

LCQ8: The nomination of the Hong Kong members of the Committee for the Basic Law of the Hong Kong Special Administrative Region

Following is a question by the Hon James To and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, in the Legislative Council today (November 21):

Question:

According to the Decision of the National People's Congress Approving the Proposal by the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region on the Establishment of the Committee for the Basic Law of the Hong Kong Special Administrative Region Under the Standing Committee of the National People's Congress, the Hong Kong members of the Committee for the Basic Law of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress (BLC) shall be Chinese citizens who are permanent residents of the Hong Kong Special Administrative Region with no right of abode in any foreign country and shall be nominated jointly by the Chief Executive, the President of the Legislative Council and the Chief Justice of the Court of Final Appeal, for appointment by the Standing Committee of the National People's Congress (NPCSC) for a term of office of five years. BLC was established on July 1, 1997, and the current BLC is of the fifth term. Regarding the nomination of the Hong Kong members of BLC, will the Government inform this Council whether it knows:

- (1) how the nomination procedure is activated;
- (2) the qualifications, apart from meeting the aforesaid requirements, that Chinese citizens must possess before they will be considered for the nomination, and whether self-recommended persons will be considered for the nomination; if so, of the details; if not, the reasons for that; and
- (3) the number of nominees for each term of BLC and, among such nominees, the number of those who were not appointed by NPCSC (if any) and the reasons for that; whether a mechanism has been put in place for unappointed nominees to lodge appeals; if so, of the details; if not, the reasons and the legal basis for that, and whether it will put forward a proposal to the Central Authorities for establishing such a mechanism?

Reply:

President,

Our consolidated reply to the Hon James To's question is as follows:

On April 4, 1990, the Third Session of the Seventh National People's

Congress adopted the "Decision of the National People's Congress Approving the Proposal by the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region on the Establishment of the Committee for the Basic Law of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress" (the Decision). The Decision includes approving the proposal by the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region (HKSAR) on the Establishment of the Committee for the Basic Law of the HKSAR (the Basic Law Committee) under the Standing Committee of the National People's Congress (NPCSC), and establishing the Basic Law Committee when the Basic Law of the HKSAR of the People's Republic of China (the Basic Law) is put into effect.

According to the Decision, the Basic Law Committee is a working committee under the NPCSC. Its function is to study questions arising from the implementation of Articles 17, 18, 158 and 159 of the Basic Law and submit its views thereon to the NPCSC. According to the Decision, the Basic Law Committee comprises 12 members, six from the mainland and six from Hong Kong, including persons from the legal profession, appointed by the NPCSC for a term of office of five years. Hong Kong members shall be Chinese citizens who are permanent residents of the HKSAR with no right of abode in any foreign country and shall be nominated jointly by the Chief Executive, President of the Legislative Council and Chief Justice of the Court of Final Appeal of the HKSAR for appointment by the NPCSC.

On June 22, 2018, the Third Session of the Thirteenth National People's Congress adopted the composition of the fifth Basic Law Committee, including Ms Maria Tam (Vice-chairperson), Mr Lau Nai-keung, Mr Albert Chen, Mr Johnny Mok, Mr Wong Yuk-shan and Dr Priscilla Leung as Hong Kong members.

The nomination and appointment of members of the Basic Law Committee follow the aforementioned procedures and principles. It is our established position that we will not publicly comment on the Government's communication with the Central Authorities.

LCQ5: Education on and promotion of the country's Constitution and the Basic Law

Following is a question by Dr Hon Priscilla Leung and a reply by the Secretary for Constitutional and Mainland Affairs, Mr Patrick Nip, in the Legislative Council today (November 21):

Question:

In recent years, some young people have blatantly publicised in a high

profile manner political advocacy contravening the country's Constitution and the Basic Law, such as "independence of Hong Kong". Also, quite a number of members of the public do not understand these two constitutional documents. Regarding the education on and promotion of the Constitution and the Basic Law, will the Government inform this Council:

(1) of the details of the work done by the Education Bureau, the Home Affairs Bureau and the Basic Law Promotion Steering Committee to promote the Constitution and the Basic Law among students, young people and teachers in the past three years, and the respective expenditures involved; the criteria adopted when the authorities carry out regular reviews of the effectiveness of such work and the findings of the latest review;

(2) of the measures taken to ensure that teachers teach their students correct knowledge about the Constitution and the Basic Law; and

(3) whether it will consider stepping up its efforts to promote the relationship between the Constitution and the Basic Law; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Education Bureau (EDB) and the Home Affairs Bureau (HAB), our consolidated reply to Dr Hon Leung's question is as follows:

The Constitution of the People's Republic of China (the Constitution) and the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the Basic Law) together form the constitutional basis of the Hong Kong Special Administrative Region (HKSAR). They form the foundation of "one country, two systems" and provide a strong safeguard for the long-term prosperity and stability of Hong Kong. The HKSAR Government has the responsibility to encourage the general public to have a comprehensive understanding of the Constitution and the Basic Law.

In January 1998, during the early days of the establishment of the HKSAR, the Government set up the Basic Law Promotion Steering Committee (BLPSC) led by the Chief Secretary for Administration to coordinate the work of various bureaux in promoting the Constitution and the Basic Law. During the early period after Hong Kong's return to the Motherland, the promotion work focused more on introducing the articles in the Basic Law. Gradually, the content of the promotion work has become more in-depth and covered topics such as the origin and design of "one country, two systems" and the relationship between the Constitution and the Basic Law. The means of promotion have also become more diverse to meet the needs of different target groups.

Through the Constitutional and Mainland Affairs Bureau (CMAB), the BLPSC organises large-scale thematic seminars, makes use of electronic media for promotion, organises regular roving exhibitions, arranges mobile resource centres to pay visits to different districts and schools, and subsidises

community organisations to organise activities, including talks and quizzes, to enable the public to have a comprehensive and thorough understanding of the Constitution and the Basic Law. Since September this year, we have been distributing the newly printed Constitution and Basic Law booklet to the public to facilitate them to learn the articles of the Constitution and the Basic Law.

For the three financial years from 2015-16 to 2017-18, CMAB spent about \$16 million, \$16 million and \$17 million respectively for promoting the Constitution and the Basic Law. In 2018-19, CMAB has set aside about \$17 million for organising relevant promotion activities.

For school education, the Government has all along been helping students develop a correct understanding of the Constitution and the Basic Law, the origin of the principle of "one country, two systems" and their relevance to the daily lives of the people of Hong Kong through relevant curricula, learning and teaching resources and various learning activities.

In addition to including concepts of the Basic Law and "one country, two systems" in the curricula of related subjects, such as General Studies at the primary level and Chinese History, History, Life and Society, and Liberal Studies at the secondary level, the EDB has also developed learning and teaching resources, such as Basic Law online courses. The EDB has also developed a "Constitution and the Basic Law" module, which has been uploaded onto EDB's website for use by schools since June last year. The topics covered include the constitutional status of the Basic Law, relationship between the Central Authorities and the HKSAR, rights and duties of Hong Kong residents and basic characteristics of the political structure, etc. EDB has developed the Planning and Self-evaluation Tool for Basic Law Education for schools' reference in evaluating the implementation of Basic Law education in schools.

The EDB has introduced into professional training programmes for principals, middle managers and teachers elements of the Constitution and the Basic Law to elaborate on the constitutional status of the Basic Law.

The school sector generally understands that it is their responsibility to promote the Constitution and Basic Law education. The participation rates of various learning activities and teacher training on Basic Law education are also continuously increasing. The EDB will continue to maintain close communication with schools and other stakeholders to further refine the relevant support measures, thereby enhancing the effectiveness of learning and teaching.

As promotion of the Constitution and the Basic Law to students and teachers is within the purview of EDB's day-to-day curriculum development, the expenditure involved is subsumed under the recurrent expenditure of the EDB.

As regards young people, the Working Group on Local Community under the BLPSC has been working closely with the HAB and Committee on the Promotion of Civic Education (CPCE) to promote the Constitution and the Basic Law at the

community level, including the organisation of quiz competitions, seminars, publications for young people, thematic exhibitions and interactive games in the Civic Education Resource Centre, etc.

The HAB and CPCE grant sponsorship every year through the Community Participation Scheme and the Co-operation Scheme with District Councils to support promotional activities targeting at young people related to the Constitution and the Basic Law.

In each of the financial years of 2015-16 to 2017-18, the HAB has incurred \$6.3 million, \$3.5 million and \$3.1 million respectively for the abovementioned promotion. In 2018-19, the HAB has set aside about \$6.0 million in this respect.

Looking forward, we will provide opportunities for more young people to experience and live out "one country, two systems" first-hand, and to comprehensively and concretely understand the Constitution, the Basic Law and the People's Republic of China's implementation of the basic policy of "one country, two systems" in Hong Kong. In particular, I would encourage our young people to learn more about our country's plans for further reform and opening up, including the two important national strategies, namely the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area Development, to broaden their horizons and to explore more possibilities and room for development for Hong Kong and for themselves through upholding the principle of "one country" and leveraging the advantages of "two systems".

We will continue to listen to and take into account views from the public to further enhance the promotion of the Constitution and the Basic Law. I welcome suggestions from Members and from the public so that the Government can take forward the promotion work more effectively.

Thank you.

LCQ9: Cross-boundary ferry services

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (November 21):

Question:

At present, the Marine Department levies, pursuant to the law, a passenger embarkation fee at \$11 per passenger from the owners of cross-boundary ferries, and such a fee is passed on to the passengers. There are comments that with the economies within the Guangdong-Hong Kong-Macao Greater Bay Area growing and integrating in an increasingly fast pace, the governments of the three places have all indicated that they will actively

remove the various obstacles for exchange and co-operation. However, among the three governments, only the Hong Kong Government collects a passenger embarkation fee, which is not conducive to the connectivity and economic integration of the three places. Moreover, there are views that as a similar passenger boarding fee has not been imposed on the various modes of cross-boundary land transport in Hong Kong at present, the embarkation fee is unfair to those passengers departing by sea. In this connection, will the Government inform this Council:

(1) of the number of passenger trips departing by cross-boundary ferries and the total amount of embarkation fees collected in each of the past three years, with a tabular breakdown by ferry route;

(2) of the measures taken by the Government in the past three years to promote sea transport connectivity among Guangdong, Hong Kong and Macao, as well as the effectiveness of such measures; and

(3) whether it will review the current policy of levying a passenger embarkation fee, including whether that fee should be abolished; if it will, of the details; if not, the reasons for that?

Reply:

President,

Cross-boundary ferry services, being one type of cross-boundary transport services, help promote the connectivity at sea between Hong Kong and the Pearl River Delta (PRD) region. With the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Government will continue to closely monitor the development of, and demand for, cross-boundary transport services (including cross-boundary ferry), and will adopt measures in a timely manner to meet the needs of the community.

My reply to the various parts of the Hon Starry Lee's question, after consulting the Financial Services and the Treasury Bureau as well as the Marine Department (MD), is as follows:

(1) and (2) At present, there are three cross-boundary ferry terminals in Hong Kong owned by the Government. Two of these terminals are managed by the Government (namely the Hong Kong-Macao Ferry Terminal and the China Ferry Terminal), providing a total of 14 routes of cross-boundary ferry services connecting Hong Kong and Macau Outer Harbour Ferry Terminal and Taipa Ferry Terminal, as well as 12 Mainland cities (including Zhuhai (Jiuzhou Port), Zhuhai Guishan, Zhongshan, Panyu Lianhuashan, Nansha, Heshan, Shunde, Gaoming, Jiangmen, Doumen, Shekou and Shenzhen Airport). The other cross-boundary ferry terminal (namely the Tuen Mun Ferry Terminal) is managed by a private operator, providing specified route between Hong Kong and Macao. The operator may provide cross-boundary ferry services between Hong Kong and other PRD cities having regard to commercial principles. At present, a cross-boundary ferry route between Hong Kong and Zhuhai (Jiuzhou Port) is operating at this terminal. The annual passenger departures and embarkation fees collected for the aforementioned cross-boundary ferry routes between 2015 and

2017 are set out at the Annex.

The patronage of cross-boundary ferry services has been stable in recent years, reflecting that there is a continuous demand from visitors for cross-boundary ferry services. In the past three years, at the request of the ferry operators, the Government approved an additional nine trips per day in total by the operators for routes between Hong Kong and Taipa Ferry Terminal in Macao, Zhuhai and Shekou, as well as the introduction of a new route between Hong Kong and Shenzhen Airport (chartered service).

On the other hand, the MD reviews the utilisation of cross-boundary ferry terminals from time to time with a view to enhancing the operation and facilities of the terminals, thereby encouraging more passengers to use cross-boundary ferry services. The relevant measures include enhancing the mechanism for allocating berthing slots for optimal use of each berth so as to increase the number of sailings that can be handled and the patronage; enhancing the berths and passenger facilities so as to raise the operational efficiency of ferry operators; and arranging additional terminal-based staff during peak periods of passenger flow and on festive days so as to respond to emergencies and maintain the order at the terminals. The MD also holds regular meetings with stakeholders for the sake of enhancing the operational efficiency of cross-boundary ferry terminals.

(3) Under regulation 34 of the Shipping and Port Control (Ferry Terminals) Regulations (Cap 313H), a passenger embarkation fee shall be paid to the Government by the owner of a ferry vessel in respect of each passenger embarking on the ferry vessel at cross-boundary ferry terminals. At present, the embarkation fee is \$11 per passenger. Ferry operators will determine the ferry fares on commercial principles.

Cross-boundary ferry terminals are one of the public utilities owned by the Government. It is the Government's established policy that charges of Government-owned public utilities should in general be set at a level to recover the full cost for the provision of services, including the cost of the capital employed. The passenger embarkation fee is charged to recover the relevant cost of providing the ferry terminal services. The Government has an established mechanism to regularly review the level of passenger embarkation fee having regard to various relevant factors including public acceptance and affordability.

LCQ1: Maintaining steady development of the private residential property

market

Following is a question by the Hon Jeffrey Lam and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (Nov 21):

Question:

Some members of the public have relayed that with the interest rates rising gradually and the Sino-United States trade conflicts intensifying, the local property market may have entered a downward cycle in recent months, and the various demand-side management measures (commonly known as "harsh measures") implemented by the Government to address the overheated property market have become outdated. In this connection, will the Government inform this Council:

- (1) whether it will examine relaxing the loan-to-value ratios for mortgage loans to make it easier for members of the public to acquire their first property or replace their existing property, and enable small and medium enterprises to get more operating capital through securing loans by collateralising their properties;
- (2) whether it has assessed if the harsh measures will exacerbate the fall in property prices when the property market is in a downtrend; if it has assessed, whether it can submit the relevant report to this Council; and
- (3) given that a Hong Kong permanent resident who disposes of his or her only original residential property within 12 months from the date of acquisition of a new residential property may apply for a partial refund of the ad valorem stamp duty payable at the time of acquisition of the property which is equivalent to 15 per cent of the property price, whether the Government will change such a taxation arrangement so that persons who acquire a new residential property as replacement are required to pay additional stamp duty only if they fail to dispose of their original residential property within 12 months, so as to alleviate their burden when acquiring properties; if so, of the details; if not, the reasons for that?

Reply:

President,

Maintaining the steady development of the private residential property market is one of the important objectives of Government's housing policies. In the past few years, due to tight housing demand-supply balance and the continued ultra-low interest rates environment, local property prices have been on the rise, with heightened risk of a bubble. The Government has adopted a two-pronged approach by striving to increase land and housing supply to meet demand, and introducing several rounds of demand-side management measures as and when necessary to suppress external demand, short-

term speculative demand and investment demand, with a view to stabilising the property market and preventing adverse consequences arising from an exuberant market. The Hong Kong Monetary Authority (HKMA) has also introduced several rounds of counter-cyclical macro-prudential measures to strengthen risk management of banks and resilience of the banking sector to cope with any possible impact in the event of a fall in property prices.

Having consulted the Financial Services and the Treasury Bureau, the Inland Revenue Department (IRD) and HKMA, I set out my consolidated reply to various parts of the question raised by the Hon Jeffrey Lam as follows:

(1) The intent of HKMA's counter-cyclical macro-prudential measures is to ensure stability of the banking system through implementation of appropriate measures according to the development of the property cycle, taking into consideration key factors such as the trend of property prices, property transaction volume, economic fundamentals and the external environment. HKMA will consider appropriate relaxation of the counter-cyclical measures if a downward cycle in the property market is confirmed. However, as property prices had risen by more than two times since 2008 and decreased by only about 1.5 per cent in aggregate in the past two months, HKMA has not yet determined that the property market has entered into a downward cycle, and therefore does not consider it appropriate to relax the counter-cyclical measures at this juncture.

(2) The Government has introduced several rounds of demand-side management measures to suppress short-term speculations, investment demand, and external demand through increasing transaction costs, with a view to reducing exuberance of the property market, preventing adverse consequences arising from an overheated property market, and ensuring healthy development of property market in the long run. Property prices are affected by various factors, including global and local economic environment, interest rates trend, market atmosphere, housing demand-supply situation, etc. It is not possible to weigh the impact of individual factors or measures on property prices.

Although prices and transaction volume of private flats have subsided in recent months (note 1), local housing is still in the state of demand-supply imbalance and the current property price level remains out of line with economic fundamentals and the general public's affordability. The home purchase affordability ratio (note2) in the third quarter of 2018 stayed high at 74 per cent, well above the 20-year long-term average of 44 per cent from 1998 to 2017. The Government has no intention to relax or withdraw any demand-side management measures at the moment, lest this would send a wrong message to the market and make the property market more exuberant.

The Government will remain vigilant and make reference to a series of indicators, including property prices, home purchase affordability ratio, transaction volume, housing supply, local and global economic changes, etc., and closely monitor the developments of the property market and the evolving external environment. The Government will take appropriate actions as and when necessary with a view to ensuring a steady development of the property

market.

(3) According to the Stamp Duty (Amendment) Ordinance 2018 as passed by the Legislative Council in early 2018, a Hong Kong permanent resident (HKPR) who replaces his only residential property in Hong Kong by acquiring a new property before disposing of the original property can apply to IRD for partial refund of ad valorem stamp duty if the original property is sold within 12 months after acquiring the new property.

The Government considers that the prevailing refund arrangement has struck a right balance between taking care of the needs of HKPRs in replacing their properties and safeguarding the effectiveness of the demand-side management measures. We have no intention to relax the refund mechanism, lest this may be speculated by the market as a signal from the Government to "water down" the demand-side management measures, thereby resulting in a more exuberant market.

Note 1: According to information of the Rating and Valuation Department, the overall price index of private flat has subsided since August 2018, registering a cumulative drop of 1.5 per cent in August and September. Property transactions have also declined in recent months. The monthly average number of sale and purchase agreements for residential property received by the Land Registry from August to October 2018 was about 4 200, below the monthly average of about 5 700 in the first seven months this year.

Note 2: Home purchase affordability ratio refers to the ratio of mortgage payment for a 45-square metre flat to median income of households (excluding those living in public housing), at the prevailing mortgage rate for a tenure of 20 years.

[Update on latest MERS situation in Saudi Arabia](#)

The Centre for Health Protection (CHP) of the Department of Health is today (November 21) closely monitoring four additional cases of Middle East Respiratory Syndrome (MERS), including one death, reported to the World Health Organization (WHO) by the Kingdom of Saudi Arabia (KSA) between October 16 and 30, and again urged the public to pay special attention to safety during travel, taking due consideration of the health risks in the places they visit.

According to the WHO, all the four male patients, aged 53 to 74, had underlying illnesses and two of them had contact with camels and consumed camel milk.

According to the latest information, 2 266 cases have been reported to the WHO (with 804 deaths), including 2 047 in 10 Middle East countries comprising 1 888 in the KSA, 87 in the United Arab Emirates, 28 in Jordan, 19 in Qatar, 11 in Oman, six in Iran, four in Kuwait, two in Lebanon, and one each in Yemen and Bahrain.

"We will maintain close communication with the WHO and relevant health authorities," a spokesman for the CHP said.

"Travellers to the Middle East should avoid going to farms, barns or markets with camels; avoid contact with sick persons and animals, especially camels, birds or poultry; and avoid unnecessary visits to healthcare facilities. We strongly advise travel agents organising tours to the Middle East to abstain from arranging camel rides and activities involving direct contact with camels, which are known risk factors for acquiring MERS Coronavirus," the spokesman said.

Travellers to affected areas should maintain vigilance, adopt appropriate health precautions and take heed of personal, food and environmental hygiene. The public may visit the MERS page of the [CHP](#) and its [Travel Health Service](#), MERS statistics in [affected areas](#), the CHP's [Facebook Page](#) and [YouTube Channel](#), and the WHO's [latest news](#) for more information and health advice. Tour leaders and tour guides operating overseas tours are advised to refer to the CHP's [health advice on MERS](#).