reasons even though their claims and appeals have been rejected, including about 8 800 persons who have filed applications for leave to apply for judicial review which are pending to be handled by the court.

In the face of these ongoing challenges, particularly to avoid a significant rebound in the number of illegal immigrants and non-refoulement claims, and the abuse of procedures by claimants to obstruct screening and repatriation, we must strengthen the existing measures and further rationalize the legal framework. The Bill will improve the measures in various aspects to enable the Government to deal with the problems on different fronts more effectively. These include improving the screening procedures to enhance efficiency in screening and prevent different delaying tactics, while at the same time improving the procedures and functions of TCAB and strengthening measures in the interception of illegal immigrants at source, law enforcement, and repatriation and detention of claimants.

President, during the course of deliberation by the Bills Committee, we are pleased to note that Members and the public generally support the expeditious implementation of the Bill by the Government. The Bills Committee has also held in-depth discussion on individual provisions and the implementation details, expressing quite a lot of valuable views. Having regard to the views of the Bills Committee, I will move amendments in respect of strengthening the measures of detention later on.

Since the Bill encompasses numerous provisions, I will not go into them here, but I will give a brief account of the several amendments. During the course of discussion, we are aware of the concerns of some Members and organizations regarding the legislative amendments to prevent claimants from delaying the screening procedures, such as whether empowering ImmD to direct a claimant to communicate in a language conforms to the high standards of fairness required by the court. In this connection, I must reiterate that the various provisions of the Bill are effective in plugging the loopholes and will continue to meet the high standards of fairness. Take the language issue for instance, ImmD will continue to arrange simultaneous interpretation service for the claimants in need after the proposed amendment has come into effect. The provision will enable ImmD to deal with the situation effectively in case claimants use the aforesaid reasons as an excuse to delay the screening procedures.

Dr CHENG Chung-tai expressed his views on this power when he spoke just now. I have to raise objection and I also find it unacceptable that he, being a member of the Bills Committee, still fails to grasp the reasoning behind it after listening to the Government's explanation on many occasions. We propose such an amendment to the ordinance because some claimants have insisted on communicating in some extremely rare tribal dialects in the past, and we have reasonable grounds to believe that the claimants can understand other languages. Therefore, we have introduced a new provision under which ImmD or TCAB may direct a claimant to communicate in a language that ImmD or TCAB reasonably considers the claimant is able to understand and communicate in. As a matter of fact, we have also pointed out to the Bills Committee that similar practice is adopted in Germany and the United Kingdom ("UK") as well. Therefore, I find Dr CHENG Chung-tai's earlier remarks in this regard unacceptable.

I would also like to take this opportunity to point out once again that the clause in the Bill to empower the Secretary for Security to make regulations in relation to the provision of passenger information by carriers is intended for fulfilling the new requirement under the Convention on International Civil Aviation, which requires its member countries and regions to put in place the Advance Passenger Information ("API") system. At present, over 90 countries and regions already have the API system in place, including Australia, Canada, UK and the United States, etc. The API system to be implemented by the SAR Government will require airlines to provide passenger information and it may direct that a passenger may not be carried on board the carrier. It will only target at flights heading to Hong Kong, rather than departing flights. The

freedom of Hong Kong residents to enter or leave Hong Kong is therefore not affected. Subject to the passage of the Bill by the Legislative Council, the Secretary for Security may make regulations to implement the API system, including empowering ImmD to require airlines not to carry certain individuals to Hong Kong. It is necessary for the Government to make subsidiary legislation, which is subject to the scrutiny and passage by the Legislative Council, in a separate exercise. The subsidiary legislation will specify that the requirement only applies to flights heading to Hong Kong. Specific details of the system and legal requirements will also be spelt out, including the requirement for airlines to provide passenger information to ImmD before flight departure for Hong Kong, as well as empowering ImmD to require incoming flights not to carry certain individuals on board flights to Hong Kong. The laws of Hong Kong must conform to the Basic Law, whereas Hong Kong residents' freedom to travel and the right to enter or leave Hong Kong are guaranteed under Article 31 of the Basic Law. The Government has confirmed that all provisions of the Bill conform to the Basic Law and the Hong Kong Bill of Rights Ordinance. We have time and again explained this clearly to the Legislative Council and the public, the records of which can be found in the minutes of various meetings of the Legislative Council.

Regarding the actual operation of the API system, the International Civil Aviation Organization has laid down recommended standards and related guidelines for our reference. We will also carefully study the overall operational arrangements of the system in Hong Kong, taking into account the practice and experience of other regions. The relevant study will be conducted by ImmD, under which it will communicate with the aviation industry on the operation and requirements of the system. Specific details of the system and legal requirements, such as the types of aircrafts that will be required to submit passenger information, the details and format of passenger information required, etc., will be specified in the regulations. The Government will certainly submit the regulations to the Legislative Council for discussion as soon as possible once the specific proposals for the regulations are available.

Some people and organizations have deliberately distorted the provision as a restriction on Hong Kong residents' freedom to enter or leave Hong Kong. They have been attempting to spread rumours in fallacious and emotional rhetoric and labels to mislead members of the public. SB has issued statements on multiple occasions earlier on to strongly condemn such acts to set the record straight.

President, the handling of non-refoulement claims is an ongoing and important task. Upon passage of the Bill, the executive authorities of the Government will be able to deal with problems in relation to non-refoulement claims in all aspects on a more effective and more solid legal basis. As regards the issue of claimants attempting to delay their repatriation by initiating judicial review, we understand that the Judiciary still has to process a large number of applications for judicial review. We are actively liaising with the Judiciary in this respect and are working with them in order to help resolve these issues.

President, I implore Members to support the Second Reading of the Bill and the amendments that I will move later on.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Immigration (Amendment) Bill 2020 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr CHENG Chung-tai rose to claim a division.

PRESIDENT (in Cantonese): Dr CHENG Chung-tai has claimed a division. The division bell will ring for five minutes.

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

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Ms Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr Holden CHOW, Mr SHIU Ka-fai, Mr Wilson OR, Ms YUNG Hoi-yan, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Dr Pierre CHAN and Dr CHENG Chung-tai voted against the motion.

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

THE PRESIDENT announced that there were 43 Members present, 40 were in favour of the motion and 2 against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Immigration (Amendment) Bill 2020.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Immigration (Amendment) Bill 2020.

Members may refer to the Appendix to the Script for the debate and voting arrangements for the Bill.

IMMIGRATION (AMENDMENT) BILL 2020

CHAIRMAN (in Cantonese): Members have been informed that the committee will conduct a joint debate on the clauses and amendments.

I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 28.

CHAIRMAN (in Cantonese): The Secretary for Security will move amendments which seek to amend clauses 1, 5 and 16.

Members may refer to the Appendix to the Script for details of the amendments.

CHAIRMAN (in Cantonese): Members may now proceed to a joint debate on the clauses and amendments.

I will first call upon the Secretary to speak, but he is not required to move his amendments at this stage. Then I will call upon Members to speak.

Upon the conclusion of the joint debate, the committee will first vote on the clauses with no amendment standing part of the Bill, and then the amendments.

SECRETARY FOR SECURITY (in Cantonese): Chairman, the amendments proposed by the Government seek to amend clause 1, 5 and 16 of the Immigration (Amendment) Bill 2020 ("the Bill") respectively. These amendments, especially the part relating to detention, are proposed in response to the views of the Bills Committee, and members have also expressed support for these amendments.

Now I will briefly explain the objectives of the amendments.

Firstly, an amendment is proposed to clause 1. Clause 1 of the Bill provides for the commencement of the Immigration (Amendment) Ordinance 2020 ("Amendment Ordinance"), which shall come into operation on a day to be

appointed by the Secretary for Security by notice published in the Gazette. In order to expeditiously put into practice the various enhancement measures to further improve the screening procedures for non-refoulement claims and strengthen the ability of the Immigration Department ("ImmD") in carrying out work in respect of interception at source, enforcement, removal and detention, we have, in the course of the deliberations of the Bills Committee on the Bill, discussed with ImmD and the Torture Claims Appeal Board ("TCAB") on the preparation time required for them to implement the various new measures in the Bill. Thanks to the efforts made by ImmD and TCAB, we have reviewed the preparation work required and taking into account the need to provide ample time for the relevant stakeholders to understand the improved screening procedures, we have proposed to appoint 1 August 2021 as the commencement date of the Amendment Ordinance, subject to the passage of the Bill by the Legislative Council.

In the next three months, the Security Bureau, ImmD and TCAB will make preparations for the implementation of the various new measures in the Amendment Ordinance, which include updating the relevant guidelines and documents, conducting internal training, and ensuring that the relevant stakeholders fully understand the latest procedures and statutory requirements, so as to enable the various new measures to be implemented smoothly.

Regarding the amendments to clauses 5 and 16, clauses 5 and 16 seek to amend the provisions concerning detention pending removal, deportation or final determination of a claim in sections 32(4A) and 37ZK of the Immigration Ordinance, with a view to enhancing transparency and providing unequivocal legal backup to the immigration officers in considering and determining the detention period, while complying with the relevant legal principles.

Drawing reference to the detention arrangements for handling Vietnamese migrants back then under the existing section 13D(1A) of the Immigration Ordinance, we originally proposed setting out in sections 32(4A) and 37ZK the factors in considering whether a period of detention is reasonable and lawful, which include:

- (a) the number of other persons pending removal from Hong Kong or final determination of a claim;
- (b) the manpower and financial resources allocated for the removal of persons from Hong Kong or the screening of claims;

- (c) the extent to which it is possible to make arrangements to effect the person's removal from Hong Kong;
- (d) whether the person's removal from Hong Kong or the screening of a claim is prevented or delayed by any action or lack of action of the person; and
- (e) factors that directly or indirectly prevent or delay the person's removal from Hong Kong or the screening of a claim that are not within the control of the Director of Immigration.

At the meeting of the Bills Committee, most members have expressed support for these proposed amendments. Some members have suggested that the Government may consider further including in the provisions other "circumstances" as factors in considering detention, including whether the person concerned will pose a security risk, etc.

Insofar as the daily operation is concerned, this factor proposed by members is already among the factors being taken into account by ImmD when deciding whether a person should be detained, and the court has affirmed in relevant precedents that it is both reasonable and in compliance with the relevant legal principles for ImmD to consider the relevant factors when exercising its detention powers. Having considered members' views, we have agreed to propose amendments to sections 32(4A) and 37ZK to the effect that a new circumstance is added to further specify that whether the person poses a threat or security risk to the community should be taken into account in deciding the reasonableness and lawfulness of a period of detention.

I must emphasize that when considering whether a period of detention is reasonable and lawful, ImmD will take into account the specific circumstances and facts of the individual case, alongside with those circumstances set out in the ordinance and other relevant factors. Moreover, ImmD will continue to conduct regular and timely review of each case in accordance with the detention policy and the existing mechanism, in order to decide whether the person concerned should continue to be detained. After the review, ImmD will notify the person concerned in writing of the result of the review with justifications, and conduct an interview with the person concerned, with the assistance of an interpreter where necessary, to explain the situation. The objective of these arrangements is to ensure that the detainee is notified in a timely manner of the detention decision and the reasons for it and also fully understands them.

Chairman, I implore Members to support my proposed amendments, so that we can expeditiously implement the Amendment Ordinance and enhance the detention work. Thank you, Chairman.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): The committee now first votes on the clauses with no amendment standing part of the Bill.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 2 to 4, 6 to 15 and 17 to 28 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CHAIRMAN (in Cantonese): The committee now votes on the amendments. Secretary for Security, you may move your amendments.

SECRETARY FOR SECURITY (in Cantonese): Chairman, I move the amendments set out in the Appendix to the Script.

Proposed amendments

Clause 1 (See Annex I)

Clause 5 (See Annex I)

Clause 16 (See Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the amendments moved by the Secretary for Security be passed.

CHAIRMAN (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the amendments passed.

CLERK (in Cantonese): Clauses 1, 5 and 16 as amended.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses as amended just read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Immigration (Amendment) Bill 2020 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR SECURITY (in Cantonese): President, I now report to the Council: That the

Immigration (Amendment) Bill 2020

has been passed by committee of the whole Council with amendments. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Security be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

IMMIGRATION (AMENDMENT) BILL 2020

SECRETARY FOR SECURITY (in Cantonese): President, I move that the

Immigration (Amendment) Bill 2020

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Immigration (Amendment) Bill 2020 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr CHENG Chung-tai rose to claim a division.

PRESIDENT (in Cantonese): Dr CHENG Chung-tai has claimed a division. The division bell will ring for five minutes.

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

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Michael TIEN, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Ms Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr Holden CHOW, Mr SHIU Ka-fai, Mr Wilson OR, Ms YUNG Hoi-yan, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr Vincent CHENG and Mr Tony TSE voted for the motion.

Dr Pierre CHAN and Dr CHENG Chung-tai voted against the motion.

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

THE PRESIDENT announced that there were 42 Members present, 39 were in favour of the motion and 2 against it. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

CLERK (in Cantonese): Immigration (Amendment) Bill 2020.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Road Traffic (Amendment) Bill 2021.

ROAD TRAFFIC (AMENDMENT) BILL 2021

Resumption of debate on Second Reading which was moved on 24 February 2021

PRESIDENT (in Cantonese): Mr CHAN Hak-kan, Chairman of the Bills Committee on the Bill, will first address the Council on the Bills Committee's Report.

MR CHAN HAK-KAN (in Cantonese): President, in my capacity as the Chairman of the Bills Committee on Road Traffic (Amendment) Bill 2021 ("the Bills Committee"), I now report on the deliberations of the Bills Committee.

The Road Traffic (Amendment) Bill 2021("the Bill") seeks to expand the scope of animals protected under section 56 of the Road Traffic Ordinance ("the Ordinance") to include "cat" and "dog". After the amendment comes into effect, the driver of a vehicle must stop and comply with certain requirements if an accident occurs whereby damage is caused to a cat or a dog other than one in or on that vehicle. The Bill also makes minor textual amendments to that section, including replacing the reference to "animal" by "specified animal".

Members in general support the proposal to add "cat" and "dog" to the scope of section 56 of the Ordinance. However, some members are concerned about why this legislative amendment exercise seeks to extend the protection to

only cats and dogs, but not other common community animals such as monkey, wild boar and barking deer. In some members' views, the Administration should consider further expanding the scope of animals protected under the Ordinance, so as to benefit and protect more species of animals.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

The Administration has responded that after studying the relevant legislation in other places and having regard to international practices, it considers that there are merits to update the Ordinance by bringing the most commonly owned pets (i.e. cats and dogs) under the coverage of section 56 thereof. This is a key step forward in the Administration's overall efforts to enhance animal welfare.

Some members have also pointed out that vehicles may run at very high speed on expressways or trunk roads in the urban areas. From the road safety angle, it is dangerous for a driver to stop the vehicle and to report the accident after having hit a specified animal when the traffic is heavy as this may cause traffic blockage and pose safety hazards to the driver himself as well as other road users. The requirements to stop and make report to the Police after an accident will affect drivers' work schedules. It is also undesirable for drivers to spend hours waiting for officers of the Agriculture, Fisheries and Conservation Department ("AFCD") to arrive at the scene to handle the matter.

According to the Administration, when an accident causing injury to a cat or a dog occurs, the driver should, if traffic condition permits, stop the vehicle and report to the Police with details of the accident and the injured animal. The driver may leave the scene after supplying his/her particulars to the police officer(s) who will normally arrive within a short time. If the driver for any reason (e.g. safety issues or the possibility of causing more traffic accidents) is unable to stop the vehicle immediately after having hit a specified animal, the driver should stop the vehicle as soon as possible in a safe place before contacting the Police.

Lastly, some members expect the Government to step up publicity and education so that practitioners of the transport industry and professional drivers clearly understand what additional legal responsibility they would have to

shoulder after the implementation of the new statutory requirements. According to the Administration, the Bill, if passed by the Legislative Council, would come into operation in six months. Before the amendment takes effect, the Administration will conduct a series of publicity activities, including distributing posters and leaflets and publicizing relevant information on government websites and Road Safety Bulletin, so that all road users could be made aware of the new requirements.

The Administration and the Bills Committee will not propose any amendment to the Bill.

Deputy President, the above is my report on the work of the Bills Committee. Now, I would like to take this opportunity to express my personal views on the Bill.

Deputy President, we often see cats, dogs or cattle being hit by vehicles on the roads. Sometimes the scenes were even quite shocking or bloody. After being hit by a vehicle, these animals will probably fail to receive rescue or be hit again by inattentive subsequent vehicles. So, generally, these animals will unfortunately pass away eventually. Hence, the Government is able to respond to the requests in society by including the requirement to stop and make report to the Police after having hit a cat or a dog in the Bill, which has gained the support of many animal lovers.

In fact, I think today's Third Reading of the Bill came too late because I have been following up the Bill and urging the Government to act as soon as possible. It has been nearly three years since 2018 and only in 2021 the Bill can be read the Third time in the Legislative Council. It is indeed too slow and takes too long.

Certainly, as the Chairman of the Bills Committee, it has been mentioned earlier that many people in the transport sector have a lot of concerns. I understand this because no piece of legislation is perfect. For a piece of legislation to work well, it has to be supported by various parties and strike a balance between diverse views. We hope that more animals can be protected under the Ordinance, while road users are concerned that it will cause traffic congestion and affect the work of professional drivers. So, it is not so easy to strike a balance between various parties. This amendment exercise seeks to include only cats and dogs in the Ordinance. However, with the progress of

time, improvements in the legislation and increasing social awareness of animal protection, I take this amendment exercise as a starting point instead of an end. I expect more animals to be covered by the Ordinance in the future, so that if they are unfortunately hit by a vehicle, there will be a chance that they could be rescued by relevant personnel.

Looking back at the Bill, why do we have to make the amendments? It is because the original intent of the Ordinance is to facilitate livestock owners to seek compensation from the drivers concerned for the loss incurred. Hence, under the Ordinance, drivers are required to stop and make report to the Police after having hit an animal such as mule, ass and cattle only. However, as we can see, it is difficult to find a mule in Hong Kong nowadays. Excuse me but I have just had my birthday. I am in my forties and I have neither seen a real mule nor an ass in Hong Kong. Hence, obviously we will not hit these animals in Hong Kong, yet we often see cats, dogs and even monkeys, as mentioned just now, being hit. The Ordinance covers cattle, which do exist nowadays. There are many "community cattle" which do not belong to any owner and live free-range in the community. Therefore, the amendments made in the Bill this time are actually progressing with the times.

As I mentioned just now, the amendment seeks to afford more animals a higher chance of being rescued. Therefore, it is important to contact relevant government departments and animal protection organizations after having hit these animals. If we refer to similar legislation, for example, in Singapore, drivers are required to contact animal protection organizations apart from reporting to the Police after having hit these animals. There is no such requirement under the Ordinance and the drivers involved are only required to call 999 or AFCD. When I attended a meeting of the Subcommittee to Study Issues Relating to Animal Rights last week, I asked what number we should call to contact AFCD if we witness an animal cruelty case. Deputy President, the answer is 1823. You would also laugh when you hear this, right? One surely cannot reach AFCD by calling 1823. It may take a few days to reach AFCD. Our volunteers even said it would take almost a week for the case to be passed on to AFCD. So, let us go back to the Ordinance. It will be most desirable for AFCD to provide a hotline for the public to call after having hit an animal. But the Director of AFCD will say, "Honourable Members, we have little manpower to deal with the heavy workload. We will have to add a lot of manpower if we are to provide a 24-hour hotline." I have to put in a good word for AFCD here: Secretary, can more resources be allocated to them? Because they have not done the best job in animal protection in recent years, but it is most certain that

they have gradually made progress. Despite our frequent criticism of them in the Council over euthanasia of animals, the number of animals being euthanized is declining. If the Secretary can allocate more resources to them, I expect the number of community animals handled by means of euthanasia to move towards the goal of zero. Hence, AFCD colleagues should not be discouraged by the constant criticisms from the Council or animal protection organizations. Rather, these criticisms should be regarded as a motivation and driving force which will bring a positive effect on their work. Nevertheless, I expect them to listen more to the opinions of the Council and the public.

Moreover, Deputy President, I understand that AFCD or the Government will also amend the Prevention of Cruelty to Animals Ordinance (Cap. 169) in the future. In this connection, the Council has reached a consensus and hopes that the Government will present the relevant amendments to the Legislative Council as soon as possible. Apart from animals being hit by vehicles, we can also see many cases of animal cruelty in our society nowadays. The cases are getting more and more outrageous and tragic. Some animals were thrown off the street. Some pigeons got their wings and feet cut off. Some stray dogs not only got beaten up, but were also stabbed in the neck to drain their blood. There have also been multiple cases of dog poisoning in the community. Given the situation, I believe Members will definitely render active cooperation and speedy scrutiny if the relevant legislative amendments can be presented to the Legislative Council expeditiously. The Council will also support the Government's effort in further taking forward animal welfare policy. In fact, Members have mentioned many other related animals during the amendment exercise. I hope the Government can consider gradually including them in the scope of protection. Here, I would like to thank colleagues in the Bills Committee for their work.

With these remarks, I support the Bill. Thank you, Deputy President.

MR TONY TSE (in Cantonese): Deputy President, I rise to speak in support of the Second Reading of the Road Traffic (Amendment) Bill 2021 ("the Bill"). The Bill seeks to strengthen the protection for two types of pets kept by many Hong Kong people, i.e. dogs and cats. It requires a driver to stop and report to the Police if he has hit a cat or a dog while driving, otherwise he will commit an offence. The maximum penalty on conviction is a fine of \$10,000 and imprisonment of 12 months. The purpose is to enable cats and dogs injured by vehicles to receive early treatment.

Many motorists may not be aware that the existing legislation has long required drivers to stop and report to the Police if they have hit any horse, cattle, ass, mule, sheep, pig or goat. In recent years, appearances of stray cattle and pigs have become more frequent in Hong Kong, causing considerable obstruction and danger to motorists. However, in Hong Kong we have rarely, if ever, seen horses, asses, mules, sheep or goats on the roads. We would only see them in stables or farm houses.

Obviously, the relevant legislation originated from the United Kingdom, where these animals were usually kept for agricultural or transport purposes. Since they might be valuable private property, there was the need to introduce legislation for regulation and protection, but cats and dogs were not included.

As more and more Hong Kong people keep cats and dogs as pets, even those who do not keep any pets have become more concerned about animal rights. Hence, many people share the view that this amendment exercise is appropriate and can keep abreast of the times.

However, as the Bills Committee pointed out during its scrutiny, the requirement that a motorist shall stop when he has hit a cat or a dog may cause considerable traffic blockage, especially on a highway. It may even endanger the driver's own safety and that of other road users. In recent years, there have been quite a number of traffic accidents in Hong Kong in which the drivers and passengers who alighted in the middle of the road owing to vehicle breakdown were unfortunately injured or even killed by other vehicles. Therefore, we should not take lightly the safety issue for drivers, passengers and other vehicles arising from the need to stop the vehicle to attend to the injured cat or dog which has been hit.

When promoting the new legislation, the Government should at the same time explain to the public the risks involved and how to deal with such a situation. As pointed out by the Government, if the driver is unable to stop immediately for safety reasons after hitting an animal, he may drive to a safe place as soon as possible, then stop and report to the Police. The authorities have also undertaken that the Police will arrive at the scene as soon as possible shortly after receiving the report. Under normal circumstances, the driver may drive the vehicle away after providing the relevant information to the police officer, and there will be no need to detain the vehicle or hold up the driver for too long. This is particularly important to professional drivers. I hope the Government can really walk the talk.

Deputy President, like other motorists, it is never my wish to hit any animal, but sometimes it is really unavoidable, especially when it comes to dogs and cats of a smaller size. Some drivers may not be able to brake or swerve out of the way when a cat or a dog suddenly dashes onto the road, since they may worry that such an act will cause an even more serious traffic accident.

In recent years, apart from increased appearances of pigs, cattle, cats and dogs on the roads in Hong Kong as I mentioned just now, there are also many roads with mud and sand, gravel, rubbish, potholes and damage. Moreover, there are quite a number of road signs and markings which I think are unnecessary or can be consolidated. Although this may not be under the Secretary's purview, I would still like to bring it up to draw the attention of the authorities because these conditions will also cause trouble and even danger to motorists. I hope the Secretary and the relevant Policy Bureaux and departments, including the Food and Environmental Hygiene Department under the Food and Health Bureau, and the Transport Department and Highways Department under the Transport and Housing Bureau, can squarely address the issues I have just raised. I hope the government departments can enhance their coordination and cooperation. They should not say that it is not their business if rubbish is dropped on the roads or highways as they are only responsible for the cleanliness of pavements, or it is not their business either when it comes to monitoring works vehicles and refuse collection vehicles to ensure that the objects carried will not be easily left on the roads.

Deputy President, as I said just now, I think these matters should be handled by various departments in collaboration. Road safety and cleanliness should be enhanced in a practical and effective manner. As I have mentioned at other meetings, in improving the townscape, Hong Kong should be developed into a safer, more beautiful and more liveable city. If this is not within the Secretary's purview, I hope he will convey the message to the bureaux and departments concerned.

Deputy President, I so submit.

MR KENNETH LAU (in Cantonese): Deputy President, the existing Road Traffic Ordinance provides that the driver of a vehicle shall stop if an accident involving that vehicle occurs whereby an animal, namely seven kinds of animals such as horse, cattle, ass, mule, sheep, pig or goat, is injured or killed. This

amendment seeks the inclusion of cats and dogs as well. In other words, a driver who has hit a dog or a cat shall report the accident in person at the nearest police station or call the Police by phone not later than 24 hours after the accident. Any driver who does not stop is liable to a maximum fine of \$10,000 and to imprisonment for 12 months, whereas the failure to make a report to the Police after the accident is liable to a maximum fine of \$15,000 and to imprisonment for six months.

Given the widespread concern for animal welfare and rights in the community, coupled with the increase in the number of pet keepers, I understand that it is imperative for the Government to promote a culture of animal protection and caring to prevent people from abusing animals or stifling their rights. Therefore, I appreciate the Government's proposal to amend the legislation this time. However, this amendment will be implemented in a broad-brush manner in the rural community at the same time. The authorities have not fully considered the special circumstances of the rural areas and have simply copied the wording verbatim, which is somewhat unreasonable. As such, I have reservations about the amendment.

In fact, as early as in 2018, when the Food and Health Bureau put forward the idea of amending the legislation, I already received feedback from many rural residents and rural committees that they were concerned about the amendment, especially Sai Kung residents. The reason is that the rural areas are open and remote, and stray animals often hide in these places, mostly cats or dogs, which have no fixed place to live. In addition, cats are nocturnal animals and tend to go out at night to look for food. Given their small size and their ability to hide, they are often difficult to spot. The road network in remote rural areas is generally poor, particularly the narrow roads between villages, and street lighting is inadequate. If a driver has to stop when he hits a cat or dog, the only external road in the village will likely be blocked. This will aggravate the traffic congestion in the rural areas regardless of whether it is day or night. Professional drivers in such situations are unable to drive away from the village to work. As they are living from hand to mouth, this will affect their livelihoods.

Deputy President, I support enhancing the protection of animal welfare, but we should not use the same approach adopted by city dwellers and force it onto the rural environment. In my opinion, animal safety should begin at the source. Some dogs and cats become stray animals because their owners do not take good

care of them, which is why they are lost and stray on the streets, while others end up the same way after being abandoned by their owners. Abandoned pets are very common in Hong Kong. From January to October last year alone, the Society for the Prevention of Cruelty to Animals received 205 cats and dogs which had been abandoned by their owners and the number of abandoned animals on the streets is even beyond counting.

Many owners find young or newborn animals very cute and keep them on impulse without thinking about whether they can commit to keeping them for a lifetime. However, when they realize that keeping a pet requires a lot of accompany time and caring efforts, they will hit upon the idea of discarding the animal as if it were an object, which is extremely irresponsible.

Nevertheless, pet owners need not be accountable for abandonment, nor are they held responsible for these lost cats and dogs. Now, things are done the other way round by putting all the blame on the drivers. This is extremely unfair and unreasonable. Moreover, having mercy on these owners will further promote this unhealthy trend, which is tantamount to encouraging pet keepers to be irresponsible owners.

I believe that the key to effectively protect animal welfare does not lie in such minor amendments, but in finding ways to make animal owners understand their responsibilities. I am pleased to see the Government introduce a "duty of care" provision when amending the Prevention of Cruelty to Animals Ordinance to ensure that every pet is properly cared for. Meanwhile, the authorities also need to step up publicity efforts to educate the public on responsible pet ownership, advise them to think carefully before deciding to keep a pet, to understand clearly the commitment that is called for, and to keep their promise to take good care of their pets they keep for a lifetime.

I am aware that the Office of The Ombudsman is conducting a direct investigation into the Government's regulatory work on dog keepers' obligations. I hope that upon the completion of the investigation, the authorities will take the report seriously and review the pros and cons of the existing system, with a view to improving Hong Kong's animal welfare policy. As regards the Road Traffic (Amendment) Bill 2021, I have reservations and will not support it. I so submit.

MR FRANKIE YICK (in Cantonese): Deputy President, as there have been quite a large number of traffic accidents involving cats and dogs in recent years, the Government introduced the Road Traffic (Amendment) Bill 2021 to provide greater protection for these animals. The Bill seeks to add "cat" and "dog" to the definition of "animal" under section 56 of the Road Traffic Ordinance ("RTO") (Cap. 374) to the effect that a driver is also required to stop the vehicle and report to the Police after having hit a cat or a dog, just as hitting any horse, cattle, ass, mule, sheep, pig or goat. The Liberal Party does not oppose the Government's amendments but meanwhile, we hope that the Government will not hold the drivers fully responsible for traffic accidents involving animals.

The number of cats and dogs kept as pets by the public has been increasing in recent years. The Veterinary Surgeons Board of Hong Kong has conducted a consultancy study on the development of the veterinary profession in Hong Kong. In the report published in 2017, it is pointed out that in the 11 years from 2005 to 2016, the number of cats and dogs kept as pets in Hong Kong increased from about 290 000 to about 510 000, representing an increase of about 76%. Traffic accidents involving cats and dogs have also increased accordingly, causing deaths in cats and dogs due to delay in rescue. The Liberal Party understands that the Government has updated the scope of "animal" by adding "cat" and "dog", being the most common pet types, as "specified animal" in response to the changes in society and public aspiration.

In fact, the definition of "animal" in RTO is indeed a bit outdated. Nowadays, the public may have a chance to see the aforementioned animals only on the roads in the New Territories or rural districts. Normally, cattle are more commonly seen, whereas for pigs, generally there are only wild pigs. As for the other animals such as horse, sheep and goat, generally the chance is slim for the public to see them on roads unless they are lost animals from farms. As for ass and mule, they may even have vanished long ago in Hong Kong. I recall that back in 2004 when the Ngong Ping Cable Car system was under construction, Hong Kong had to import six mules from Canada to assist in the transportation of construction materials. Some of them have been sent back to Canada, and we can see the rest of them only in Kadoorie Farm today.

Some members of the Bills Committee suggested that consideration should be given to adding other animals as "specified animal". But as Hong Kong becomes urbanized, many wild animals may be seen occasionally in the urban area. For example, a family of three wild pigs was seen crossing the road in Tin

Wan last year, and last week also saw a trio of porcupines crossing the road in Braemar Hill. Yet, on the question of whether every kind of animal should be added as "specified animal", I think it is necessary for the Government to conduct consultation more extensively.

Animals are living creatures too. The Liberal Party agrees that both cats and dogs should be protected. But given an increase in the number of pet cats and dogs, naturally there are more traffic accidents in which cats and dogs are hit by vehicles. Drivers should not be made to take all the blame as the source of the accident is the failure of the public to look after their pet cats or dogs properly. In this connection, to prevent innocent cats or dogs from being hit by vehicles unnecessarily, which will otherwise increase their risks of being injured or killed, apart from the need for drivers to pay extra attention while driving on roads, the Government should also take actions at source by appealing to the public to carefully look after their pet cats and dogs to prevent them from going astray. To reduce the number of stray cats and dogs roaming and lingering on roads, the public should think clearly when making a decision to keep them as pets. They must not act on impulse, lest they will eventually abandon their cats or dogs because they cannot continue to keep them for whatever reasons.

In recent years, the number of wild dogs has indeed increased in the rural area. In the New Territories, drivers can see from time to time unattended dogs walking at roadside and sometimes even appearing in groups. When seeing them, drivers will generally let them go first. But sometimes at night when the street lights are dim in the rural districts and when the dogs suddenly dash onto the roads from the bushes, drivers who are on high alert may be able to stop their vehicles in time but some drivers who attempt to avoid hitting the dogs may cause traffic accidents and sustain injuries as a result, and some drivers who may not be able to notice the dogs are eventually involved in accidents. I, therefore, hope that the Agriculture, Fisheries and Conservation Department ("AFCD") will control the reproduction of these wild dogs to prevent traffic accidents from happening unnecessarily.

In the event that an accident unfortunately occurred and to avoid delayed medical treatment for the cat or dog injured in the traffic accident, the transport sector has no objection to requiring drivers to stop the vehicle and report to the Police after having hit a cat or dog. Drivers have no objection to it if the place of the accident is accessible by the Police in a short time and the driver can leave after providing only some simple information. However, given the many

unpredictable situations faced by drivers while driving on roads, whether or not the driver can immediately stop the vehicle depends on whether it is safe to do so at the time. Otherwise, stopping a vehicle suddenly, especially on a highway, may lead to even more disastrous consequences. In case the driver cannot immediately stop the vehicle and even though the driver involved is required to report to the Police 24 hours after the accident under RTO, in order to enable the injured animals to receive timely medical treatment, the driver should report to the Police as soon as possible, so that the Police can notify AFCD or the Society for the Prevention of Cruelty to Animals to send the relevant personnel to the scene to rescue the animals being injured in the traffic accident.

Deputy President, the original intent of the amendment of RTO is to enable cats and dogs, which are more commonly kept as pets in recent years, to be rescued and treated in time in the event that they are hit by vehicles. But the relevant amendments may criminalize the drivers, especially as the newly-added cats and dogs have outnumbered the original seven kinds of animals and the chance of them being involved in accidents is hence naturally higher. For this reason, many professional drivers have expressed concern about the implementation of the relevant amendments. While the Government said that the principle of RTO has not changed, just that "cat" and "dog" are added to the definition of "animal", and that AFCD has written to 215 transport organizations and associations in such sectors as taxi, franchised bus, public light bus, school bus and container truck to consult their views on the relevant amendments and ultimately received views from only four organizations, but when I made enquiries with members of the industry, many of them have only half-baked knowledge of RTO and those who are aware of the changes are concerned that the amendments will greatly add to the pressure on drivers. Therefore, I hope that the Government will, before implementing the relevant amendments, step up publicity among drivers to allay their concerns.

With these remarks, Deputy President, I support the resumption of the Second Reading of the Road Traffic (Amendment) Bill 2021.

MS ELIZABETH QUAT (in Cantonese): Deputy President, I rise to speak in support of the Road Traffic (Amendment) Bill 2021 ("the Bill"). Actually, the introduction of the Bill is "better late than never". The main content of the Bill is very simple, which is to expand the definition of animals in the Ordinance. The original definition only included seven types of animals, namely horse, cattle,

ass, mule, sheep, pig and goat, some of which I have never seen in Hong Kong, and I believe it is unlikely that I will come across them on the roads. This time, cats and dogs are included in the amendment. In other words, in the future, if a driver hits a cat or a dog on the road, he must stop and report to the Police. Otherwise he will be liable to a maximum fine of \$15,000 or imprisonment of 12 months.

As a matter of fact, the Bill has been discussed for quite some time. It had been delayed for a few years before it was introduced into the Legislative Council. So I consider it late. Certainly, when the Government proposed the Bill, we heard some views. First of all, animal lovers consider the Bill not progressive enough. Why does it only cover cats and dogs? Now even in the urban areas, we may encounter other wild animals on the roads. For example, wild pigs and monkeys are commonly seen. Recently, even porcupines have shown up. Many people think these animals should be included too. In my view—everyone knows that I love animals and that is why I am a vegetarian—I prefer expanding the scope to cover all animals. But I will not oppose the Bill just because the Government did not include all animals or this expansion did not cover wild pigs, monkeys and porcupines. It is because the inclusion of cats and dogs is already a kind of progress. Nevertheless, I hope the Government will expeditiously conduct consultation and consider including other animals in the Bill.

Meanwhile, there would certainly be reaction from drivers. Some people are of the view that the Bill will aggravate traffic congestion, but in my opinion, if it is another vehicle rather than a cat or a dog that has been hit, people will stop the vehicle even if it is a minor collision, thus causing traffic congestion likewise. Moreover, animals are living creatures. I certainly do not agree to this. Some other people ask why it is necessary to stop the vehicle. It is dangerous to stop. Where can they be pulled over? I would like to tell the public that actually, such a law has long existed. It is only that it does not cover cats and dogs. If a driver hits a cow, he is required to stop as well.

In fact, this piece of legislation is extremely lenient in that it does not require the driver to stop immediately on the spot. Instead, it expects the driver to stop only after he has found a safe place, and requires the driver to report to the Police within 24 hours. So it is rather lenient. Although the legislation is so lenient, I still hope that if anyone really hits an animal, he should report to the Police as soon as possible. He should report to the Police after stopping the

vehicle in a safe environment and looking around. It is because the original intent of the legislation is that if an animal, especially a cat or a dog, has indeed been hit and injured, the relevant organizations can be notified to rescue it as soon as possible. If the injury is minor, this may give the injured animal a chance of survival. The later the driver reports to the Police, the lower will be the chance of survival of the animal. Frankly, if an animal is hit by a vehicle and left in the middle of the road unattended, not only may the animal get hit by another vehicle and die sooner, it is also dangerous to road users. I once encountered an animal on the road when I was driving. At that time I did not know what it was. I only knew there was something in the centre of the road. So I had to swerve out of the way. Such an act is dangerous per se. Hence, the sooner the animal is dealt with, no matter whether by rescue or by removal, the safer the road will be. It will be much safer for other motorists too. For this reason, I think the amendments to the Bill are definitely a good thing.

Nevertheless, speaking of the legislation on animal protection in Hong Kong, I think it is really backward. I have always considered that the Hong Kong Government does not attach much importance to animal welfare. Very often, it is only after years have passed that piecemeal amendments are made to the legislation, not to mention the need to strike a balance between the interests of various parties. The lives of animals are never given the highest priority. Consequently, the amendments proposed by the Government are often neither fish nor fowl. For example, this amendment only covers cats and dogs. Why does it not cover other animals? From April to July 2019, the Government consulted the public on amending the Prevention of Cruelty to Animals Ordinance, saying that the objective was to promote animal welfare. Yet three years have passed since the consultation. The legislative amendment we wish to see has yet to be drafted and submitted to the Legislative Council.

Certainly, during this period, we can see that the Police, among others, have done a lot of work, including the establishment of a dedicated team, while more law enforcement, publicity and promotion work have been conducted to combat animal cruelty. Nonetheless, we have noted that abuse, abandonment and illegal release of animals are still very serious in society. There are quite a number of such cases. Some of them are really heart-rending, such as abusing pigeons by cutting off their wings, and abusing cats and dogs by breaking their legs. These cases have occurred from time to time. Therefore, the publicity, promotion and education conducted by the Government in the whole community for the protection of animals, in my view, still have many deficiencies. One of

the reasons for the current inclusion of cats and dogs in the legislation is the presence of numerous stray cats and dogs in Hong Kong. In recent years, there has been some progress in handling this problem. Work on "Trap-Neuter-Return" has been carried out, but I think more can be done in legislative amendment to impose punishment on abuse, abandonment and illegal release.

Nevertheless, what genuine animal lovers wish to see most is not mere amendment to the legislation or to a certain part of Cap. 169. In fact, we wish to see the Government put in place a consolidated animal welfare law. This is what I wished to lobby the Government to do in the earlier discussion with the Government and the experts invited by me. We can look at the practices in other countries. For example, in the United Kingdom, provisions related to animal abuse which originally stood separately in various pieces of legislation have been consolidated into a so-called "umbrella" law, i.e. the Animal Welfare Act. It covers not only cruelty to animals, but also their physical and mental health. Of course, the direction currently proposed by the Government is an improvement because in the coming amendment exercise on the relevant legislation, provisions on duty of care will be introduced, and those for the prevention of animal cruelty will be enhanced. Enforcement powers will also be strengthened to prevent and protect animals from suffering. However, I still consider this amendment exercise relatively narrow. It still falls short of the comprehensive animal welfare law we wish to see. Therefore, I hope the Government can move forward in a bolder and more progressive manner in this regard. The relevant legislative amendment in the United Kingdom was made years ago, but we are still making piecemeal amendments today. I consider such performance rather backward.

Besides, the situation in Hong Kong can actually be regarded as fairly good because there are many good non-governmental organizations ("NGOs") and kind-hearted people willing to look after abused animals and stray cats and dogs, while constantly using the power of the community to discourage purchases and sales of animals, and support adoption of pets and giving them lifelong care. However, as I have noted, these NGOs and kind-hearted people are operating with great difficulties. I hope the Government can provide support in terms of resources, especially since it is very hard for them to find suitable places to take care of the animals. I hope the Government can provide more support to these NGOs in the provision of land so that they can do more.

Deputy President, I will support the Bill today. But actually, I very much hope that the Government can expeditiously introduce other legislative amendments and initiatives relating to animal welfare, so that the Hong Kong community at large can do more things at a faster pace in protecting animal welfare.

Deputy President, I so submit.

DR CHENG CHUNG-TAI (in Cantonese): Deputy President, a traffic accident took place near the Kowloon Funeral Parlour in Tai Kok Tsui two weeks ago. A mixed breed female dog named "Big Ear" from the Kowloon Funeral Parlour, which is familiar to the residents of Tai Kok Tsui, was knocked down by a car and the driver left without doing anything. Members of the public can see from the Internet and news reports that the car involved was caught on camera. It makes me feel helpless that even though "Brother Ming", owner of the female dog, and her friends who know her well have held a vigil for her, I know that the local residents still feel very much aggrieved. It is because we are looking at this accident from a normal perspective. In fact, the driver in this accident should have been caught red-handed since there is footage to serve as evidence. It is also said that the owner of the car involved has stayed somewhere nearby after the traffic accident to wait for the local residents to rush "Big Ear" to the doctor before leaving. Yet, the law is just so absurd, and only after two weeks that we are going to amend the Road Traffic Ordinance (Cap. 374) ("the Ordinance") today to cover cats and dogs that I have mentioned earlier under the provisions in relation to traffic accidents.

I wonder whether it is because such an accident happened before the passage of the Road Traffic (Amendment) Bill 2021 ("the Bill") that members of the public have finally become aware of how backward our road traffic legislation was in the past, or we have merely returned to the basics. I also hope that the Bureau would have understood clearly that the passage of the Bill is not tantamount to having made any remarkable progress in terms of animal rights. This is not the case, because the entire issue is in fact about the discussion on the rights to use roads.

Deputy President, you drive, and many of us present in the Chamber drive too. Let us think simply with common sense. We should stop if we hit anything while driving, right? But why would people leave after hitting a cat or a dog? This is utterly unreasonable. Given that such an unreasonable situation has existed for such a long time, we should then ask the opposite question and that is, why have we been accustomed to such an unreasonable situation all along in the past when it comes to the rights to use roads? It might be necessary to discuss a lot of relatively abstract concepts here if we dwell on in this way. But then, getting back to the root of the problem, even though cats and dogs are now covered under the Ordinance, members of the public, motorists and even I would believe that most animal rights groups would not consider that much progress could be achieved after the passage of the Bill. It is crystal clear that this is not the case. We are merely reverting to the normal practice to preserve the common sense that motorists should stop their cars if they hit a person or an object, or a cat or a dog. They should assume the responsibility as motorists, and that is all. We can have further discussion in respect of the adequacy of the relevant penalties.

Having said that, quite a number of animal protection organizations have also mentioned what they fear most at present is that the passage of the Bill would trigger off some knock-on effects or reactions, and such reactions might be very undesirable. For example, some animal protection organizations are concerned that the passage of the Bill will prompt some drivers to make reports collectively in respect of some places near the rural areas or roads without many railings. That is, they might report that wild dogs or stray cats appear more frequently near some rural areas or village houses, or some derelict land as we call it. Upon the passage of the Bill, some professional drivers might wonder, since this is the case, if it would be better to strike the first blow to catch all these cats and dogs in advance. Are they over-worried? It is hard to tell at this moment, as it purely depends on whether the Bureau would take up the responsibility of education. It is because the provisions to be added only bring the liabilities of road users, especially motorists, for hitting objects on par with our common sense. That said, we still have no idea at this point of time what implications the extension will bring. Will some professional drivers be provoked to request the Agriculture, Fisheries and Conservation Department ("AFCD") or the Society for the Prevention of Cruelty to Animals to catch the stray dogs and cats on an extensive scale, which is the worry of animal protection organizations? It remains unknown to us.

In particular, large-scale development projects will be carried out one after another in North East New Territories, as well as Kam Sheung Road, Yuen Long South and the Hung Shui Kiu Development Area in New Territories West in the future. This has added to our worries in this respect. As we all know, cats and dogs can move around freely in indigenous villages. When the Government has to resume land for development, the number of stray cats and dogs in that area may increase suddenly. In addition, some roads will be opened up to cater for development needs. Meanwhile, animal protection organizations are also concerned that apart from the basic so-called legal protection of animals, insofar as the rights to use roads being the original intention behind this legislative amendment exercise—let me just use such wording—is concerned, will the Food and Health Bureau ("FHB") and the Development Bureau ("DEVB") make extra efforts in respect of ancillary facilities in community development? When communicating with DEVB in the past on the compensation for land resumption to make way for new town development, we have also raised the possibility of compiling statistics on animal inhabitants, instead of passing the buck to FHB and then leaving it for AFCD to discuss with the relevant kennels or non-governmental organizations on the number of places available for receiving these so-called community cats and dogs.

I might have gone a bit too far. Coming back to the Bill, it might only come into effect six months after its passage as there are some procedures, such as its gazettal, to go through. Yet, I hope that the Bureau will make more efforts in some administrative details. For instance, a driver might not be aware of hitting a cat or a dog. Supposing that the driver involved in the accident of "Big Ear" happened near the Kowloon Funeral Parlour in Tai Kok Tsui might not be aware of it at that time, I am saying "might", okay? But he should know that after the Bill has come into effect, he might risk committing other more serious offences if he does not go to the police station within 24 hours to make ... not to surrender himself, or I should say to make a report in the most basic sense. The Bills Committee has not delved into this issue very clearly back then, since it involves the specific law enforcement actions taken by the Police in relation to the traffic accidents. Although the Bureau and the Government have reiterated repeatedly that the same practice is actually adopted for traffic accidents involving pedestrians, there are in fact some cases of drivers having knocked down an animal without knowing it. Such cases do really happen.

Therefore, two issues are involved here. First, do motorists have adequate awareness to realize that they might even be charged with related serious offences, such as perverting the course of justice, if they hit and run? Second, will the Police, as a law enforcement agency, revert to our basic understanding that a police officer may not be aware himself that he should handle such accidents in accordance with the Road Traffic Ordinance as usual after the relevant provisions have been implemented? There is always such a possibility during the process, so that we are worried whether a police officer would advise both parties to settle the case with money. But then, the nature of the Ordinance now tells us that this is a criminal offence.

I so submit.

MR LUK CHUNG-HUNG (in Cantonese): I rise to speak in support of the Road Traffic (Amendment) Bill 2021. In recent years, road accidents involving dogs and cats being hit have occurred from time to time. In February this year, an engineering vehicle hit a dog in Yuen Long and then left the scene. Only after checking the CCTV did the owner learn that the dog had been hit by the vehicle. In fact, we have heard of such accidents every now and then. The main reason is that under the existing legislation, the definition of animal does not cover cats and dogs, but only refers to traditional economic livestock such as cattle, sheep and pigs. I understand that this problem is a legacy of the past. Therefore, this amendment can be said to have kept up with the times by including people's best friends and pets—dogs and cats. In the past, drivers were not required to stop immediately after hitting a dog or a cat, which often delayed the golden opportunity to rescue the dog or the cat and cost it its precious life. I believe that no one wants to see similar accidents happen again. Therefore, this amendment will strengthen the protection of animal rights and enable cats and dogs to be taken care of more quickly after getting injured, thus demonstrating the spirit of humanity and giving them a chance to live.

(THE PRESIDENT resumed the Chair)

However, while taking care of cats and dogs, we should also take heed of the concerns of the transport sector. For professional drivers who use the roads every day, they have noticed that the actual implementation and operation of this

legislative amendment will give rise to certain difficulties and worries. In Hong Kong, many drivers are driving large vehicles, including medium to heavy trucks, container trucks, buses and coaches. Some cats and dogs are relatively small in size. Since the drivers' seats are high and the vehicles are tall, there are bound to be blind spots. Drivers may not be aware immediately that they have hit a cat or a dog. Sometimes, some dogs and cats may even hide underneath vehicles to take shelter from the heat, which may result in accidents when the vehicles are started, causing injuries to these cats and dogs. These are the things that drivers do not want to happen, but sometimes they do not notice them right away, or are not in the know even after they have knocked down a dog or a cat.

In addition, there are often stray animals roaming the roads in the urban and rural areas. It is not that drivers do not stop their vehicles on purpose, but they just run over them accidentally. If drivers are fined and imprisoned for failing to stop, professional drivers with long working hours and unstable income will have to bear more legal liabilities, which will undermine the protection of professional drivers.

As for law enforcement and evidence collection, if the vehicle is relatively tall, the angle of the vehicle recording device (i.e. "car cam") may not be able to capture a cat or a dog which is smaller in size and at a lower direction. If a driver is accused of not stopping immediately after an incident, how will the relevant departments collect evidence in order to protect the driver and the cat or the dog?

Moreover, as regards busy roads with high traffic speeds, especially highways, some drivers are concerned that if they are required to stop once they find that they have knocked down a small animal, whether they will have to stop under unsafe circumstances or even cause other traffic accidents on the highways. Although the Government has explained at the meeting that drivers have to stop only when it is safe to do so, how can safety be defined and how can this be used as a reasonable defence? This is also a grey area that drivers believe exists. Should an accident occur on a highway, the vehicle may even only be pulled over on the left shoulder, but the driver may not know exactly what to do afterwards.

In view of this, the Government needs to provide adequate and clear guidelines to the transport trade, listing out some common situations and ways to deal with them, as well as conducting publicity among drivers to allay their worries. I would like to make the following suggestions on behalf of the Hong

Kong Federation of Trade Unions in the hope that they can complement the implementation of the Government's new legislation. Firstly, the Government has all along lacked specific data on the number of traffic accidents related to cats and dogs, and only made available the overall number of traffic accidents involving knocked down animals. Neither is there detailed information such as the analysis of the kinds of animals, the location and time of the accidents, etc.

In 2017, Ms Alice MAK already raised a relevant question on whether the Government had kept statistics on dogs and cats injured or killed after being hit by vehicles, and compiled a list of locations where accidents of animals being hit by vehicles had occurred, so as to facilitate the compilation of a list of black spots for traffic accidents involving animals. These databases can help make recommendations for road improvement, such as putting up appropriate traffic signs to remind drivers that nearby roads are frequented by animals, or are even black spots for animal traffic accidents, so that drivers are reminded to pay close attention to road conditions. On the other hand, it can also let animal organizations know the severity of the situation, so that they can take corresponding actions.

In conclusion, the original intent of this legislative amendment is to enhance the protection of animal rights and to remind everyone that both drivers and animal owners have a responsibility to protect the safety of road users and animals. At the same time, the Government also needs to balance the concerns of the transport sector and the demands of animal owners. Together, we can prevent accidents from happening.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Food and Health to speak. Then, the debate will come to a close.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, in February this year, the Government introduced the Road Traffic (Amendment) Bill 2021 ("the Bill") into the Legislative Council, requiring drivers to stop in case of traffic accidents involving injuries to cats and dogs, so that the injured cats and dogs can receive timely treatment. This amendment is an important step in enhancing the protection of animal welfare. We are grateful to Mr CHAN Hak-kan, Chairman of the Bills Committee, and other members for their support, which has facilitated the smooth completion of the scrutiny.

Section 56(1)(b) of the Road Traffic Ordinance ("the Ordinance") provides that the driver of a vehicle shall stop if an accident involving that vehicle occurs whereby damage is caused to a specified "animal" other than one in or on that vehicle or a trailer drawn by it. Under sections 56(2) and 56(2A), the driver shall also give his personal particulars, including his name and address, to any police officer or any person having reasonable grounds for so requiring such information; otherwise, he shall report to the Police as soon as practicable and in any case not later than 24 hours after the accident. The existing definition of "animal" covers seven types of animals, namely, horse, cattle, ass, mule, sheep, pig and goat. This provision was formulated years ago to facilitate livestock owners' claims of compensation from the drivers concerned for the loss incurred. A driver who fails to stop after the accident is liable to a fine of \$10,000 and imprisonment of 12 months, whereas a driver who fails to provide his personal particulars or fails to report to the Police as soon as practicable and no later than 24 hours after the accident is liable to a fine of \$15,000 and imprisonment of 6 months.

Concomitant with the increasing number of cats and dogs kept by members of the public in recent years, the risk of them going astray and consequently getting injured in traffic accidents has also increased. Accidents in which such animals got injured or killed after being hit by vehicles happened from time to time. We propose to amend section 56 of the Ordinance to include "cat" and "dog" in the scope of the specified "animal". If the amendment is passed, the aforesaid stipulations such as stopping the vehicle after an accident will apply to traffic accidents involving damage to cats or dogs.

When the Police receive reports of animals injured in traffic accidents, they will notify departments or organizations such as the Agriculture, Fisheries and Conservation Department ("AFCD"), the Food and Environmental Hygiene Department and the Society for the Prevention of Cruelty to Animals (Hong

Kong) as necessary to assist in the treatment of the animals concerned. We hope that after the legislative amendment, cats and dogs injured in accidents can be treated in a timely manner, while drivers can be more alert and pay more attention to animals on the road to reduce the occurrence of such accidents.

At the stage of scrutiny by the Bills Committee, the Bill received general support from members. The Bill, if passed, will come into operation six months after gazettal. Meanwhile, the Government will make sustained efforts in publicity and education so that the public, particularly motorists, will understand the requirements of the legislation.

Next, I will briefly respond to the concerns expressed by various Members just now.

Firstly, Mr CHAN Hak-kan and Ms Elizabeth QUAT, for example, have asked why other animals are not included in the legislation, or suggested that it should be done. As a matter of fact, the present proposal to include cats and dogs in the definition of "animal" already covers the most commonly kept pets in Hong Kong. At the same time, we have also drawn reference from the legislation in other jurisdictions where similar requirements to stop the vehicle may not necessarily cover wild animals. To strike a balance between the protection of animal welfare and regard for the impact on motorists, we consider the proposal at this stage appropriate. Nevertheless, we will keep monitoring the overall situation and see if there is the need to make any other amendment in due course.

The second issue is whether it is safe to stop on the road, be it a highway or a rural road as mentioned by Members. Both Mr Kenneth LAU and Mr LUK Chung-hung have raised this issue. We certainly understand drivers' worry that stopping and waiting on the highway may pose a threat to their safety. We hope Members will note that the requirement under the Ordinance to stop after hitting a specified animal is actually the same as how traffic accidents are currently handled. When drivers stop, it is of course of vital importance that they take their own safety into account first.

If, for any reason, a driver is unable to stop immediately, such as being on a highway or on a rural road which may be relatively narrow as mentioned by Mr LAU just now, the driver should stop the vehicle in a safe place as soon as possible and then contact the Police.

Just now Mr LUK Chung-hung expressed his wish that we will provide guidelines so that drivers and motorists will be clear about what to do, and make available more data on the locations where animals have appeared and black spots where traffic accidents involving animals have occurred, so that motorists in the vicinity will pay special attention. We will refer the suggestion to AFCD.

Besides, various Members have mentioned the publicity or education work to be carried out after the legislative amendment. They hope that the Government will conduct sufficient publicity and education on the amendment. If the Bill is supported by the Legislative Council, the amended Ordinance will come into effect six months after gazettal. In the meantime, we will work with the departments concerned to publicize the amendment, including information and guidelines to remind motorists to pay attention to the relevant requirements, such as stopping the vehicle only when it is safe to do so.

A number of Members have also mentioned the responsibilities of animal owners. Some animal owners may abandon their animals, causing them to go out to the road. Just now Mr Frankie YICK, Mr Kenneth LAU and Ms Elizabeth QUAT have brought up this issue. Of course, animal owners have the responsibility to take proper care of their pets. If it is proved that a dog owner has failed to control his dog properly and thus caused a traffic accident, the Police may prosecute the dog owner. Under the Rabies Ordinance, a dog keeper or anyone who allows his dog to wander into a public place without proper control commits an offence. Therefore, members of the public must watch over their animals carefully.

Lastly, a number of Members, including Ms Elizabeth QUAT and Mr CHAN Hak-kan, have touched on the progress of our amendment to the Prevention of Cruelty to Animals Ordinance. I understand Members' concern about animal welfare issues. In fact, the SAR Government has always been very concerned about animal welfare and strived to improve the relevant laws so that the current legislation on animal welfare can be enhanced all the way. Regarding the latest progress of the Government's amendment to the Prevention of Cruelty to Animals Ordinance, the Government has consulted the public on the proposed amendment and reported the outcome of the consultation to the Legislative Council Panel in April last year. This will be a relatively large-scale amendment exercise involving a greater number of more complicated provisions. During the amendment exercise, we will take into account the views collected from the public consultation, legal advice, local circumstances and practices in

other jurisdictions. We are now drafting the legislation and consulting the Department of Justice on the details and provisions of the amendment bill. Once the Bill is completed, we will introduce it into the Legislative Council of the next term for examination as soon as possible.

In closing, President, I move that the Second Reading of the Road Traffic (Amendment) Bill 2021 be resumed. I implore Members to support and pass the Bill. I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Road Traffic (Amendment) Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Road Traffic (Amendment) Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Road Traffic (Amendment) Bill 2021.

ROAD TRAFFIC (AMENDMENT) BILL 2021

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 3.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bil. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Road Traffic (Amendment) Bill 2021 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I now report to the Council: That the

Road Traffic (Amendment) Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Food and Health be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

ROAD TRAFFIC (AMENDMENT) BILL 2021

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I move that the

Road Traffic (Amendment) Bill 2021

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Road Traffic (Amendment) Bill 2021 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Road Traffic (Amendment) Bill 2021.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021.

INLAND REVENUE (AMENDMENT) (TAX CONCESSIONS FOR CARRIED INTEREST) BILL 2021**Resumption of debate on Second Reading which was moved on 3 February 2021**

PRESIDENT (in Cantonese): Mr CHEUNG Kwok-kwan, Chairman of the Bills Committee on the Bill, will first address the Council on the Bills Committee's Report.

MR CHEUNG KWOK-KWAN (in Cantonese): President, in my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 ("Bills Committee"), I report on the key areas of the work of the Bills Committee.

The object of the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 ("the Bill") is to amend the Inland Revenue Ordinance (Cap. 112) so as to provide tax concessions for carried interest issued by qualifying private equity ("PE") funds operating in Hong Kong.

The Bills Committee held one meeting with the Administration and invited written views from relevant organizations and the public. Members of the Bills Committee generally support the proposed tax concessions. Matters discussed by the Bills Committee include the scope of "fund" under the Bill, the conditions to be met by "qualifying persons" and "qualifying employees" to benefit from the proposed tax concessions, and the expected economic benefits and possible impact on the Government's finance to be brought about by the implementation of the proposed tax concessions.

As the Bill seeks to attract overseas PE funds to re-domicile to Hong Kong, and many pension funds and multinational corporations adopted an investment structure of investment funds with a single investor ("fund of one"), a member

has asked the Administration whether it would include the fund of one in the definition of "fund". The Administration has advised that the Inland Revenue Department ("IRD") explained in the Departmental Interpretation and Practice Notes ("DIPN") it issued that, as regards privately-offered funds, in certain circumstances, an arrangement may be considered as a fund even if it has only one investor at its initial stage of operation. The actual eligibility of a fund of one would have to be determined according to the specific circumstances of the individual case.

A member has sought clarification on whether a PE fund registered and operating overseas would be able to benefit from the proposed tax concession regime by simply registering in Hong Kong and meeting the minimum number of full-time employees and the minimum amount of operating expenditure requirements under the Bill, while retaining a substantial portion of its operation and personnel in another tax jurisdiction. The Administration has responded that the objective of the Bill is to encourage the formation and operation of funds from overseas in Hong Kong. The minimum requirements have been set having regard to the local market landscape and in consultation with the relevant industries. The Bill provides that the Commissioner of Inland Revenue ("the Commissioner") may raise the requirements concerned depending on the specific circumstances of individual cases.

The Bill provides that carried interest issued by PE funds operating in Hong Kong is eligible for tax concessions, subject to the fulfilment of certain conditions. A member has enquired whether a carried interest arising from profits earned from the sale of the investment in a private company through an initial public offering ("IPO") would be eligible for tax concessions. The Administration has explained that IRD has issued a DIPN which clarifies that if a fund sells its investment in the investee private company through an IPO, it is in substance no different from a transaction in listed securities or a transaction in securities of an investee private company. The fund would continue to be eligible for profits tax exemption in respect of the divestment if the exemption conditions remain satisfied.

In accordance with the Bill, "qualifying employees" should be employed by a qualifying person or its associated corporation or associated partnership which carries on a business in Hong Kong. The Bills Committee has discussed whether the definition of "qualifying employees" should be widened to include a person who is employed by an overseas associated corporation of the qualifying

person and carries out investment management services in Hong Kong. Moreover, members have also asked whether a local employee of a qualifying person would be considered as a qualifying employee and eligible for salaries tax concessions if the carried interest is paid by an overseas associated corporation of the qualifying person.

The Administration has explained that an individual who is employed by an overseas company not carrying on a business in Hong Kong would not be eligible for salaries tax concessions under the proposed tax concession regime. The qualifying employee should provide relevant documentary proof to the Commissioner in relation to the distribution of eligible carried interest if the carried interest in question was not distributed by a qualifying payer directly so that the Commissioner can determine whether the employee is eligible for salaries tax concessions.

Members have expressed concerns about the possible financial implications of the tax concessions and asked the Administration about the number of PE funds that would be able to enjoy the tax concessions in Hong Kong. The Administration has advised that it would be difficult to estimate the number of PE funds that would be attracted to Hong Kong for operation and management under the regime. For funds being managed in Hong Kong, since carried interest received by their investment management service providers is chargeable to profits tax together with other service income derived from investment management services rendered in Hong Kong, IRD has not maintained a separate breakdown of tax revenue arising from carried interest in its database. The authorities have also advised that many PE funds and their investment management service providers are currently carrying out their business and investment management activities offshore, and thus they are not subject to taxation in Hong Kong. The Administration is therefore not able to provide an estimate of the financial implications of the proposed tax concessions accurately.

The Bills Committee supports the resumption of the Second Reading debate on the Bill and will not propose amendments.

President, I will give my views on the Bill as follows. Both the Democratic Alliance for the Betterment and Progress of Hong Kong and I support the Bill. Undoubtedly, financial services remain the greatest edge of Hong Kong now. Be it in the overall development of our country, the regional development or the global financial development, Hong Kong's financial services still has a bright prospect. However, the competition is indeed very, very keen.

Our competitors in the neighbouring regions can even be said to be keeping a wary eye at all times, hoping to take over Hong Kong's leading financial role. Therefore, Hong Kong should not be complacent and refuse to make progress, as stop moving forward means falling behind. In particular, over the past year or so, Hong Kong has been hard hit by black-clad violence and faced with the unreasonable suppression exerted by western countries on our country and on Hong Kong. For this reason, we must continue to strengthen our edge in financial services.

The SAR Government needs to keep on reforming and innovating so as to maintain the existing edge of Hong Kong. And, to be fair, tax concessions for carried interest proposed under the Bill are not a trump card nor a knockout blow that can knock our competitors out in a single move. But it can be regarded as one of the moves in the financial "punch combo" to boost the competitiveness of Hong Kong's financial services. I hope that more PE funds will be attracted to Hong Kong for operation, which will generate more investment management and associated activities, thereby creating business opportunities for related professional services and bringing genuine economic benefits to Hong Kong.

The Bill can be said to enable the industries to have a clear understanding on how funds can be eligible for tax concessions, including issue about the eligibility of PE funds registered and operating overseas, which has been clarified in the Bill. The amendments proposed in the Bill also expand the eligible classes of assets that may be held and administered by a special purpose entity on behalf of a fund that owns the entity. According to the Bill, two conditions have to be satisfied for the regime of profits tax concessions to apply to eligible carried interest.

The two conditions are: firstly, the average number of full-time employees in Hong Kong carrying out the investment management services concerned should be adequate in the opinion of the Commissioner and be two or more; and, secondly, the total amount of operating expenditure incurred in Hong Kong for the provision of the investment management services concerned is adequate in the opinion of the Commissioner and amounts to HK\$2 million or more. In the Bills Committee, the authorities have responded that the aforementioned two conditions for profit tax concessions ... the two conditions I have mentioned just now were formulated after taking into account the local market landscape, such as the total operating expenditure of PE funds and the views gathered during an industry consultation exercise on the preliminary proposal from August to September 2020.

The Administration has further advised that the aforementioned two conditions are the minimum eligibility criteria, the Commissioner might, depending on the facts and circumstances of each case, exercise judgment on whether the number of full-time employees and the total amount of local operating expenditure of the qualifying persons are adequate and proportionate to their operation in Hong Kong. However, I urge the authorities to, after the passage and implementation of the legislation, pay serious attention to whether such conditions for profits tax concessions conform to the actual circumstances of Hong Kong so as to prevent abuse and an outcome that deviates from the policy intent. That is, the provision of tax concessions fail to, at the same time, attract overseas PE funds to move to and operate in Hong Kong with a view to boosting the demand for investment management services and related professional services.

Lastly, it is also our hope that, after the implementation of the legislation, the authorities will, from time to time, evaluate the effectiveness of the tax concession regime and keep relevant records, covering, as mentioned in the Bills Committee, the number of PE funds having moved to and operating in Hong Kong, the number of full-time staff employed, the total amount of operating expenditure incurred in Hong Kong by qualifying persons and the amount of tax revenue forgone as a result of the implementation of the regime, and report to the Legislative Council in due course.

President, I so submit.

MR CHAN CHUN-YING (in Cantonese): President, the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 ("the Bill") is a relatively technical bill. Its object is to amend the existing Inland Revenue Ordinance (Cap. 112) to provide tax concessions for carried interest to attract overseas private equity ("PE") funds to move to and operate in Hong Kong as soon as possible.

In brief, the Bill will provide profits tax and salaries tax concessions for qualifying persons and their qualifying employees in respect of the particular types of carried interest received by them for their provision of investment management services for certain funds and entities. However, to be eligible for the tax concessions, they must satisfy some major conditions, including

qualifying persons being corporations or authorized financial institutions carrying on businesses in regulated activities; the carried interest concerned being received from qualifying payers, and such qualifying payers being investment funds, their associated corporations or partnerships, or specified entities; the carried interest concerned being generated from profits earned from investment; at the same time, the investment management services concerned being carried out in Hong Kong; the number of full-time employees in Hong Kong hired by the investment management services concerned—as Mr CHEUNG Kwok-kwan has referred to just now—being not less than two; and the operating expenditure being not less than HK\$2 million.

President, I am a member of the Bills Committee. During the scrutiny, I have requested the Bureau to clarify a number of issues. First of all, PE funds can sell their shares by way of initial public offerings ("IPO"). It seems to be the original intent of the Bill to allow such an exit mechanism, but the provisions do not expressly state whether it falls within its scope. Therefore, I asked the authorities for clarifications at the time. The Bureau heeded my advice, stating that it is the original intent of the Bill to include share offering by way of IPO.

Secondly, on qualifying employees, some PE firms will actually post employees of their overseas associated corporations to Hong Kong. The work undertaken by such employees actually falls within the firms' scope of operation in Hong Kong. However, the Bill only covers locally-hired employees. Therefore, at the time I asked the authorities whether they would consider widening the definition of "qualifying employees" to include a person who is employed by an overseas associated corporation of the qualifying person and carries out investment management services in Hong Kong.

Moreover, the salaries of local employees of some funds are not necessarily borne by the corporations in Hong Kong but paid directly by their overseas associated corporations, and the Bill does not cover such a situation. Therefore, back then I also asked the authorities if they would consider verifying through external audits that such employees truly provide services in Hong Kong and thus would also be eligible for tax concessions for carried interest. However, the Administration has explained that any tax concession introduced in Hong Kong must comply with the latest international taxation standards, including the anti-Base Erosion and Profit Shifting ("anti-BEPS") measures of the Organisation for Economic Co-operation and Development ("OECD"). Therefore, to be eligible for the proposed salaries tax concessions, an individual has to be a

qualifying employee. A "qualifying employee" refers to an individual employed by a qualifying person or its associated corporation or associated partnership carrying on a business in Hong Kong, and that individual is carrying out the duties of employment by providing investment management services in Hong Kong for or on behalf of the qualifying person. An individual who is employed by an overseas company not carrying on a business in Hong Kong would not be eligible for salaries tax concessions under the tax concession regime. This means that, subject to the anti-BEPS measures of OECD, it would be relatively difficult to include the aforementioned two types of employment or payment of employee salaries in the scope of the Bill for the time being, although they are commonly found in the operation of PE funds. This is also understandable.

In addition, President, during the course of scrutiny, members have also mentioned that, in the fund industry, there are indeed many funds of one that consist of only a single investor. Mr CHEUNG Kwok-kwan has also mentioned them just now. Nevertheless, according to the files of the Legislative Council in 2018 or 2019, the authorities had regarded such kind of funds as a form of qualifying funds. Yet, subsequently when the Inland Revenue Department formally drafted the legislation, funds of one were excluded from the scope of exemption. Funds of this type are actually multinational corporations, and pension funds, for instance, often adopt this form, but they do not meet the definition concerned under the Bill. For this reason, I also requested the authorities back then to consider widening the definition of funds in the future to include such funds in the ambit of the Bill.

Lastly, a provision in the Bill stipulates that the proposed tax concessions will be backdated to 1 April 2020. Allowing the period to which tax concessions would apply to be backdated seems quite generous. Some Members have noticed that, when tax concession proposals were submitted to the Legislative Council for scrutiny in the past, some Members also requested that such tax concessions be applied to profits made during the period before the proposals took effect, in the hope that there would be a so-called retrospective period. However, the Government at the time resolutely rejected the request. For this reason, I have asked the authorities whether such a proposal is consistent with the previous practice and whether it is common to set out such a retrospective period in the Bill. The Administration has stated in response that the proposal is a conscious decision to attract overseas PE funds to move to and operate in Hong Kong as early as possible.

Thus, President, on the whole, the Administration did take into account various circumstances when drafting the Bill. Some areas cannot be covered at present, seemingly for good reasons and justifications. After the passage of the Bill, more PE funds should be attracted to Hong Kong to make transactions, which will inject new momentum for development into the financial market of Hong Kong. Therefore, I support the passage of the Bill.

President, I so submit.

MR HOLDEN CHOW (in Cantonese): President, the object of the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 ("the Bill") is certainly to strengthen the investment management market for private equity ("PE") funds in Hong Kong so as to attract more overseas PE funds to operate in Hong Kong. According to the relevant information provided by the Legislative Council, the aggregate capital under PE management in Hong Kong in 2019—not yet including real estate funds—already reached a staggering US\$161 billion, ranking second in Asia after the Mainland.

As regards PE funds in Hong Kong, based on the currently available data, of course, some people may say that Hong Kong is already doing quite well, so why is it still necessary to offer tax concessions? However, as I have heard what Mr CHEUNG Kwok-kwan, Chairman of the Bills Committee mentioned in his speech—his views are very sensible—many regions are now our potential competitors and they want to compete with Hong Kong in this market. Therefore, while other regions are very keen to competition and scrambling for business, we cannot remain indifferent and inactive. The Government, therefore, introduced the Bill to provide service providers of PE funds with tax concessions for carried interest in the hope of attracting more PE funds to move to and operate in Hong Kong. Generally speaking, service providers of PE funds are remunerated in two ways: first, management fee payable under the agreement; second, the carried interest we are discussing now, i.e. return linked to the performance of investments. This generally refers to the return arising from the disposal of an investment held by the fund for a period of time and the return concerned certainly has to meet a relevant hurdle rate, which is the so-called carried interest.

In the Bills Committee—I am also a member of the Bills Committee—indeed, there have been quite a lot of views on how the Government will quantify the effectiveness of the Bill in the future. At the present stage, the

Government is still unable to give a clear account. Of course, we hope that after the Bill takes effect in the future, the Government can take adequate measures to quantify the effectiveness. For example, the Bill states that in order to be eligible for tax concessions, qualifying persons must satisfy two conditions. Firstly, in the year of assessment concerned, a PE fund has hired at least two full-time employees in Hong Kong. Secondly, the total amount of operating expenditure paid in respect of management services engaged locally should be at least \$2 million. The aforementioned two conditions need to be satisfied.

Our question is: when such PE funds have moved to Hong Kong or enjoyed tax concessions, exactly how many economic benefits can they bring to Hong Kong, or how many job opportunities can they create for Hong Kong? Or, to put it the other way round, after having introduced such tax concessions and quantified the effectiveness, what will the total amount of the so-called forgone or waived tax revenue be? Moreover, as new PE funds will be drawn to Hong Kong by the concessions, in respect of the numbers of such companies, manpower and job opportunities, I consider that the SAR Government has the responsibility to compile such data in the future, and to clearly explain to the public that such tax concessions are absolutely effective. I think the Government should be responsible for undertaking the relevant quantitative work after the passage of the Bill.

As far as I remember, I have raised this point in the Bills Committee and the Government has explained that at present there is no existing record on exactly how tax concessions will be quantified. Of course, the Government has difficulties in this respect, but in my view, as the Bill takes effect, the authorities should devise a new assessment mechanism, especially as this initiative can drive the demand for services of other sectors. It is because we are aware that, regarding the operation of PE funds as a whole, the demand from one sector can spur other sectors, including the accounting and legal sectors. We opine that as regards the changes in the numbers of the PE funds concerned and their employees, or the amount of services they have used, and since they have moved to Hong Kong, exactly how much work has been generated, how much professional accounting and legal services of Hong Kong they have engaged, I reckon that the changes in such respects should be quantified so that the effectiveness of the relevant initiative can be made known to the public in a more effective manner. Therefore, I hope the Government will accomplish such tasks later.

I support the Bill. With these remarks, I so submit.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. Then, the debate will come to a close.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first, I would like to thank the Chairman of the Bills Committee, Mr CHEUNG Kwok-kwan, and other members, including Mr CHAN Chun-ying and Mr Holden CHOW who have just spoken, as well as the Legislative Council Secretariat and the Legal Adviser for their efforts to facilitate the smooth conclusion of the scrutiny of the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 ("the Bill"). I would also like to thank members of the sector for supporting the tax concession regime proposed by us and putting forward their valuable views in the process.

The Bill seeks to amend the Inland Revenue Ordinance to provide tax concessions for carried interest distributed by eligible private equity ("PE") funds operating in Hong Kong, thus attracting more PE funds to operate and be managed in Hong Kong.

In recent years, in response to changes in international tax regime, it becomes a trend for funds to be registered and managed in the same place, thus driving fund structures and activities to move onshore from offshore. Meanwhile, given Hong Kong's active initial public offering market for PE-backed companies and our proximity to the Mainland which offers a stream of deal flow, Hong Kong is a viable domicile for PE funds. Given that tax treatment is one of the key factors influencing the choice of jurisdiction for fund domiciliation and operations, we propose to provide tax concessions for qualifying carried interest, with a view to attracting PE funds to operate and be managed in Hong Kong, and boosting more investment management and related activities which will create business opportunities in related professional services and bring economic benefits to Hong Kong.

Unlike other management fees or remuneration, carried interest is a return linked to the investment performance of a PE fund. Generally speaking, carried interest will only be distributed to a fund management company and its

employees upon disposal of an investment which has been held for a period of time. This is by nature different to fixed management fee and thus carries certain risks. Our proposal is to exempt all the profits tax and salaries tax relating to carried interest distributed to a fund management company and its employees. However, in order to be eligible for tax concessions, the carried interest concerned must fulfil certain conditions including, amongst others:

- (1) the carried interest must be distributed by a fund certified by the Hong Kong Monetary Authority or the Innovation and Technology Venture Fund Corporation launched by the Government. The purpose of the certification mechanism is to ascertain that the fund truly engages in PE investment activities and thus prevent abuse; and
- (2) the qualifying carried interest recipients must provide investment management services in Hong Kong and meet the substantial activities requirements in the relevant years of assessment. The requirements include having, in the opinion of the Commissioner of Inland Revenue, adequate number (average two at the least) of qualified full-time employees; and incurring adequate operating expenditure (at least HK\$2 million) each year in Hong Kong.

In addition, the Bill will also make certain enhancements to the profits tax regime for privately offered funds, including the allowance of special purpose entities established by funds to hold and administer assets of a class specified in Schedule 16C of the Inland Revenue Ordinance, in order to facilitate the operation of funds in Hong Kong.

The Bill will, following its passage by the Legislative Council, come into operation on the day of the gazettal of the Amendment Ordinance. Concessionary tax treatment will be applied to eligible carried interest received by, or accrued to, qualifying carried interest recipients on or after 1 April 2020.

The Bills Committee completed the scrutiny of the Bill at its meeting on 9 March this year. We very much welcome the Bills Committee's support of the Bill and have offered detailed explanations on issues raised by the Bills Committee, including, as mentioned by the two Members who have spoken just now, qualifying transactions from which eligible carried interest arises, scope of coverage of qualifying employees, and profits tax treatment of eligible carried interest. The Bills Committee has raised no further questions.

On the other hand, as regards the proposal of the Bills Committee to assess the effectiveness of the tax concession regime, the Government will assess—as indicated by Mr Holden CHOW just now—its effectiveness on an ongoing basis following the implementation of the regime to ensure that the overall objective of consolidating Hong Kong's position as Asia's premier fund hub for PE and thereby benefiting the economy as a whole is achieved.

President, following the introduction of a limited partnership fund regime by the Government in August 2020 (i.e. last year), the Bill serves as the second step of a three-step plan to consolidate Hong Kong's edge as a fund hub. Following the implementation of the Bill, our third step is to propose the establishment of a re-domiciliation mechanism for foreign funds, so as to facilitate and attract fund formation and operation in Hong Kong. We are confident that upon the completion of the three-step plan, Hong Kong can greatly enhance its attractiveness as a PE fund hub, thus consolidating Hong Kong's edge as an international fund hub.

The Bill has received support from the Bills Committee, and I urge the Legislative Council to pass it.

President, I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021.

INLAND REVENUE (AMENDMENT) (TAX CONCESSIONS FOR CARRIED INTEREST) BILL 2021

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 12.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I now report to the Council: That the

Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

INLAND REVENUE (AMENDMENT) (TAX CONCESSIONS FOR CARRIED INTEREST) BILL 2021

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the

Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Inland Revenue (Amendment) (Tax Concessions for Carried Interest) Bill 2021.

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Revenue (Tax Concessions) Bill 2021.

REVENUE (TAX CONCESSIONS) BILL 2021

Resumption of debate on Second Reading which was moved on 17 March 2021

PRESIDENT (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Revenue (Tax Concessions) Bill 2021 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Revenue (Tax Concessions) Bill 2021.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Revenue (Tax Concessions) Bill 2021.

REVENUE (TAX CONCESSIONS) BILL 2021

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Bill.

CLERK (in Cantonese): Clauses 1 to 3.

CHAIRMAN (in Cantonese): Does any Member wish to speak?

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

PRESIDENT (in Cantonese): All the proceedings on the Revenue (Tax Concessions) Bill 2021 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I now report to the Council: That the

Revenue (Tax Concessions) Bill 2021

has been passed by committee of the whole Council without amendment. I move the motion that "This Council adopts the report".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Financial Services and the Treasury be passed.

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

Third Reading of Government Bill

PRESIDENT (in Cantonese): Government Bill: Third Reading.

REVENUE (TAX CONCESSIONS) BILL 2021

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the

Revenue (Tax Concessions) Bill 2021

be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Revenue (Tax Concessions) Bill 2021 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present.

I declare the motion passed.

CLERK (in Cantonese): Revenue (Tax Concessions) Bill 2021.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 5 May 2021.

Adjourned accordingly at 6:24 pm.

Immigration (Amendment) Bill 2020

Committee StageAmendments moved by the Secretary for Security

<u>Clause</u>	<u>Amendment Proposed</u>
1(2)	By deleting “a day to be appointed by the Secretary for Security by notice published in the Gazette” and substituting “1 August 2021”.
5	In the proposed section 32(4A)(e), by deleting “and”.
5	In the proposed section 32(4A), by adding— “(ea) whether the person poses, or is likely to pose, a threat or security risk to the community; and”.
16(2)	In the proposed section 37ZK(2)(c), by deleting “and”.
16(2)	In the proposed section 37ZK(2), by adding— “(ca) whether the claimant poses, or is likely to pose, a threat or security risk to the community; and”.