

OFFICIAL RECORD OF PROCEEDINGS

Friday, 19 October 2001

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE KENNETH TING WOO-SHOU, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE DAVID CHU YU-LIN, J.P.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING, J.P.

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

THE HONOURABLE LAU WONG-FAT, G.B.S., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, J.P.

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE TIMOTHY FOK TSUN-TING, S.B.S., J.P.

THE HONOURABLE LAW CHI-KWONG, J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE LEUNG FU-WAH, M.H., J.P.

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE MA FUNG-KWOK

MEMBERS ABSENT:

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.S., J.P.

DR THE HONOURABLE LUI MING-WAH, J.P.

THE HONOURABLE BERNARD CHAN

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ANTONY LEUNG KAM-CHUNG, G.B.S., J.P.
THE FINANCIAL SECRETARY

THE HONOURABLE ELSIE LEUNG OI-SIE, J.P.
THE SECRETARY FOR JUSTICE

MR MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

MR LAM WOON-KWONG, G.B.S., J.P.
SECRETARY FOR HOME AFFAIRS

DR YEOH ENG-KIONG, J.P.
SECRETARY FOR HEALTH AND WELFARE

CLERKS IN ATTENDANCE:

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MR LAW KAM-SANG, J.P., DEPUTY SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

MEMBERS' MOTION**MOTION OF THANKS****Continuation of debate on motion which was moved on 17 October 2001**

PRESIDENT (in Cantonese): Council will now continue with the debate on the Motion of Thanks. We now move on to the fifth debate session. This debate session is on the policy areas of Home Affairs, Health Services as well as Welfare Services.

Members who wish to speak will please press the button to indicate their wish. Members will have a total of up to about three hours to speak in this session. It is now 2.33 pm, that is, Members may speak up to around 5.33 pm in this session.

MR TIMOTHY FOK: Madam President, disappointed I am not, understanding I am by the policy address that did not say much about art, sports and culture, my constituents and their needs. At a time like this, the Chief Executive has to focus on things that concern people most immediately — jobs, the economy and taxes. I care about the same things and I believe that art, sports and culture are central issues to the whole equation.

Some think that art, sports and culture are a bit of a luxury. I disagree with that. Art, sports and culture are relevant to what we do and who we are. Some time ago, Mr Rupert MURDOCH envisaged how art, sports, culture and entertainment shall become one of the biggest industries of the 21st century. He has since backed up that vision with billions of dollars of investment in the media and technology that can bring art, sports, culture and entertainment to the viewing and reading public.

The Chinese Government thinks the same. I was with the delegation, which in Moscow in July won Beijing the hosting right to the 2008 Olympics, and I was in Shenyang the night the Chinese national team qualified for the World Cup for the first time. The whole country erupted in rapture, and Hong Kong included. Those who are not aware of what is going on may dismiss the successes as a diversion but not others who know what these achievements mean to society. The feats galvanize people, help them forge an identity and foster in

them confidence — a confidence that we evidently lack in Hong Kong. President JIANG Zemin said this morning that Hong Kong has everything except confidence.

The Chief Executive touches on some key points in his address, none more salient than the need in our community for hope in the midst of doubt and despair. How do we raise our people from gloom to optimism is not simply by promising them relief, because the Government alone cannot find or be the solution to a slumping economy and rising unemployment. The Government can give aid, a cut in rates, and soft loans to business to tide people over the worst stretch of the recession, but it cannot do more than that in a free economy. We have to be realistic and prudent; and I think most of us are.

The Government tells us that for the long term, we have to train our workers better and educate our children to the best for them to compete. Education is essential, but an education based on book learning alone does not suffice in a world of rapid changes in which flexibility, imagination and enterprise are pivotal. We have to invest, therefore, not only in classrooms, computers, study aids and language training, but also in art, sports, culture and performances to widen the students' range of experience and knowledge so that they can vie for careers and continue on with pride, dignity and self-esteem in the march of life.

I used to harp on the need for a new, world-class, multipurpose stadium but not for its own sake. A stadium itself is lifeless. I am inspired by the athletes on the tracks and in the fields as well as the audience in the stands who, together, reaffirm their sense of community and identity, without which we cannot project or nurture confidence of the kind that we have never had. The Chinese leadership understands this, which is why it is investing in the art, sports and culture to pull the vast country together to strive for and accomplish great things. This is the best time to build infrastructure, which would create jobs and more — more being a sense of pride and purpose.

The Chief Executive focuses on education, housing, welfare and health care, all major items in any policy vision. I agree with the emphasis, with the priority, for they are the same with me. I reckon, though, that education, housing, welfare, security and health care are issues not to be separated from people's sense of well-being. People, especially youths, who are more engaged in art, more cultured and who participate in sports will less likely commit crime,

experiment with drugs, turn against their families and damage their health, for strengths of body and personality can also do the same for the mind. Cleaner living will give spur to education, certainly ease the cost of health care, reduce dependence on state welfare, and reduce the criminal temptation.

The Government is at last convinced of our case enough to conduct a series of studies and public consultation exercises. I think there will be a new Culture and Heritage Commission to promote arts. Funding has increased for culture and sports. Mr LAM Woon-kwong has taken the initiative to commission a thorough review of sports and culture. In the same spirit, we of the Olympic Committee also did one, which reflects our members' views, at no cost in spirit of volunteerism. I hope that from now on, valuable resources can really reach our end users, the artists and athletes.

Madam President, I support the motion, and I support our artists and athletes and those of our children who aspire to be like them in their tireless efforts to improve each and every day. This is what the Chief Executive has called on us to do — to better ourselves, not to despair, and to look ahead with confidence.

MR WONG SING-CHI (in Cantonese): Madam President, today we are having the policy debate. As mentioned by me before, "Investing in Our Future" comes under the rubric of the policy address. I think our future rests with our young people. Today, I am going to focus on youth problems and identify areas in which the Government has not done enough in tackling youth problems or areas which still leaves room for improvement.

With regard to investing in education, the policy address has set several 10-year plans. We understand that a lot of resources have been committed, and that both the Social Welfare Department and the Government in the past did commit resources to youth services. However, some of the resources remain untapped, whilst some do not appear to have been utilized effectively. As a matter of fact, young people at risk at present constitute a very serious problem. We are, therefore, of the view that it is necessary for the Chief Executive to spend more time and resources on the care of young people. It is a pity that in the past we noticed that only piecemeal efforts were made to address youth problems. It seems that there are yet to be drastic follow-up actions for deep-rooted problems. In view of this, we hope that in the plans of investing in the

future, there can be youth development work as well as more distinct emphasis on young people. They should not be placed behind others.

It can be noted from the policy addresses of previous years that through a series of redeployment moves, such as the arrangements to concentrate a lot of youth work and resources in schools, the Government implements youth work for youth centres or social workers to co-operate with schools. For instance, the work of school social workers and many other projects are often jointly implemented at schools. At the time of implementation, schools will co-operate with youth centres of local districts, with students as the main service targets. It can be noted from the policy address of the current year that youth centres and schools are to remain bonded together. Therefore, a lot of work in the future requires close co-operation with schools, and the focus will be on students. It can be foreseen that the main task of youth centres in the future is to organize activities in co-operation with schools.

Being a place where young people gather together, school is, of course, a convenient point of intervention. We have no objection to increasing schools' resources or allowing youth work to concentrate at schools. However, young people deep in trouble often do not make schools their main venues of activities. In many cases, because of poor academic performance, they quit schools. They are, however, the most badly in need of assistance. Every year some 6 000 students completing Form 3 are unable to make their way to Form 4. Among them, 2 000 to 3 000 actually drop out of school for unknown reasons. They are not to be found in schools. Once they have dropped out, they are often exposed to all sorts of risks. If we do not take care of these students, their problems will just keep growing. We are of the view that it is not altogether inexcusable to pool resources in schools for schools and social workers to help young people solve their problems.

It seems, however, that, the measure debilitates the resources committed to other youth services. Here is an example. It was said that there should be "one social worker per school". It has turned out that in order to reach the standard of "having one social worker per school", it is necessary to cut the resources available to reading rooms in youth centres. So, community youth services offered by youth centres have been subject to limitations. We think that these services are essential. It is, therefore, necessary to put in more resources. However, it is imperative not to keep the current practice, that is, the funding applied for by schools or other organizations can only be interim, not

permanent or recurrent. Recurrent funds available to youth centres have been dwindling. Given the recent change to lump sum grant arrangement, it is becoming even more difficult for them to make both ends meet. It is, therefore, hoped that the Government can commit more recurrent funding to youth centres or youth services, instead of maintaining the present practice whereby funding applications are made in respect of activities to be organized, but not to have enough funding to carry out the subsequent follow-up work.

It can be observed that a lot of resources have been put into schools. However, fewer resources have been put into youth centres or other youth services; even the support available is for short duration only. If work is indeed to be carried out, it is necessary, in our opinion, to additionally deploy resources and adopt standing measures to address the problem of youths at risk. Only in this way can it be easier for us to help them face problems. I am going to present below some of my views on the matter.

Problems of youths at risk have been social issues ever since the start of society. It is because in the course of their growth, young people may have some developments or plights often denied, discriminated against, or rejected by the adult society. We have had our years of adolescence, when our parents accused us of rebelliousness. However, when we grow up, we lash out at our children in the same way. In recent days, however, we can see that young people's behaviour has undergone changes. This is due to the advancement in information technology, more material comforts, or changes in outlooks. For instance, with improvement done to a lot of community facilities, young people tend to hang around those facilities at night, thus causing nuisance to others. Rave parties offer another example. Though there have been fewer of these parties recently, they were once very popular. On top of this, the use of soft drugs, the abuse of psychotropic substances, or even the abuse of narcotics, the running away from home, and committing suicides are also behavioural patterns of young people at risk.

It appears that the policy addresses of the last couple of years failed to comprehensively consider specific measures to address these issues. The usual practice is to address problems when they are within sight. Initiatives are often launched one after another to suppress young people without thorough consideration. Here is an example. Lately there have been a lot of discussions about the so-called "kids-picking" operations, which are conducted at night. When policemen or law enforcement officers see young people loitering around

at night, they will take them back to police stations on the excuse of safeguarding their interests and safety for them to be brought home by parents. This indeed shows no respect for young people's interests or habits. This, in my opinion, cannot render them safer; nor can it be said that suitable actions have been taken. Young people may run into a lot of challenges or temptations, and consequently get into trouble with law. The point is, before they really get into trouble with the law, we should not use such oppressive methods to inhibit those young people from pursuing their fun or developing their activities. As we are often unable to hit the nail on the head of the problem, those young people are forced to go to some hidden venues somewhere else, even holding their activities in some vacant public housing units. This renders it even more difficult for us to accurately grasp an understanding of their actual situation. It is, therefore, hoped that before carrying out further suppressive exercises, the Government can consider the issue thoroughly to see how to work effectively so that those young people can appropriately develop their interests and activities, instead of simply being suppressed.

In fact, issues concerning young people at risk involve the Social Welfare Department (SWD), the Home Affairs Department (HAD) as well as the Hong Kong Police Force (HKPF). It is, therefore, hoped that in the future the Government can attach more attention to issues in this area so as to help to bring those young people back onto the right track. One of the examples is perhaps very ludicrous. But I am not sure whether it is ludicrous or lamentable. This is about the many young people who behave rebelliously at schools, or even profess to "follow big brothers." The "big brothers" whom they follow are known to all in their communities, including parents and teachers. Most of them, however, have never been arrested by the police for recruiting triad members. Perhaps some of them have been apprehended once or twice. We have had discussions with policemen in the districts. However, even the police find it hard to deal with the matter. The police do know who those "triad big brothers" are, and have indeed arrested them. However, once they are convicted, when they claim to be triad members the next time around, it is not possible to convict them again. So they can continue the activities of enlisting more young people in the community. How can we deal with these situations? In future how can we help these young people to really understand the actual consequences stemming from being "the followers of big brothers"? How can we help them understand what triad societies are, and face up to their problems? How can we understand their actual interest so that our normal society can also give them a sense of achievement derivable from membership of triad societies

and the fun obtainable from participation in triad activities? I think we will have to deal with all these in toto later.

According to a survey conducted by the Democratic Party prior to the release of the policy address, in order to reduce the incidence of juvenile delinquency, it is necessary to show the young people greater concern, give them more guidance, keep them better informed for them to have more choices, or organize more activities for their participation in order that they can have more opportunities to bring into play their interests and choose their work or entertainment, but not to inhibit their activities by means of suppressive tactics or restraining methods. It is hoped that in the days to come the SWD or the Government can do more study on this issue so as to determine how to help these young people.

In the past we often found a lot of instances of fragmentation and duplication. Take the much-discussed topic of young night-drifters as an example. According to the response from the SWD, there will be additional social workers in the integrated teams to handle "young night-drifters". We have had repeated discussions on this. It is, however, a pity that though there is already approval for youth mobile teams, there are still a lot of problems. According to our observation, under integrated teams, youth mobile teams can only operate locally. Whenever there are inter-district youth problems, they are just unable to deal with them. So, with regard to the arrangement, the Government should make thorough consideration to see how to effect suitable deployment of resources to bring social workers' functions into full play.

As far as the efforts to deal with the problem of "young night-drifters" are concerned, we believe that the Government has already committed resources. According to the policy address of last year, \$70 million would be spent to help youth centres improve their integrated teams. However, "not a shadow is in sight even though there has been much noise from the staircase". So far we still do not know how that \$70 million has been disposed of. According to my understanding, the matter is still under discussion. The arrangement is not yet known as it is not sure whether or not the work of youth mobile teams or that of outreach teams will be compromised when resources are committed to integrated teams. It is hoped that the Government can give us a clear reply so as to let us know how the Government is going to deal with the matter.

We do agree with parts of the policy address, among which is the part on peer counselling. We agree because the Democratic Party had presented suggestions to the Government before the release of the policy address. Thanks to the Government for accepting our suggestions. The current policy address puts emphasis on the provision of peer counselling to young people. Peer influence among young people is always there. It is also part of their growth process. It is, therefore, a good thing for young people to help their counterparts through their own experience. It is, however, a pity that so far we still do not know specifically the arrangement in respect of peer counselling. In fact it is our hope that peer counselling would not centre on drug addiction rehabilitation only as work in that area is already in progress. It is hoped that both outreach work and youth centres can bring peer counselling into effective play so as to let young people have employment opportunities.

Finally, I wish to mention a ludicrous incident. Being much concerned about young people's development, the Government encourages them to do more voluntary work. However, a presentation ceremony for voluntary workers held in September this year was held concurrently with a certain pop star's concert. At the time when some 100 voluntary workers received their commendations, their parents were not allowed admission as seats had already been reserved for the fans of that pop star. It is, therefore, hoped that the Government do show real concern for young people's development. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr WONG, your speaking time is up.

DR LO WING-LOK (in Cantonese): Madam President, it is certainly our wish that every Hong Kong citizen can receive appropriate medical care. At the same time, we must also acknowledge one fact, namely, that the resources of every society are limited. It is, therefore, not possible for the Government to provide every person with all the medical care he needs. It is necessary for health care providers to bear this in mind no matter in times of fair weather or foul weather.

It is regrettable that for some time prior to the reunification, health care providers believed that our economy would only go up but never come down. So, just as in the case of other policies, policy-makers merely fabricated dreams for the people, not realizing that one day we would have to wake up.

The medical care dream of Hong Kong is that the wealthy Hong Kong Government is forever able to provide the people with medical care that is cheap, comprehensive and of high quality, and such treatment is bound to grow better and cheaper for us.

In Hong Kong, more and more people come to believe in this dream. So, there are people spending most of their money to pay off their housing loans. There are also people spending surplus money on trips and cars. However, very few will save up for medical expenses that they are likely to incur. Few will voluntarily cover themselves with medical insurance.

As every person in Hong Kong is making the same medical care dream, public health care naturally gains political support, and is thus getting a lot of public funds for capital investment, receiving recurrent subsidies, and acquiring more and more senior posts.

On the other hand, private health care gets zero subsidy from public funds. It is already very difficult for a private hospital to hire a full-time superintendent to beef up management. Thus there is the saying that "Those who are poor are no match with those who are rich whilst those who are rich are no match with government officials." So, the small private medical sector can only head for shrinkage.

A service provider selling his product to the public at \$3 when it costs \$100 to produce it and another \$5 to do the packing and publicity is, of course, invincible. A private body still cannot compete even if it could manage to produce the same product for \$80 and sell it at just \$83. This is a drain on social resources and it also renders the system of public health care not sustainable.

As a matter of fact, the golden age of the public sector has been entirely built on public funds. However, as the economy goes downhill, the golden age is fading away. At the same time, the shrinkage of private sector health care renders the operation of public health care difficult. Given the fact that most doctors no longer take private practice as an ideal career, they tend to work longer and longer in public hospitals. So the payroll shouldered by the Hospital Authority (HA) is also growing. It is difficult enough to deal with every year's pay rise. So, as the sole option, those most helpless including cleansing workers become the easy prey. In order to squeeze out extra resources to meet

the needs, the HA contracted out part of the cleansing work. On the other hand, some members of the management are also subject to the threat of "downsizing". When the budget is generous, it is all very fine to manage for management's sake. However, it becomes far too luxurious when the budget is tight. The HA, therefore, has to hack the management, people not capable of keeping abreast with the development of the HA and on high pays, thus not in tune with the HA's down-sizing course.

As a matter of fact, it is nothing new for the HA to hack its staff. In 2000, the HA, in total disregard of the ever-rising workload of doctors and their strong objection, went its own way to change doctors' ranking structure. Ostensibly, it was to strengthen professional accountability. It was in fact designed to cut doctors' incomes, slow down their promotions, and reduce their promotion opportunities.

Although front-line doctors have to pay for the mistakes committed by policy-makers, doctors, being professionals, still give top priority to patients' interests. If there comes even greater injustice, we will still fully discharge our duties to provide the public with good service. This is a guarantee that I can make to the public on behalf of doctors.

Unfortunately, the HA axe is not confined to its staff. New drugs and new technology all meet the same fate. Earlier on the HA's senior officials stepped forward to offer explanation, saying that new drugs were not necessarily the best. In fact it is not at all tenable. The ultimate result is the development of our medical technology and patients' benefits bearing the brunt of the impact. Erroneous medical policies ruin the private sector, and lead to the non-stop expansion of the public sector health care structure, rendering a blockage for talents, denying career outlets to staff members, sharply increasing operation costs and eventually bringing about a paradoxical phenomenon in which spending is always going up but quality ever dropping. This is the evil consequences of monopolization.

Given the economic straits, it is indeed time to wake up from the medical care dream to rationalize our health care system.

However, recently in the HA an undercurrent has been swelling to strive for the privatization of health care, hoping that by means of this more resources can be sucked into the HA so as to overcome the current problem of tight

resources. To operate private health care in the HA can only plunge Hong Kong into a hopeless mire.

The nicest thing about health care in Hong Kong has always been its fairness. To let private practice into the HA is to provide incentive for public health care officers to focus their attention on private patients, and thus thin out the medical resources available to those who cannot afford private health care. Those who have the means may "jump the line" in the system of public health care, and pick their doctors. While giving full attention to profitable private practice, senior health care officers will perfunctorily attend to government patients, who, finding no choice, will have to be taken care of by juniors. What is more, this may lead to the corruption and decay of the system of public health care. With such an exasperating situation in sight, I am now thinking of a similar case, in which the Housing Society, in a bid to gain room for growth, has proposed to use Hong Kong people's hard-earned money to build housing units north of the boundary, and thus further give away our resources for no reason at all. This is a typical example of upholding corporate interests in total disregard of the overall interests of society. It is also an example of fighting for corporate survival in total disregard of other people's fates.

We cannot tolerate such a state of affairs in our health care system. Members of the public also should not let such a state of affairs take place.

One of the factors contributing to our economic woes is the fact that market operation is being distorted by corporate interests. The housing policy is precisely like that. In order to sustain the massive and puffy government and quasi-government hierarchies, public resources are being unhesitatingly used as bait to fritter away social resources, which leads to the internal wearing off of society. We cannot help asking this question. Given the obvious conflict of interests in operating private practice in public bodies, why not help to rejuvenate private health care if the Government really cannot afford that? Is public health care more efficient and cost-effective than private health care? If the Government is to let private practice grow in the system of public health care, then why does it not simply help the development of private health care? Is it that the authority wants to follow the method adopted by the Housing Department for the management of shopping centres on the basis of business operation, a move that keeps the vacancy rate of shopping centres consistently high and rentals out of tune with the market situation, and penalizes good tenants, including doctors in housing estates? Shop operators have been complaining about such a hodge-podge of things.

It is time to wake up. If the resources for public health care are indeed limited or if our economy unfortunately does grow worse, our Government's first and foremost task is to look after the poor in society as well as those unable to opt for other medical services to ensure that they are being appropriately and reasonably taken care of.

Here we definitely cannot let the Government "pass the buck". The Government must also provide all the people with adequate and satisfactory services to cover assistance for people in emergencies or critically ill, public health and the training of medical staff.

Here I sound a stern warning: the public health care sector must stop at once the attempt to use the brand of public sector health care to develop private practice.

In order that the people of Hong Kong can wake up from the medical dream, policy-makers of the Government of Special Administrative Region (SAR) responsible for health care policies have got to wake up first.

I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, today I am going to speak mainly on the poverty problem.

The poverty problem in Hong Kong is becoming more and more serious. It is there for all to see. In last year's policy address, the Government proposed to allocate \$2.7 billion for the relief of poverty and hardship. However, our economy has developed for even worse this year. It is especially so following the attacks on the United States, with more and more uncertainties in the global environment and greater impact on our society. At the same time, we can foresee that the livelihood of Hong Kong people is going to be tougher and tougher, and the poor are going to be poorer. It is a pity that the policy address apparently has not addressed the issue.

This year's policy address did respond to quite a few aspirations of society with, for example, the creation of some 30 000 job opportunities, the reduction of rates charge or other measures. However, the policy address has not proposed any measures to solve a very important problem. The policy address

proposes to allocate \$300 million for the establishment of a Community Investment and Inclusion Fund. We welcome this. Can this measure alone resolve poverty in society, and the problems stemming from poverty? I think the Government has neglected this point. It is hoped that through this policy debate the Government and the departments concerned can be moved to make real efforts to look into ways to gradually solve the poverty problem.

Recently I have been to different districts for residents' meetings. A lot of grievances were heard among the residents before each meeting. As the policy address has responded to some of the social aspirations, there has been a corresponding drop in such noises. However, still sounding are some other noises, including the expression of no confidence in the future by the majority public. Madam President, I wish to tell a story. I attended a residents' meeting the night before yesterday. When we were on the topic of "fruit grant", an elderly man with a full head of white hair said to me that it did not matter whether or not the Government was to increase the "fruit grant". His view was totally different from that of many elderly people present there. After a long pause, he continued, only calling for assistance to his three sons. All three of them are out of employment. Though young and strong, they have all been jobless for a long time. That explains why he, when other elderly people were discussing the issue of increasing the "fruit grant", said that it did not matter whether or not the Government was to increase the "fruit grant" and that it was good enough if there could be assistance for his three sons. This highlights the hardship now confronting many seniors as well as the problem of poverty in our society. We must acknowledge the existence of this problem.

Madam President, I was much saddened on hearing this old man's words. We heard many similar stories while visiting the grassroots in the districts. Given such a situation, what should we do? Surely, the Government has positively responded to the social aspirations. This is good. Has the Government, upon the creation of the some 30 000 posts, also given consideration to the question whether or not all the problems can be solved if the Government insists on contracting out the relevant work, refuses to take into consideration the meagre pays received by wage earners, or ignores the point that once housing estate caretakers' work schedule is changed from two shifts to three shifts, their monthly pay will drop from \$5,000-odd to \$3,000-odd? All the problems stemming from the issue do warrant our consideration.

When the policy address was released on 10 October, the Government made known the plan to create 32 000 posts. Some people, according to my observation, were very pleased with that and responded enthusiastically. However, housing estate caretakers are of a different view. They told me this: It is not at all bad for the Government to put forward a proposal to replace the workday of two 12-hour shifts with one of three shifts so long as it can be ensured that we can still earn 5 000-odd dollars each as we would not be able to make ends meet without that much. The Government must give due attention to such a situation. Do not imagine that the whole problem can be solved upon the creation of some 30 000 posts. We are merely responding to or taking pressure off the sentiment of those looking for jobs. To really solve the problems now present in society, it is necessary for policy-makers present to be considerate of the people's sentiments when actually implementing the measures.

Madam President, we see some data, we also see our future. If the Government does not face up to the problem of poverty in society, and only does some window-dressing work, then I am afraid these problems will grow gradually and more and more people in society will find their lives tough. We do not want to see further sudden deaths from over-work. I want to help them get on with their future through different means.

Madam President, I moved a motion on issues concerning marginalized workers in the last Legislative Sessions. Marginalized workers share one commonality, that is, they go from employment to unemployment, then become underemployed; lose their jobs again, become underemployed again, and finally out of employment again. As time goes by, each work cycle of theirs becomes shorter and shorter, and unemployment also increases in frequency. With wages dropping incessantly, they are just unable to earn what they used to do. However, they are still prepared to work. To "fight on", each person is even prepared to take on several jobs at the same time. By the time they render themselves so weak physically as a result of "fighting on", they will be so exhausted that we may have to witness incidents that we do not wish to see. Such persons now number about 700 000, representing an increase of 45% over the past few years. This is indeed a problem. Those earning less than \$5,000 a month number 500 000. At present, our median wage has gone down to \$10,000. In other words, they get only half of the median wage as their principal income, but they are required to work 12 hours a day. These people still seek to be self-supporting; their families will help if they are unable to make both ends meet with just one income.

Furthermore, among these people, those earning \$3,000 a month number 160 000. They still work, applying for no Comprehensive Social Security Assistance (CSSA) payments, and striving to support themselves and their families with their own hands. The situation of those marginalized workers is there for us to see. The Government, however, at present makes no efforts to freeze the figure. In the next few years or so, as the globalization of world economy progresses, these people will fare even worse. We (probably including the Government) all agree on this. The whole policy address did not respond to this. Here is my worry. How are the policies of Hong Kong going to deal with them? Among them are both old and young and strong. They also constitute a main sector of our 3 million-strong workforce. What should we do? In view of such a situation, the Government should address the problems and put forward solutions. According to some people, it is no big deal for Hong Kong to have an unemployment rate of just 5.3%. I really have to say that in some foreign countries, the unemployment rate can be as high as 10% or more. However, their situation is very different from that of Hong Kong. Here is an example. A short time ago, I visited the United States, where they have a poverty line and minimum wages. The disadvantaged groups there are helped by many grass-roots non-governmental agencies. As the country has been prosperous, powerful and peaceful for a long time, employers profiting from their businesses have set up many funds to repay society so as to help the poor, and let them live on. In those countries there are many third powers supporting or helping the disadvantaged groups through various funds and channels, and providing assistance to ethnic minorities in poverty. How about Hong Kong? We only have the CSSA, that is the CSSA payment of \$1,805, including the assistance for the unemployed. I am not advocating the abolition of the CSSA system. However, can the CSSA alone solve all the problems just mentioned by me? I do not think so.

I recently visited Beijing, where I was very much impressed. Beijing has many displaced workers, to whom, however, many non-governmental organizations in Beijing, including the All-China Women's Federation and All-China Federation of Trade Unions, have been offering assistance. Madam President, they invited me to visit the quadrangles at Liuyin Street, a tourist attraction promoted by the people themselves. The street is lined with beautiful willow trees. Close by are lakes and quadrangles. There are many displaced workers, unemployed people and poor families. With the assistance of local organizations, they set up rickshaw teams to carry tourists wishing to visit the quadrangles. This economic activity brings in many tourists. The place is

really beautiful. Honourable colleagues should visit the place if they do have the chance. We noticed that these displaced workers, through non-governmental bodies, organize themselves to strive for self-reliance, getting assistance under the Government's "invisible hand". Besides, Beijing's dumplings are well known for being delicious. In the quadrangles there, some ladies prepared dumplings for us to taste. Such economic activities are organized by non-governmental bodies through the Government, with displaced workers getting jobs and those ladies finding the confidence and pleasure to receive tourists like us. What has the Hong Kong Government done? I spoke to members of the All-China Women's Federation before leaving Beijing, asking them to tell us some of the effective methods adopted by different places to help the poor and the unemployed. I talked about the United States just now. Then I talked about our China. Even neighbouring regions or nations also have similar organizations that offer assistance to the poor. But I think there is none here in Hong Kong. In my opinion, the attitude adopted by the Government towards the issue is one asking the people to "fend for themselves" or "solve your own problems". After the reunification in 1997, Mr TUNG put forward many ambitious plans in his policy address. As an administration running a government of "Hong Kong people ruling Hong Kong", he emphasized his wish to build Hong Kong into a caring and compassionate society. I can still recall that at the time Mr TUNG held that it was necessary to provide the elderly a sense of belonging and a sense of health and worthiness. However, if we look back at the past, what has Hong Kong done? The aftermath of the financial turmoil and the current economic depression have watered down all these. Our welfare is even taking the road of retrogression, with many barriers blocking the elderly's CSSA applications.

Madam President, I really hope the Government can turn Hong Kong into a caring and compassionate society. To unlock the gate to care and compassion, it is necessary for the Government to implement quite a few measures to mobilize some organizations to take the lead in showing concern for the people. Do not just talk and yet do nothing. Only by so doing, I think, can the goal be accomplished.

In the course of caring for the disadvantaged groups, much work has been done by many non-governmental organizations. For instance, there are proposals to use time as a substitute for money, to encourage community labour, and so on. During my visit in the United States, some organizations even put forward this idea: You do something for me and I, in return, serve you for a

similar length of time. At present, a lot of caring work is being performed by many voluntary bodies in the community with their own efforts. It is sincerely hoped that the Community Investment and Inclusion Fund now proposed by the Government can do something more for the poor in the community. It is also hoped that the SAR Government, by means of some community economic activities, can make it possible for those living in poverty to earn a little money. Do not let all our "small-piece economy" be subjected to exploitation bit by bit. According to the experience of our country and that of other nations, very often they also make use of community economy to help people with low academic or technical qualifications, and older people earn money.

Madam President, I so submit.

MR LAW CHI-KWONG (in Cantonese): Madam President, I do not know how much can I cover in 15 minutes. Fortunately, there will still be seven minutes next week. First of all, I wish to speak on welfare and women's affairs. If time allows, I will turn to health care. Two of the points probably have something to do with another official, namely, Secretary LAM. Last year, when preparing for the policy debate, I noticed that Secretary LAM said the following in the last sentence of his message for the relevant Policy Objective: "We look forward to working together to formulate this blueprint for our future welfare system." At that time I was very pleased, and mentioned that in the policy debate of last year. This year I am, however, very disappointed, for I have been unable to find any blueprint. By this I mean that whilst the Health and Welfare Bureau has, as far as the planning mechanism is concerned, got the work started, the blueprint for the development of welfare is nowhere to be seen.

Over the past 10 years, welfare services have been reviewed holistically, for example, the ones recently done for community elderly service and family service. Every review invariably makes the comment that existing services are fragmentary and ought to be integrated. The same goes for youth services, family services and elderly services. I do not understand why rehabilitation services, unlike others, need not go in the direction of integration. That is true of medical and health services too. I think the Secretary for Health and Welfare definitely has deep feelings here, and it is unnecessary for me to say any more. However, I would like to put this question to the Government. Why do so many studies and reviews invariably opine that existing services are fragmentary? Were policy-makers more stupid a decade or two ago? We perhaps have more

experience and knowledge. But I cannot see that policy-makers in the past were more stupid. Perhaps we are more experienced, and know which way to go. But why? In fact, nowadays, with the exception of some reviewed services that are developing in the direction of integration, new services, that is, services outside the ambit of the reviews, are invariably fragmentary, born with disabilities. I will give some examples later.

I believe the reason is very simple — the Government only treats the head when the head aches and treats the foot when the foot hurts. This reason is known to all. Here is an example. On the one hand, community elderly services are being integrated. On the other hand, in addition to existing services, there has been added the so-called "enhanced home care services teams", which have caused enormous co-ordination difficulties for community services. Another major reason is that even if we do have a long-term development plan, we often lack a blueprint or a strategy for development. Without a blueprint or strategy for development, the development plan is likely to make the situation worse as that may lead to a quandary, posing difficulties and obstacles to reforms later on. All our difficulties in reforming social welfare services today can be attributed to this. To avoid following the same old disastrous path, it is, first of all, necessary to formulate a blueprint and strategy for long-term development.

Furthermore, I also wish to bring up the question of tendering for services. I totally agree that it is necessary to bring competition into the social welfare system and greatly enhance the cost-effectiveness of services. However, it is necessary for us to exercise care and pay attention when considering how to bring that in and how to effectively utilize its merits without suffering its demerits. I very much appreciate the efforts made by the Social Welfare Department (SWD) in this respect. Though a lot of efforts have been made, several problems are emerging. In a competitive environment, service agencies' culture of co-operation and interchange of experience, once well upheld in the past, is declining. To any form of services aiming at people, especially welfare services, interchange and mutual appraisal for service improvement are very important. Now I am worried that this culture is dying out. A lot of tenders are doubtless very innovative. However, many are just empty talk, or can be said to be "invincible on paper but powerless in reality". Some agencies have not got much experience. However, just on the strength of their superficial presentation, they still manage to emerge as the successful bidders. This is very surprising. Moreover, because of the need to bid,

service agencies often have to split up, thus rendering it impossible to fully utilize their existing resources. Then how to provide continuous services by bringing into play the so-called "consolidation effect"? Bringing in competition is a means, not an end. Do not take the branch for the root.

Turning now to strategy, the issues concerning family and community are one of the very important areas. First, on the question of family. Many parts of the Chief Executive's policy address mentioned the importance of family. We, however, must understand that boosting support for families must not stop at reorganizing existing family services units as this is obviously not enough. A social policy is sustainable only when it is capable of bringing the functions of families into effective play. Otherwise, the Government will find it necessary to put patches here and there from time to time, putting in additional resources to help families when they just cannot cope. In Hong Kong, many public policies are not helping family members to look after each other. The housing policy, the redevelopment projects, the taxation system and many other policy considerations all tend to encourage children to move away from their ageing parents early. The best strategy is to establish an assessment system for impacts on family to appraise the likely impacts on families arising from current and forthcoming social policies, legislation and measures.

Besides family, the next question is obviously the community issue. This involves the question of how to make use of the resources of the neighbourhood and the community to help the disadvantaged groups in the community, especially mutual assistance among the elderly, the handicapped and members of single-parent families. The Community Investment and Inclusion Fund is a relatively new name. Many people do not quite understand what a fund of investment and inclusion is. A grant of \$300 million is a very good attempt. I think we still have a lot of time in future to discuss ways to make good use of these resources. It is hoped that they can employ the leverage effect to make the most out of the \$300 million to help people in the community. However, a core issue is here. Why is it necessary to discuss community and neighbourhood issues? Let us go back to the White Paper on social welfare of the '90s, which missed out on one chapter, namely, community development services. Obviously, the question as to which bureau should be responsible for the policies has something to do with this. Community development once came under community building. Thus it became the responsibility of the Home Affairs Bureau. The issue concerning community centres has been in dispute for some time. For years at the Public Accounts Committee of the Legislative

Council, we have been discussing the question as to which bureau should be given the responsibility of managing those community centres. As a matter of fact, policy-wise, it clearly should go to the Health and Welfare Bureau. However, the Health and Welfare Bureau turned over resources to the then Home Affairs Bureau years back. Now those resources are nowhere to be found. When those community centres are to be handed back to the Health and Welfare Bureau, all the resources have disappeared. What to do? As it could not be ascertained which party should be responsible for the administration of that policy, basically no review was made in the White Paper of the '90s and the issue has been given no attention at all to date.

Now coming back to the Community Investment and Inclusion Fund, the fundamental target of which is to find ways to mobilize the community to help solve community problems, including individuals' difficulties. Obviously this is a form of community development involving the question as to how to help individuals and families. So, I very much hope that the policy can be handed back to the Health and Welfare Bureau. I believe Secretary LAM just would not mind this. We can have further discussions on this later. But why can those community centres, other issues and the policy on community development not be handed back to the Health and Welfare Bureau?

Another issue is elderly services. Having asked the Chief Executive at the Question and Answer Session about the "fruit grant" (Old Age Allowance), I am not going to repeat the question now. But where is the core issue? Prior to the Review of the CSSA Scheme of 1998-99, elderly people were able to apply for CSSA independently. When their children could not afford to look after them, elderly people could apply for CSSA independently. The review at that time denigrated such a scenario, saying that applications must be made on a family basis. As a result, many children were unable to look after their elders financially but the latter could not apply for CSSA. So the Government tried to look for a solution, exploring the possibility of somehow relieving those destitute elderly by finding a way between "fruit grant" (Old Age Allowance) and CSSA. The whole review more or less had something to do with the CSSA review. There was intention to help the needy elderly, but there was no intention to offer CSSA. Furthermore, means test was introduced into the scheme of "fruit grant" (Old Age Allowance) which originally required no means test. All that was for the purpose of patching up a hole, namely, the CSSA review of 1998-98. Basically that is wasting time to no avail.

Now let us return to the core issue. How should society today look after our elderly? Is our CSSA Scheme really meant to help the elderly or are there some other schemes? In the past, the Honourable LEE Cheuk-yan moved a few motions on pension schemes. Even if nothing is to be said about old age pension, then is CSSA aimed at offering relief to elders in poverty? If the answer is in the affirmative, then why create another item? I believe if an item is indeed created, there probably will be no strong objection from the Democratic Party. However, I do not think that it is a direction indicator. In fact it is not a direction for sustainable development. If we are really to help the needy elderly, then a more water-tight CSSA Scheme is financially more sustainable than a scheme of "fruit grant" (Old Age Allowance) which is "neither fish nor fowl" and requires means test. As the Government has already reviewed the issue, it is hoped that some conclusions can be drawn for everybody to know as soon as possible.

Sustainable development is, as far as the question of "fruit grant" (Old Age Allowance) just mentioned by me is concerned, a basic element. We in fact know that in the next 15 to 20 years, the population of the elderly is going to multiply. Can the development of our services be sustainable? Is it possible to keep building homes for the elderly, and to provide services? Given the direction of our current service development, I can visualize that in about 40 years, the total number of our homes for the aged will be on a par with the current number of recreation centres for the elderly, that is over 200. What should we do then? All these are questions that long-term development and relevant strategies must take into consideration. If we do not bother with drawing up a long-term development strategy, the problem will be left to our children without any prospects of finding a solution. Basically, there is no solution to this problem.

The next issue has something to do with elderly people's health. Last year, a panel of this Council brought up the question concerning elderly people's oral health. According to the relevant Policy Objective, upon completion of a survey, a study on elderly institutional accommodation would be done at the end of the year. However, nothing came of it ultimately. It is hoped that the Government can, as soon as possible, make known any plan on elderly people's oral health.

Recently I have had discussions with quite a few fellow workers who are providing the elderly with institutional care. An obvious problem has come to

light. Some Members of this Council have probably received complaints alleging that those institutions are exploitative, for example, charging fees for escorting elderly persons to seek medical consultation. Those institutions are in receipt of government subsidies. Why do they still charge the elderly extra fees? There are two problems. First, the elderly are becoming more and more senile, and many of them have to see doctors. There is another more primary problem. An elderly person going to the hospital for medical consultation actually has to visit several specialist clinics. The attendant has to escort him here and there, and make sure that he is taking his medicines before finally leaving. Can that be a direction for long-term development? We, therefore, have got to find out whether it is possible for family doctors and specialists to improve their co-operation so as to obviate the need for an elderly person seeking follow-up treatment to go around the entire hospital before completing one day's tour.

There is another important issue, namely, the elderly's health. At present, we have 18 elderly health centres, each of which sets its quota at 2 000. Initially I did not know why the figure is 2 000. I now know after doing some calculation. $18 \times 2\,000 = 36\,000$. In Hong Kong, elderly people aged over 65 number 750 000. Out of the 750 000, only 36 000 are able to access such service. One half of our elderly who live alone are drawing CSSA. Can we not see that many elderly people are suffering from poverty, that the system cannot be sustainable? Can it meet the needs of over 1 million elders? All these are problems that we have to consider. How can resources be effectively utilized to help the elderly? Is it necessary to consider setting up an elderly health service similar to the student health service?

Madam President, time is about to run out. I shall continue next week. Thank you.

MR FREDERICK FUNG (in Cantonese): Madam President, for today's debate session, I would like to focus on two areas, namely, the questions of elderly welfare and the worsening wealth gap.

The policy address released by the Chief Executive last week barely touched on welfare issues. With the economy now on the downturn, the grassroots and disadvantaged groups tend to be far less capable of self-help when compared with people of other classes. So, it is essential and important for the Government to give them support. While the economy is getting worse and

worse, the Government tells the mass media from time to time that it is unable to help the people and that there is not much that the Government can do. To say so is to pass the buck. If a government is indeed like that, then why should the people need it? Given such government, why do the people still need a government at all? Therefore, the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I call upon the Government to address squarely the needs of the disadvantaged groups, especially the elderly, and to put forward substantive measures to narrow the wealth gap and distribute "potent drugs" to kill pain at this time of economic restructuring.

With regard to welfare for the elderly, I shall talk about the problem of the ageing population first. According to figures released in the HK Population Projections 2000-2029 by the Census and Statistics Department, by 2001 those aged 60 or above will make up 15% of the total population. Compared to the figure of the early 1970s, the population of the elderly has increased by more than twofolds. It is forecast that over the next 20 years (up to 2021), the makeup of the elderly in the population will grow up to 22.9%. There will be, on the average, one old person among four or five of us. Furthermore, the percentage of those aged 75 or above in our population already grew from 1.3% to 3% between 1971 and 1991, and is expected to reach 5.6% by 2021.

An ageing population leads to a lot of problems. On economy first. According to information from the Hong Kong Social Security Society, in 1996 the elderly living beyond the poverty line (those earning not more than \$2,500 a month and aged 60 or above) numbered more than 20 000, representing 24.7% of the then total population; those aged 75 or above and living in poverty numbered about 65 000, representing 30% of those aged 75 or above. Besides, cases of elderly people drawing CSSA actually have had a growth rate of 180% over the past 10 years. Madam President, it is 1.8 times. But the population of the elderly has just grown by 40% over the same period. That means the speed at which the elderly become impoverished is five times faster than the growth rate of the elderly population. All these figures point to one thing, namely, that the problem of our impoverished elderly has reached alarming dimensions, and really deserves attention from the departments concerned.

However, at present our financial support for needy elderly is definitely inadequate. Though the Mandatory Provident Fund Scheme was officially launched late last year, such "future money" is unable to provide adequate financial support to the elderly of this generation, that is, those going to turn 60

in 20 or 30 years. We, therefore, believe that the existing Old Age Allowance (OAA) and CSSA are two policies that are helpful and of prime importance to these elderly people.

With regard to OAA, commonly known as fruit grant, the Chief Executive undertook in his policy address last year to finish the review of OAA this year so as to further improve the livelihood of the elderly living in poverty. Last year, the Chief Executive gave hope to 450 000 elderly OAA recipients. However, in his policy address this year, the Chief Executive personally shattered their hope. One year is not enough to the review. The review has to be conducted yet for a longer time. Till when? Why so long?

I hope the Government will realize that many of the elderly do not just spend the allowance of \$705 on fruit, and that the so-called "fruit grant" is their "meal money". The Government should increase the fruit grant by \$300 in response to the requests from the people and Members. Such a move, requiring an additional annual allocation of just \$1.6 billion from the Government, can improve the elderly's livelihood and evidence the attention and respect given to them by the Government. We call upon the Government to make known the outcome as soon as possible.

Now on CSSA. In the 1999 Review of the CSSA Scheme, the Government disqualified elderly people living with their families from applying for CSSA independently, thus making it impossible for elderly people requiring financial assistance to get help directly. Take public housing households as an example. According to data from the Census and Statistics Department, in 2000 there were 377 000 households of public housing residents who were living with elderly people. But public housing households have been incessantly going downhill financially. The median family income has gone down from \$13,500 in 1998 to \$12,540 in 2001, losing \$960. The number of public housing households earning less than \$4,000 monthly grew from 21 600 in 1996 to 64 600 in 2000, representing a three-fold increase. Public housing households have grown weaker financially, but among them are many living with elderly people. In the past, those elderly people could independently apply to the Government for CSSA. It is not so now. However, this does not mean that their children can afford to make up for the financial assistance previously receivable by them from the Government.

From this we can see that many households living with elderly people have run into financial difficulties and that the change to the CSSA policy by the Government has not improved the elderly's livelihood, but made it harder instead. We recall that the Chief Executive, when campaigning and on winning his election, stressed his intention to run Hong Kong on the basis of Confucian ideas. One of the major Confucian virtues is "To respect the old members of my family and also those of other families". It is also said that "Filial piety tops all virtues". To sum up, we should show respect for our elders and predecessors. It is hoped that the Chief Executive and, especially, our Government, can make it possible for our elderly and people who are going to stay on in Hong Kong, no matter receiving CSSA or fruit grant, to live in peace for the rest of their lives.

Madam President, I also wish to discuss with Honourable colleagues the question of elderly's health. As a matter of fact, in addition to financial difficulty, the elderly also face health problem of all sorts, which is very important. According to a 1997 Research Paper on Health Care for Elderly People by the Provisional Legislative Council Secretariat, in Hong Kong then "about 50% of elderly people suffer from hypertension. About 15% of elderly people suffer from diabetes mellitus, and one quarter from osteoporosis. Cancer is also most prevalent in the elderly age group". It can thus be foreseen that as time goes by, the problem of elderly health will grow in gravity. Coming right in front of us is the ageing of the population, a phenomenon I think the Government should not disregard.

When faced with this problem, most of the elderly very much need residential care services, with regard to which I am going to present to the Government my views. The elderly's demand for residential care service grows as time goes by. The Chief Executive stated in his policy address that: "By March next year 26 000 places will be available, a 70% increase over the 15 000 places in 1997" (paragraph 118 of the policy address). On the face of it, this figure is quite large or does represent considerable growth. However, we have to add something. According to information from the Social Welfare Department, as at 31 December 2000, 29 061 persons were on the waiting list of the Residential Care Services Delivery System for the Elderly. In other words, an elderly, even allowing for vacancies, on the average still has to wait two or three years before getting a place in a residential care home.

We are of the view that in order to duly address the situation, the Government should put more efforts into residential care services.

Furthermore, at a meeting of Sham Shui Po District Council, the ADPL brought up the idea of "in situ care for the elderly", which, we believed, would be endorsed by the Government. Coincidentally, shortly after the deliberations at the District Council meeting, similar discussions were held by this Council. According to the proposal, the Government should actively explore the feasibility of building residential complexes for the elderly. The proposal was unanimously endorsed by the Sham Shui Po District Council. In brief, the idea is to use the lower floors of a residential building for facilities like a recreation centre for the elderly and a care-and-attention home, while the upper floors may be set aside as elders' residential units. With such one-stop institutional care for the aged, elderly people's health in normal time will be taken care of whilst homes for the aged or care-and-attention homes on lower floors will be open to them when they have the need. In normal time they may participate in recreational activities in the building where they live. Moreover, from the time they move in to the time they pass away, they can have friends and relatives around them in a community network. In my opinion, this proposal merits the Government's consideration, and ought to be put into effect as soon as possible.

Now on boosting the support for care providers. In addition to increasing the availability of places in residential care homes, it is, in our opinion, also necessary for the Government to enhance the support for carers of the elderly. As we all know, as time goes by, the elderly will become more and more frail. What they need is, therefore, care, especially relatives' tender care. Most carers, however, have to work away from their homes during the day, and are, therefore, unable to give full-time care to the elderly. Even if they live with the elderly, they can be of help to them only after work. I, therefore, have three suggestions for the Government's consideration:

1. strengthen the support for carers, for example, putting resources into community centres or local voluntary agencies to organize training courses on providing care to the elderly so as to teach those looking after elderly people how to care for their relatives;
2. increase elderly respite care services in order that there can be one more alternative open to carers for them to entrust their elderly to local voluntary agencies during their working hours in daytime; and
3. additionally provide the carers with tax allowance so as to encourage the people to live with their elderly and look after them.

To sum up, it is hoped that the Government can indeed take notice of the issue as the elderly population is growing.

The next issue that I wish to discuss with you, Madam President, and Honourable colleagues is the wealth gap problem. It is, of course, necessary for the Government to look after the elderly. It has also to face up to the worsening problem of wealth gap. Because of the rapid development of globalization and knowledge economy as well as the presence of free market economy, there is bound to be impact on those short on competitiveness. The difficulties in employment and livelihood faced by workers with low skill and low education who are unable to acquire new knowledge through retraining indeed give cause for concern. In addition to the blows from the impact of downsizing, pay cuts, and unemployment, they are also suffering from deteriorating quality of living and environment. To help the people overcome the severity of the economic winter, the Chief Executive proposed in the current policy address to reduce next year's rates charge and the Housing Authority also announced the decision to waive rent payment for one month. All this assistance, however, means very little to the financial difficulties of the some 1 million people in poverty.

According to the Quarterly Report on General Household Survey released by the Census and Statistics Department in the middle of this year, people of low-income are multiplying much faster than those of high-income, which is indicative of the worsening wealth gap. Members of the labour force earning less than \$3,990 grew from about 276 000 in the second quarter of last year to about 318 000 in the corresponding period of this year, representing a rise of 15%. In the case of those earning \$10,000 to \$30,000 monthly, the rate of increase in the same period was just 3%. One can thus see the seriousness of the wealth gap problem. So we think it is necessary to address the issue. If we adopt another way of calculation and rank incomes on a scale of 10 ascending levels, we can see that there is a difference of nearly 20 times between the income of the poorest 10% of our population and that of the highest level. Alas, it is 20 times, Madam President! We have yet to take into account the possibility of further deterioration in the economic outlook consequent upon the "September 11 incident" in the United States.

At present, the unemployment rate is high and the economy weak. To restore the people's support and their confidence in the Government, the Government must introduce positive and realistic hardship relief initiatives to

combat our problem of poverty. The ADPL and I call upon the Government to set up a commission on poverty for government officials, experts, and members of the public to draw on collective wisdom and put forward all useful ideas so as to, on the one hand, formulate comprehensive relief initiatives to combat the wealth gap, and, on the other hand, establish a poverty line to identify the poor among our population for the purpose of finding the right cure for the problem. It is hoped that the Government would not consider introducing a consumer tax. Progressive taxation should be introduced and profits tax raised so that organizations making enormous profits can return some of their profits to society through the taxation system and thus narrow the wealth gap.

The Government should face up to the social needs that may arise as the elderly population grows over the next 20-odd years. A commission on poverty should also be established to formulate relief policies so as to narrow the wealth gap.

Madam President, I so submit.

MR MICHAEL MAK (in Cantonese): Madam President, with the exception of China, the global economy has been sliding ever since the tragic incidents of 11 September in the United States. Given its externally oriented economy, Hong Kong naturally cannot be spared, best illustrated by the sharp rise of its unemployment rate to 5.3% of late. In his policy address, the Chief Executive spoke in length in response to the "crisis package" proposed by those outside the Government, and put forward some measures to relieve the people of their hardship and revitalize the economy. It, however, appears that medical and health policies have put on the way side. The Government of the Hong Kong Special Administrative Region (SAR) should clearly understand the philosophy that "health means wealth". As in the case of educational work, there must be unwavering commitment and long-term investment for medical services.

I can recall that last year, when touching on medical reform by the Government, the Chief Executive mentioned the need "to study how best to ensure the long-term availability of funding and the efficient allocation of resources". The Chief Executive added that some of the proposals in the consultation paper "will be put forward, some of which are likely to be implemented shortly while others will be carried out in phases over the next 10 years". However, in the policy address of this year, there is not a word on the long-term course of medical and health reform.

Late last year, the Government released a consultation paper on medical and health reform entitled Lifelong Investment in Health. Has the Health and Welfare Bureau again aborted the reform or even engaged the reverse gear just because the response to the consultation conducted earlier on regarding the funding proposal was poor? It is believed that the Secretary has yet to formulate long-term strategies to deal with pressing matters of the moment with regard to financing and the imbalance between public and private health care sectors. My suggestion is that the Government should consider encouraging the people to voluntarily — I reiterate the word "voluntarily" — take out medical insurance, for which policy holders may get tax concession. In this way, the present financial burden on health care in the public sector can be reduced, and the development of the market for private health care can also be furthered.

Madam President, I always "fly into an indefinable rage" upon the mention of the manpower issue. The reason is that I have time and again reflected to government officials the manpower shortage problem affecting public health services, especially that experienced by nursing staff. Constituents supporting me felt I am impotent. They also felt very helpless, and criticized me for allowing the Government to ignore service quality. In mid-August this year, I, together with the Deputy Secretary for Health and Welfare, Mr YIU Kei-chung, visited three public hospitals, namely, Pamela Youde Nethersole Eastern Hospital, Kwai Chung Hospital and MacLehose Medical Rehabilitation Centre. It was discovered that the actual manpower strength of nursing staff on the whole fell short by 30% (I am only referring to the official yardstick). After that the Government, however, still turns a blind eye and a deaf ear to the matter, taking no follow-up action. Does not this reflect a famous saying by the Chief Executive and the Financial Secretary — "There is not much that the Government can do"!

In the course of that visit and during other visits to hospitals, I collected a lot of opinions from the people. Most of them agree that charges should be imposed on accident and emergency services. It has also been noticed that abuse is very serious. However, given the uncertainty in our economy currently, and people's livelihood in hot waters, it is hoped that the Government can put a halt to the charging of fees for accident and emergency services.

In his policy address, the Chief Executive undertook to create more than 30 000 job opportunities, among which 8 000 posts cover education, environmental protection, public sanitation, greening and health care. Later,

my ally the Honourable LEE Cheuk-yan wrote to the Education and Manpower Bureau to press for details of the said posts. According to the Bureau's reply, those job opportunities include 1 600 doctors, nurses, care assistants and some other posts. As a matter of fact, the list is just a beautiful lie, the reason being that apart from the routine mention in the relevant Policy Objective of recruiting more doctors, the new job opportunities to be created are just for 1 000 care assistants. There is no mention of recruiting more nurses. I must tell Members that care assistants are not the equivalents of nurses. They just cannot take the place of nurses. It is mentioned in the Policy Objective that 366 additional public hospital beds and 80 additional day places will come on stream in the year 2002–03. It is simply not possible for the Government to cope with the additional workload so incurred by creating those temporary posts.

I implore the Government and the authorities concerned to understand that health care professions are those engaged in life saving, jobs involving life and death. We can hardly afford to have one less allied health professional. The Government should, therefore, give top priority to patients' interests and provide enough allied health professionals to look after them, so as to ensure that our health care professions do measure up to the international standards.

The Policy Objective also mentioned sponsoring 200 nurses to take up conversion courses in tertiary institutions in 2002-03 to acquire degree qualifications. This point again shows the total failure of our basic nursing education. I implore the Government to refer more to foreign systems of education and training, and launch, as soon as possible, the policy of pitching the entire basic nursing education at degree level!

It is also mentioned in the Policy Objective that 18 clinics offering Chinese medicine out-patient services will be opened by 2005. However, there has been no mention by the Government of any matching measures. Must the Chief Executive wait until he wins his second term to put on the agenda matters concerning the manpower development of Chinese medicine and relevant support arrangements? It should be noted that it takes time to train up talents. It is necessary to do long-term planning well in advance.

It should be noted that if we still wish to develop Hong Kong into an international centre of Chinese medicine as mentioned by the Chief Executive as early as 1997 in his first policy address, it is absolutely necessary to speed up improving conditions comprehensively and training up talents. Take the testing

of proprietary Chinese medicines by the Department of Health as an example. Of the 1 507 types of proprietary Chinese medicines examined last year, those found to have failed the standards constituted 2.6%. As for the 931 types of proprietary Chinese medicines examined between January and August this year, the failure rate was 3.5%. Given the jump by 35%, the situation does give cause for concern. However, according to the relevant Policy Objective, not until next year will the number of samples tested for heavy metals and Western medicine be increased, and not until 2003 will there be regulatory standards for Chinese medicinal herbs. It is, therefore, necessary for the Government to speed up the work on monitoring and regulating Chinese medicine, especially the long-discussed legislation on labelling proprietary Chinese medicines.

The registration of allied health professionals, for example, the registration of chiropractors, has dragged on for 10 years. Not until the last Legislative Session did it proceed with full speed. Psychologists and other allied health professionals can only be registered outside Hong Kong. The authorities concerned have not established for them a formal registration system to raise their statutory status. In order that the structure of health care services can develop up to international standards and in order that public interest can be protected, I call upon the Secretary to put in vigorous efforts to bring into effect the plan for the registration of allied health professionals.

Also mentioned by the Government is the development of disease prevention. It is, however, a pity that there is neither any thorough co-ordination nor any long-term strategy. The mentality remains backward, seeking just to "treat the head when the head aches and cure the foot when the foot hurts". There is not a concept of primary health care. Precisely because of further integration between Hong Kong and the Pearl River Delta, we can no longer afford to be only mindful of our own business. Liaison with the relevant health departments on the Mainland should be stepped up, especially because the hectic flows of travellers between Hong Kong and the Pearl River Delta Region do have a bearing on epidemic outbreaks of diseases. Here are some examples. There was an outbreak of cholera this summer. Many patients contracted the disease on the Mainland. Earlier on Macao had cases of dengue fever; and there has been anthrax fears recently. In order that there can be effective prevention and surveillance of diseases, we must step up liaison with other places and strengthen crisis management.

Turning now to some phenomena attributable to the economic recession lasting four consecutive years. As said by many people, the grievances of Hong Kong people have been growing ever since 1997. All these are, of course, the natural results of life, hard-pressed. Why? According to a survey conducted by the Census and Statistics Department, about 50 000 people in Hong Kong are ill mentally. With neither the patients themselves nor their close friends and family members being able to help them ease their pent-up despair, tragedies take place one after another. In a motion on preventing and reducing suicides moved by me in the last Legislative Session, it was already pointed out that the Government should take real notice of the trend and set up a high-level policy group to deal with the issue. The Government did not accept my opinion. The Secretary for Health and Welfare even tried to evade responsibility afterward, holding that better psychiatric services would suffice. However, the Secretary has not provided the psychiatric services with additional resources. Perhaps Dr YEOH has moved up so high and far away from the mundane world since his promotion that he is now unaware of the situation of the masses.

Last Friday, two days after the Chief Executive had delivered his fifth policy address, one that is "not capable of saving Hong Kong," a person said to be a home owner suffering from negative equity jumped down from a building to kill himself out of despair, in a bid to protest against the Government with blood. It does not matter whether or not the policy address has served as a death call, such heart-breaking reports on suicides are things nobody wants to witness or hear about. It is hoped that the Government can expeditiously set up a co-ordinating group — I mean a "co-ordinating group" — to help those holders of negative equity drifting in the angry sea.

With regard to setting up a suicide crisis management centre, the Government should take it as "a case of emergency" and must not act "like a slow-moving physician". There must be comprehensive matching measures too. The reason is that we are having a bitter economic winter, one rarely experienced in 30 years. The people are already very fragile psychologically. Even a slight delay is likely to engender very serious consequences.

In 1999, people injured in an accident at Chek Lap Kok Airport involving China Airlines had to wait for rides to Princess Margaret Hospital, Yan Chai Hospital and Queen Elizabeth Hospital. As a result, there were traffic chaos and delays in medical treatment. Unfortunately, the Government has not learned from that lesson, and it is not prepared to build a hospital on Lantau.

According to figures from the Census and Statistics Department, last year the total population of Lantau and Tung Chung was 72 000, and the projected figure for 2004 is as high as 183 000. Is it possible for a civilized community and a big new town not to have adequate medical facilities? I call upon the Government to launch this important infrastructure project as soon as possible so as to provide local residents with appropriate medical services.

Health care personnel in the public sector have all along turned pale at the mention of the Enhanced Productivity Programme (EPP). However, towards the end of his policy address this year, the Chief Executive still tried to give them another scare, not forgetting to mention again "the need to further implement at the right time this so-called blood-sucking programme". This is, of course, a move to lay the groundwork for "downsizing".

Finally, I must caution the Government. If the EPP is not brought to a halt as soon as possible, then sooner or later all front-line workers will collapse under such unbearable workload.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, after the release of last year's policy address, I, responding to last year's review of the Old Age Allowance (OAA), have earnestly spent one year's time visiting 25 centres and homes for the elderly in east Kowloon to consult some 2 000 elderly people on the issue of OAA. They have made some very strong demands. Firstly, they, holding that those aged between 65 and 70 are also elders, think that there should be no more means test for them so that they can be on a par with those aged 70, and that the OAA should not be divided into two types. Secondly, the amount of the OAA ought to be increased across the board. In their opinion, the OAA represents society's respect for the elderly, and is a form of repayment for their contribution to Hong Kong over the past decades. So, there should not be two different rates of allowance, one being higher than the other; nor should there be a means test. It is sincerely hoped that this issue can be brought up for discussion this year.

At the Question and Answer Session, I put the question to the Chief Executive. He said that a review was in progress. However, according to the Policy Objectives, the review has been completed. I call upon Secretary Dr YEOH to respond to this. What sort of review has been completed? Is the

review being repeated again and again, over and over? Some of the elderly say that they cannot wait any longer as they are likely to die at any moment. It is hoped that Secretary Dr YEOH can talk with me as soon as possible about the review of the OAA.

The next thing that I wish to discuss is also something in the Policy Objectives concerning the elderly. According to the Secretary, there will be a further review on the public rental housing now provided to the elderly as well as efforts to increase the supply of public rental housing to elders in need. I would like to tell the Secretary that I doubt very much whether the Social Welfare Department (SWD) or the Health and Welfare Bureau is aware of the following fact: Among the housing units for the elderly now being built by the Housing Department (HD) are some three-storey multiservice buildings fitted with very magnificent glass sky-lights like three-star hotels but without air conditioning. Even their lounges and dining rooms are hot and unventilated. The elders already living there feel that they are being ill treated. So much for the service buildings specially built for the elderly. Furthermore, two elderly people have to cram into a small area of 16 sq m, that is, some 160 sq ft, upon the redevelopment of their original dwellings. However, if the combination is that of one old and one young, then they may rent a small unit measuring some 300 sq ft. Yet two elders must stay in a small unit measuring just 160 sq ft. Is there any communication between the HD and the SWD? Being departments upholding the elders' interests and caring for their well being, have they ever paid attention to the designs? Furthermore, in addition to the lack of air conditioning as stated by me earlier on, the elders staying in these service buildings for the elderly also do not have space for them to hang out their laundry. Nor do they have iron gates. In short, elders already moved into these service buildings invariably think that the Government has not properly designed the buildings for them. I am bringing up all these in order to draw the Government's attention.

Next, I, being a former Urban Council member, wish to talk about Secretary LAM Woon-kwong's policy area. At a recent meeting of the Legislative Council, the Government told us that the Leisure and Cultural Services Department (LCSD) and the Home Affairs Bureau were going to accelerate projects in connection with facilities for leisure, cultural services and sports, with 64 accelerated projects scheduled for the next five years. However, the total funding for all the projects is even less than Urban Council's expenses for five years in the past. If calculated on the basis of five years' expenses, it is

less than the funding of the Urban Council in the past. In fact, with regard to funding, there has been no increase if we compare it to the situation prior to the dissolution of the Urban Council. This is my first observation. Here is the next. In the case of many projects, including those for which the Hong Kong Jockey Club promised to provide 80% funding five years ago, it is still said that it is necessary to wait until the year 2003-04 for commencement. I really do not understand why it can be that slow. At the meeting, we questioned staff of the Architectural Services Department. According to them, procedurally it is necessary for the relevant projects to line up for gradual progression from Category C to Category B. They also told us that it was necessary to progress according to procedures in an orderly manner.

This is the way the Government does its work. This is the point I wish to make. There are in fact some projects to which someone has already committed funding. The commitment was made as far back as five years ago. Full planning has already been made and preparation has been in progress for several years. But they still have to wait two more years before they can commence. Therefore, I wonder whether or not what the Chief Executive said about accelerating projects to create job opportunities will be out of synchronization with the administrative processes that follow. Will it turn out to be a situation of "words not squaring with deeds"? I hope Secretary LAM will account to us the slow progress of projects.

By the way, I wish to bring up another point here. I was once on the board of directors of the Hong Kong Stadium. I noticed from the Policy Objectives that the Government will increase the number of events to be held at the Hong Kong Stadium to 30 a year. Now the problem is that according to the directives of the then Chief Secretary, the Hong Kong Stadium should be operated on commercial principles in order to subsidize sports activities with profits from the Stadium and surpluses, if any, should be handed over to the Hong Kong Sports Development Board. Now there is no mention at all. Has the Government changed its policy for the present Hong Kong Stadium, which was handed over to the LCSD following the dissolution of the Urban Council? Has the Government reviewed the question as to whether or not the Hong Kong Stadium should stay? Given the stringent control on noise pollution and the traffic and environmental nuisances posed by the Stadium to the vicinity, for example, the need to close roads for every event, is the Stadium to be seriously examined to decide whether or not it should stay or should consideration be given to the adoption of some other solutions?

Finally, Madam President, I would like to comment on the Honourable LEUNG Fu-wah's speech yesterday and the Honourable CHAN Yuen-han's speech today (oh, both of them are not in the Chamber now). Yesterday, Mr LEUNG Fu-wah, when speaking on the problem of poverty, commented very favourably on the policy address, and offered his strong support. He stated that he heard workers' viewpoints in the Federation of Trade Unions (FTU), and that those viewpoints sufficiently reflect those held by the general public and workers. However, Miss CHAN Yuen-han, speaking on behalf of the FTU, held that the Government had disregarded the problems keenly felt by the poor and the workers. Emotionally referring to the story told by an old woman at a residents' meeting, she pointed out that it was a misfortune to rely solely on the Comprehensive Social Security Assistance, and that the social welfare systems of other countries are better than ours. I indeed do not know whose words really represent the FTU's true stance on the current policy address. When speaking on the OAA, Mr TUNG and Dr YEOH also said different things. I also do not know which of them is right. I am looking forward to getting the answers to all these questions.

I so submit.

MR LEE CHEUK-YAN (in Cantonese): Madam President, when we comment on the latest policy address, all along we say that it is "powerless in relieving hardship and ineffective in helping the poor." To the people of Hong Kong, it is very disappointing.

In his policy address of last year, the Chief Executive made helping the poor one of the key areas of administration. However, probably because Chief Secretary for Administration Donald TSANG once said, to this effect, "As China has been successful in bidding for the right to host the Olympic Games, and is about to join the World Trade Organization, it would be impossible for Hong Kong to become poor! Ha! Ha! Ha!", thus this year's policy address made no mention of "helping the poor". According to Mr TUNG Chee-hwa's logic, no more mention means no more existence. I am, however, sure that our problem of poverty is still here. Unfortunately, the Government has "contracted" its efforts of helping the poor.

Earlier on, "Livelihood 21" worked out that the population of the poor in Hong Kong in 2000 was close to 1.25 million, basing the calculation on

information from the General Household Survey *vis a vis* international standards. When compared with that of 10 years ago, the figure represents a rise of more than 35%. Obviously, because of the economic restructuring, many winners and losers have emerged in society. The income gap has been widening too. In order to resolve the problem of poverty, the economy must turn for the better and value be added. However, at the same time, it is also the responsibility of the Health and Welfare Bureau to beef up the base as well as to extricate the poor out of poverty. Although the ranks of the poor are growing incessantly, the Government still appears "to be in fear of nothing" because the Financial Secretary once said, to this effect, "With the Government providing a safety net, those who are less fortunate can still have a rather comfortable and nice life." However, right on the scene that day, someone intercepted him in tears in order to be heard, saying that his words were "very disgusting and displeasing." The reason is that that person does not find it comfortable at all even though he is drawing CSSA.

I really wonder if senior government officials are so oblivious to the people's woes that they seem to be living on the moon. I call upon senior officials to read the newspapers of recent days and listen to the voices of those who are "less fortunate".

A certain Mrs CHU said, "When my son saw on television an advertisement about moon cakes, he asked for a bite. But I cannot even entertain such a small request. Being his mother, I feel ashamed!" Her husband is now jobless. The whole family at present lives on savings. A box of moon cakes is already a "luxury".

According to a guy called Ah Nam, "CSSA indeed keeps your daily meals coming, but it makes you lose face. In the past I used to walk with vigorous strides, but now I dare not even greet others. I want to avoid them. The pressure is tremendous." Ah Nam has been jobless for two years. His 17-year-old eldest daughter has not spoken to him for two years as she finds him rather useless for drawing CSSA.

There is this middle-aged man who used to be a bank clerk. He has to sleep in the street because he is jobless. He said to a policeman: "Sir, I am looking for food just because I am hungry I trust neither the Government nor the Social Welfare Department. I need no help from them!" He is prepared to steal or rob, but he is not willing to apply for CSSA.

It is true that the Government does have a safety net. However, the net is not allowed to be used even for fishing because it is a safety net with barbs. It goes without saying that once you fall into the safety net, you will soon be covered with cuts and bruises, and deprived of dignity. Just one touch of it can leave a wound on your body. I am not trying to disparage the safety net. The net can no longer help people as it has holes in it. I call upon the Government to consider this. According to many CSSA applicants, they were interrogated by front-line officers of the Social Welfare Department (SWD). It is not right to blame those officers as they are required to enforce the law. However, they act like interrogating suspects when interviewing applicants. In many cases, applicants came back to tell us that they did not want to step into the SWD again. At present our safety net is like that.

Our economy is being hit from within and without. It is believed that after the Chinese New Year the unemployment rate will rise beyond 6.5%, an all-time high reached two years ago. If the Government does not want to see "a situation with dancing and horse racing still going on" turn into one "with people still plunging down from tall buildings and committing suicide by burning charcoal", it must set up a better safety net as well as an unemployment protection system, and remove from the CSSA scheme its negative stigma. I even wonder why the Government cannot run advertisement on television to inform people of the presence of the safety net without encouraging them to apply for CSSA so as to have that negative stigma removed. In this way, the erroneous impression that CSSA is for lazy people who refuse to be self-reliant can be corrected.

Madam President, poverty does not just stem from unemployment. The Government indeed should not imagine that the problem can be entirely solved once the employment situation is improved. Government statistics reflect another fact, namely, that in 2000, of the 370 000 families in poverty, some 210 000 were working families. That is to say, even those in employment can still be in poverty. It is very easy to account for this. As pays are so low that employment does not necessarily keep one's daily meals coming. We, therefore, have been advocating for another way to patch the bottom, that is, by adopting a minimum wage together with a system like that of "negative income tax". We call it the system of "living allowance for low-income families". The declaration process is very simple, just like filing tax returns. Under this system, the Inland Revenue Department may allow low-income families to have "negative income tax". Hong Kong does not invent the system. It has been in

use in the United Kingdom as well as in the United States. They solve the problem of poverty by offering actual safeguards.

An ageing population is another factor contributing to poverty. Also in the year 2000, about 200 000 of those aged above 65 were living below the poverty line. No matter how good the employment situation is, it is impossible for them to get out of poverty through employment. A sound scheme of elderly allowance is a must. In his policy address last year, the Chief Executive promised to improve the fruit grant scheme. According to the Health and Welfare Bureau, the review has been completed. But the Chief Executive insists on continuing the review. The comment from the elderly for the current year's policy address is: They have "to go empty-handed." There is nothing for them, not even the \$300 long sought by them. They are, therefore, very disappointed. In order that needy elders who do not qualify for CSSA can live in greater dignity, I call upon the Government to expeditiously introduce an item of allowance some way between fruit grant and CSSA for the elderly.

Finally, in addition to speaking on health and welfare, I would also like to talk about the Home Affairs Bureau in connection with discrimination. In 1997, the Honourable LAU Chin-shek introduced legislation concerning discrimination in respect of age, race and sex orientation. It is a pity that the issue remains unresolved. We hope that legislation on discrimination in all these three aspects can all be made at the same time so that every person in Hong Kong can truly enjoy equal opportunities. It is hoped that the Home Affairs Bureau can take note of this. Thank you, Madam President.

MR IP KWOK-HIM (in Cantonese): Madam President, according to the Policy Objective booklet of the Home Affairs Bureau, by the end of next year, the Government will provide members of Owners' Corporations (OCs) with at least 30 training courses to enhance owners' knowledge of building management. At the same time, Home Affairs Department (HAD) staff will be provided with relevant training courses or workshops. Furthermore, a target has been set to help form another 280 OCs in the coming year.

It is worth noting that under the current housing policy, many big housing estates originally managed by the Housing Department will be transferred to OCs for management. Each of these public housing estates houses 30 000 to 40 000 residents, with monthly management expenses running up to several million

dollars. The standard of management required is very high. Under the existing legislation on building management, an OC may easily become the scapegoat when it runs into management problems and has a slip. It will be held legally responsible and also attract censure from some owners. If the Government does not provide sufficient support, there will be no incentive at all for small owners to form OCs. It is also unfair to management committee members of OCs already formed. Here, the Democratic Alliance for Betterment of Hong Kong (DAB) calls upon the Government to enhance its current support for the operation of OCs.

In the previous Legislative Session, the DAB once moved a motion calling on the Government to give more support to OCs and Mutual Aid Committees (MACs), putting forward several specific suggestions. However, the Government only accepted some of the suggestions. The DAB hopes that the Government can seriously consider the following three suggestions:

First, the Government may consider forming more out-reach teams to provide OCs with assistance. Although the Government has promised to set up District Building Management Liaison Teams (DBMLTs) in 18 districts, and create out-reach teams with 78 posts, all this still cannot satisfy the demand of OCs. Second, newly-formed DBMLTs should have more trained full-time liaison officers. Alternatively, members of building management staff may serve as members of the teams so as to improve service quality. Third, from time to time, members of OCs or MACs are required to inspect building maintenance works, for example, water leakage or short circuits of electric installations. As they are not trained technicians, their personal safety is at risk when they do so. So in this respect, should the Government not enter into active discussion with the insurance industry regarding protection for committee members by providing the OCs with special insurance products?

I wish to switch to another topic, namely, the problem of youths at risk, an issue drawing much attention nowadays. Sometimes late at night some young people can be seen loitering in groups, showing no wish to go home. These young people at risk do not want to go home to face their families probably because of academic or family problems. What they need most are listeners in whom they can confide their feelings and temporary shelters where they can spend the night. Social workers can help them solve problems by making contact with them. I call upon the Government to step up out-reach social work services, that is, the so-called "kids-picking" services, and help voluntary

organizations to set up temporary night shelters to help young people at risk return to the right track.

The DAB agrees with the Chief Executive on the point that in order to formulate appropriate measures catering to young people at risk, it is necessary to understand well young people's mentality, habits and needs. For the next few years, the Government promises to set aside \$100 million to launch the Understanding the Adolescent Project, to add six integrated teams and to boost out-reach services. All these are worth supporting.

As a result of the current economic depression, many people "can hardly make enough to last through the day", and simply do not have the time to take care of their families. Some people even vent the pressure and frustration from work on their families. Domestic violence can be sparked off at any moment. Families in crisis are very much in need of assistance. However, there is only one family crisis support centre in the whole territory, which cannot help all local families in crisis. It is hoped that similar support centres can be set up in all districts to offer immediate counselling services to those families so as to ease the pressure on them.

In recent years, some single parents have run into problems in both housing and employment. What is more, their children often do not get proper care. The DAB, therefore, calls upon the Government to set up more single parents' centres to provide single-parent families with close follow-up and support services, which include referring their cases to employee retraining organizations or voluntary organizations to improve their employment opportunities.

Disadvantaged families and individuals may also be helped by the formation of a proper network of community mutual assistance. The Chief Executive announced the establishment of a \$300 million Community Investment and Inclusion Fund to develop a network of community support. The DAB hopes that the Fund can financially help voluntary organizations and local bodies to organize community mutual assistance projects that encourage the grassroots, including people out of jobs and single parents, to bring into full play their abilities, to help each other, and jointly nurture an atmosphere of community care.

Madam President, I so submit.

MRS SOPHIE LEUNG (in Cantonese): Madam President, this year's policy address did not talk much about health care. However, it should be realized that the work in the coming year is of considerable importance to the implementation of the health care reform. I am going to speak on this.

Health care has always been an issue of concern to the people of Hong Kong. Good health services are a key element in protecting people's health as well as the foundation providing impetus to social progress. What system can be said to be the ideal health care system? Is the system perceived by you or me going to work? To any country or region, these are difficult questions to answer.

At present, every society has begun to face the same problems: an incessantly ageing population, the development of medical science by leaps and bounds, people expecting more and more from health care services, and diseases and viruses emerging one after another. However, one thing remains unchanged, namely, resources being always limited. Hong Kong is also facing all these problems. Over the past 10 years, it has been a social consensus to reform our health care. How to effect the reform? Should my proposal or yours be adopted? For this, we have had many debates here. Some people wonder whether or not it is too late for us to introduce health care reforms now. However, if we look at the bright side of it, we may realize that perhaps because of that, we have avoided making too many reckless decisions that might have led to erroneous moves, thus saving us the trouble of having to go the long way.

Nevertheless, health care reform demands immediate attention. The problem will otherwise become more and more difficult to resolve. Let us take a look at the pressure being shouldered by the public health sector. In areas like institutional care, casualty ward services and specialist out-patient clinic services, the utilization rate has been growing steadily.

On the other hand, as far as specialist services and institutional care are concerned, the private sector's market share is unsatisfactory. Take the utilization of hospital services in year 1998 as an example. 93.1% went to the Hospital Authority (HA), with just 6.9% going to private hospitals. Obviously, a serious imbalance exists between the public health sector and the private health sector. In addition to causing a drain on health care resources, the people are going to have fewer choices too if the withering of private sector health care continues. This will increase the burden on public health care, and thin out the

opportunities for medical treatments for those who really need health care but cannot afford private health care.

Thus the Government should, as far as possible, encourage professionals of the sector to form private joint clinics to offer the public out-patient services that are comprehensive, on group-work basis, relatively cheap and available for longer hours.

The Government should also let public hospitals linked with joint clinics meeting the service standards for them to provide one-stop institutional care by referring patients to their linked public hospitals. In this way, patients, because of the close ties between hospitals and private practitioners, can get suitable treatment.

With regard to improving health care services, there ought to be an important role for nurses. Unlike the past when nurses were trained by nursing schools, it now requires the completion of courses with college credits. We also suggest that the Government promote the establishment of more non-profit-making health clinics in the districts to be taken charge of by nurses who will play the role of gatekeepers, offering patients professional assessment, guidance or various support health care services. Furthermore, more comprehensive primary health care services should be offered to the people in collaboration with private practitioners at the district level.

We fully agree with the Government's intention of revising fees in such a way as to make the people exercise greater caution when using public health care services and thereby reduce the pressure on front-line health care workers. Those health care workers can then have more time and resources to look after patients requiring more attention from them. In our opinion, such a motive is acceptable. It is also hoped that the feasibility of separating the medicine and dispensing practices can be seriously studied so as to give the people the freedom to choose between getting medications from doctors treating them and finding their own pharmacists or dispensaries to fill their prescriptions.

The question as to how to intensify the health care reform is an issue that we must address now. We can no longer afford "to discuss without decisions, make decisions without execution". I implore professionals in the health care sector to accept the mission requiring them to promote the reform as pioneers. Members of the public also should not let shortsightedness, excessive doubts or

the unavailability of a crystal ball make them resist the reform. There is a common saying that "Rome was not built in one day". Health care reform cannot be achieved by efforts from a person or two alone; nor can it be worked out by just a bureau or two. In addition to the promotional efforts made by the Government, concerted actions by the general public are also required. Do not "discuss without decisions, make decisions without execution".

Finally, I have something to say in passing. Economically, Hong Kong is being subjected to a tough trial. Social solidarity is essential. We should meet the attack calmly. Every person should discharge his due share of responsibility. It is imperative not to be thrown into confusion; nor should society be allowed to be thrown into confusion. Given our steadfastness and our will to fight on, we should be able to turn adversity into opportunity and open up new trails so long as we share common goals.

Madam President, I so submit.

MISS EMILY LAU (in Cantonese): Madam President, as just pointed out by the Honourable Mrs Sophie LEUNG, the policy address did not say much about health care. According to some physicians, it is because Secretary Dr YEOH has been so competent that the Chief Executive found nothing seriously wrong with health care and he only talked about areas with problems.

In fact I have listened to the speeches delivered by many Honourable colleagues. I merely want to take a leaf out of their book and hope that Members will not feel bored. Madam President, I think there are problems. Being a Member elected through direct elections, I certainly hope that all health care facilities can be free. Let us look back to year 1992, when the spending on health care was probably \$3 billion. The expenditure for the current year amounts to \$31.8 billion, representing an increase in excess of 10 folds! Secretary Dr YEOH certainly has done well, managing to build hospitals featuring marble lobbies and all kinds of facilities. This is no problem at all. I totally agree that better services should be offered to Hong Kong people as our living standard rises. Like other Members, Madam President, I wish to know if this can be sustainable. I wonder if Secretary Dr YEOH will tell us later how he is going to deal with the matter if the situation continues and the population ages as time goes by.

According to what a Member who spoke earlier, at present in-patients of the Hospital Authority (HA) make up 93% to 94% of the total patient population whilst out-patients of government clinics constitute 15%. However, Chinese medicine out-patient clinics will be established in the future. It is not sure whether or not more patients will be drawn in. Madam President, at present, a person consulting a Chinese herbalist pays consultation fee out of his own pocket. That is about \$40. The cross-party coalition will urge the Government not to collect the full amount, or even to have some fees waived. However, as there has got to be a source supplying the revenue, a complete reduction is not possible. Although the Government has reserves amounting to \$380 billion, and accumulated profits of \$300 billion, all that is not inexhaustible. It is therefore necessary for Members to discuss both income and expenditure.

For the above reason, I hope that the Secretary can tell us how Hong Kong is to find the equilibrium. Now under the care of the HA are 94% in-patients. Should the figure be increased to 96%, 98% or 99%? With regard to the number of physicians in Hong Kong, Dr the Honourable LO Wing-lok knows better than I do. The total is about 9 310, with private practitioners and those working in the public sector numbering about 4 000 and 5 000 respectively. Madam President, with the number of in-patients taking up 94% of the total, Members earlier on all considered the situation to be ill-balanced.

For years I have discussed the matter with Dr YEOH Eng-kiong. Doctors definitely should not be made to work such long hours. Having studied the relevant data, I, however, now understand the reason behind it. With so many patients seeking treatment, is it possible for doctors not to work long hours? Dr LO is unlikely to say that private practitioners are "begging for food". However, they are having a hard time. How should we make some adjustment? As it takes a lot of efforts on the part of the Government to train doctors, I think the Government should really consider making use of insurance or adopting some other methods. However, the most important thing is to find the direction. Madam President, I am not sure about the direction adopted by Hong Kong with regard to health care. The Secretary has the duty to tell us in today's policy debate that the direction of our health care is to draw all patients into the public sector. For the current year, the expenditure is more than \$30 billion. Next year, it will go up to \$40-odd billion or \$50-odd billion. The growth is endless. There is going to be no work for private practitioners. Let those doctors who are "competent" join public hospitals! As for those who are not "competent", I will have to wish them the best of luck as they have to consider taking up new careers or see whether they can get the post of Secretary.

Madam President, the problem does not lie here. Fee charging is a big issue. Can a charge of \$68 compare with private practitioners'? Some patients are required to pay \$10,000 a day. How can a comparison be made? According to the Secretary, we ask the Government not to charge for this and that. I do understand. But it is, after all, necessary for us to consider starting the discussion on the issue. Although there may be problems, Members all agree that it is now necessary to consider the issue as we are a responsible representative council. The Government often says that revenue has been dropping, with neither land sales nor the listing of Mass Transit Railways stocks being able to bring in enough revenue. Facilities require money. However, it has got to be reasonable. Members of the middle class are now living in considerable hardship, with many of them having become owners of negative equity. They surely cannot afford to spend \$10,000 daily on hospitalization. Must every person, billionaires alike, be allowed to pay just \$68 daily for medical treatment? Should accident and emergency continue to be free of charge? I think it is definitely necessary for the Secretary to consider this issue. Madam President, this is a matter of considerable importance. Therefore, I call upon the Secretary to respond to these questions.

Turning now to welfare. I very much agree with the comments made by Mr LEE Cheuk-yan earlier. My office has also received many letters from the public. According to them, if they were so unfortunate as having to apply for CSSA, it would be very difficult for them to stand those attitudes and "looks of contempt". Some just give up their applications, thinking that they had better raise loans from others. Some have even been told by others not to apply if they do not want to suffer any humiliation. I think the Secretary should take note of this.

I remember that last year the Chief Executive visited one family. That person told him that though life was tough, he had not applied for CSSA. The Chief Executive said to him to this effect, "I deeply respect you!" What would those watching TV at home think? Would they have asked themselves this question: Will the Chief Executive look down upon us because I am a CSSA recipient? Therefore, I concur with what Mr LEE just said. The Government ought to do something to change people's attitude. Hong Kong is not a welfare society and I do not believe most people consider it necessary to ask the Government for hand-outs. Many resort to that only because they have no other alternatives. It is hoped that they can do that with dignity when they have to do so. Let no child feel ashamed because his parents are CSSA recipients or be

teased or beaten up by schoolmates aware of his situation. A society like that is incompassionate and uncivilized.

Madam President, finally I would like to talk about the question of racial discrimination. I call upon Secretary LAM Woon-kwong to inform us of the present position of various consultation exercises. In his policy address, the Chief Executive only emphasized education. The United Nations mentioned the insufficiency of education. Why has the Government shelved all the other policies? Is it that it is not necessary to deal with legislation on matters like racial discrimination because of the economic depression? I would like to tell the Secretary know that many people, including Chinese citizens, are indignant with the unfair treatment received by ethnic minorities. It is hoped that the authorities concerned can get the legislation done as soon as possible so as to stamp out the problem.

Thank you, Madam President.

DR TANG SIU-TONG (in Cantonese): Madam President, in the first paragraph of his policy address this year, the Chief Executive mentioned the point of "serving the people to strive to build a more civil, affluent, stable, democratic Hong Kong that is full of vitality". Doubtless it is something we have been craving for. With regard to economy and education, the policy address has proposed a series of measures that answer the public aspirations. The question is, however, probably because of inability to attend to all matters at the same time or because of limited resources, three policy areas that impact significantly on the people's quality of life, namely, home affairs, health and welfare, were given far less resources and attention by the policy address when compared with education and economy. The few specific measures formulated are not enough to realize government objectives. With regard to home affairs, the four policy addresses of the last four years invariably did mention, in varying lengths, improving the work of District Councils (DCs) and strengthening the support for District Council members. There was nothing at all in this year's policy address. Currently, the Government is conducting a comprehensive review of the functions and resources of DCs. So far, however, there has yet to be a conclusion. At the district level, DCs are, after all, the foremost and the largest representative body of the people. Various government measures concerning the people's livelihood require the support and involvement of DCs. It is, therefore, not circumspect for the policy address to say nothing about the direction of the development of DCs in the future.

This year's policy address made no mention of DCs. The Hong Kong Progressive Alliance (HKPA) does not wish this to give policy-making departments concerned an excuse to "discuss without decisions, make decisions without execution" in connection with the enhancement of DCs' functions and resources. As a matter of fact, though in Hong Kong many issues are local municipal affairs, they do have territory-wide implications, for example, the development of major tourist attractions at district level as mentioned by the policy address, passenger and freight boundary clearance arrangements between Hong Kong and the Mainland, the redevelopment and rehabilitation of older buildings, environmental protection, the promotion of culture and sports, and the introduction of community investment plans. The HKPA is of the view that, in order to bring into full play the functions of DCs, the Chief Executive and principal officials should duly consult DCs when drafting a policy address or other important policies. This is definitely conducive to encouraging DCs to collaborate more with government initiatives and mobilize the people to support and monitor government initiatives. The amount of attention given to the subject of health by the policy address indeed leaves much to be desired. A Member just said that Secretary Dr YEOH was probably well pleased with the health care services. In fact, I met the Secretary after the release of the policy address. With regard to the scant attention given to health care by the policy address, Secretary Dr YEOH appeared to be helpless. It is hoped that he will not feel dejected because of that, and can explain in detail the policy objectives on health care when making his response.

Over the past year, Hong Kong in fact has had an outbreak of major health incidents, with the avian flu making a comeback, cholera hitting food establishments, and, in particular, the mad cow disease threats from Japan, America and Europe ever on the increase. The problem has caused heavy losses to industries affected and tarnished our international image. The policy address, however, failed to present forward-looking government strategies. The Government probably thinks that current policies and mechanism are already good enough. The Government has yet to resolve properly health problems long in hand. For new health hazards posed by anthrax and terrorist attacks, there also are not reassuring countermeasures. Although there was a time span of half a month between the release of the policy address and the first fatal anthrax case in the United States in late September, the Government said nothing about ways to combat bio-attacks. This gives the people an impression that the Government's crisis awareness is not strong. The Government should not rule out the possibility of terrorist attacks spreading to Hong Kong. The

Security Bureau all along says that there is no intelligence indicative of Hong Kong becoming a target of attacks. According to the Hospital Authority, it is well stocked with antibiotics. All this, however, is not sufficient to allay concerns. American and European cities are more experienced in combating bio-attacks. However, even they are being kept constantly on the run. How can the Hong Kong Government, one totally without such experience, be so vehemently confident of its ability to deal with the matter? Given the fact that general members of the public do not have knowledge of anthrax and its prevention and treatment, there will be uncontrollable chaos once there comes a hoax of anthrax attack, which is indeed unsettling. To strengthen the people's confidence and ability to cope with crises, the HKPA calls upon the Government to announce, as soon as possible, a complete set of contingency plans and safety drill measures in respect of biological and chemical attacks.

When compared with home affairs and health matters, welfare was given more attention in the policy address. Specific measures are, however, still very few. In paragraph 110, the part on supporting the families, the Government merely made mention of reorganizing the existing Family Services Centres into Integrated Family Services Centres. From paragraph 111 to paragraph 113, the part on concern for young people, the Government only mentioned the plan to create more integrated teams and promote peer counselling for the support of young people at risk. In paragraph 114, the three lines on safeguarding the interests of women, the Government did not even put forward any policy or measure, just saying that the already-established Women's Commission was to provide support to help women realize their full potential. From paragraph 115 to paragraph 119, the part on care and respect for the elderly, the Government explained existing services without bringing up new Policy Objectives. According to paragraph 126 to paragraph 128 of the policy address, an initial \$300 million grant will be made to establish a Community Investment and Inclusion Fund, which is quite innovative. However, has the Government thought of any incentives that can mobilize the public to make donations to the fund to keep it going or even growing? It is a pity that the policy address offered neither explanation nor support. Generally speaking, the policy address's welfare policies break no new ground and probably just pass muster. According to the opinion of the HKPA, focused improvement measures can be made to government welfare services to specifically look after the needs of different disadvantaged groups. Take elderly care as an example. The Government should continue to improve residential care and health care by, for instance, shortening elders' waiting time for allocation of public housing, and

improving the specifications of living space for individual elders in private care homes. Also, the Government should suitably adjust the Old Age Allowance upwards as soon as possible.

Now on youth. As the problems of drug abuse and youth gangs are worsening, the situation is very serious. The HKPA hopes that in addition to creating more out-reach social work teams and reducing each out-reach social worker's case-load, the Government can enter into discussions with the mainland authorities to work out a more effective mechanism of co-operation to step up the crackdown on inter-traffic of narcotics and dangerous drugs between Hong Kong and the Mainland.

All in all, compared to economic measures, measures concerning home affairs, health and welfare as contained in this year's policy address still leave much to be desired in terms of depth and strength. In order to be really "serving the people", it is absolutely necessary to continue to improve measures in these areas. The HKPA hopes the Government can understand this. Thank you, Madam President.

DR YEUNG SUM (in Cantonese): Madam President, before speaking on health and welfare, I wish to discuss the issue of racial discrimination with Secretary LAM Woon-kwong first. Hong Kong is a cosmopolitan society. People who have had some contact with ethnic minorities invariably point out that those people are being subjected to racial discrimination to a certain extent. According to my understanding, the current government approach is to eliminate racial discrimination through mass education. However, it is perhaps generally agreed that the effectiveness of mass education is, after all, limited. I believe that the outcome will be better if the two-pronged approach of legislation and education is adopted. This is a very important indicator for the preservation of the openness and internationality of Hong Kong. It is hoped that the Government can keep up with its efforts.

Madam President, with regard to welfare, I wish to say something about the tendering system mentioned by the Honourable LAW Chi-kwong. For reasons unknown, tertiary education and social welfare are beginning to adopt quite a few business practices, for example, the recovery of cost, the concern for effectiveness, or adding value. All such concepts are emerging one after another. However, as far as the social services sector is concerned, what it

offers are, after all, services intended to help other people. In the business world, the measurement of effectiveness is determined by how little the input of resources is and how big the output of effect is. This is not applicable in the case of matters among people. I really wonder if such accounting method of the business world is fully applicable to the social services sector. According to a study conducted in Australia, there is going to be enormous impact if social services are put up for tendering. For instance, there may be problems for co-operation among organizations. In the past, social workers would visit their counterparts in another organization. Now they seldom visit each other out of the worry that one doing that might arouse the other party's suspicion that he is on an espionage mission to steal information about the other party's proposal in preparing for the tender submission. Madam President, this indeed has happened. Organizations used to co-operate with each other, now they have turned into competing rivals, which has seriously affected mutual assistance among organizations. Please bear in mind that these non-governmental organizations (NGOs) constitute a mainstay of our social services sector. They have been serving our society since the time before the War, and have established a strong foundation. The spirit of co-operation among organizations will suffer as a result of the need to tender.

Furthermore, will they sacrifice quality for price in order to win the tender? I understand that on receiving those tender submissions, the Government will examine each of them. In some cases, the decisive factor is price. In some cases, the decisive factor is service quality. However, I am of the view that there are bound to be cases of sacrificing quality for price because, as evidenced by the piling scandals and public housing tender incidents, for example, all of these are nothing new.

It is also hoped that the Secretary can look at the CSSA stigma. As mentioned by a few colleagues, recently a person was so hungry that he went to a supermarket to steal food. When asked why he had not applied for CSSA, he said no as CSSA kept one lazy and ashamed. Some people, in order to maintain the virtue of self-reliance, went so far as to kill themselves. I think the Government should properly address the stigma problem of CSSA. In fact the scheme is to help those who are badly in need of assistance. However, we, or some government officers, sometimes have slips of tongue, giving people the impression that CSSA really nurtures lazy bones. Some people refused to apply for CSSA and resorted to killing themselves even though they had already been driven to the wall. This is very sad indeed. Our Treasury is not unprepared to

offer them assistance. Why do we not properly explain in cultural and ideological terms that it is Hong Kong citizens' basic right to draw CSSA, and that it is wrong to say that they are drawing CSSA for nothing. In fact it is not easy to get CSSA. There are a lot of formalities to go through. There is also the requirement to perform voluntary work and receive training. It is not something which one can get as one wishes. I call upon the Government to work harder on the stigma effect of CSSA.

Now on health care services. Madam President, I just wish to speak on the question of bringing private practice into the public sector. In the area of health care, I differ with Dr LO Wing-lok on quite a few issues. For instance, we advocate the establishment of an independent complaint mechanism. The Medical Council of Hong Kong (MCHK) objects to that, saying that it might debilitate the MCHK's authority. However, it so happens that on this point we share the same view. For instance, the Hospital Authority (HA) intends to economize. In addition, some colleagues might wonder why private practitioners are not allowed to diagnose patients in public hospitals, or why patients are not referred to private practitioners. This, however, might lead to a situation in which a doctor has two types of patients when attending to his cases, some being his own patients, and some being patients of public hospitals. Madam President, it is sometimes not advisable to let the mind go two ways at the same time. To get more patronage, it is advisable to be nicer to those who are likely to be one's patients later. As for those who are not one's patients, it is even fine to allow them to be treated by interns. This is likely to happen because interests corrupt. To bring such a system into the role of doctors will definitely affect the public sector.

According to many Members, with 94% of patients consulting doctors in the public sector, a grave problem will arise as the private sector will just find little room for survival. Will that really lead to a grave problem? Are we not always talking about free economy? How about the market mechanism? Now many people go to the HA clinics for medical treatment. Do we wish to see the HA do badly so as to disappoint the patients and make them turn to private clinics for treatment. Is this a correct approach? Things should not go that way. What is being well done ought to be done even better. If private practitioners are not doing so well, then they ought to try harder in order to survive. Why is there suddenly the impression that with so many people flocking to public hospitals, that something must be wrong with public hospitals? Should public hospitals do badly so as to enable the private sector to enjoy more patronage?

Things should not be like that. Absolutely not. Therefore, I think that efforts should be made as far as possible to preserve such a good government-run safety net, such a fair and protective public sector, and that it should not be allowed to be ruined for the reason that private hospitals are getting fewer patients. In that eventuality, it would be a great pity indeed. Members of the public in Hong Kong, I believe, very much treasure such health care services. It is hoped that the Government can study the problems now confronting private practitioners. However, I do not think that it is necessary to bring private sector elements into the public sector. We in the Democratic Party have strong objection to this. Thank you, Madam President.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, how well formulated a government's welfare and medical policies are has direct and profound effect on those disadvantaged groups, such as the low-income families, sufferers of chronic illness, the elderly, the unemployed, and even those on the brink of committing suicide. Regrettably, in this year's policy address there is little to offer in helping the disadvantaged. The elderly should feel especially disappointed by this year's policy address.

Despite that in his policy address, the Chief Executive expressed that significant results had been achieved with elderly services, hardly can the public see such results. At best, what we can see is the formulation of an elderly policy and the establishment of the Elderly Commission, thanks to the Chief Executive's advocating Confucian thoughts and piety on first assuming office. Over the past few years, the Government also released some figures on the number of subsidized beds for the elderly. Other than that, what has the Government done for the elderly? They can hardly see any result. In fact, Hong Kong still has some 300 000 elderly living in abject poverty, that is, with a monthly income of less than \$3,000. I am concerned that with our ageing population, the situation will become worse. It is therefore outright lying to say that significant results have been achieved. The Health and Welfare Bureau expressed last year that it would actively consider raising the Old Age Allowance, also known as fruit grant, to \$1,000, but nothing was mentioned in this year's policy address. The Secretary for Health and Welfare said recently that the Government would have to consider again the Mandatory Provident Fund system, private pension schemes and personal savings and balance them against each other before coming to a decision. The Secretary's consideration after consideration clearly exemplifies the mode of policy-making, of which the

Government has been criticized, that is, "discussion without decision and decision without execution". In face of such an indecisive administration, those elderly living in poverty cannot wait any longer. In fact, they do not have the patience and ability to wait. If the Chief Executive truly advocated Confucian thoughts, he should know what being respectful to the elderly means. The fruit grant is only a token to show our respect to the elderly for the contribution they made for Hong Kong; it is a favour society can return in kind to the elderly. After all, many old people have to rely on that allowance for their living. Further deliberations on this may still go on, but given the pressing need, why can we not get them out of their present predicament? How can the elderly be made to wait for another year or half? Their age, livelihood and physical health make it impossible for them to wait any longer.

THE PRESIDENT'S DEPUTY, MRS SELINA CHOW, took the Chair.

In fact Hong Kong's population is ageing, but given that the Government is reluctant to implement a universal retirement protection scheme, we can only pinch our hope on improvement to the Comprehensive Social Security Assistance (CSSA) for the elderly. However, we all know that the Government holds a discriminatory attitude towards recipients of CSSA, especially the front-line staff, whose haughty attitude towards CSSA applicants has been pointed out by many colleagues and made some of the elderly dare not apply for CSSA. Currently, the CSSA for single elderly together with rental grant is about \$4,000. If an elderly person, unable to obtain public housing, has to live in a private flat, or is forced to move into more modern public housing, the rental will have taken up a major part of it, the remaining portion definitely is not sufficient to sustain his living. How can the elderly enjoy their old age in security?

Illness is another problem confronting the elderly. Like other patients of chronic illness, the elderly have to make frequent use of the public medical service. However, given the Government's emphasis on the "user pays" principle in recent years, and that medical improvement focuses mainly on the financing of medical service, there is no new proposal to better subsidize the medical bills of the elderly and patients of chronic illness. Recently, the Government has repeatedly said that charges should be imposed on services at the accident and emergency (A&E) department. Why cannot the Government first conduct a review to determine the adequacy of out-patient services?

Figures show that it is out of necessity that the public turn to the A&E department for medical services, and it is especially the case during holidays when attendances at such departments is at least 10% more than other days of the week, showing that the problem with out-patient services must be resolved before we can discuss if A&E services should be charged, not the other way round. Some people say that the public can consult private doctors. Of course, we all know that once we get sick, we can consult private doctors, but not every one has the means to seek private consultation. I therefore hope that the Government will consider the actual situation of the public. In considering if services at A&E departments should be charged, the Government should at the same time consider if out-patient services and night services should be increased. The number of low-income people is increasing, but the Government has not considered the difficulties they are facing. In considering a rise in the medical charges, should the Government take such a procrustean approach? Notwithstanding the assurance given by the Government, saying that no one would die for lacking the means to pay the medical bill, Madam Deputy, I am concerned that there would be people, who, having no money, would rather not seek medical consultation, thus making their condition even worse and resulting in subsequent death. I therefore urge the Government not to consider ways to adjust the medical charges any more; rather it should review the adequacy of the current medical services.

Besides the elderly, figures as revealed by the Census and Statistics Department show that 10% of Hong Kong's population only has a monthly disposable income of \$1,400. However, the policy address offers nothing in any form to help this group of low-income people. Globalization of the world economy has seen many investment and job opportunities flowing to places where the cost is the lowest and the profit the highest. The wage earners are thus forced into the whirlpool of working for the cheapest salary. The population of working poverty is increasing. However, not only has the Government no policy to help the poor, it has continuously outsourced its work, and the enterprises are capitalizing on the suppressed wage level in the private sector to create more impoverished workers. I have discussed a case with the Secretary the other day: a nicely dressed person was pacing back and forth in a fast-food restaurant — he was waiting for the leftovers from the other patrons' dishes. We cannot help asking this question: If, as it has claimed, Hong Kong is a highly developed society, why should there be such a situation? Is the safety net provided by the Government not safe at all? Last year, in launching the Support for Self-reliance Scheme, the Government labelled the CSSA

recipients as "lazy" and "waiting for handouts from the Government", which were serious affronts to the dignity of the CSSA recipients, making some people feel that it is better to go for other people's leftovers than to wait on the countenance of the officials.

If the Government was not to adjust its policies, more people would be forced down the path of self-determination, a path that sees them committing suicide.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, when it comes to public health and in front of Dr YEOH, Secretary for Health and Welfare, when I speak, Members would, I guess, think that I am going to talk about the total ban on smoking in food establishments. Now, even Dr LO is not willing to raise this issue, why should I? It is because this is a matter of life and death for the food establishments, and the livelihood and employment of the employees.

A total ban on smoking in all food establishments has now become a question of personal preference, which is a very subjective issue. Whenever this is mentioned, our blood pressure will go up immediately, and we become antagonistic very easily and would not like to have any further discussion. In fact, over 80% of Hong Kong's population do not smoke, who definitely would support the ban. It is therefore very easy for the Government to rally public support for this. It is necessary for it to spend tens of thousands or even millions of dollars on putting out full-page advertisements in the newspapers.

Yesterday a Member mentioned that a member of his family had bronchial troubles — asthma, he therefore support a total smoking ban in food establishments, which I fully understand. I understand that many families have respiratory problems because of the polluted air in Hong Kong. I fully understand and support that their support for a total ban in food establishments is out of their concern for health.

In fact, restaurant operators also have the health concern of the public and employees in heart. They understand the effect of passive smoking on health, and also wish to bear the social responsibility of protecting the health of the public. On the issue of banning smoking in all restaurants, they have gone through a long struggle mentally. It was only after they have actual figures from surveys done by an international consultancy, which supports their worries

that their business would be affected, and also after balancing the pros and cons, that they have raised their objection.

Results from the consultancy report (which was posted up on my website) show that if smoking were to be banned in all restaurants and food establishments across Hong Kong, the catering trade would lose \$7.9 billion in business turnover yearly. You may question if the figure is correct or exaggerated, but taking 20% off it there would still be more than \$6 billion, or 50% would be \$4 billion. These are no small figures, which should not be neglected or could not be miscalculated, or could not be modeled on the 85 000 target for housing. After all, the figure of 85 000 can still be retracted, but once a decision on banning is made, many restaurants would have to close down because of loss of business and 21 500 people employed by the industry would become jobless; but the decision could not be retracted. We therefore have to be particularly careful.

The Government and Secretary Dr YEOH said that we could learn from other countries' experience. I believe they referred mainly to the United States, as they also referred to California. However, are they aware of how the restaurant business has fared in the United States this year? I do not have to cite New York as an example, because the "September 11 incident" has dealt a severe blow to the catering and retail business in New York. I take California as an example. If the restaurant business drops this year, could it be attributed to a smoking ban? Certainly not, it is because we cannot just use one year's figure for reference. In the early days when the economy took off in the United States, business was brisk and all businesses recorded growth. When the United States Government banned smoking in restaurants, restaurants continued to record growth in business. If, looked from another perspective, had the United States Government not banned smoking in restaurants, or had the ban not been implemented in some of the states, could the rate of growth have been greater? We do not have the answer, nor should we waste our time arguing over this.

At the Question and Answer Session in respect of the policy address, the Chief Executive also said that other countries' experience could be used as reference only, which might not apply to Hong Kong direct. I agree to this view, and the consultancy report also pointed this out. We should look at Hong Kong's figures and our experience. Now the international consultancy has conducted a survey, actually interviewing restaurant patrons and carrying out professional analyses. Early this month, nearly 7 000 employers and

employees of the catering industry took to the streets, expressing their worries and objecting to a total ban on smoking in restaurants. Both the Government and the public should look at the issue calmly. Given the current difficult economic situation, can restaurants in Hong Kong, or even the whole society, bear the loss as a result of the ban?

An outstanding doctor himself, Dr YEOH will, I believe, understand that pneumonia is curable for a healthy person, whereas it is the complications that are the most dangerous and lethal. Similarly, on banning smoking in the restaurants, the industry is prepared to take on the social responsibility to protect public health. When the economy is good and stable, when the operation of restaurants is healthy and sound, the industry is better able to absorb the \$7.9 billion loss as a result of the ban. However, under the current economic climate, the catering trade records a double-digit drop in business this year over last year, not yet taking into account the effect of the "September 11 incident". If a complete ban were to be implemented now, it would be similar to contracting the complications of pneumonia, which would be lethal.

The Government can wait till Hong Kong economy has recovered, before encouraging the restaurants to ban smoking completely by providing incentives like reducing the profits tax and licence fees. This will obviate the need for any legislation and the restaurants can adjust their operation in line with the market economy. Banning smoking this way may take longer time, but the impact on the market and the effect of social division will definitely be the smallest.

Hong Kong is a magnanimous society, and the disadvantaged should be given the necessary assistance. No one should hold the mentality that being in the majority they can bully those in the minority. The interests of those in the minority should be respected as well. At this difficult time, the Government, the Legislative Council and every one in Hong Kong should work together to tide over the difficulties. We should not divide among ourselves, but hold ourselves against each other. I hope that before implementing the smoking ban in restaurants, Dr YEOH can rethink the whole matter again. Finally, many non-smoking officials, Members and citizens have expressed both in private and in public their support for me. I wish to thank them here. Madam Deputy, I so submit.

MISS CYD HO (in Cantonese): Madam Deputy, my following speech will focus mainly on press freedom and the freedom of speech.

This year's policy address has not mentioned even a word on press freedom and the freedom of speech. Our Special Administrative Region (SAR) now has a new culture, a culture whereby something is not in existence when it is not mentioned any more. I do not know if it is still the SAR Government's policy to uphold the freedoms of the press and of speech. I hope that the Secretary can respond to this later.

On discussing the advantages of Hong Kong, the policy address has not listed the freedom of speech as one of them. In fact, hearing nothing from the Government is already good news; at least the Government is not going to intervene through legislation. This is really good already. However, last week's television programme Headliner set the Government into expressing some worrying views. Well, to find out the degree of freedom of speech a society enjoys, we do not need too many indicators. Just by looking at how tolerant a society is towards satires made against its government is good enough.

In last Saturday's programme, Radio Television Hong Kong (RTHK)'s Headliner mentioned the policy address, which was described as a "handout report". Some of the officials thought that it was very inappropriate of the programme to place the SAR Government on a par with the Taliban Government. Before departing for Shanghai to attend the Asia-Pacific Economic Co-operation Committee meeting, the Chief Executive made a response to this effect, "I do not wish to comment on such tasteless production." As an ordinary citizen, I understand very well why the Chief Executive, especially being the subject of mockery, made such a response. However, Mr TUNG's duty is to be the Chief Executive of the SAR; and regrettably for this job he cannot come off work every day — he has to be in charge 24 hours a day. After all, the Chief Executive has one fundamental responsibility — upholding the SAR's press freedom and freedom of speech. I was therefore very disappointed when the Chief Executive gave a comment like that of an ordinary citizen. I wish that the Chief Executive could stand up and say steadfastly, "Hong Kong is a place with freedom of speech and anyone can express what he thinks." Regrettably, his attitude greatly disappointed me. On the same day the Government even issued a statement, reminding RTHK to make sure that its producers follow their codes and to ensure the quality of its programmes. To the staff of RTHK, I believe, this is very serious intimidation.

Many people think that what matters now is jobs, not freedom of speech. Given our depressed economy, many grievances must have been built up actually.

Such slapstick humour and satires provide a channel, just like the release valve of a pressure cooker, for the citizens to let off some of their pent-up emotion. This is in fact good for society as a whole.

Whether the speaker really intended what he said is in fact not the crux of the matter; rather the most important thing is whether the listener has the humility to listen. The SAR Government and the Chief Executive should reflect on themselves why there are such grievances pent up in society? Has anything gone wrong in the administration and governance? After listening to such criticism, be it meant as mockery or satire, it is important that we do some soul-searching to find ways to relieve such grievances.

In fact, Headliner is very similar in nature to some other political caricature like "Lo Mung Tung" and "Broom Head". If there is any resemblance to any person, including our Chief Executive and some senior officials, they can just laugh it out of court. As to whether they are of any good taste, those in power need not make any comment; let the public pass their own judgement.

Some newspaper criticisms elevated the issue to the level of high principles, saying that instead of helping to promote government policies, the RTHK, as a public broadcaster, has helped hurl disrespectful remarks at the Government. What is even more worrying with such a view is that if this means that any slight criticism of the Government in the SAR or any use of satire would be restricted. The RTHK runs on public funds, which are provided by every one of us. Besides promoting government policies and providing information to the citizens, it also has the responsibility to include and reflect different views, even criticisms against the Government. It should not be a propaganda machine of the Government. After all, instead of being seen as lofty and sacrosanct, a government is just an agency that works for the people. Its every improper move should be monitored by both the media and society. Taking on the job of criticizing the Government, the RTHK is working in public interest. If, after this incident, the RTHK changes its production policy under political pressure, then that is a very sad thing for Hong Kong.

In previous policy addresses, the Chief Executive always said that we had to be more creative, to turn Hong Kong into an international metropolis, and to consolidate those areas that we already enjoyed an advantage. In fact, freedom of speech is the spring of creativity, an advantage we have been enjoying. We

must give Hong Kong citizens more room to unleash their creativity. However, when some organizations challenge the authorities and criticize them, they would be flashed the placard "out of bounds". How can we unleash our creativity? After China's accession to the World Trade Organization, Hong Kong will face greater competition from cities in China. The only advantage we enjoy over these cities is that we have a broadcaster running on public funds but dares to criticize the Government. We should treasure our freedom of speech, and encourage each other to progress continuously.

MR ALBERT HO (Cantonese): Madam Deputy, I would like to talk about racial discrimination as a start.

The United Nations Committee on the Elimination of Racial Discrimination (the Committee) held a hearing from 31 July to 1 August this year to examine the report submitted by the Central People's Government under the International Convention on the Elimination of All Forms of Racial Discrimination (the Convention). A number of Members of the Committee expressed great dissatisfaction with the performance of Hong Kong in implementing the Convention because Hong Kong still had not passed any law to eliminate racial discrimination. The Committee even repeatedly urged the Government of the Hong Kong Special Administrative Region (SAR) to pass laws as soon as possible to eliminate racial discrimination.

In fact, Article 2 of the Convention requires that all signatories shall take all appropriate actions, including passing laws, to prohibit and stop any person or body from practising racial discrimination. The SAR Government is therefore duty-bound to make legislation to fulfill its Convention obligations.

The policy address announces that the Home Affairs Bureau plans to set up a task group in 2002-03 to handle all racial matters and provide practical support, and that the Government will also establish a joint committee with some non-governmental organizations to step up the work on public education. However, the Democratic Party is concerned that the Government is trying to use the establishment of the task group or joint committee as a facade to appease the public dissatisfaction towards the Government's dragging its feet on legislation. The Democratic Party hopes that the Government can make an undertaking to the public today that it will commit itself to improving the situation and will definitely not drag its feet on legislation. It should all the move give weight to

the repeated criticisms and suggestions made by the United Nations to the Hong Kong Government.

Some people often ask: Is the problem of racial discrimination really that serious in Hong Kong? Is there really a need for legislation?

In fact, the Equal Opportunities Commission received 64 complaints against racial discrimination in 2000. Racial discrimination may occur in all sorts of situation, and is also found in such areas as recruitment and labour relations. In one particular case, a British Indian lady, whose mother tongue was English, called at a kindergarten in relation to an application for a teaching position in English language. She was asked about the colour of her skin and race. The reply she subsequently got was that the kindergarten would only employ whites!

Nepalese children living in Hong Kong also experience great difficulties when they intend to enrol in primary schools, mainly because most of them do not know Chinese. It is very hard for them to get admitted by Chinese schools, and schools teaching in Hindu or Islamic languages are not suitable for them. Most of the Nepalese living in Hong Kong are not well off, and they do not have the ability to enter international schools where English is used as the medium of instruction. We therefore see that the children of ethnic minorities in Hong Kong do not enjoy equal opportunities, especially in education. The Democratic Party hopes that the Government can truly consider helping them by providing them with suitable primary schools. For example, abandoned rural primary schools can be renovated to provide a reasonable education opportunity to the children of these ethnic minorities.

At the moment, Hong Kong has three ordinances prohibiting discrimination, namely the Sex Discrimination Ordinance, the Family Status Discrimination Ordinance and the Disability Discrimination Ordinance. From our experience, the implementation of these Ordinances has not created any negative effect on the ordinary commercial activities and among the citizens. On the contrary, those people who have been subject to discrimination feel that they have a channel of redress and also feel that there are laws that will give them remedies.

The Democratic Party strongly urges the Government to expeditiously make laws to prohibit any forms of racial discrimination to honour the Convention obligations.

Moreover, I would like to talk about the supervision of statutory bodies. Recently, the Government appointed different persons to be the chairman and chief executive officer of the Kowloon-Canton Railway (KCR) Corporation. It merits our support. However, the Government should also strengthen the supervision of these statutory bodies, for example, by setting service targets, so as to enhance the transparency in policy formulation and decision-making.

DEPUTY PRESIDENT (Cantonese): Mr HO, is the content of your speech related to a policy area of this session?

MR ALBERT HO (Cantonese): My speech is related to the Home Affairs Bureau.

DEPUTY PRESIDENT (Cantonese): Mr HO, if your speech is about the recruitment matter of the KCR, I think it is not related to the policy area of this session.

MR ALBERT HO (Cantonese): Madam Deputy, statutory bodies are different from those organizations indeed.

DEPUTY PRESIDENT (Cantonese): Mr HO, you may continue with your speech on the appointment matter of statutory bodies.

MR ALBERT HO (Cantonese): Given the time limit, I would like to make one final point, which is about another important task of the Home Affairs Bureau. It is about the formulation of rules and procedures for rural elections. Members all know that the High Court already ruled in 1999 that this election was against the Basic Law as it was discriminatory. When an appeal was made against the judgement, the Court of Final Appeal passed a judgement in December 2000 against the Government, rejecting the appeal. Now it has been more than two years, the judgement of the Court of Final Appeal is yet to be given effect. We urge the Government to put forth a comprehensive proposal as soon as possible for public consultation, so that legislation can be passed for the conduct of fair rural elections. Thank you, Madam Deputy.

MR MA FUNG-KWOK (in Cantonese): Madam Deputy, not making much mention of cultural work, the policy address only affirmed the importance of cultural work and suggested that local district characteristics would be preserved as far as possible when these districts undergo urban redevelopment. There is a vast difference between the policy address and the objective for an all-out promotion of cultural development as proposed in the consultation paper released earlier by the Culture and Heritage Commission.

The Government has given the Culture and Heritage Commission the responsibility to study cultural policies, and society has also reached the consensus that work on cultural development should be led by non-government bodies, but greater attention should also be given to culture by various government departments, which should assess in general the impact and effects of their policies on culture and society.

Madam Deputy, culture actually can play a very important role in our economy. The cultural industries that we already have, like film, broadcasting, music, all sorts of design, publication, advertising and networked games, still have a lot of room for development. The Government should take note of this and promote their development. But I do not intend to go into further details here.

Hong Kong's tourist industry has all along requested that restrictions be lifted on in-bound mainland and Taiwan tourists; and now the restrictions have been lifted. However, what exactly can Hong Kong offer to attract them?

The United States Tourist Association has conducted a survey, which showed that one third of American adults, when touring, visited some historical and cultural spots or programmes. 37% of them expressed that that was the main purpose of their tour. This group of cultural tourists is increasing. Their average expenditure is far higher than that other types of tourists and the length of their stay is also longer. If Hong Kong was to attract tourists who are big spenders, should we not make reference to this survey?

The tourist projects that the Government plans usually carry some cultural characteristics. The Government also actively promotes or creates tourist spots that have the brand of "Hong Kong culture" to enrich Hong Kong's tourism content. From a purely commercial perspective, so doing should not be a cause for criticism. However, with a strategy that sees tourism as a means to promote

culture, the sort of culture displayed will be very superficial. Such a strategy cannot sustain, and in fact there is little it can contribute to the development of local culture. Rather, I really hope that the Government will turn around the strategy and use "culture to promote tourism" as the direction for development. While actively preserving our antique buildings, we should also encourage all districts to develop cultural facilities that match their community life and put on artistic displays of different styles or themes. Examples are Li Cheng Uk Han Tomb Park, Wong Tai Sin Religious Culture District and Kowloon Walled City Park. By enriching the cultural hues of each community, a greater sense of belonging and features and even a certain degree of cultural and artistic sensibility can be engendered among the citizens. This will truly show the appeal of our city.

To enhance the quality of the citizens, we must begin with education and allow greater space for education in art and give it the necessary attention. Greater consideration must also be given to using schools as the cultural venues for local activities, thus enabling inter-departmental co-operation, supporting community and recreational activities, making better use of social resources and reducing overlap.

Hong Kong citizens, instead of tourists, must be the prime target of any cultural work, and the basic tenet of any cultural work is to raise the spiritual content of Hong Kong's quality of life. Let me give a simple example. Issuing licences to artists giving street performances not only can promote cultural development and give them more performance opportunities, but also dissipate the pessimistic mood of the citizens, creating a more relaxed atmosphere. This will then become a characteristic of our tourism.

Madam Deputy, besides the economic benefits, cultural developments can also achieve certain social benefits. Many studies conducted overseas have shown that participation in cultural activities can guide youths onto the right path of development, and clear the pessimistic atmosphere.

In 1933, when the United States stocks market collapsed, the unemployment problem was very serious and a sense of despair became prevalent in the whole society. President Roosevelt then established two special departments: the Administration of Works Planning which employed 3 million unemployed workers to do fine manual repair on community facilities, and the National Youth Administration which employed 2.6 million part-time students

and youths to carry out plans for landscaping, cleansing, maintenance, small construction and community art. The Community Art Project encouraged unemployed youths to paint murals, create sculpture and beautify the environment of communities and set up community theatres together with artists. This brought the artists closer to the masses and let art pervade daily life, making the public understand the contribution of art to life. Through their participation in art, unemployed youths could learn creative, communication, team work and marketing and management skills. This provided an outlet for their emotions and developed their sense of social responsibility and confidence, thus enabling them to lead an interesting life.

The Youth Pre-employment Training Programme has been criticized for not being able to help the school leavers. The Support for Self-reliance Scheme for Comprehensive Social Security Assistance recipients has also been criticized for not being able to help the unemployed to regain their confidence. Has the Government thought of arranging for these young people and unemployed persons to take part in some community work that is related to art and culture, so that through a different form of learning and participation, they can be helped to regain their confidence?

Madam Deputy, I so submit.

MS AUDREY EU (in Cantonese): Madam Deputy, I would like to discuss a proposal made in the policy address that, though I absolutely support, has not attracted much discussion. The policy address mentioned that the Government planned to provide an initial \$300 million grant to establish a Community Investment and Inclusion Fund to support and promote social service development. Currently many voluntary agencies have already provided care services. For example, St James' Settlement and Oxfam Hong Kong have both advocated the establishment of a system of "time coupons". Recently, through his broadcast, Albert CHENG appealed to the professionals to provide counselling service to those holders of negative assets. Such social care services are worthy of our support. However, ordinary citizens in Hong Kong are not used to working as volunteers. I hope that the objective of the Fund is to promote social development in this direction.

I have the following points to make about this proposal. First, I hope that the Government would not use the establishment of this Fund as a substitute for

the resources that it would otherwise have put into promoting community integration and support, or reduce the same. Compared to many other countries or regions, Hong Kong does not, in terms of resources, provide much assistance in community support. The current social welfare allocation is mainly for relief purposes but not as a preventive arrangement. I therefore hope that social welfare allocation will not be reduced as a result of the Fund.

Second, very often a new policy published in a policy address will only come as a concept. This is the same with the Fund; little is mentioned about the specific policy objective, focus and details. I do not know if Secretary YEOH will provide further information on this. I hope that, unlike the Quality Education Fund that was launched a few years ago, the Fund will not draw a lot of complaints and lead to abuses. The Fund should have strict requirements in relation to the focus and format of the projects concerned. I also do not wish to see that the Fund will model on other Funds in Hong Kong, like the Community Chest, to rely on donations. I hope that the objective of the Fund is to promote active voluntary work, instead of drawing citizens into passive participation only.

Third, I hope that attention can be paid to reviewing the effects of the Fund too. It will not just routinely run out lists of figures, or what projects it has invested, or how many people have taken part, but without any substantial review to assess if the Fund's objective has actually been attained.

Fourth, I hope that the Government will make use of this opportunity to develop spirit of care for the community among primary and secondary students, that means, in the long run, good habits from a young age.

Madam Deputy, I would like to give an example here. For a number of times when I was about to cross the road, and finding that the light was still red but with no car coming, I would quickly run across it. Every time my eight-year-old daughter, crossing with me, would say loudly to me, "Mom, the light is still red, do not cross." I felt greatly embarrassed, as people around would also look at me. I know that good habit has to be developed from a young age, and it is easier for children to influence the adults.

I hope that the service targets of the Fund will start with the youths in Hong Kong, especially the primary students. I sincerely hope that the Fund will turn Hong Kong into a caring society.

Thank you, Madam Deputy.

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

MR TAM YIU-CHUNG (Cantonese): Madam Deputy, I did not intend to speak originally, but having listened to Miss Cyd HO's views on press freedom and freedom of speech, I cannot help but give a little response.

The RTHK's programme, Headliner, recently compared Hong Kong to Afghanistan and the SAR Government to the Taliban Government by way of innuendo; while the international community has seen the Taliban Government as a regime that gives protection to terrorists.

The innuendo and the production were so absurd that it is only natural that it drew criticisms. However, Miss HO brought the matter to the level of high principles. Though she criticized others for elevating the matter to the level of high principles, the way in which she had acted, I think, actually shows that she was trying to associate the matter with such high principles as destroying the press freedom and the freedom of speech. In fact, everyone can pass subjective judgement on the content of a piece of creation. If there is highbrow, there will also be lowbrow. Certainly, some people may prefer lowbrow or low level entertainment. Everyone makes his choice. However, if a person makes a criticism, and is immediately criticized in the context of press freedom and freedom of speech, I would not go with such practice. We support press freedom and freedom of speech in this community as they are both very important to us. However, if a person makes a comment and is immediately criticized in these two contexts, such a development would lead us nowhere in terms of progress.

We make suggestions often with the hope that the creator and media concerned can do better; and this is also the expectation of the public. We all hope that through the media, we can come to an objective and complete understanding of the different aspects of the public. We hope that after listening to the public's well-intentioned comments, the RTHK will continue to upgrade the quality of its productions, serve society better and contribute to the overall development of Hong Kong.

Thank you, Madam Deputy.

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

MR CHEUNG MAN-KWONG (Cantonese): Madam Deputy, the Democratic Party would also like to say a few words on the controversy caused by Headliner. In a civilized or free society, there are matters that a government can shy away from governing, attending or commenting. Such matters are arts and literature, news, jokes, satires and caricatures. We all know that these matters perform certain social functions. The public knows where the real issue lies. For some, they may feel that society is just too heavy, for others, they may feel that this world is filled with too many grievances and hardships. The point of all these jokes, satires or caricatures is to get one into a good laugh. If you treat these jokes, satires, caricatures or things that are meant for a laugh too seriously, I believe you can easily make all sorts of associations in your mind and may even drive yourself into madness. Usually, for anyone engaging in politics, of course including the Government, legislators, officials or people serving the public, it is unavoidable to become the subject of mockery, complaint or caricature. We can only take it as part of the political culture here and shake it off with a laugh. Many of the things in politics, now or in history, can only be resolved with a laugh; we do not need to take them seriously, neither did the Chief Executive need to make the harsh criticism that the programme was tasteless.

Such a criticism from the Chief Executive will lead to new associations. It is because the RTHK is actually staffed by many civil servants, who are part of the government structure. If, as a supreme leader, he criticized a certain programme produced by staff under him as tasteless, that in fact already goes beyond the mere level of a leader commenting a joke, a satire or a caricature. It is the boss bearing down on a subordinate in the hope that this can stop the voice that may affect the status of the leadership or the reputation of the government. However, in this process, it has been forgotten that the duty of the RTHK, as an independent producer of news programmes, to express the views of the public. This duty to society is what the public expects, and has been recognized by society. Of course, in the process many people find it unacceptable and some people has asked for staff to be replaced, and in fact certain staff has been replaced. But have we come to a stage where, despite that the political environment has become so depressing and full of dissatisfaction and anger, we cannot even provide some jokes as a kind of relief for the public? Hong Kong certainly has not yet come to such a stage.

So, given such a situation, it is not necessary to make such a big fuss out of it, and it is also not necessary for the Chief Executive to make such a comment

from his lofty position. The making of this comment is in itself a misfortune. In fact, to put it more bluntly, this is tantamount to intervening in the subordinate's discharge of his duties. It is, I think, not appropriate. Thank you, Madam Deputy.

DEPUTY PRESIDENT (Cantonese): It is 5.34 pm now. The time for Members to speak in this session has expired. I now invite public officers to speak in respect of this session. Public officers will have up to 45 minutes in total for their speeches.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam Deputy, first of all, I would like to thank Honourable Members for their valuable views on the work of the Home Affairs Bureau. I shall respond to the questions and views raised by Members below.

The Chief Executive pointed out in the policy address that the SAR Government has five priority tasks: first, we must expand our investment in education; second, we should enhance soft and hard infrastructure and improve the business environment; third, we should enhance the quality of our living environment; fourth, we should adopt positive measures to help relieve the hardships of the socially disadvantaged; and fifth, we should carry out necessary structural adjustments and reforms within the Government so as to improve the quality of our administration.

The work of the Home Affairs Bureau mainly ties in with the objective of enhancing the quality of our living environment. Through implementing policies related to culture, recreation and sport, and enhancing the support for the District Councils, youth affairs, building management, and so on, we can gradually improve the quality of living of Hong Kong as the metropolis in Asia.

To begin with, I am very grateful to the Honourable Timothy FOK for supporting this motion, and I would like to thank the Sports Federation and Olympic Committee of Hong Kong, China for compiling a very detailed report on the long-term development of sports on a voluntary basis. We will study this report very carefully. In fact, Mr FOK is right in saying that all communities must have spiritual, sport and cultural developments other than economic development because they are also very significant to improving the spirit and soul of a community.

The deeper meaning of sports is far more than building up a strong physique and maintaining good health. Sports can encourage us to be persistent and dauntless, never yield to failures, to pick up ourselves after a fall, and to excel ourselves. It strengthens our team spirit and also enhance the recognition of our identities. Just as the Chief Executive has stated in his policy address, we will take a proactive role to develop and popularize sports activities and actively improve the standards of elite athletes. Currently, we are conducting a review of our sports policy, which is generally near completion. We hope to release the review report by the end of this year for an extensive public consultation.

Cultural development is equally important. In the policy address, the Chief Executive pointed out that the urban development and long-term planning of Hong Kong must take our cultural heritage into account. The Cultural and Heritage Commission (CHC) is now actively making efforts to improve and formulate our cultural policies. In March, the CHC published a consultation paper to solicit public views on strategies for local cultural development, and the consultation period ended at the end of June. The consultation paper put forward six principles and strategies, namely people-orientation, pluralism, freedom of expression and protection of intellectual property, holistic approach, partnership and community-driven. These principles and strategies also gained wide support in the community and members were greatly encouraged by this. Members are currently conducting more detailed and comprehensive studies on respective policy areas which include culture and arts education, cultural exchange, cultural facilities, museums, libraries, and so on. They expect to launch a public consultation exercise on the policy proposals in the first half of next year, and further proposals will be submitted to the Government in the middle of next year.

Earlier, the Honourable MA Fung-kwok expressed some very insightful and enlightening views on the long-term development of culture. I fully subscribe to his views. Culture certainly serves economic and social functions. But more importantly, culture is the spirit and soul of a community. Whether a community has sufficient self-awareness, self-confidence and ability to face changes and adversities is indeed closely related to the cultural training and depth of which that the whole community has received as a whole. Our work on cultural construction in future should not focus solely on such levels as tourism, recreation, and so on. Instead, our long-term objective should aim at improving the overall quality of our culture.

The Honourable Fred LI expressed concern for the projects and progress of recreational and cultural facilities. We do fully appreciate his concern. In fact, in drawing up the current five-year plan, we consulted the 18 District Councils and gave thorough consideration to such factors as the population growth in various districts, distribution of existing facilities, situation of utilization, needs of the community, cost-effectiveness of the projects, and whether we made sufficient preparations in respect of co-ordination, and so on. In the next five years, we will take on board as soon as possible more than 60 new construction projects on recreational, sports and cultural facilities. The total expenditure will exceed \$8 billion and roughly 6 000 employment opportunities will be created. Apart from these projects, we will continue to plan and construct 17 projects for which the two former Municipal Councils had earmarked provisions. We will continue to discuss with the Works Bureau and the Architectural Services Department, with a view to further compressing the project procedures which includes studying the possibility of outsourcing suitable projects by means of a design and build approach. It is hoped that the projects can be implemented as soon as possible.

In respect of the situation of the Hong Kong Stadium as mentioned by Mr Fred LI, the stadium is now under the full charge of the Leisure and Cultural Services Department. Our objective is to allow the stadium to be utilized by the most appropriate users through the most cost-effective means. We admit that the stadium is not an ideal multi-purpose stadium. Therefore, in the report prepared by the consultants engaged by the Government, the recommendations also include building a colossal multi-purpose stadium in South East Kowloon to replace the existing Hong Kong Stadium. The Government will consider this finding of the consultancy study and the results of the Sports Policy Review underway together. Therefore, at the present stage, the Government has not yet finalized whether the Hong Kong Stadium will be demolished.

I turn now from cultural and recreational policy to youth matters. The Honourable WONG Sing-chi talked at great length his concern about youth matters. I would also try to make some response from the perspective of the Home Affairs Bureau. The objective of the Government's youth development policy is to accord the youth opportunities of holistic development, help them build up positive values, promote their civic awareness, foster their sense of belonging to Hong Kong, enhance their understanding of Chinese culture and heritage, encourage their active participation in the community, broaden their horizons, enhance their international perspective, and to help them develop abilities for personal fulfilment.

Youth development schemes in fact require the support by policies of various aspects, and also the full support and participation of people from various sectors in the community in particular the youth themselves, in order to make them a success. Over the years, the Commission on Youth has provided a lot of valuable advice and assistance to the Government insofar as youth policies are concerned. We would like to express our heartfelt gratitude to them here. We look forward to working closely with the Commission continuously in promoting youth work in the future.

Several Members including the Honourable LEE Cheuk-yan, the Honourable Emily LAU, Dr the Honourable YEUNG Sum and the Honourable Albert HO also expressed concern for racial discrimination. In this respect, the consistent policy of the Government is to promote equal opportunities, and we believe that all forms of discrimination are wrong and racial discrimination is no exception as we are committed to the promotion of equality for all. In connection with this, the Hong Kong Bill of Rights Ordinance which is binding on the Government and public authorities protects everyone in Hong Kong so that they are entitled to equal rights. The prime task in promoting equal opportunities for people of different races is to help people build up correct concepts and dispel misunderstandings. Therefore, public education and publicity are indeed very important. In order to achieve greater success in this respect, we need to rely on the close co-operation between the Government and non-governmental organizations (NGOs).

We will continue our efforts in the forthcoming year. In order to enhance the public education and publicity work on racial matters with NGOs, we plan to establish a joint committee comprising members from NGOs and the Government, so that we can unite in a concerted effort to do this important task better. We also plan to obtain more resources for co-operation with NGOs on a pilot project to provide mobile information service at the Hong Kong International Airport to new arrivals of non-ethnic Chinese settling in Hong Kong. We will also set up a task group in the Home Affairs Bureau and expand the existing services provided to the ethnic minorities. The scope of work of this group will include handling complaints and inquiries relating to racial matters, organizing publicity and public education work to promote racial integration, and providing relevant information to ethnic minorities.

Apart from publicity work, we are now conducting a consultation on whether we should introduce legislation targeting racial discrimination among

private individuals and private organizations. Our consultation with the business organizations already ended on 30 September and we are going to solicit views from NGOs and ethnic minority bodies. We expect to decide on the way forward in respect of this issue early next year.

As far as building management is concerned, the Honourable IP Kwok-him also expressed concern about whether the Government had provided sufficient support to owners' corporations (OCs) of private buildings, and requested the Government to enhance the strength of the relevant support. We subscribe to this proposal in principle. With more than half of the population in Hong Kong living in private buildings, effective building management of private buildings is indeed of great significance to protecting the safety of owners and tenants.

In June this year, a new Building Management Division was established in the Home Affairs Department (HAD) with legal, surveying, building management professionals, and so on. These professionals will co-ordinate and promote work relating to building management, and to provide front-line staff with the necessary professional support and advice. At the district level, we will establish 18 District Building Management Liaison Teams respectively on a gradual basis. These teams will take on a proactive role to provide support to owners and OCs through outreaching services such as attending the general meetings of OCs, offering advice on meeting procedures and matters relating to building management, and mediating in disputes among owners, OCs and management companies when necessary. Besides, the third Building Management Resource Centre was formally opened in mid-June this year in Tsuen Wan to provide services to the public and OCs.

Regarding the three proposals made by Mr IP, my initial reply is as follows: firstly, we believe that with the gradual establishment of the District Building Management Liaison Teams, more assistance will be rendered to support the OCs; secondly, to my knowledge, the HAD has recently recruited a considerable number of ex-Housing Managers through internal recruitment into our outreaching support working team. I believe that with their experience in housing management, they can provide timely assistance to our support for OCs; and thirdly, in respect of the insurance matters relating to office bearers of OCs, the Home Affairs Bureau is now drafting the relevant legislation. We hope that the relevant legislation on third party insurance can be introduced into this Council for Members' consideration later.

Dr the Honourable TANG Siu-tong also expressed concern about whether the Government will implement the package of proposals arising from the District Councils Review in time. In fact, District Council is a most important institution in district administration. With the inauguration of a new term of District Councils (DCs) in January last year, we have adopted positive measures to enhance the functions of DCs. In July this year, the Government completed its review on the roles and functions of DCs, and proposed a package of recommendations. These recommendations will further enhance the ability of DCs in monitoring the provision and management of public services and facilities at the district level by government departments, so as to ensure that the relevant departments can appreciate the public sentiments and be accountable to the public. In addition, the Government will provide additional funding to DCs so that they can organize a greater variety of community participation projects and minor environmental improvement projects. We are currently analysing the views on the various recommendations collected during the public consultation period. Our specific objective is to implement the relevant recommendations at the end of this year.

As regards the issue of rural elections, Mr Albert HO urged the Government to implement as soon as possible a new system of village representative elections which is in compliance with the decision of the Court of Final Appeal. In fact, this is also our objective. Since the Court of Final Appeal made its ruling 10 months ago, Mr HO, not two years but 10 months ago, the Home Affairs Bureau, the Heung Yee Kuk and other relevant concern groups have engaged in active discussions. It is hoped that a preliminary proposal can come out of these discussions in the next few months.

Finally, I would also like to comment on the concern raised by Miss Cyd HO in respect of the freedoms of the press and speech. In fact, the SAR Government is determined to protect the freedoms of the press and speech, and this paramount criterium is given sufficient protection in the Basic Law. I would like to reiterate here, the freedoms of the press, information and speech are the most important cornerstones of Hong Kong. The SAR Government will continue to uphold these freedoms strictly.

Madam Deputy, Hong Kong is now facing very serious challenges. We must pool our strength and wisdom together, fight another battle and take one more step, work hard to extricate ourselves from the predicament and walk onto

a new step for development. Earlier, Members have made many useful comments and constructive proposals in respect of the work of the Home Affairs Bureau. I would like to thank them here. Furthermore, I will also study these proposals carefully, hoping that we can further improve our administration. Thank you.

SECRETARY FOR HEALTH AND WELFARE: Madam Deputy, I would like to thank Honourable Members for their very valuable opinions and comments. I shall respond to them in the course of the next 30 minutes.

The incipient downturn of the global economy following so closely on, from the challenges and pain that we are encountering in adjusting to the Asian financial turmoil and our own economic restructuring process presents unprecedented challenges to us as a community. In his policy address, the Chief Executive had spoken on the strategies and initiatives which will not only reap socio-economic benefits in the longer term, but also provide short-term relief for the hardship and anguish that the community is suffering. My colleagues have already spoken on the measures which we will be taking to stimulate the economy, how we will strengthen our efforts to net new economic opportunities, the infrastructures which will be developed to complement the new socio-economic environment and the investments we will be making in human capital. I would now like to speak on an equally important component of our strategy, in the context of our social policies.

THE PRESIDENT resumed the Chair.

I would like to highlight four pillars of our social policies.

- (i) We will invest in the different domains of human development of each person, provide opportunities for each person to develop his or her potential and enable every person to participate in and contribute to economic and social life.
- (ii) We will fulfill our special social responsibilities to the disabled, disadvantaged and vulnerable members of our community, by providing specific programmes, additional support and targeted

assistance to enable them develop their potential and participate fully in community.

- (iii) For individuals who are economically inactive because of age, illness or disability, and for individuals who are in need of financial assistance because of unemployment, we will ensure that our social security schemes provide a safety net of income support.
- (iv) We will strengthen the social fabric of the community by fostering mutual care and support, and building the social networks necessary for individuals and families to flourish.

In his policy address, the Chief Executive said that in face of the challenges of economic restructuring, we have to respond to new demands on social services and this is exactly what we will do.

Over the years, we have made substantial investments in social services. Our programmes in health and social welfare have risen from \$28 billion and \$21.7 billion in 1997-98 to \$33.9 billion and \$31.4 billion respectively in 2001-02. At an annual expenditure of \$1.7 billion, our family and child welfare programmes provide a comprehensive range of services, including family casework, family life education, family aide service, family activities and resource centres and various support services for special family groups (such as single parents, new arrivals, and so on) and it still appears insufficient. At an annual expenditure of \$1.2 billion, our youth welfare programmes provide a full range of developmental, preventive, supportive and remedial services to assist our young people to reach their potential and become responsible and contributing members of our society. Our spending on elderly welfare programmes is \$3.2 billion every year and we provide an extensive range of residential, home and community care and support services. At an annual expenditure of over \$2.6 billion, our rehabilitation welfare programmes for the disabled ranges from education and training to employment, transport, community and residential care. And finally, at an annual expenditure of \$20.7 billion, our social security system provides a basic safety net for those in need. To respond to the new demands in the coming year, we will continue our investments in various social services to enable the strength and ability of each individual in the community to flourish and grow. We will also strengthen the role of the family in nurturing and supporting its members and will work to foster mutual care and support in the community and enhance the social networks needed for families to thrive.

Additional resources have been earmarked for a plethora of initiatives and programmes, and we estimate that 3 300 new positions will be created in the process.

Health and welfare services are being reorganized to strengthen the district set-ups in order to improve responsiveness to local needs and to achieve better co-ordination in the interface of services. Our services are also being re-engineered for greater efficiency and re-created for greater effectiveness. Emphasis has been given to training and development to ensure that our colleagues in the front line will be equipped with new knowledge and better skills to address specific problems with a more holistic approach. We will enhance our networking and outreaching services to ensure that those who need help receive help. We will also innovate one-stop services to ensure that the help that is received is the help that is needed.

The strength of Hong Kong has always been its people. Our creativeness, adaptability and resilience are precisely the qualities required in the new economic order which places a high premium on knowledge and ingenuity. There is great strength in the diversity of our community, as each member is endowed with different talents and equipped with different abilities. I see it as our mission to provide every opportunity for individuals to develop their potential, with a view to not only coping with the changes, but also emerging from them much stronger.

It is, therefore, important that we continue to invest in the human development of each person and in each stage of human development, provide each person opportunities for developing their full potential and enable every person to participate in and contribute to Hong Kong's economic and social life and share in Hong Kong's success. We recognize that individuals are not starting on the same footing and the situation of each person is different. Multiple and different, but complementary programmes and approaches are required to enable the strength and ability of each person to flourish and grow.

Hong Kong is a caring and compassionate society underpinned by important pillars such as the family and the community. We are obviously very sensitive to the feelings of individuals in the community who face adversities in the new economic order through, for example, the loss of jobs or relationship problems. However, families are resources of first resort for the individual. The warm and stability of relationships within families however constituted, is

what counts in nurturing and supporting its members. There is no substitute for an effective functioning family. The family and the community's social network play a vital role in providing the necessary support and help to individuals to ride out the difficulties and challenges faced. The Government's role is merely supportive. I very much see it as our responsibility to strengthen family solidarity, enhance partnerships amongst various sectors and foster mutual care and help in the community so that individuals are embedded in a network of care, trust, support and reciprocity. All must work together to ensure that no individual is left alone to face adversity. And every member of society should be cohesive during these trying times and offer mutual help and support to each other.

The Chief Executive announced, in his policy address, the establishment of a Community Investment and Inclusion Fund. The purpose of this is to provide resources and a vehicle to harness the beneficence, to prevalent in the community and to mobilize community action in supporting individuals and families, particularly the more vulnerable. The objectives of the Fund, which will initially benefit from a \$300 million capital injection, are three-fold. Firstly, to sponsor local community-based projects which support children, young people, families, women, people with disabilities, the elderly and others with a view to strengthening the role of the community in supporting their individual functioning and development. Secondly, to encourage and facilitate cross-sectoral co-operation including working with the private sector in social networking and community support projects. And thirdly, to commission and fund research on community support issues, such as how best to strengthen the linkages between individuals, the families and the community. The programmes that have been envisaged in this Fund will be complementary to the funding that is available from other sources and we are obviously evaluating the effectiveness of how the funds are used.

The Fund will be open to applications from all non-profit-making organizations or groups in the community that wish to pursue at least one of these objectives. We intend to give priority to projects in receipt of some private sector funding and participation; to new types of service; and to those which have an investment rather than short-term consumption focus and have long-term impact. Many operational details will have yet to be worked out and we will work closely with our advisory committees, commissions as well as colleagues in the welfare sector and the community in this regard.

Turning to new specific initiatives to achieve the goals that we have set out in the Policy Objectives in the coming financial year, we will strengthen and support the family in a more comprehensive, effective and client-oriented manner. Under the direction of a child-centred, family-focused and community-based approach, our traditional family service centres will be remodelled into integrated family service centres to address different needs of different families. In the re-modelled centres, there will be a resource unit which will provide open and universal services to all families, a support unit for disadvantaged families and a counselling unit which will provide intensive counselling and support to families in crisis. These three units will provide services in a continuum. Family services will be made more accessible to families in need, have the ability to better identify problems early and intervene appropriately, and will enable us to better identify and meet the needs of different families, such as families of single parents, minority groups and new immigrants.

The details of other initiatives are in our Policy Objectives booklet and I should not refer to them here.

Turning to youth, in early childhood, nurturing has a substantial effect on the child's subsequent ability to learn, the development of language skills and the development of emotions and the ability to have healthy relations with others. Our child care centres are engaging parents in the development of their young children. Many parents, however, do not send their children to child care centres. To ensure the best start for our children in the pre-school period, our maternity and child health clinics will be reorientated and resourced to provide support for parenting choices and parenting knowledge and skills. The health, welfare and educational sectors will work closely with parents and families to ensure that children are provided with the best environment for their development.

As children grow into adolescence, they enter an essential formative state of life. Adolescence is a time of opportunity, but it is also a period where there are many risks when taking on the challenges of this transition to adulthood. Warm supportive relationship and a conducive environment are needed to seize this window of opportunity for the healthy development of our youth. A collaborative approach of the education, health and welfare sectors working alongside families and the community is necessary. Our educational sector will develop and nurture the cognitive skills of our young people and will work

towards attaining all-round development. The health and welfare sectors will develop complementary and collaborative programmes to nurture the healthy biosocial and psychosocial development of our youth. The health sector will refocus the school health services and enhance the adolescent health programmes: Health education on growth and development and changes experienced physically, psychologically and socially during maturation, and the specific areas of health and health risks, and life skills, and build new access points for adolescents to seek further advice and help.

For young people who have not encountered a conducive environment appropriate to their needs, or who have not been able to enjoy supportive relationships in the family or in the community, different interventions and additional support are required. Youth welfare service providers work closely with schools and families to provide different entry points at different stages in their lives. Together, they aim to work through problems, rebuild confidence, foster resilience and help them acquire self-care capabilities and life skills which facilitate their psychosocial development. A wide range of services is currently available to help young people in need and to handle specific problems such as drug abuse, delinquency, family discord, and so on. However, the complexity of these problems is on the increase and we must be prepared to adjust our programmes to ensure that we truly meet the current day needs of young people.

In addition to the programmes in the health sector, we will also be enhancing our programmes in the welfare sector. And in total, we have earmarked resources of \$200 million for the programmes involving the health and welfare sectors. We will extend the Understanding the Adolescent Project to all secondary schools in the next three years, to identify young people with poor family and social support, who are in need of guidance and support to build up psychosocial competencies. We will provide an additional 16 Integrated Teams and will also be introducing youth peer counsellors, who will be part of the Integrated Teams to provide an additional and alternative channel for youth to access help.

Turning to social security, the Government provides a social safety net to ensure that assistance is available to the financially vulnerable. Our spending on the Comprehensive Social Security Assistance (CSSA) Scheme has increased by 54% from \$9.44 billion in 1997-98 to \$14.5 billion in 2001-02, while our spending on the Social Security Allowance (SSA) Scheme has increased by 26% from \$4.42 billion to \$5.57 billion over the same period. There are over

900 000 people in Hong Kong who are receiving benefits from our social safety net. This is really quite in contrast to the comments that Members have raised relating to the reluctance of people to apply for the schemes.

Many of the able-bodied unemployed recipients of CSSA, in fact, do not wish to rely on social assistance and are seeking opportunities for self-reliance and self-betterment. We will continue to assist those who are capable of work to find employment so as for them to become self-reliant and independent under the Support for Self-Reliance Strategy. The programme has been strengthened with the recruitment of Employment Assistance Co-ordinators who provide tailor-made assistance to able-bodied recipients of CSSA. We have had encouraging success in rebuilding confidence, rekindling self-motivation and in supporting and assisting CSSA recipients to regain employment and move towards self-reliance. A package of supportive measures will also be introduced to encourage and help single-parent CSSA recipients to participate in more social and economic activities so as to prevent them from social exclusion. Having given you this discourse on the CSSA, I accept the criticisms from Members that there is still room for improvement in the administration of our scheme and, certainly, we will be very happy to review how the scheme is administered and how we can better meet the needs of the recipients of CSSA and those who apply for assistance.

For people with disabilities, our objective is to provide suitable rehabilitation services, support and assistance to enable them to develop their full potential and participate in the life of the community. The range of programmes is comprehensive ranging from pre-school education, to skills training, employment opportunities, transport, information technology provision and training and other extensive day and residential care. Much has been achieved in this regard in recent years and we are continuing with our efforts. The details are in the Policy Objectives booklets and I do not intend to go through them at this stage.

As regards care for elders, we shall pursue a three-pronged strategy to improve the quality of life of our elderly, ensuring that they will enjoy a sense of security, a sense of belonging, and a feeling of health and worthiness.

To improve the community's understanding of ageing as a natural, continuous and positive process, the Elderly Commission will continue its efforts in promoting active and healthy ageing, with emphasis on both physical and psychosocial well-being.

We also develop a sustainable financial support system for older persons, that provides cash allowance to needy elders to meet their basic and essential needs. I shall elaborate on this issue later.

We also provide quality long-term care services in a comprehensive, client-centred and integrated manner to frail elderly. We will strengthen home and community care and support services to meet our elders' preference to age at home and to provide support to family carers. Training will be provided to carers to equip them with the knowledge and skills to care for the elderly. We will also further increase the number of subsidized residential care places and improve the service quality of private care homes.

Turing to financial support for older persons, in his policy address last year, the Chief Executive stated the Government's intention to provide additional financial assistance to those elderly who have meagre savings and lack family support and who depend largely on the old age allowance for a living. Since then, we have reviewed the Old Age Allowance (OAA) Scheme. We have examined the financial disposition of the current and the next generation of older persons in Hong Kong and studied the arrangements for providing financial support for older persons in other countries. We have shared our findings with the Elderly Commission and the Legislative Council Panel on Welfare Services in June and July this year respectively.

To put the issue in perspective, I wish to point out that we have been examining our retirement income protection schemes in the context of the "three-pillar approach" recommended by the World Bank. That is, first, a publicly administered, privately managed mandatory provident fund; second, private savings, investments and annuities; and third, a social safety net to provide needy elderly with financial assistance to meet their basic needs. At present, over 600 000 older persons are receiving either CSSA or OAA, accounting for 60% of the population aged 60 or above, at an estimated expenditure of \$11 billion in 2001-02, compared to \$7.9 billion five years ago. For the population aged over 65, this accounts for 75% of the population. We need to develop a sustainable social safety net to provide financial assistance to needy older persons to meet their basic needs.

There are many complex issues involved. We need to provide additional financial assistance to those older persons who currently are relying on the OAA as their main source of income. At the same time, we have to bear in mind that

there will be a group of older persons in the next generation who are currently on low income or have little family support when they grow old, who are likely to require financial support from our safety net after their retirement. Overseas experience suggests that the old age allowance could not be turned into a universal basic pension, funded from general revenue, to all older persons. Our currently low and simple taxation system could not sustain such a scheme. Even countries with higher tax rates and the Social Insurance Scheme find such an approach increasingly difficult to sustain.

The Government will be spending more money in future years to provide direct financial assistance to needy older persons. The demand for it will be increasing given the growth of our ageing population. The Social Security Schemes currently accounts for 9% of total public recurrent expenditure. How to achieve our objectives of providing additional financial assistance to older persons in need and at the same time ensuring that we have a sustainable safety net for that purpose is a very complex issue. We will undertake a further review of our schemes and hope to be able to consult the community at a later stage.

Madam President, I would now like to turn to health services. Our policy objective is to develop and maintain in Hong Kong a health care system which protects and promotes the health of the population, which provides lifelong holistic care to each citizen at affordable prices, and which is financially sustainable in the long term. The provision of such a system will achieve the aim of enhancing the quality of life of the population and enabling individuals to develop their full human potential.

It was with this fundamental objective in mind that we issued in December 2000 for public consultation the document on health care reform entitled "Lifelong Investment in Health". The document sets out 11 strategic reform proposals and 33 initiatives for the three main components of our health care system — organization and provision of health services, mechanisms for assuring the quality of care and the funding and financing of health services. The consultation period had ended and we reported the responses received to the public in July 2001 and to this Council. For the reform proposals that have received general support from the community, particularly those relating to health services delivery and quality assurance, we are working out and taking forward implementation plans so that the public can see for themselves quickly the tangible benefits of the reforms. For proposals which need further

consideration, in particular those relating to the long-term financial sustainability of the health care system, we are having further deliberations and in-depth studies and will be consulting the public at a later date.

Specifically on the issue raised by the Honourable Miss Emily LAU on health care financing, in fact, the three strategic directions set out in the consultation document are:

- to reduce cost and enhance productivity;
- to revamp public fees structure; and
- to establish Health Protection Account.

On the issue of reducing cost and enhancing productivity, Dr the Honourable LO Wing-lok spoke on the measures that the Hospital Authority are currently taking to improve its productivity. All those measures are appropriate and as a member of health care profession, I think Dr LO should also recognize that there are many issues in the application of technology and the use of drugs which really need to be managed appropriately. In fact, the worldwide literature shows that drugs are not taken by 50% of the patients to whom that they are prescribed. So there is a need for mechanism to ensure drug compliance. Medical technology has led to many benefits but medical technology has also led to many risks. And if it is used inappropriately, it can drive up unnecessarily the cost. So all these technologies have to be managed appropriately and there is nothing wrong in terms of having appropriate mechanisms to look at the effective and appropriate use of medical technology and drugs. And I do not apologize for that.

There is certainly no policy currently in the public sector to increase the portfolio of private medical services. Currently, in the Hospital Authority, approximately 1% of the hospital beds are designated for private use. This has all along been the percentage and we have not increased this percentage in the last decade. There is no policy at the moment to increase that sector of private hospital services in the public sector.

I would now like to turn to smoking. Our proposed legislative amendments to the Smoking (Public Health) Ordinance aim at further protecting members of the public against the harmful effect of passive smoking in public indoor premises and further restricting the promotion of tobacco products.

As regards the concerns expressed by the Honourable Tommy CHEUNG over the potential impact on the catering industry, I would like to re-assure all Honourable Members that the Government will consider the potential economic impact of our proposals. A study performed by the Hong Kong Council on Smoking and Health (COSH) on the impact of smoke-free policies on the patronage of restaurants in Hong Kong concluded that 97% of respondents either would not change their eating-out patterns (77%) or would eat out more often (20%). Only 3% declared that they would eat out less often. The increased business generated by the smoking ban is likely to exceed any loss of business by a considerable margin. It is estimated that, at a minimum, about 450 000 additional meals would be sold per week.

The COSH also reviewed 34 studies in the United States and Canada which examined the impact of smoking restrictions on restaurant and bar sales. The investigators used taxable sales receipts, number of restaurants, employment rates, proprietor estimations of changes in sales, consumer estimates of patronage, patron estimates of changes in number of customers, estimates of gratuities received and costs of regulating smoking to assess the effect on restaurant and bar businesses. Thirty-one out of the 34 studies demonstrated an absence of any negative impact on sales. Eleven of these actually found a positive effect with revenues increasing. Of the three remaining studies, all were based on expectations of future behaviour and two of them were associated with the tobacco industry. We have engaged an independent consultant company to conduct a comprehensive Regulatory Impact Assessment (RIA) Study to evaluate the potential economic impacts on different industry sectors, including the catering industry. The report is being finalized by the consultant and should be ready for release in the coming weeks. We will examine the findings carefully together with the findings of all relevant studies conducted on this subject, including the report done by Mr Tommy CHEUNG.

We should also bear in mind that the economic consideration apart, the Government and employers are duty bound to protect restaurant employees and customers from exposure to passive smoking, the hazard of which is well proven and documented. But I just wish to give you some figures here. It is estimated that 50% of people smoke eventually die from a smoking-related disease. And for every eight persons who die for smoking, one person who does not smoke dies with them. And this is from the effects of passive smoking. It is also well-known that there are carcinogens or cancer-causing substances in smoke and this is even more prevalent in the sidestream of passive smoking as it is not

filtered. And it is also very well-known that for people who are in rooms of other people who smoke, you find cancer-causing substances in the blood and urine. So, are these things we should just neglect? There is a 25% increase risk of cancer and of heart disease of people who are exposed to second-hand smoking. So, these are just some of the facts and figures that this Council may wish to consider when we come back to you later the year to report back the outcome of the public consultation and our proposed final legislative recommendations. Dr LO Wing-lok has also written in some of the newspapers. It is likely that the legislative timetable is not going to be looking at our proposals until the year 2002-03. And we have already stated in our consultation document that we also provide a grace period for the industry to adjust. So we are really talking about the year 2004 before any of these proposals will come into effect.

Madam President, finally, I would like to touch on the topic of suicide. Members have talked about the response to the increase in the number of deaths resulting from suicide. The causes of suicide are complex, normally multi-faceted in nature and unique to each individual. Effectively preventing and reducing suicide require the concerted efforts of everyone in the community.

For its part, the Government continues to attach considerable importance to handling this issue. The inter-departmental task group has met to review our strategies and programmes. Our inter-sectoral and multi-disciplinary approach provides a wide range of preventive, supportive and remedial services. Considerable efforts are made in public education and publicity and in the training of our front-line staff.

However, the Administration is sensitive to the need to do more to help those with suicidal tendencies. And in our Policy Objectives this year, we will be introducing additional suicide-prevention programmes, especially on preventing elderly suicide and we have earmarked additional resources for the public sector to launch its programmes.

Let me reassure Honourable Members that we remain committed to preventing and reducing suicide in our community as far as possible, and will continue our search for new ways to achieve this aim.

Madam President, I would like to assure Members that the Government is acutely aware of the hardship and anguish the community is suffering. And our

social policies are designed to do all we can to support members of the community to ride through this period of hardship and we hope that members of the community will work with us and Members of this Council will co-operate with us in achieving those objectives. Thank you.

PRESIDENT (Cantonese): This Council is going into the sixth debate session. This debate session is on the policy areas of Administration of Justice and Legal Services, Constitutional Affairs as well as Public Service.

Members who wish to speak will please press the button to indicate their wish. Members will have a total of up to about three hours to speak in this session. It is now 6.20 pm, that is, Members may speak up to around 9.20 pm in this session.

MR SZETO WAH (Cantonese): Madam President, first of all, I would like to talk about the "accountability system for senior officials", and raise a few questions.

First, among the senior officials, who is the most senior of them all? According to the Basic Law, it should be the Chief Executive. So, with the so-called "accountability system for senior officials," does it include the most senior official, that is, the Chief Executive?

Second, the term "問責" (accountability) in Chinese means to determine the responsibility. If responsibility is to be determined, with the certainty that someone having made mistakes and to be held accountable, how is disciplinary action to be taken? Is there a mechanism for such action?

Third, the Chief Executive is the highest official who appoints these senior officials. If they make mistakes and have to be held accountable, then, to a certain extent, has the supreme official who appointed them to be also held accountable for not having spotted the right person?

Fourth, senior officials are in charge of decision-making, but they have to defer to the decision of the supreme official. If their decisions come from the highest decision-maker, then has the supreme official, as the paramount decision-maker, to be also held accountable? For example, if someone were to

be held accountable for the housing construction programme of 85 000 units and the 70% home ownership plan, should it be the Secretary for Housing or the Chief Executive to be held accountable?

Fifth, if subsequently the Chief Executive were to be held accountable, other than the impeachment mechanism under Article 73(9) of the Basic Law, is there any other mechanism?

Sixth, senior or junior, all officials are public servants and have to be accountable to the citizens who should have the right to hold the officials accountable. If senior officials were only to be accountable to the Chief Executive who appointed them, then they are only his slaves, not public servants. In that case, where should the public stand? With such an "accountability system for senior officials," is it in material an "accountability system for slaves"?

At the heart of it all, if the Chief Executive was not returned by universal suffrage, then the so-called "accountability system for senior officials" implemented by a Chief Executive who was returned only by a small group of people is a retrogression, with the following consequences:

First, power will become even more centralized in the hands of a Chief Executive who is not democratically elected.

Second, while people holding different views are being excluded, and with appointments being made by favouritism, this highest decision-making level will become a clique that leans all the more towards certain interest.

Third, as this decision-making level is formed on an individual's idea, the whole level will think similarly. Listening to one side of the story will put one in the dark. With the absence of checks and balances, policies will more easily go astray and serious policy blunders will arise.

Fourth, "helicopters" will be flying everywhere and everyone is trying to board one. Thus the bad practice of flattery or ingratiating oneself into someone's favour will pervade throughout the whole government and society.

Fifth, the "accountability system for senior officials" will in fact become an "accountability system for slaves". As the accountability system does not

extend to the master — the Chief Executive, so even if the Chief Executive really has to be held accountable, can those senior officials appointed by the master not help share part of the blame? This "accountability system for slaves" can therefore be termed as "blame-sharing system for slaves." Again let us use the parrot as an example. "Slaves" do not necessarily share the blame, so it is no more a "blame-sharing system for slaves", but only a "slaves system".

The policy address stated that the "accountability system for senior officials" would be implemented when the next Chief Executive took office. However, the incumbent Chief Executive already clearly hinted that he would steadfastly continue with his job. If the "accountability system for senior officials" was to be implemented by a person with that sort of popularity, how could the public be confident?

Dr Akers JONES, a former senior official of the British Hong Kong Government, once said: elections with Chinese characteristics were elections that the winner was known even before the ballot was cast. The election of the Chief Executive of the Hong Kong Special Administrative Region will take this characteristic one step further: the winner is known even before there is a candidate. This really surpasses the master.

It might be sacrilegious to LU Xun, but right at the moment I cannot think of any other better words, so I would just adapt a couplet of LU Xun and dedicate it to this person who will remain steadfast to the end: "Glaring disdainfully at the people's grievances, while bowing low to be a preordained official." It is rather literary and not tasteless at all.

A re-elected Chief Executive will serve another term of five years. It is a tortuously long road for both the people of Hong Kong and the person concerned. Given no choice, the Hong Kong people can only say, "Well, stick with it, it is all because we do not have democracy!" As for the person concerned, he has the obligation to show his gratitude to his benefactor, the courage to remain steadfast, the forbearance to submit to humiliation, and the industry to toil from seven to eleven. Can you not say that you are convinced?

A mass media organization once sent out a questionnaire, asking people to give marks on various aspects of the administration under different categories. On the item of political system, no progress has been made since the reunification and only backpedalling has been seen. Even a zero mark would not be appropriate; regrettably, no negative mark was allowed.

"Staff of subvented organizations" is also a subject of debate in this session. Being a subvented organization, the Hong Kong Institute of Education suddenly, unreasonably and rudely dismissed almost 40 teachers. Prof Ruth HAYHOE, Director of the Institute, said that she felt sad and it was much to her regret. Why did she feel sad? Was she as sad as those dismissed teachers? Though she regretted it, she did not say that nothing could be done. Why did not she try to remedy? She also said that she was under pressure, and someone said that there was no black hand behind the scene. Then where did that pressure come from? If there is no black hand, was there a grey hand? Was there a black hand behind the grey hand?

Someone has told those who are out of their jobs to consider joining the ranks of teachers. This is plainly a scorn on the teaching profession and shows how ignorant the person is about the profession, who just treats it like instant noodle. The policy address said: "upgrading the quality of teachers," "exploring ways to enhance the professional development of serving teachers" and "upgrading the professional standard of all teachers". Is such a view in line with the spirit and direction of "upgrading the quality of teachers," "enhancing professional development" and "upgrading the professional standard"? Yes, the problem of unemployment has to be resolved, but schools cannot be made refuge for the unemployed. To engage in education, a person has to have his own personal character, and there is no quick method for developing such character. Excuse me, is there any teachers training course in the retraining programme?

All tertiary education institutes are subvented organizations. Reducing the funding not only will affect the quality of education, but also lead to dismissals and impact on the morale of the staff. On the one hand, it is said that the number of university students will be increased to 60%, but on the other hand, the funding is reduced. It is already bad enough that "added water is not matched with added rice," now the situation is "added water with reduced rice". I hope that this 60% will not meet the same fate of the 85 000 housing target or 70% home ownership.

Madam President, I so submit.

MS AUDREY EU (in Cantonese): Madam President, Chief Executive TUNG Chee-hwa's political stand impresses people to be extremely conservative. Democratization of the political system is something he would not touch. In

previous policy addresses, he only spared a few words on constitutional development. Very often he would hide behind the Basic Law, saying that the Basic Law had already limited the constitutional development before 2007, and a review would only be conducted after the 2004 Legislative Council Election.

This year's policy address has alluded to an accountability system for senior officials. According to the current thinking of the Chief Executive, the three principal Secretaries and most Directors of Bureaux would sever their tie with the civil service establishment, and accept political appointment and be appointed into the Executive Council. An official appointed under the accountability system would report to the Chief Executive direct in relation to the policy area for which he is responsible. The Chief Executive would nominate the appointment and removal of an official and recommend it to the Central Government.

The implementation of an accountability system would change the whole policy-making structure within the Government and affect the relationship between the executive and the legislature. This is clearly a constitutional reform. However, in the policy address, Mr TUNG evasively refers to it as something to improve the quality of administration. Nothing was mentioned about a public consultation. This is very disappointing indeed.

In a free and democratic society, accountability of course refers to accountability to the public. In United States, Government Secretaries are appointed by the Congress, and congressmen are elected by the people; so the congressmen, in examining an appointment, have to take into account the views of the public. Ministerial officials in the United Kingdom are selected by the Prime Minister from among the elected parliamentarians, who themselves already have a popular mandate.

Even in our Motherland, under Article 62 of the Constitution of the People's Republic of China, the National People's Congress can, based on the nomination made by the Prime Minister of the State Council, decide the selection of the vice premiers, state councillors and other ministerial officials.

Many democratic countries also have a constitutional practice whereby a democratically elected assembly can pass a no confidence motion to urge a senior official to vacate his office. If an official made serious mistake in his administration or if there were doubts about his integrity, he should bear the political consequence.

Let us come back to the accountability system as currently proposed by the Chief Executive. As to the degree of accountability, not only can it not come close to the British and American systems, even when compared with the system in China, it also lags behind. Both the appointment and removal of an official are decided by the Chief Executive alone, who is elected by a small group of people and without a popular mandate. If an accountability system that would not even allow the Legislative Council to have a say in the appointment and removal of an official, then how can such a system be called accountable?

From the series of motion of no confidence debates conducted by the Legislative Council in relation to Ms Elsie LEUNG, the Secretary for Justice, Dr Rosanna WONG Yick-ming, former Chairman of Hong Kong Housing Authority and Mr Tony MILLER, Director of Housing, to the incident of Mr Andrew LO's interference with opinion polls, it has been demonstrated that when the senior level of the Government came under severe public criticism, the Chief Executive would try as best as he could to protect his subordinates. This is a far cry from being accountable to the public.

The Government should promise that should an accountability system be implemented, at least the appointment of officials should be examined and approved by the Legislative Council, and that the officials are subject to the impeachment of the Legislative Council. If not, the so-called accountability would only mean accountability to just one person — the Chief Executive, and the whole reform would be just an appointment of a batch of high-pay ministers to consolidate the powers of the Chief Executive.

As to this batch of high-pay ministers, can they really perform their duties to improve the Government's administration? I have already pointed out in the other session of debate that the Government's lack of support in its administration very often stems from the fact that the formulation of policies has not gone through a process of fermentation from the bottom up, with all the decisions being made only at the senior level. If this problem cannot be properly resolved through the conduct of more widespread consultation and adoption of the views of the public, I cannot see how the implementation of an accountability system can bring about improvement in administration.

In the final analysis, the success of an accountability system hinges on a truly democratic system which should form its base. The Chief Executive and the Legislative Council must be returned by universal and direct elections, there

must be political platforms in place, and there must be a ruling party system under which the ruling party, having gained a majority in the legislative assembly, can easily ensure smooth implementation of its policies.

Sir CHUNG Sze-yuen, former convenor of the Executive Council, who just published his political memoirs, pointed out recently that the Central Government had insisted on separating the executive from the legislative because it would not like to see party politics practised in Hong Kong, for fear that if the Chief Executive had a popular mandate and held views different from that of the Central, the situation would be hard to control. Put simply, the Central just cannot be at ease to let Hong Kong people be its own master.

Perhaps some people may worry that quickening the pace of democratization would only create more grievances in society. However, in fact it is just the opposite. Though seemingly a free and open society, Hong Kong does not have a truly democratic political system. The Basic Law has set down too many restrictions on the powers of the Legislative Council; and popular opinion cannot find full expression. These are precisely the reasons for the intensifying grievances in society. There are also people who think that democracy would lead to more free lunches. Hong Kong people are in fact all very clever; a genuine democracy will encourage more people with a sense of responsibility to come forth to serve Hong Kong.

Next, Madam President, I would like to talk about the rule of law. It is said that Hong Kong is a society with the rule of law. However, the SAR Government has not done enough in promoting the rule of law. The Chief Executive, government officials and the whole Civil Service are yet to have an in-depth and general understanding of the rule of law.

In paragraph 148 of the policy address, the Chief Executive said, "we have continued to strictly uphold the rule of law" and "our citizens continue to be protected by law". Mr LU Xun had a saying, "Why for a tyranny bother to apply the law if it takes away lives like plucking grass". That is to say, if the law is too harsh, a government's strict adherence to the law does not mean that it is to the benefit of the citizens. Ms Elsie LEUNG, the Secretary for Justice, pointed out in the Policy Objective booklet that two key aspects of the rule of law are that the Government is subject to the law and an independent Judiciary. In fact, these are only some of the principles of the rule of law.

The rule of law is an extensive concept of legal system, which specifically includes such principles as respecting the constitution, protecting human rights, clarity and transparency of the law, accessibility to the necessary legal services and equality before the law.

Since the establishment of the SAR Government, a series of incidents reflected that the Chief Executive himself and the senior echelon of the SAR Government did not respect the spirit of the rule of law. Such incidents include not prosecuting Ms Sally AW, requesting the National People's Congress to interpret the Basic Law, inserting a provision in the Chief Executive Election Ordinance that gives the Central Government the power to remove him from office, and the Chief Executive's reference to Falun Gong as a cult without going through the due process of law.

Madam President, I would also like to talk about some of the issues encountered by me in the Legislative Council when examining bills as proof of what I said just now. Let me take the Gambling (Amendment) Bill 2000 that is currently under scrutiny as an example. One of the provisions simply states that anyone "promoting" or "facilitating" bookmaking shall be guilty of an offence. It is written this way very simple. When I asked what "promoting" or "facilitating" meant and if their definitions were too broad and general, the official concerned explained that, now I use his terms, they did not want the law to be too specific. Madam President, he completely overlooked a very important principle that a law should be clear and specific.

Another example is the Karaoke Establishments Bill, which is also currently under scrutiny. The object of the Bill is to regulate enclosed karaoke establishment; however, the term "karaoke establishments" has been so defined that it includes even those private clubs that only own small scale karaoke facilities. So you asked why it was so defined. The government official explained that this was to facilitate drafting; and in the future enforcement of the legislation, the Government would only target those enclosed karaoke establishments instead of such clubs. Now the question is, once the legislation is passed, all these clubs will be caught by the law.

The Fire Safety (Buildings) Bill, another Bill that is being examined, regulates the fire service installation or equipment in residential and composite buildings of more than three floors. As to the old-style six-storey Chinese buildings, the Bill requires that equipment like sprinkler systems be installed, but

that is practically impossible. The Bill will just make life difficult for the residents. When asked, the official concerned said that it was no cause for worries, as the enforcement would take a practical and flexible approach. The Government is still not willing to draft the provision in clear terms.

Such examples abound. They reflect a common failing on the part of the Government. The executive hopes that the legislation can be drafted in terms as broad as possible, so that all the relevant people can be caught by the law for the so-called "flexible" and "practical" enforcement. I do not object to the Government exercising discretion when enforcing the law; however, this does not mean that the law can be written in such broad and general terms to enable selective enforcement. This is clearly against the principle of the rule of law.

The policy address mentioned that the Government would ensure that prior to formulating new legislation, the impact on the business environment would be fully assessed. I hope that in formulating and enforcing laws the Government will also consider the impact on ordinary citizens. Moreover, the Government should promote the concept of the rule of law internally so that the senior officials and other civil servants can realize its true meaning.

Madam President, whether the rule of law can really be practised in Hong Kong also depends on if those who are in need can have access to the necessary legal services. Such services are still inadequate in Hong Kong. In both civil and criminal cases, quite a large number of people are not represented by a lawyer. For example, the High Court handled over 31 000 civil cases last year, in half of which some of the litigants did not have any legal representation.

Despite that the Bar Association has a scheme that provides *pro bono* service to the citizens, that is utterly inadequate to meet the actual need. To the grassroots or the middle class, the current fee level for legal services is still too high. In face of litigation and without any legal assistance, they are subject to great stress. I therefore think that the Government should consider raising the income limit for applicants of legal aid and extending the scope of legal aid to cover coroner's hearings, immigration tribunal hearings and litigations related to libel.

Besides litigation service, legal consultation services are also very important to the ordinary citizens. Many disputes can be resolved after legal advice has been sought, making it unnecessary to proceed to Court.

Now, the Government, the two lawyers' associations, Members of the Legislative Council and some councilors or even community groups provide all sorts of free legal service. However, on the whole, such service is inadequate to meet the demand. Also, the form of service may not meet the actual demand. For example, with the co-ordination of the two lawyers' associations, the Home Affairs Department provided a one-off legal consultation service, without any follow-up service. The service therefore might not really help those in need.

The Government should, I think, extend the current legal consultation service, and work with the two lawyers' associations to provide more basic legal services to the public. On the community level, the Government should popularize legal education and promote an awareness of the rule of law. Moreover, the Government should also promote mediation service, and train more mediators to mediate in civil cases so that through negotiation a mutually acceptable solution can be found for both parties.

This will reduce the workload of the Courts, and the costs incurred will also be lower than taking the case to Court or arbitration. I hope that the Government will seriously consider this suggestion.

The Secretary for Justice has done a lot in promoting the rule of law and legal knowledge, like uploading the Laws of Hong Kong onto the Internet, producing publicity CD-ROMs, publishing articles in the newspapers, appearing on radio and television programmes, speaking at schools and even promoting Hong Kong's common law in China. However, the contact surface is still very small. I urge the Government to actively consider my suggestion. I believe that the legal profession will be very happy to work with the Government and contribute more to promoting the rule of law.

Madam President, I so submit.

DR YEUNG SUM (Cantonese): Madam President, in last year's policy address, the Chief Executive promised that a study would be conducted to find out how the accountability of principal officials in various policy areas could be strengthened under his leadership. He also expressed his understanding that the citizens were expecting the Government to establish a proper accountability system.

Now a year has passed, the proposal that the citizens get is a "contractual system for senior officials", which is developed by Chief Executive TUNG Chee-hwa to consolidate his power and prepare for re-election. It is a system of highly centralized power. The result of a year's study is to use more public funds and add another layer of "more senior officials" to the present senior level of the Government, and these officials will be accountable to him only! It is therefore understandable why some people refer to the accountability system proposed by the Chief Executive as a "centralized power system". Under the new system, Mr TUNG Chee-hwa is the biggest winner. In the coming months, the Government will have to spend time looking into the details. I wonder if the Government realizes that this is not the kind of accountability system that the people hope for.

A proper accountability system must have a matching democratic system. Under a democratic system, it is natural that the senior officials must be held accountable. The head of a government is elected through "one person, one vote". He is in charge of appointing the principal officials who will be responsible for making policies. If the policies do not win the support of the people, a minor case may require the individual official to resign, whereas in the serious case where the Chief Executive no longer has the support of the people, then the officials must resign together with the Chief Executive. This is the fundamental concept and spirit of an accountability system for senior officials.

Hong Kong's existing political system is still a far cry from a democratic system. Instead of being elected through "one person, one vote", Hong Kong's Chief Executive is elected by a small group of 400 people (next year it will be 800) selected by the Central Authorities. That group only represents the interests of the Central Authorities and a small group of people, without the acceptance and being not representative of the Hong Kong people. For the past four and a half years, just listening to his words and watching his deeds, we can see that the Chief Executive's administration of Hong Kong has been directly influenced or controlled by the Central Authorities. Cases like reinterpretation of the Basic Law by the National People's Congress and dragging his feet on political reform are just the tip of the iceberg. The recently passed Chief Executive Election Bill even gives the Central People's Government unlimited legal power in our system to remove the Chief Executive of Hong Kong, with explanation not required for such removal. Under such a political structure, a proposal that makes the principal officials to be accountable to the Chief Executive is in fact worse than the current system under which civil servants

have to remain politically neutral, and does no good to the people. The Chief Executive has made no mention of the most important area — a democratic system — in an accountability system. He has chosen to remain oblivious to the public aspiration for a complete accountability system.

Under Hong Kong's current undemocratic system, the accountability system will only strengthen the centralization power in the Chief Executive, who, already not subject to any checks and balances, can select the principal officials to his liking. These officials are not part of the civil service establishment any more and do not have the security of an iron rice bowl. They are answerable only to the Chief Executive himself. Thus to be worldly wise and play safe, they would just do what they are told. How can they, in performing their official duties, still stick to the principles of maintaining political neutrality and serving the public interest?

The result is: policies that are used to be made by apolitical civil servants will in the future be made by officials who have to be politically accountable to the Chief Executive. It can thus be foreseen that officials in charge of policy making will not be forthcoming in expressing their views and in giving impartial opinions.

The Chief Executive and the Chief Secretary for Administration have repeatedly said that the merit of this new system is in clearly defining the powers and responsibilities, so that the political responsibility and the administrative responsibility are kept separate. However, Madam President, the Chief Executive is not returned by equal and popular elections of one person one vote. And the elected Legislative Council cannot query the power of appointment and removal of the Chief Executive, or pass a no confidence motion to remove any derelict official. How can there be any political accountability to the public? Put plainly, this only helps to centralize all powers in the Chief Executive, and the senior officials only have to be "politically accountable" to the Chief Executive, but not to the public and the Legislative Council. Political accountability now becomes passing the political buck, instead of improving the administrative efficiency. This is certainly not the aspiration of the people!

On the other hand, if the Directors of Bureaux were to give up their iron rice bowls in the Civil Service and switch to contractual terms, their contractual salaries certainly would be higher than those of the existing Secretaries and Directors. Why does the Legislative Council still have to approve allocations,

which would not be small at all, to be made from an already tight public purse for use on a system of highly centralized power? While many citizens are still suffering great hardships, should the Government not allocate more public funds to help relieve their plight? Many high-pay staff of major corporations are facing the prospect of pay cuts and retrenchment, but the Chief Executive, intent on seizing power for himself, now proposes to hand out five-year contracts of fat salaries to his own men. Is so doing really in the public interest?

Both the Chief Executive and the Chief Secretary for Administration said that the accountability system would make the senior officials listen more closely to the views of the public, enabling the whole Government to better grasp the public opinions. Is this really the case? Such a view reflects unfairly on the senior officials in the Civil Service, past and present. It is true that in the past and at present some senior officials have not listened properly to the views of the public, but, I believe, not everyone is like this. Most of the senior officials have tried very hard to listen to the views of the public. Is the Secretary for Constitutional Affairs not aware that the public is asking for full direct elections for the Legislative Council as soon as possible? Of course, he knows, but he cannot do anything about it. Does he not know that a one-person-one-vote equal and popular election of the Chief Executive is the general demand of the public? He also knows, but he cannot do anything too. Do the senior officials within the Government not know that the public is asking for ways to relieve their hardship? They know, only that they have not committed themselves to it, and the Chief Executive also does not support so doing.

From past experience, we can see that very often it was not that the senior government officials or even the Chief Executive not knowing where the public view goes, only that the Chief Executive preferred to go against the public views. For example, the Legislative Council passed a motion for the removal of the Chairman of Housing Authority and the Director of Housing because of the "short piling works" incident, but the Chief Executive went against the public opinion and decided "to retain Wong and protect Miller". In the "opinion survey" incident, though Mr Andrew LO, Senior Special Assistant to the Chief Executive, who was recruited by the Chief Executive himself, was said to be a dishonest witness, the Chief Executive still brazenly supported him in public and continued to keep him under his employ.

As long as the Chief Executive is not willing to face and accept public opinion, the new system of appointing principal officials still cannot bring about

any improvement in the accountability issue faced by the Government. As he said in last year's policy address, the Chief Executive is the head of the Hong Kong Special Administrative Region (SAR), and also the head of the SAR Government. To enable a government to be in tune with the citizens and raise its acceptance, first of all the head of government must be politically accountable to the public, and the head of government must be in tune with the citizens. Without a system to democratically elect the Chief Executive, how can this be possible?

Actually, the Members of the Executive Council, the Secretary for Justice and the Financial Secretary and individual Directors are already recruited by the Chief Executive outside the civil service establishment. They are in charge of policy making and promotion. However, the Administration still cannot win the support of the public, and its lack of accountability has led to a lot of grievances and drawn strong criticisms from the public. The problem stems from the fact that his idea of governance does not see him standing on the side of public interest in the formulation of policies, thus unable to answer the aspirations of the public.

With such a low popularity, if Mr TUNG Chee-hwa was re-elected for another term, and if he was free to select his principal officials, either from among the existing Secretaries or outside the Government, that would only mean, I believe, greater wastage of public funds, not helping to ameliorate the accountability problem. There would not even be any improvement in the relationship between the executive and the legislature.

According to the proposal in the policy address, the Chief Executive is actually expanding his power base. Instead of being accountable to the public and the Legislative Council, the principal officials will be accountable to the Chief Executive. That does not bode well for the social development of Hong Kong.

A precondition for an accountability system is that there must be a democratic system. If the Chief Executive was not elected by universal suffrage, accountability would be meaningless. Without the implementation of a democratic system, the accountability system as proposed in the policy address will become a "eunuch system". The Democratic Party therefore proposes that the Chief Executive should as soon as possible conduct a review of political reform, establish a democratic system to go with the accountability system for

senior officials, let a generally elected chief executive together with the other officials under his leadership be accountable to the public and implement policies that are people-oriented. This will then be the authentic, complete accountability system that the citizens are hoping for.

Yesterday, I saw on the television Mr TUNG Chee-hwa, the Chief Executive, while in Shanghai, appealed to Hong Kong citizens that we had to face up to the current difficult situation and feel proud of ourselves. I would like to laugh, but I could not. I would like to be proud of myself, but I could not. The Government did not prosecute Ms Sally AW, I therefore cannot be proud of myself. The Cyberport was not put to open tender, I therefore cannot be proud of myself. There are so many people owning negative assets and living in great hardship, I cannot be proud of myself at all. If the Chief Executive wants us to be proud of ourselves, the quickest way is for him to get us out of our hardship. The second thing that he can do is to implement political reforms. Thank you, Madam President.

MR CHAN KWOK-KEUNG (Cantonese): Madam President, it seemed like cannons were roaring in this Chamber the other day. A number of Members fired a series shells on the salaries of the civil servants. Suddenly it appeared all the civil servants were caught in the battlefield of Afghanistan, struggling for survival.

Since the launch of schemes like civil service reform and productivity enhancement, the civil servants have been experiencing a lot of hardship. Over the years, corporatization, outsourcing and voluntary retirement have seen the ranks of the civil servants diminishing. Jobs that were previously done by a number of people are now done by one person. Civil servants are toiling hard, even so, their number is still diminishing. Jobs that were previously done by three or four people are now done by two, later maybe by one. Even a person with three heads and six hands and working 24 hours day in day out may still not be able to complete all the jobs.

We therefore often see that at night the government offices are brightly lit. Despite that the controlling officers in the Government may understand the situation, there is little they can help. Their target is to produce figures to their seniors annually, for example, reduction of manpower and savings of a certain percentage of resources. These cold figures do not reflect the number of sleepless nights the civil servants have toiled through.

Some people spoke at length that over the four years since the reunification, the salaries of civil servants had already risen about 10%, so a 10% downward adjustment was not against the Basic Law. They of course know their figures. However, we must ask if it is reasonable to reduce the salary this way. Is this to force the Government to take the lead in salary reduction so that the private sector can have an excuse to follow suit?

The productivity of the middle and lower rank civil servants has increased. Each of them can now take on three to four persons' work. Staff cuts in private organizations may mean increased workload for those who remain, but some of them get a pay rise. Why on the contrary do civil servants have to have their pay cut even they have taken on more work? Most private organizations would not be unscrupulous employers, why must the Government be?

There is already a mechanism for adjusting the salary levels of the civil servants, and their salaries are not adjusted arbitrarily. If any problem is found in the mechanism, it can be improved through negotiation and should not be changed as one pleases. If pay cut is implemented within the Civil Service, it will definitely lead to further pay cuts among the private organizations. None of us would like to see this kind of vicious cycle, as it would only lead to even more serious impact on the already depressed consumer market.

In fact, the civil servants can now undertake more and more work and show increasing productivity. They are really worth their pay. The Government should not follow the examples of other organizations and put pressure on their salary levels. This only shows the lack of social responsibility on the part of the Government.

The Hong Kong Federation of Trade Unions (FTU) has been concerned about the remuneration of workers doing work outsourced by the Government. The authorities promise that the contractors will operate three shifts so that the workers can work shorter shifts. However, they cannot guarantee that the workers will be reasonably remunerated. The monthly pay for outsourced security job now is only \$5,000 to \$6,000; further cuts will make it even not enough to pay for the transportation to go to work.

The FTU thinks that in outsourcing work, the Government must require the contractors to pay the workers reasonable wages and arrange reasonable work schedule. The Government has the responsibility to supervise the work, which, after all, is outsourced by the Government.

Actually if the Government does not heed the trend that employees are being seriously exploited, the Government would have to shoulder the subsequent burden. The increasing number of CSSA cases among the low-income group is the result of the Government failing to pay attention to the declining salary level.

Madam President, both the Government and the private organizations should stop their downsizing exercises. Two days ago, the Financial Secretary appealed to the private organizations to think twice when contemplating downsizing exercises and consider the overall interest of Hong Kong. We in the FTU fully subscribe to his view. Increasing unemployment will definitely affect social stability. The waves of layoffs in recent years have hit the middle and management level and the skilled technicians. While earning high salaries in the past, they also paid more tax and were least dependent on the Government. It is exactly because of this, when they are out of jobs, they harbour the greatest grievance against the Government. The middle management is also the target of retrenchment in the public sector.

The public sector has been criticized for not achieving a very high efficiency. However, retrenchment definitely is not the best way to raise efficiency. We should try to improve the workflow to raise staff efficiency, for example.

Madam President, the civil servants play a mainstay role within the structure of the Government. Over the years, policies like outsourcing and productivity enhancement have already done a certain degree of damage to the civil service system. When the whole society is experiencing hardship, stabilizing the morale of civil servants is extremely important. I therefore appeal to the Government to stop pay cuts and retrenchment, and stop any action that will further impact and divide society. Madam President, stabilizing society and kick-start the economy are the best way out.

Madam President, I so submit.

MISS MARGARET NG: Madam President, it is widely accepted and frequently reiterated that the rule of law is Hong Kong's strongest competitive edge. Yet the Chief Executive's policy address contains little about conserving and strengthening the rule of law.

I welcome the initiative of the Secretary for Justice to promote Hong Kong's legal services in the Mainland, in anticipation of China's accession to the World Trade Organization. I support her call to mainland authorities and foreign investors to take greater advantage of Hong Kong's arbitration facilities for commercial dispute resolution. These facilities are mature, user-friendly, and acknowledged worldwide to be independent, neutral, and professional. I have already indicated to the Secretary that Members of the Panel on Administration of Justice and Legal Services would like to discuss these matters with her more comprehensively at the earliest opportunity.

The Secretary for Justice also suggested a possible development in the mutual enforcement of court judgements in commercial disputes. On this, I have greater reservations. As yet, courts and judicial procedures in the Mainland do not enjoy the same degree of confidence as Hong Kong courts and judicial procedures. Mutual enforceability of judgments can harm confidence in Hong Kong without assisting the Mainland. People are optimistic about legal and judicial reforms already in train in the Mainland, but they are aware that these will take time. We must proceed with much caution, if we proceed with this at all.

However, the promotion of Hong Kong's legal services is not enough. What matters even more is the reality of the rule of law in Hong Kong. We must go to the elements which it comprises. One crucial element is the quality and standard of the lawyers that we produce.

We have to acknowledge that this is increasingly a matter for concern. Some people believe that we have too many law graduates and lawyers. The fact is that we need more good lawyers, and we do not have enough of them. We have to upgrade the quality and the level of specialization of our legal services. The updating and improvement of legal education and training is now imperative. To begin with, the profession must regain control over entry into practice, so that no one is allowed to practise unless he satisfies the high standards of competency and ethics set by the profession. Otherwise, the prestige of Hong Kong's legal services will suffer.

Quality cannot be left to chance. Neither does it come cheap. I urge the Government to recognize the need to provide adequate funding for legal education and training. Cut university funding and we suffer. Allocate funding too heavily on the basis of quantity and immediate commercial return

and we suffer. The consultants' report on legal education and training published in August are being discussed among the legal profession and academics. Some of the recommendations are controversial. But what is clear is that unless the Government is prepared to commit substantially by allocating more funding to legal education, there is no real chance of achieving the goals set down. It will be a terrible waste of the huge opportunities and potentials that Hong Kong is privileged to have right now.

Strengthening the rule of law means ensuring its efficacy within our own community. Access to justice for everyone should be high on our list of priority. This is not charity to the poor. It is essential for the administration of justice that access to the Courts and the protection and remedy that the law provides are not denied to vast numbers of people because they cannot afford the cost or do not know of their existence. A survey that I did in July this year shows the tremendous need for more free legal advice and assistance in the community. Sound legal advice given in time frequently prevents much greater problems. The increasing number of litigants without lawyers representing them is also causing concern, as the Honourable Ms Audrey EU has just pointed out. I urge the Government to take a serious interest in these matters, and carry out a proper study of the needs in order to find ways to meet them at an early date.

Madam President, the rule of law implicitly requires good laws. This means laws which are clear, fair and reasonable, and which give due protection to the rights and liberties of the individual. Over the past year, I have become even more deeply concerned about the quality of our legislation and the legislative process.

First, the preparation of legislation. Many bills which have come before this Council contain fundamental problems. Some of them have such wide and sweeping provisions that people and situations targeted as well as untargeted in the original policy objectives are caught. Sometimes, the need for transitional provisions when there is a change of policy are neglected. Sometimes, criminal sanctions are imposed without adequate safeguard for fundamental rights long established by the common law. Sometimes, the provisions are so cumbersome as to be almost incomprehensible. Frequently, scrutiny reveals that insufficient thought has been given at the policy formulation stage about how a policy should be implemented, or that there has not been sufficient understanding between the Policy Bureau concerned and the drafting team. Sometimes, the real policy

implications are discussed only at the Bills Committee stage, showing clearly that the introduction of the bill was premature. All these have given me the disturbing suspicion that officials do not always understand what the rule of law requires of the Government when it comes to implementing policy through legislation.

This is not only unfair to the public who have to live under these laws. It can seriously damage Hong Kong's image because we have international exposure. Our laws frequently regulate international organizations working in or with Hong Kong, and are therefore subject to their scrutiny. Any shortfall of the highest standards will not fail to be noticed. I urge the Government to look into this issue and work out a solution.

What gives people confidence to live in and do business in a society where the rule of law prevails is that the Government implicitly abides by law. This includes obeying the orders of the Court, and abiding by the law as declared by the Court. I find it disturbing that there are instances when government officials do not do so implicitly, and may not have even understood what this principle requires. A notable case is the one concerning the Education Department which has been found by the Court to have acted unlawfully in implementing a school allocation scheme in breach of the Equal Opportunities Ordinance. Ms Audrey EU has described this in full in yesterday's session. I wish to associate myself with her remarks.

Madam President, I raise this matter not just to criticize, but to plead that more weight be given to the role of the Secretary for Justice in advising the Government on the legality and constitutionality of its policies, acts and decisions. This includes advising the Government on its obligations under international covenants on human rights, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR). This must mean that the Secretary for Justice must always form her own views on a question of law and constitutionality, and refuse to take a position contrary to law and constitutionality in court or before the legislature. I believe that members were disappointed when, in a recent Panel meeting, the Department of Justice refused to say whether in the Secretary's view, the ICESCR was merely "aspirational and promotional". If the Secretary is herself evasive, how can clear advice be given to the Government?

Finally, I must stress the crucial importance of the independence of criminal prosecution. This is fundamental to the public's confidence in the administration of justice and equality before the law. The Secretary for Justice or the Director of Public Prosecutions acting on her behalf must not only be independent, but must be seen to be independent. In the last session, that independence was regrettably again called into question. The public was bemused by the way "public interest" was invoked to drop prosecution against some well connected persons but not against others who are less well connected. The Director of Public Prosecutions' explanation failed to allay the concerns of the public or meet the criticism of members of the legal profession. Confidence, once damaged, is difficult to mend.

There were other concerns in the area of prosecution. I queried the appropriateness of using Court Prosecutors who are not required to be legally qualified for prosecuting an overwhelming number of cases in the Magistrates' Courts. I have argued that this is undesirable and unjustified in view of the large pool of qualified lawyers ready and available to do prosecution work. I am dismayed to see an advertisement recently for more Court Prosecutors to be employed without any attempt to justify such a course of action.

Madam President, this brings me to a different policy area: that of constitutional affairs.

Apart from the economy, the most controversial area of the policy address is what Mr TUNG calls the "accountability system". Article 64 of the Basic Law requires the executive to be accountable to the legislature. I must say that I am skeptical of whether the system proposed will deliver an executive which is more accountable to the public or the legislature. As Chief Executive, Mr TUNG has not convinced the public of his tendency to be accountable or make his officials accountable. I do not see how appointing super officials answerable to the Chief Executive alone would improve accountability of the executive as a whole. The proposed system has substantial financial implications, in terms of remuneration and added political staff and expenses. I think that it will require a great deal of convincing before Honourable Members will give their approval.

In this debate, I shall draw attention to one particular aspect of the accountability system, namely, the appropriateness of turning the Secretary for Justice into a political appointment. It is necessary to examine the constitutional

issues involved. The office is, in law, a continuity of the Attorney General before the change of sovereignty. The Attorney General is the first Law Officer with the duty of advising the Government on the law, including the constitutionality of any policy decision or act by the Government. He or she decides on the initiation, conduct and termination of criminal prosecutions. These powers and duties require the greatest independence and detachment, as I have outlined above. Is politicizing the office of the Secretary for Justice calculated to enhance his or her independence and detachment? Is it likely to result in greater confidence on the part of the public in the impartiality of criminal prosecution and the rule of law? Would people be inclined to think that having the Secretary for Justice politically closely allied to the Chief Executive means that the rule of law will be changed into the rule by law? These are, without doubt, some of the questions that this community will have to consider and debate more thoroughly in the days ahead.

Thank you, Madam President.

MISS EMILY LAU (in Cantonese): Madam President, last year, the Legislative Council passed two motions. We probably all know how difficult it is for us to pass motions in the Legislative Council under the present voting mechanism. Those two motions had most Members, though not all of them, agree pleading with the Government to critically review the political system as soon as possible. The review had to be complete, that is, covering the relationship between the executive and the legislature, election of the Legislative Council, election of the Chief Executive, and so on. However, the executive authorities (I believe especially the Chief Executive) treated these pleadings as "puffs of wind passing the ear". The Panel on Constitutional Affairs made a report with many suggestions mentioned by me just now, also with reference to a ministerial system. The Chief Executive now has elected to single out this proposal and called it the accountability system for senior officials, adding that he will implement it; he even on some occasions said that the Legislative Council also recommends it. Madam President, I think it is a little dishonest to act like this. Many colleagues have talked about this just now, so I shall not go into great length about it here any more. The system we talk about has to be implemented as a whole. We have to establish a government with a popular mandate. Then we elect some people. Through universal suffrage we elect the Chief Executive, who then organizes his or her own team. It has to be implemented as a whole. However, the incumbent Chief Executive has singled out this one item and

ignored every other, saying that doing so will improve the system. I cannot help but ask: How can the people be convinced?

Some Honourable colleagues have visited countries abroad. Of course I am not criticizing them. They have visited almost all corners of the world, have they seen any place with a system like Hong Kong's? What they have seen are countries of democracy. Their findings do not apply to Hong Kong. Our Government must not twist the conditions in democratic countries and force them on this undemocratic place of ours, saying that we are learning from them and putting them into practice. If they know about it, they will feel angry. It is like the case of cult practice we discussed some time ago. The Government said at that time it would follow the practice of other countries. Immediately, governments of the other countries issued warning statements. That will not be very nice.

Hence, Madam President, we in The Frontier will not support the Government's action out of context. If the Chief Executive really very much wants to implement such a system, I think he should be a little more honest and frankly tell us they are political appointments, because whatever the reasons are, it is because the Chief Executive does not like certain senior officials, so he has to find an opportunity to dismiss them. Thus, we taxpayers will suffer losses. I believe the Secretary will also become nervous, because we do not know how much money we have to compensate these people for them to go, and then we will have to pay a lot more to recruit people to the Chief Executive's liking. But will this improve the administration? To improve the administration, we need the people to support and identify themselves with the policies proposed, and the agreement by vote of Members of this Council that is not wholly returned by direct election. That, would amount to improvement. I really cannot see how the replacement of six or seven, or even 10, Secretaries and Bureau Directors will have the people greatly welcome the development of the political system, or have Members of this Council vote in support of it. I really cannot see such effects. If there were, let the Secretaries please tell us later. But if they cannot be achieved, it will be forcing its way through only. Of course, I have reasons to believe the Government may be able to do it, because the Government may have enough votes in this Council to force the passage of the proposed system; but it will not mean it has the support of the people. When the Government first proposed this system, it was on the occasion of the resignation of Rosanna WONG. It was no surprise that everyone at that time said an accountability system was good. But when they look closely at the

system, realize what it is about, and discover to whom officials are accountable, they will not support it at all. And this legislature of ours will have no role to play in it. Do not mention learning more from the practice in the United States. Even nomination, or appearing before the Legislative Council here for hearing, will also be impossible for sure. Can we even move a motion of no confidence and demand the resignation of the officials? That would also seem impossible, because they are only accountable to the Chief Executive alone. Such a system we in The Frontier will not support and will absolutely oppose.

If the Chief Executive hopes the officials will co-operate more with Members of the Legislative Council, I believe the Secretaries are absolutely willing to co-operate. But the Chief Executive is now taking out a part of the proposals in such a manner, it makes the people wonder what the Government really wants to do. If the Chief Executive really wants the policies to command the support of the public, the first thing he should do is to secure a popular mandate. This can be achieved with more consultation for public opinion. There is no need to spend hundreds of millions of dollars to carry out this proposal.

Madam President, there is also the issue of political reform. Although there is no room for negotiation in respect of this issue, I still have to speak on it. I very much hope progress in this aspect can be accelerated. Of course I hope the Basic Law will be amended. But after so many years of discussion, we still do not even have a mechanism for it. Hence I think the establishment of a Legislative Council by full universal suffrage and election of the Chief Executive by universal suffrage will not be realized in the foreseeable future. Even the method of election for the legislature has to wait till 2007 for review, not to mention amendment of the Basic Law. I believe many senior officials agree with the view of Members of the Legislative Council that the relevant review work should start now, because this matter is very complicated, and it cannot possibly wait until after the next Legislative Council Election in 2004. The Secretary seems to have also said we should do it after we have learned some experience then. If we start the preparations after the election in September 2004, we would probably start the review in 2005. That would be a great rush. Then come 2007, it could be said that it is still under review, and we may as well wait till the next term, and we would not know we have to wait till what year and what month. I believe many people are impatient with the waiting. I certainly hope we can do it sooner. The Basic Law has not set a timetable for a Chief Executive by universal suffrage. However, I still hope we can have a review as

soon as possible, unlike specifying a review for the legislature in 2007. I only hope we can do it as soon as possible. Madam President, the review of the political system should be carried out as a package. I hope it will be carried out for the whole package of proposals. If it is taken out of context, chopped up into pieces for introduction, we in The Frontier will not support it. If it is forcibly presented to this Council, when the proposal is submitted to the Establishment Subcommittee applying for funds to establish the additional positions, we will not support it either.

When we talk about an accountability system, Madam President, I very much agree with what the Honourable Margaret NG just said, that the position of the Secretary for Justice is more sensitive. We are not lawyers. But sometimes we would think: A lawyer is a professional; the lawyer in that office provides legal advice to the Chief Executive or high officials in the Government. But will he also have a political side? Some people even say that there is no need to establish an accountability system for senior officials, that the appointment of Secretary Elsie LEUNG is already an early implementation of such a system. In fact, I also hope the Secretary would also talk to us about this question later. Although many among us oppose this system, yet if opposition is to no avail, when it really has to be implemented, will Secretary LEUNG think there is really some difficulty in it? The position of Director of Public Prosecutions deserves special attention. I have also noticed Article 63 of the Basic Law, which states that the Department of Justice of the Hong Kong Special Administrative Region in charge of criminal prosecutions is not subject to any interference. The Government used to tell us that senior officials are politically neutral. But some day when the accountability system is implemented, explicitly with all senior officials being appointed on political appointments, and the Secretary for Justice will also become political, how can we be convinced that the Director of Public Prosecutions can still very independently and impartially decide who will be prosecuted and who will not be prosecuted? What happened in the past in the case of Ms Sally AW once made us feel very embarrassed and angry. How do we prevent the recurrence of such incidents? Will the change of this position to a political appointment preclude recurrence of such incidents, or give rise to more such incidents? I hope the Secretary will share her views with us.

Madam President, the Secretary will certainly tell us that Hong Kong upholds the rule of law and everyone is equal before the law, which is stated in Article 25 of the Basic Law. However, I have recently noticed certain things,

for which I would like to know the Secretary's views. It all began in August, when in quite a number of cases, it seemed that if the offender was an alien, they would get reduction or exemption. If you, Madam President, do not recall it, the first case was on 21 August, a case tried and sentenced in the Court of Appeal. The Judge at that time said that the offender was of Swiss nationality, so a three-month imprisonment reduction was given. On 22 August, there was another offender who was Malaysian, who obtained a six-month reduction in High Court. On 30 August, again in High Court, where four offenders all being Colombians, again got a three-month reduction. Then on 14 September, there were three offenders from mainland China who also got a two-month reduction. A judge even said that his conscience told him he should not do that, but since the Courts had sentenced in that manner, so he sentenced the offender with a reduction again. However, on 19 September, 24 September, up till October, there were some judges who did not give reductions: they thought there was no need to blindly follow precedents. Madam President, I have also consulted our Legal Adviser, who reminded me of section 81A of the Criminal Procedure Ordinance, which authorizes the Secretary for Justice to appeal to the Court of Appeal for a review. In other words, if she thinks the sentence is not authorized by law, or wrong in principle, or manifestly excessive, or manifestly inadequate, she can apply to the Court of Appeal for review. I would like the Secretary to explain to us whether she is aware of these incidents.

Madam President, why do I raise such matters? It is because I have noticed quite a few articles. They say some members of public suspect whether criminals of certain races, after committing crimes, will get privileged treatment of sentence reduction. Hence, I think, is there a need for some clarification? And in future, when similar cases appear before the Court of Appeal, what will be done? I raise the question mainly because when I see such incidents, I feel puzzled: Why is a certain case sentenced this way, while in another case it is dealt with in another way? Many citizens have also raised such doubts. This is why I have brought the matter up for discussion. There is also the point of equality for all before the law. Madam President, in fact the Legislative Council also often touches this aspect, namely the question of the Government not being subject to regulation of the law. For example, the Housing Department (HD). We say buildings constructed by the Housing Authority are not subject to the Buildings Ordinance, because if they are, the Buildings Department will be able to supervise those buildings and their construction conditions. Since they are not, when there is a problem, the HD will not be liable to criminal prosecution. Recently, we have discussed related issues in the

Public Accounts Committee. We will very soon talk about the relevant committee and matters concerning road digging. This is absolutely an example of discussion without decision. This matter has been on the agenda of discussion ever since the '80s. Road digging causes traffic congestion: should the contractors be fined? Now, we have some other opinions. Secretary LEE Shing-see says there is the possibility that many roads are dug by government departments, and the Government cannot be fined. But he also said then he was discussing this matter with the Secretary. He said the matter was very complicated and difficult to resolve. I am not a lawyer and I do not know what should be done. But if I were those public utilities, I would say: If there is a delay in my project, the Government will fine me several tens of thousand dollars; but when the Government itself causes a delay, it will not be fined, this is impossible. Hence, I also hope the Secretary can explain to us whether government departments need not abide by the law. Should we not tell people who are similarly digging the road that if there is a delay in your project, I will fine you; and if there is a delay in our projects, we will similarly be fined? I hope the Secretary will express her opinion on this.

Finally, Madam President, I wish to talk about the question whether there should be salary cuts for civil servants. I understand very well this whole affair. I also said the other day that opinions differ within the Council. Still, I would like to express my views. I understand there is now a mechanism governing this, and it is also governed by the Basic Law. But today I would like to ask Secretary Joseph WONG whether this mechanism is a very fair mechanism, whether it really reflects changes in the private market. The Legislative Council has also discussed this matter many times before. Please look at the private organizations. When times are good, no-one says anything. But when the economy is not doing well, many private organizations will cut their staff. If there is a staff of 1 000 in the organization, it may be cut by 200, leaving 800; and those 800 may even be given a small salary increase. But government investigation results will say the employees have had a salary increase. The Secretary has to explain to us later how that mechanism reflects that organization has in fact cut its staff and cut the salaries, and how it will make civil servants willing to accept salary cuts. According to my understanding (I may be wrong), it is in fact very difficult to implement such a pay cut, possibly because of the Basic Law or other mechanisms. However, if you say this mechanism is fair, that when the market outside goes up, you will go up, and when the outside market goes down, you will go down; then we will agree with you. But the fact is that salaries in the private sector have now come down and you freeze your

salaries, and when salaries in the private sector rise, you also go up, and when the outside goes down, you still go up. I think the Secretary has to make himself convincing, and convinced as well.

I hear some say this mechanism will change. But how long will it take to change this mechanism? Will it entail legal proceedings? I believe it is not that the people do not cherish the civil servants. We of course hope to have civil servants who are diligent in and loyal to their duties, who can work very independently, who are not mere flatterers licking boots. We want the good civil servants to receive good remunerations. I think the Hong Kong community definitely will not ill-treat the civil servants. What we want is to give them fair treatment. Hence when we talk about how to handle these matters next year, I think we must first study this mechanism, otherwise when the time comes, we will again say that the mechanism has not yet been amended, so no changes can be made. If you say it may take three more years to discuss it before a new mechanism can be established, I think the public will feel even more angry then. I so submit.

MR IP KWOK-HIM (in Cantonese): Madam President, this year's policy address once again concretely proposes an accountability system for senior officials in response to outside appeals to enhance the Government's administrative ability and improve the relationship between the executive and the legislature. The Democratic Alliance for Betterment of Hong Kong (DAB) agrees with this positive attitude of the Government in endeavouring to improve its quality of services and standard of administration.

However, there is criticism that the accountability system mentioned in the policy address only enhances officials' accountability to the Chief Executive, and will not enhance accountability to the Legislative Council or even to the public, that is, if officials make mistakes, the Chief Executive will still protect the senior officials appointed by him, without regard to dissatisfaction in public opinion. The DAB holds a different view. The principal duty of contract senior officials in the new format is to formulate and implement policies within their portfolios of responsibilities, and bear responsibility for the success or failure of the policies they are responsible for. This is to say, if a policy cannot be successfully carried out, the Chief Executive will deal with the Secretary concerned, including possibly recommending to the Central Government to dismiss him.

To ensure securing public support for the policy he is responsible for, and successful enforcement of his policy, the contract senior official, when formulating his policy, must amply listen to public opinion, and when carrying it out, let the public fully understand and know the rationale of the policy being enforced. Consultation of public opinion, recommendation and introduction, and explanation of the policy become his most important work. Shouldering and driven by political responsibility, such a senior official's support from Legislative Council Members, the public and other targets of the administration is the key to success or failure. The official must make amendments to the policy in accordance with the social aspirations. If the public strongly objects it, he may have to withdraw the policy concerned. The process of policy formulation can definitely enhance accountability of officials to the public. It can thus be seen that the accountability system, which demands that senior officials bear a political responsibility, is definitely a progress in that the undertaking of the political appointment will make such officials ultimately face the public.

Besides, some critics say that under the accountability system with which the Chief Executive stresses officials' accountability to him, he will employ only people close to him. The fact is that if the Chief Executive wants to employ only people to his liking, he can also do it now. Although there is a strict system of promotion in the civil service structure, there is no absolute and objective standard as to who should be promoted to the top level posts. In the days before reunification, the promotion and transfer of senior officials depended on the will of the Governor, as well as which "stable" the person belonged to. That was not much of a secret.

After the reunification, the Basic Law confers upon the Chief Executive the authority to nominate principal officials. This authority will not increase or diminish due to the implementation of the accountability system. Hence, there is no justification to think that the accountability system will lead to the Chief Executive listening partially and taking on board opinions partially. Just now certain Members distorted the accountability system as a "slaves system", which is even more childish talk.

Even though the DAB basically agrees with the preliminary concept of an accountability system for senior officials proposed by the policy address, there are still many unclear aspects in respect of its substantive contents. Firstly, under the new system, the three principal Secretaries and most Directors of

Bureaux will be appointed to the Executive Council, forming the Chief Executive's "cabinet", directly responsible to the Chief Executive. The Secretaries and Directors will together discuss policies in the Executive Council as well as making decisions. Does this not acknowledge a fact that the Secretaries and Directors possess similar powers in the Executive Council, thus changing the subordinate relationship in the past? Since the Bureau Directors can introduce and explain policies in the Executive Council and are directly accountable to the Chief Executive, will they no longer be under the leadership of the Secretaries?

Besides, according to the policy address, there will not be a contract Secretary for every Policy Bureau, but one contract Secretary responsible for overall planning of several policy departments. We worry about the question of administrative efficiency: Does one Secretary have sufficient time to look after the work of several policy areas? The establishment of a policy has to go through the process of study, public consultation, formulation, revision, submission to the Executive Council, and so on. When the Secretary has to look after different policies at the same time, will administrative results be affected because he cannot spare time from his main work to attend to something else? Moreover, are there sufficient talents in the community who possess all the different special expertise to qualify to co-ordinate and lead the work of several areas? These are all open to question.

Similarly, there are many questions that need be answered concerning the powers of civil servants under the new structure. Under the new structure, civil servants at Secretary grade in the past will very likely be changed to secretaries-general looking after day-to-day operation (I do not know whether this name is correct, but some reports call it as such). They used to be responsible mainly for the work of formulating policies, but their work now will be handed to the contract Secretaries. Then what kind of work will these secretaries-general be responsible for afterwards? Will they also formulate policies like the Secretaries? Or will they be demoted to only enforce policies formulated by the Secretary? If it is the latter case, will the nature of enforcing the policies overlap with that of the current Heads of Departments? If such great confusion can appear in the work of different ranks of officials within the bureau, will not the problem in the past reappear, of overlapping policies coming out of several departments, or a confusion of indistinct powers and responsibilities?

Finally, the Chief Executive, in response to questions on the qualifications of candidates for appointment as senior officials, expressed that members of political parties would not be considered. In fact, under the accountability system for senior officials, the role, powers and responsibilities of the senior officials should be clear; any policy decisions will be overseen by Members and the public. Hence the qualifications for appointment of a high official should depend on his standard of policy formulation and his performance in leading the subordinate staff under him. If we willfully discriminate against people with political affiliations, will we not be obstructing the implementation of the new policy? Some critics also point out that, to ensure the Government will have the support of the Legislative Council, so under the structure of the new government, when appointing senior officials to the Executive Council, we should appoint as far as possible members of parties that hold seats in the Legislative Council in order to improve the relationship between the executive and the legislature. Of course, once the force of political party enters the executive, the political ecology and political culture of the Hong Kong Special Administrative Region will have great changes. Hence, on this question, we must act cautiously.

Even though there are still many unclear aspects and unanswered questions in respect of the accountability system for senior officials proposed by the policy address, yet the fact that the Chief Executive can in this time of economic difficulty still propose such a sensitive political system reform is demonstration of his courage to face difficulty in reform, and his sincerity to improve the quality of government services and standard of administration. For this reason, the DAB appeals to colleagues of different parties and the public to respond, in a positive and forthright manner, to the proposals of the policy address, and supervise the Government to implement the relevant proposals.

Madam President, I so submit.

MR ANDREW WONG (in Cantonese): Madam President, I am speaking for the first time in this debate on the policy address. I had intended to speak in the first session to suggest an idea to stimulate the economy, but I missed the boat, so I hope I shall make it up in the last session, that is, in next Wednesday's debate.

Madam President, I welcome Mr TUNG Chee-hwa's proposing in the last policy address in his term of office his preliminary conception of an accountability system for senior officials, and I fully support this preliminary

conception. I am not going to repeat his conception. I only wish to raise two questions.

The first question concerns paragraph 136 of the policy address. That paragraph mentions some principal officials. I do not know whether they refer to certain principal offices, for example, the Commissioner of the Independent Commission Against Corruption, Director of Audit, and so on. These positions should not be politicized, so they should not be included in the new political accountability system, and should remain in the Civil Service. If this meaning is clear, I hope the Secretary will respond.

The second question concerns paragraph 137. That paragraph mentions posts held by civil servants. Let us call them permanent deputy directors, standing deputy directors, secretaries-general or permanent secretaries-general. They are incumbent civil servants who do not want to convert to political appointments. When we require them to bear these duties, their own duties are regular or day-to-day business. They have to do some work, the most eye-pricking of which is to "secure various sectors' support for policies". Does this contradict with the Civil Service's existing traditional virtues mentioned in paragraph 139? Paragraph 139 mentions "the Civil Service's existing strengths, such as neutrality" (which is a very important word) "..... will all be preserved, and given fuller play." I hope the Secretary will respond to this question.

Madam President, the idea of an accountability system is in fact very simple. The accountability is political accountability: Senior officials have to bear political responsibility. That is, the Government as a whole has to bear political responsibility for the Government's performance in administration, and individual senior officials for their departments' performance. If government officials are all permanent appointments, how can it be ensured that officials and the government must actually be responsible for their mistakes or bear the political consequence of being unwelcome? If public feelings are raging, the only outlet is revolution, and revolutions are usually bloody. Do we want the whole system to become a sealed brass kettle boiling water, doomed to an eventual explosion? If Hong Kong should come to such a state, it would be most unfortunate indeed.

Hence, be it a product of thinking, evolution, or accident, the West has suddenly come to the conclusion that the top and the below have to be separated, thus arriving at a principle, that is, the administrative structure must be separated into two tiers. The upper tier is political appointments, which are not permanent. When they are still in the favour of the Queen, popular with the people and no-one is revolting, they can keep their posts. But, when they have made mistakes or become unpopular, they will lose their official posts, for whatever reasons, be it the Queen's displeasure, or the King's, having done wrong or not having done wrong, or being unpopular with the people: invariably they lose office. The lower tier is appointments according to ability, and are permanent appointments, preferably lifelong appointments; I do not like the contract system, about which Members have heard me speak many times. Promotion and appointment depend on ability, performance, and so on. If mistakes are made, small ones will obstruct promotion, and possibly disciplinary action for big mistakes. In case of big mistakes, or if it involves a criminal element, there will be demotion or dismissal. However, for being unpopular, there shall be no arbitrary punishment. This will enable them to maintain their political neutrality, consistently enforcing the policies. After all, there is a group of people who have to bear political responsibility. Ultimately, this group has to be responsible. All policies will still be decided by them, not by collective wisdom.

Officials on the upper tier are called administrative officers (政務官), to be better named "political officials" (政治官), better than the word "administrative". Alternatively, they can be called "ministers" (部長). Officials on the lower tier are called "executive officials" (事務官). The administrative officers grade in our system are in fact a kind of executive officials only. Of course, there are professional executive officials like engineers; executive officials in administration; some concerned with political affairs, that is, the presently so-called administrative officers; and executive officials are what we call civil servants (公務員).

Madam President, though the idea of an accountability system is very simple, its use and effects are infinite. I wonder why there are still voices of objection or reservation in public opinion or even in this Council. The grounds of objection or reservation are mainly that election of the Chief Executive by universal suffrage has to come first, otherwise the principal officials appointed on political appointment will certainly be or become his "lackeys" or "hatchet men"; and if Mr TUNG gets another term of office, they will become "TUNG's feudal officials", or even the ugly name of "household slaves".

Madam President, are we not having the same phenomenon with the present system as well as the past British Hong Kong Administration. Executive officials have to take orders from their superiors

Madam President, time does not allow me to finish discussion of this topic. Perhaps I shall wait till the last session of debate to speak on this subject again.

Finally, I shall add one more sentence. I want to talk about three constitutional conventions, a point I shall talk about in the last session.

I would like to point out that officials holding office as Secretaries or Directors are, in the eyes of the public, playing a political role, and are regarded as quasi-ministers. I know that Singapore's current decision to implement a salary cut only applies to politically appointed ministers; so I shall not ask Mr TUNG to cut civil servants' salaries. I want to appeal to Mr TUNG and them to voluntarily cut their salaries by 10%, to show their willingness to go through the difficult time together with the people.

Thank you, Madam President.

MR JAMES TIEN (in Cantonese): Madam President, if one should speak after the Honourable Andrew WONG on constitutional issues, he would find it most difficult to do so because, for one thing the questions themselves are already very complicated, and for another he adds many new theories and terms; now I cannot even make the old terms clear.

Madam President, I wish to talk about the new accountability system. As mentioned in paragraph 137 of the Chief Executive's policy address, original secretaries' post-titles, because of the implementation of the accountability system, should be changed consequentially. Hence, many newspapers in their reports have used the term "standing secretary-general" (常務秘書長). Let us use this term for the time being.

Madam President, I think the accountability system for senior officials has to be implemented. But in the process of implementing the accountability system, we have to confer power on the Secretary first, for the enforcement of the policy he has formulated. Now I am concerned, about the new, that is the new Secretary as mentioned in paragraph 134, not the original Secretary. If he

leaves the civil service structure to take up the post of Secretary under the new accountability system, and with the post of standing secretary-general below him — relevant documents are roughly indicating maintenance of the D8 grade in the salary scale — and then the D6 grade Head of Department to carry out the policy, does the new Secretary ultimately have the power to transfer or dismiss the D6 grade officer who has not acted in accordance with his instructions? If not, when he has decided to implement many policies, which are eventually not carried out, will he, as the slang goes, be helplessly wronged to "eat the dead cat"? If he is conferred the power, thus becoming the one responsible, that, I think, would be reasonable. However, under the present proposal, as mentioned in paragraph 136, incumbent principal officials, provided they are willing to take up the posts of Secretaries, will be promoted. The others need not be included in this accountability system and can keep the position and grade of secretary-general. However, it is not explained whether the Government disallows their taking up the posts or they are unwilling to take up the posts. If I only look at the content of paragraphs 135 and 137, I will ask what the duties of the newly appointed Directors of Bureaux are. He has to "recommend and introduce policies," "canvass support from the Legislative Council and the public," "attend meetings of the Legislative Council to answer questions," "take part in motion debates," and so on. The phrase used here is "to answer questions"; whereas according to what is stated in paragraph 137, the original Secretary or secretary-general is responsible for more or less the same work, including "explain relevant policies," and "reply to questions". My Chinese is not that good: to me, "to answer questions" and "reply to questions" sound the same in meaning. Does the work of the two actually overlap, or the latter has to assist the former to answer questions? Is there a need to employ a D8 grade officer to answer questions for him? At present, many Deputy Secretaries in the Government belong to the D4 grade and are able to, on behalf of their Secretaries, answer queries raised by us in the Council. Should it not be unnecessary to keep the original Secretaries anymore after implementing the accountability system for senior officials? Keeping the D4 grade Deputy Secretary is sufficient to effect liaison on his behalf, and sufficient to achieve a good relationship between the Civil Service and the Secretary under the accountability system.

I think it is unnecessary to establish overlapping structures. Let us look at it from the taxpayers' point of view. From among the present 10 Secretaries or so, after some are promoted as new Secretaries, the rest's post-titles will be changed to secretaries-general, and then some more people have to be promoted

to fill the vacancies of secretaries-general, that is, posts of the D8 grade. Is this necessary? Besides, under the present proposal, if we make the grade of this new post D9, then do we have to raise the grade of the Financial Secretary and the other two top Secretaries? I think the Government has to carefully examine these questions.

Madam President, I now wish to talk about another subject which is rather topical recently, namely the question of civil service salaries. It is not true that private organizations, having to reduce staff and wages themselves due to the economic downturn, are jealous of civil servants not subject to salary reduction, and hence many as well bring the civil servants with their fall and propose that civil service salaries be reduced by 10%. This is not how we think. The figure \$16 billion happens to appear many times in the policy address. For example, waiving the rates charge for one year amounts to about \$14.8 billion, 3% sales tax is \$18 billion, and suspending the sale of the second lot of the MTR Corporation Limited shares is \$15 billion. And \$160 billion happens to be spent on one year's salaries for civil servants, and if we deduct 10%, it is \$16 billion. Certainly, I do not think civil service salaries should be reduced by 10% simply to make up for this amount. What I am concerned about is the proven salary mechanism which the Government after talks about. This mechanism was implemented in 1974 and has been in force for 26 years. Does a mechanism that has been in force for 26 years not warrant a review? I think there is such a need.

Madam President, I may have to declare an interest, because before 1994 my company had always been one of the companies included in the pay trend survey, so I also have a little knowledge about the *modus operandi* of this mechanism. The data collected are only the rise or fall in wages of original employees who continue to work in the same company, but the salary data of people who have resigned, been dismissed, or that of new recruits are never taken into account. Hence, I think this has led to many highly paid ordinary civil service posts today. For example, the monthly salary of a junior clerk is \$11,000, and the monthly salary for a university graduate taking up a government post is \$16,000. But these salaries are 20% or 30% higher than those of private organizations. For this reason, we think reducing civil service salaries by 10% will not greatly lower their quality of life, and not too much out of line with the market. At the same time, it also responds to the Government's frequent argument that we cannot violate the Basic Law, because the Basic Law states that we must keep the benefits and wages of civil servants at the 1997 level.

Hence, I think the Government should give this serious consideration. I do not think either that the business sector will follow the Government to further reduce wages. In fact, the business sector employs more than 3.2 million employees, so any changes in the salaries of 180 000 civil servants will not have any great influence on us.

Thank you, Madam President.

MR ERIC LI (in Cantonese): Madam President, I think everyone in politics will understand the importance of sharing out the work and co-operating with one another in a team and in politics. Therefore, even independent Members in the Breakfast Group have to, to a certain degree, seek a basis of mutual trust and co-operation space, to advance and retreat together within the scope of the matter under discussion with an unspoken understanding and agreement, so that everyone can give fuller play to their respective roles.

An ideal political group or team of course must share the same philosophy of governance as the basis of co-operation, and through a long period of political grinding and merging and baptism, to eventually "eliminate the weed and retain the essential plants, and blend into a whole." However, this process of development may take 10 years or even more than a hundred years. The pace of political development of Hong Kong has been slow. The development of political parties is still in the setting out stage. With constitutional development, every step forward must be taken with the determination of "courage to try, to seek a breakthrough," otherwise vain discussion of idealistic systems will instead halt practical improvement to a standstill.

THE PRESIDENT'S DEPUTY, MRS SELINA CHOW, took the Chair.

A Chief Executive returned by election has fundamentally changed Hong Kong's political ecology. There is great transparency in the election process. Candidates running for the office have to have concrete platforms. It would not do to "govern by doing nothing (that goes against nature)." After being elected, he or she has to carefully, step by step, honour his promises, to uphold the integrity of the election system. At present, the elected Chief Executive in the constitutional arrangement is only "a commander without soldiers". Within the

executive machinery, he relies on the "blindly wedded" civil servants as his aides. In the Legislative Council, he is "the helpless loner without vote or power." How to administer effectively to realize executive-led administration under the Chief Executive easily turns into vain military talk on paper only.

Of course, political reality is an art of compromise, and the politically neutral civil service system is originally a kind of compromise arrangement in response to this problem. However, when the Council's political culture changes, with a Chief Executive returned by election, the operation of this body and system of civil servants, to be politically loyal to the Chief Executive and implement his policy objectives, has long become little different from a political machinery that "together we advance and retreat, our guns pointed outwards." The demand on civil servants to be politically loyal actually began already with Governor Chris PATTEN and it is nothing new at all. I believe it has been in operation for almost 10 years. To require this body and system of civil servants laden with political inclination to enhance its political accountability is, I think, an unavoidable process of evolution of the political system.

I have expressed my view in past debates in this Council that it is a high risk in career to require full-time civil servants to bear politically accountable duties, especially when there is not at present a more comprehensive protection scheme for their retirement or "involuntary resignation from the stage". To implement an accountability system in the absence such schemes will make ambitious civil servants hesitant or stay away. On the contrary, the function of the Executive Council has not been put to full use, leaving plenty of room for reform. A great many insightful critics in the community have observed this.

The direction of reform proposed by the present policy address coincides with this. It should be in line with the orderly progress of the long-term political development to meet the needs at this stage. I notice many comments of late, including discussion in this Council, on the contrary, have focused more on the consideration of personnel under the new system, or assuming Mr TUNG will be elected Chief Executive for the next term, some short-term consequences or political considerations as the major point of comment. However, as Members of this Council, I think we should set our eyes on higher and wider perspectives; we should use today's debate as an important event investigating how to perfect Hong Kong's political system.

Similar two-tiered chief executive political systems that demarcate policy making powers and responsibility, with possible management problems of laxity in enforcement, have long been adopted by many politically mature countries, for example, the United Kingdom, Japan, as just mentioned by Mr Andrew WONG. In adopting these systems for Hong Kong, the political risk in the long term is not high, for the proposed system allows the Chief Executive greater freedom to choose his political troupe, to share his glory or shame, which is safer than shaking the foundation of the civil service system. As to civil servants, those who have the ambition, who can co-operate closely with the Chief Executive, will of course find opportunities of promotion and will possibly be given priority consideration by the Chief Executive. Those who will suffer loss will only be those people who want the authority without the political responsibility. However, it is time to eliminate such political "free lunches".

In fact, the incumbent Financial Secretary and the Secretary for Justice were not chosen from the body of civil servants, but are engaged with more flexible contract terms, which I think will help the Chief Executive to choose his own troupe.

As to changes to the Executive Council, the Chief Executive has obviously given it much thought and is openly proposing a reform. On the contrary, Governor Chris PATTEN, in order to form his own troupe, adopted the surreptitious tactic of "stealing an advance", "stealing the sky and putting up a sham sun". He asked Members of the then Executive Council to resign on their own accord, to give himself room to make another selection. I think the President knows best about this tactic. Governor PATTEN was a political figure with political experience and wisdom. Faced with the reality of great constraint over Hong Kong's political system, he resorted to his creativity and political manoeuvre to achieve his own purpose and helped his own administration. The tactic reformed the Executive Council under disguise. As a very practical political figure selected not by election at that time, he adopted that kind of tactic and direction.

In my opinion, in the Executive Council, besides the principal officials, there will be space to give Legislative Council Members opportunities of participation, which is a practice worthy of further consideration and experiment. We hope to bring Legislative Council voices bearing the public wish into the stratum of policy making. The difference from the Legislative Council is that, in the Executive Council there must be consensus, the emphasis being on

resolution and compromise of differences, not for extending argument and dispute of the Legislative Council to the executive. Hence a system of collective responsibility and a system of confidentiality are equally necessary.

An executive-led administration cannot afford worry behind its back, in order to strive with all its might. Even with the position and honour as Chief Executive, he needs in practical politics a team built around him to make his administration smooth and successful. I think even with a Chief Executive returned by direct election, this will still be the necessary development. When the time comes and the administration has not achieved its results or falls short of expectations, not getting the public's approval, and the people of Hong Kong demand that the Chief Executive and his entire troupe of governance be held wholly responsible, there will be no doubts and excuses. Is this not the spirit of a political system that reinforces clearly defined powers and responsibilities? Since no details are given in the relevant proposal in the policy address, I shall speak on it again at a later time. Thank you.

MISS LI FUNG-YING (in Cantonese): Madam Deputy, in this debate session I would like to focus my discussion on mainly the problems facing civil servants and employees of subvented organizations.

The Chief Executive mentioned in the policy address that "a key focus of civil service reforms implemented over the past two years has been to establish the principle of 'serving the community and being accountable'." Then, in a later paragraph, he also referred to the following as one target of the civil service reforms: "We firmly believe in the principle of 'small government'. In the long term, we need to simplify our organizational structure, curb government spending and progressively lower the proportion of public expenditure to Gross Domestic Product." It would certainly be good news to the public if the aforesaid should realize. In particular, the Secretary for the Civil Service has further pointed out in the Policy Objective that the Bureau would ensure that "the Civil Service meets community needs for quality service in an efficient manner". But then, the question remains how the Government is going to achieve these targets.

During last year's debate on the policy address, I particularly emphasized that the over 100 000 civil servants were the backbone of the Government of the Special Administrative Region (SAR). I am very much concerned about the

arrangements for the civil servants who are leaving and those who are staying, seeing that some 10 000 civil servants have applied for voluntary retirement. Regrettably, however, the relevant heads of departments of a number of grades so far have only informed the staff members applying for voluntary retirement that their applications would be approved. Rather than specifying the dates on which their voluntary retirement commences, these heads of departments only told staff members that when decisions were made they would be notified three months in advance of the effective dates of their retirement. Is this a fair practice under the present circumstances? Some departmental managers have been repeatedly saying that there are three to four different kinds of contract staff working in their departments, and that they may be meeting new colleagues every day. Given that some of the staff members are employed on contract terms, while others are pensionable officers, hourly-rated employees or temporary employees, how can these departmental managers mobilize the initiative of staff members to give play to their team spirit? This is indeed a headache to the departmental managers. The civil service reforms have caused anxiety and feelings of insecurity among civil servants, thereby dealing a heavy blow to their morale. I hold that we should never underestimate the effect of this. The effectiveness or otherwise of the civil service reforms will affect directly the SAR Government's governance of Hong Kong and the delivery of quality services to the public. I just hope the Government will not merely concentrate on emphasizing the amount of public money it has saved when summing up the results, for I believe that the people do not wish to see the SAR Government saving up resources at the expense of the benefits of its employees.

Among the streamlining programmes implemented by the Government, the outsourcing of government services has attracted the most criticisms. Let me cite the Housing Department (HD) as an example. In January 2000, the Housing Authority approved a proposal to brief out the management and maintenance work of more housing estates. During the first two years of the briefing out scheme, the management of over 110 000 public housing units was briefed out to property management companies in the private sector. To cope with the implementation of the briefing out scheme, the HD has also introduced the Voluntary Departure Scheme to coerce and coax staff members into resignation. This measure has aroused considerable response from both the Civil Service and the public.

This two-pronged strategy of the HD has indeed succeeded in achieving the target of saving on resources and structure streamlining. At the same time,

however, we have also seen that while a Workman II newly recruited by the Government works eight hours daily for a monthly income of some \$8,000, the HD has ceased recruiting any workman since the implementation of the briefing out scheme. Besides, when the jobs are briefed out, the hourly rate of the same employee doing the same job is less than half of his original income.

Actually, problems arising from briefing out schemes are found in not only the HD. The contractual cleansing scheme of the Food and Environmental Hygiene Department, for example, has also seen cases of workers being gravely exploited by companies having won the cleansing contracts. After winning the contracts for government services, many successful tenderers will take advantage of the excessive supply of labour in the market during the present economic slump and make huge profits by employing workers at harshly low wages. The briefing out schemes have served to create chances of exploitation that are against the interests of workers. Following the proposal made by the Chief Executive in the policy address to create 30 000-odd new jobs, the Government will continue to brief out its services. In order to safeguard the basic rights and interests of workers, I earnestly urge the Government to immediately honour its commitment by adding in new terms and conditions and criteria for tender. Besides, the Government should also carry out the new requirements seriously, formulate stringent reward and punishment conditions to monitor the successful tenderers.

I support the Government saving on resources, enhancing efficiency and upgrading the quality of its services. However, rather than seeking to win the public applause by briefing out services, cutting back on manpower or corporatizing government departments at the expense of the interests of civil servants, these aims should be achieved by straightening up the management of and training for the Civil Service.

I should also like to speak on the reforms affecting subvented organizations, many of which used to peg the pay levels and benefits of their employees with that of the Civil Service. In this connection, the so-called lump sum grant package implemented by the Government is in fact introduced out of goodwill to transfer power to the subvented organizations to enable them to utilize their resources with greater flexibility. But then, many of these social services agencies have actually cut the wages and benefits of their employees on the pretext of flexible utilization of resources. In view of the many complaints received, we have to urge the Government to seriously review this lump sum

grant arrangement, with a view to ensuring that the greater flexibility enjoyed by subvented organizations in resource utilization will not affect the original remuneration and benefits of their employees.

There are currently many voices in society asking the Government to impose a cut on civil service salaries as a means to ride out the present storm together with the public. In my view, a pay cut probably will not have any significant effect on the quality of life of directorate grade officers. What concerns me is that so doing will definitely exert huge pressure on the middle-to-low level civil servants who have already been forced to increase their workload. Given that there is already a mechanism for adjusting the pay level of civil servants, it will be unfair to recklessly ask all civil servants to accept a pay cut in the midst of an economic downturn. I therefore urge the Government to think the matter over very carefully before taking any action.

MR MARTIN LEE (in Cantonese): Madam Deputy, in this session, our discussion will focus on three areas: firstly, administration of justice and law; secondly, the constitutional development; and thirdly, civil servants and employees of subvented organizations. When I knew that our discussion would involve the constitutional structure, I did not know whether to laugh or cry. There are a total of 150 paragraphs in the policy address and the government system only takes up five lines, which is already too much. As Uncle Wah has said, constitutional development is utterly impossible and the constitutional structure and democracy are basically retrogressing.

Madam Deputy, Members may still remember that, before 1996, the Central Authorities sent Mr LI Zhuwen, the former Deputy Director of the Xinhua News Agency, to Hong Kong. After he had very carefully consulted various parties, I learnt that he had recommended Mr TUNG Chee-hwa to be the Chief Executive of the first term. However, I have not seen Mr LI Zhuwen coming to Hong Kong or similar consultation this time. Yet, the leaders of China, President JIANG Zemin, Premier ZHU Rongji and Deputy Premier QIAN Qichen have said in a high profile that they support the re-election of Mr TUNG as the Chief Executive for the second term.

The relevant provisions for the election have been made public now. An aspiring candidate should secure nomination by 100 out of the 800-member Election Committee before he could qualify as a candidate. This is certainly not

a problem for the Chief Executive and I believe at least 400 members would nominate him, or perhaps 700. The problem is how we can find 100 members to nominate another candidate. As we all know, evidently, the Central Authorities strongly support the re-election of Mr TUNG. If anyone dares to run in the election and if he is also a businessman, his company would surely close down. Would there be other good candidates? Madam Deputy, under such a election system and political environment, I can only say that "good candidates dare not run in the election and Mr TUNG just wishes to stay." That is where the problem lies.

As regards the accountability system for senior officials, we all know that the Chief Executive can be removed by the Central Authorities at any time for any reason, by virtue of the Basic Law, under the Chief Executive Election Bill that has been enacted recently. Thus, I already said on that particular occasion that the Central Authorities can obviously turn the Chief Executive into a big puppet through the Basic Law and our electoral laws. The Chief Executive has already turned principal officials into small puppets through the accountability system. After reading the documents, I fail to find any substance of accountability. So long as these ministers and principal officials obey the Chief Executive, they would get the support of the Chief Executive no matter how poor their performance and policies are. It does not matter even if they make mistakes in implementing such policies. Provided that the Chief Executive harbours them, they would not be in trouble. If the Chief Executive does not dismiss them, nobody would have the power to do so. How is accountability demonstrated? Accountability virtually does not exist, needless to say accountability to the public. Therefore, perhaps it would be more appropriate for me to call it the "puppet system without accountability". In that case, should we call it "one cabinet, two systems"? Others may ask why there are two systems under one cabinet. It is simply "while one is ready, the other is not". Thus, the Democratic Party would certainly oppose the so-called accountability system for senior officials.

There is not any timetable specifying when a comprehensive review of the government system will be conducted. But I read in paragraph 150 that the Chief Executive and Mr Michael SUEN have said that a comprehensive review of the constitutional structure would be conducted, though Mr Michael SUEN initially said that it would be conducted immediately after the Legislative Council Election in September 2000, I remember very clearly that he told us at a meeting of this Council that it would be around mid-2000. Obviously, the Chief

Executive had later turned down the proposal of Mr Michael SUEN. Not long after that, Mr Donald TSANG said a review would only be conducted after the Chief Executive Election next year and the Legislative Council Election in 2004. So be it. Nevertheless, the leaders of the three major parties in this Council, that is, the Liberal Party, the Democratic Alliance for Betterment of Hong Kong and the Democratic Party, namely, the Honourable James TIEN, the Honourable Jasper TSANG and I, had debated the issue in public for numerous times. The three parties absolutely supported that the Chief Executive should be directly elected in 2007 and all Legislative Council Members similarly in 2008. I earnestly hope that Mr Michael SUEN and the Chief Executive would not be too slow in doing so. It is meaningless to be so slow because this would only tell the world that they are procrastinating. They would say after the completion of the review that it would be too late for the Chief Executive to be directly elected in 2007 and it is also too late for all Legislative Council Members to be directly elected in 2008. Evidently, they would just go on procrastinating. As the three major parties are so resolute, and I also believe other democrat Members would certainly support us, our supporters would certainly exceed half of the total number of Members of this Council. Thus, I still hope that Mr Michael SUEN can reverse what he was yesterday because what he was yesterday had already reversed what he was the day before. Hence, I hope that he would reverse what he was yesterday to bring back to life what he was the day before. In other words, a comprehensive review of the constitutional system should be conducted as soon as possible. Thank you, Madam Deputy.

MR HENRY WU (in Cantonese): Madam Deputy, in his policy address last year, the Chief Executive promised to examine how, under the leadership of the Chief Executive, the accountability of principal officials for their respective policy portfolios could be enhanced. I am glad to note that the Chief Executive has honoured his words by proposing a preliminary idea in his present policy address on an accountability system for top level officials.

Under the said idea, a new system of appointment will be introduced. Officials appointed on contract terms would each be responsible for policy areas designated by the Chief Executive and would lead the departments within their particular portfolios. They would be appointed to the Executive Council to realize the operation of the accountability system. I support this idea and I endorse it.

At present, policies implemented by the SAR Government often run counter to the policy objectives proposed by the Chief Executive, making it appear that the Government is contradicting itself. Thus administration is thrown into great chaos and difficulty, even causing more social problems. An obvious example that arose recently is the efforts of the Government to ease unemployment by investing heavily to launch infrastructure projects promptly so that job opportunities are created. The Government also organizes training courses to help the jobless to learn skills that will facilitate their switch to other trades in the labour market. However, the efforts are being undermined by some other government policies that are not helpful to job creation but will also increase pressure on unemployment or even destroy the Hong Kong economy and, worse still, affect social stability. These government policies include what I spoke about in the debate yesterday, such as the proposal to totally ban smoking in restaurants and entertainment premises and the cancellation of minimum brokerage. In addition, the Government provides support services for self-employment and business start-up to encourage the unemployed to start their own business. However, some other government policies are forcing some trades, particularly the small and medium enterprises in the securities sector, to close down. This is self-contradictory. When bureaux act against policy objectives, a better description would be "contradicting the Chief Executive in public".

Another example I would like to cite is the idea of building homes in the Mainland as suggested by the Chairman of the Hong Kong Housing Society. Later, it was clarified that the idea was just a misunderstanding

DEPUTY PRESIDENT (in Cantonese): Mr WU, is your speech related to the policy area covered in this session?

MR HENRY WU (in Cantonese): Madam Deputy, yes, it is. I am speaking on the accountability system. I am now expounding on the idea and I was just now speaking on the accountability system.

DEPUTY PRESIDENT (in Cantonese): Very well, please continue then.

MR HENRY WU (in Cantonese): Thank you, Madam Deputy. Colleagues who have a clear mind would be able to tell that that was the result of a lack of communication or consensus or a discord in policies between the Government and public bodies.

I do not intend to argue at length about the suitability of the policies mentioned because this is not within the purview of the session today. I just wish to focus my argument on the proper link between policy objectives as maintained by government departments and those as maintained by the Chief Executive. To my mind, the SAR Government seems to have failed in matching some part of their various policies with the policy objectives of the Chief Executive so that despite the grand visions and correct ideas of governance as espoused in the Chief Executive's policy address, everything becomes futile due to a lack of appropriate enforcement. The real reason for that may be insufficient communication between the Executive Council, the various bureaux and public bodies; or it may be the difference between actual enforcement and operation and the concepts held.

In the new idea of the accountability system, the relevant officials would be appointed to the Executive Council. I trust this would help enhance the communication, co-ordination and discussion between the Executive Council and the Policy Bureaux in formulating policies so that the Government can implement policies efficiently and consistently. Hence, I support the early implementation of the accountability system for senior officials by the SAR Government to enable the Chief Executive to select capable persons to lead the various policy portfolios in Hong Kong to achieve greater improvements in the livelihood of the Hong Kong people and better development in Hong Kong economy. While Hong Kong is caught in economic difficulties, we are in dire need of officials with vision, political wisdom, courage, sense of responsibility, adaptability and a heartfelt care for the well-being of the people. A requirement for these officials is that they must, in implementing whatever policies that are appropriate, meet the challenge of the times and be flexible; they must fit the operation of their respective departments and will not rigidly deal out haphazard policies not appropriate for the occasion or even policies that may antagonize the people, cause social unrest or destroy our economic development.

A political system with clearly defined powers and responsibilities will help improve the current situation where contradictions arise between Policy Bureaux and the policy objectives of the Chief Executive; it will also help

eradicate bureaucracy. I hope the second Chief Executive can within his term of office realize at an early date the idea of an accountability system for principal officials.

Without such a system, as we find ourselves now, I hope that government departments may operate in keeping with the overall policy objectives, improve communication between themselves and conduct more reviews internally to avoid any discord or inept policies that end up in blunders. I also urge government departments to show solicitude for the people's plight. At a time when the economic conditions are difficult, government departments should review some policies that may have the effect of triggering off a wave of unemployment or adversely affecting social stability in order to avoid adding extra burden to the people or the businesses, as this would undermine the relief measures proposed in the policy address. I believe this also reflects the aspirations of the general public.

Madam Deputy, I so submit.

MRS MIRIAM LAU (in Cantonese): Madam Deputy, the Hong Kong economy continues in a slowdown and the general public suffers. Professionals, particularly legal practitioners, are among those who suffer. For a long time in the past, the orientation of the market dictated that most solicitors could focus on conveyancing work, making them less exposed to other areas of work and professional knowledge, such as international law and maritime law. They have not been spending sufficient time on keeping themselves abreast with the times through learning about laws on finance, insurance and information technology.

The world trend now makes it necessary for legal professionals to be both specialists and generalists. One might be able to survive on one or two specialist areas in the past, but not now. Nowadays, lawyers have to pursue continuing education to learn new things and provide diversified services. This is a trend that Hong Kong lawyers must face squarely, through equipping themselves with the knowledge and adding whatever value to themselves that are necessary for survival.

In fact, Hong Kong lawyers have an immediate and practical need to upgrade themselves. The accession of China to the World Trade Organization

(WTO) will bring about opportunities to expand the legal services market because there will be more commercial transactions between China and overseas countries; naturally the need for legal services will increase.

Hong Kong lawyers possess a cosmopolitan outlook and are painstakingly trained. What they are lacking is sufficient specialist legal training and specialty is exactly an area in which mainland lawyers have not yet been able to catch up. Some think that training is useless because, after training, local lawyers may not be able to put the training to use. The market will still be monopolized by gigantic firms, mainly firms with foreign capital because mainland enterprises or foreign investors will still prefer to employ services from these foreign firms for their sheer size, or their dominance. However, I do not think that is necessarily the case because the accession of China to the WTO will generate immense opportunities. Legal services required by the Mainland will cover a wide range of areas and China is a vast country. Hence, I trust Hong Kong law firms, large or small, can find opportunities of development in the Mainland. If, however, we do nothing now and ignore the issue in front of us, local lawyers will miss the opportunities thus arising and opportunities will be lost to foreign firms. This is then a real failure for local lawyers.

Hong Kong lawyers must transform. This is a compelling trend. In addition to stepping up training, we must start with the basics. There must be a complete overhaul of legal education and training in Hong Kong. To basic professional training, there should be added courses on specialized legal topics as options for students to upgrade their calibre and widen their horizons. Students should be equipped with what it takes to be generalists and specialists. I do hope the Government can work closely with the two legal bodies and provide the necessary resources for the training and value enhancement of a modern lawyer.

As I said, the accession of China to the WTO would bring about opportunities for local lawyers. The Chief Executive pointed out in his policy address that one opportunity is to facilitate mainland enterprises negotiating and signing contracts with foreign enterprises here, and, if necessary, they could approach our Courts and arbitration bodies to settle contractual disputes. I know that many lawyers welcome the proposal. Although the SAR and the mainland authorities have agreed on a mechanism for judgements made in arbitration cases in the SAR and the Mainland to be enforceable in Courts in both regions, the agreement does not cover rulings made by the Courts. Thus, to actually enable local lawyers to grasp the opportunities as mentioned, I very

much hope the Government and mainland authorities can open negotiations as soon as possible to arrive at a mechanism acceptable to both regions for mutual enforcement of rulings made by the Courts.

THE PRESIDENT resumed the Chair.

At present, many companies doing business with the Mainland can use arbitration bodies in Hong Kong to settle disputes. This is helpful to promoting Hong Kong as an international centre of arbitration. However, to strengthen this position of Hong Kong, we must carry out localization to allow more local arbitrators to participate in the arbitration of international commercial disputes. In fact, Hong Kong has no lack of expertise or arbitrators but, from the numerous complaints that have reached me, I have been given to understand that local arbitrators did not have the opportunity to develop their skills or accumulate sufficient experience. The reason for that is most of the arbitration work involving large-scale and international disputes is being handled by experienced expatriate arbitrators. Local arbitrators are seldom given the chance to do the work. In the past two years, the shipping industry, in a bid to consolidate and promote the status of Hong Kong as a shipping hub, has been working hard to launch arbitration services relating to maritime matters. But due to a lack of local experts with good experience, their efforts have not yielded much progress. If Hong Kong is to become a *bona fide* international arbitration centre, the Government must address these issues squarely.

I think, in addition to the issues mentioned, the Government has to study mediation service, a service relating to arbitration. Asian people, in particular Chinese people, cherish harmony above everything else. They would rather not refer everything to the Courts. To them, mediation may be a better option than initiating proceedings in the Courts or arbitration when they need to deal with commercial disputes. At present, mediation service is being tried in matrimonial courts. I hope the Government may extend the service to disputes in other areas to popularize the service, so that fewer cases will go to the Courts for judgements and fewer conflicts arise among people due to personal confrontations.

Lawyers have to enhance their value, upgrade the quality of their services, improve the arbitration mechanism and grasp the opportunities arising from the

accession of China to the WTO. Lawyers have to face a number of challenges ahead, but I firmly believe that such problems can be solved if the Government and the legal sector can work together.

Madam President, I so submit.

MR LEUNG FU-WAH (in Cantonese): Madam President, subsequent to the Chief Executive suggesting a direction for civil service reform in the 1998 policy address, the Civil Service Bureau (CSB) drew up a package of proposals in the following year, including the adjustment of the entry salary of new recruits, the change in the terms of appointment, the objective for outsourcing government services, and the implementation of the Voluntary Retirement Scheme. It is clear that the Government has exerted a lot of efforts in fine-tuning the civil service structure. In the long run, to introduce flexibility and to streamline the government structure are rather desirable. However, in the course of implementation, the Government should avoid causing unnecessary damage to the serving staff. We can still remember the Chief Executive had mentioned that such notions of "securing the old and reforming the new" and "gradual and orderly progress" were important when he recapped the civil service reform. However, we found that in the course of reform, scores of unfair and unjust cases had emerged.

At present, the terms of appointment of civil servants are quite diversified. In addition to staff on permanent and pensionable terms of appointment, there are also new recruits on the new "3+3" terms, contract staff, as well as employees on non-civil service contract terms. Since the terms of appointment are so different, the remuneration and fringe benefits are naturally different. In short, the remuneration for the first three types of employees is still protected by the Civil Service Regulations. However, for employees on non-civil service contract terms, other than the mere sheet of contract with the Government, they do not even have the chance of seeking arbitration by any third party if there is any dispute. It is actually unfair to them. I remember I moved a motion in last Legislative Session urging the Government to extend the applicability of the Employment Ordinance to government employees on non-civil service contract terms. The Secretary for the Civil Service declined the proposal for the reason that the Government would not become an unscrupulous employer. No sooner than had he finished saying that remark than the court case of the former Financial Secretary versus his cook in court was heard. It is clear that the

definition of "would not become an unscrupulous employer" as elucidated by the Secretary is indeed open to question. Actually, the case was made public after the Labour Tribunal had agreed to hear it. However, the prior consent of the employer was necessary before the hearing could proceed. One can see that regardless of the fact that employees may have grievances, they shall have no avenue to vent them if the Government is reluctant to become a party.

Despite the Government has frozen the permanent establishment of the Civil Service since 1999, it does not mean that the Government does not recruit employees, as more government employees are recruited on non-civil service contract terms. After the restriction was lifted in this year's Budget, many government departments started to recruit staff. At this time, a lot of posts covered the recruitment exercise are currently held by employees on non-civil service contract terms, to these serving employees on non-civil service contract terms, they naturally will fight for the chance as these posts are finally put in the permanent establishment. Although the probation period will be as long as three years, at least they can enjoy the fringe benefits as well as the opportunity of promotion and pay rise. However, our trade union found that there are unfair and unreasonable incidents in the course of these recruitment exercises. A dozen of assistant managers of cultural services in the Leisure and Cultural Services Department (LCSD) once complained to me that since the Government had frozen the permanent establishment at that time, despite the recruitment advertisement stating it was a civil service recruitment, their status were changed to employees recruited on non-civil service contract terms as soon as they passed the examination and assumed their offices. During the employment period, their duties and working hours were no different from serving civil servants. They had to work even in times of typhoons, but they were not entitled to any overtime allowance or typhoon allowance. The Government said the open recruitment exercise of these posts was conducted on a non-discriminatory principle, and all of the staff sat for the examination voluntarily. The LCSD revealed that since they have accumulated two to three years' relevant experience, according to the instruction of the CSB, the probation period could be shortened at the discretion of the LCSD if they were successfully recruited, but their entry pay would be 20% to 30% less than the existing level. The staff requested the LCSD to raise their entry point in order to reduce the difference, but the LCSD made up excuses to decline their request. We consider the request of the staff reasonable. They are qualified for the entry requirement of the post, they have the professional degree and they have the relevant experience, but they have been unfairly treated over the past two years. The LCSD should assign them jobs

commensurate with their qualifications and increase their entry point on a discretionary basis, otherwise, they may choose to resign and the Government may suffer losing experienced people. Now that some Members have proposed a pay cut for civil servants, so that they can weather the hard times together with the general public, and the reduction should not exceed the 10% ceiling. If the remuneration of these new recruits are 20% or 30% less than those original staff employed on non-civil service contract terms, I hope that officials can step into their shoes, and I believe they will find the shoes most uncomfortable to bear indeed.

Employers dislike the term "unscrupulous employer" most whenever trade unionists like us say it, as they find it very unpleasant to the ear. Actually, we hate to say this, because it implies that some employees are being unscrupulously treated. However, I have to say it again today, and this time around, the unscrupulous employer is the LCSD. Recently, a worker complained to our trade union about it. He was formerly employed by the now-defunct Urban Services Department (USD, the present LCSD) as a part-time camp counsellor and had been working in a holiday camp for 10 years. During his employment period, he was responsible for the management of on-camp facilities. He was paid a hourly wage of \$80, which sounds not bad at all. In March this year, his supervisor told him he was laid off. Except for the basic salary, he could get no long service payment nor any paid leave. It was because his supervisor deliberately made a working schedule not in compliance with the "less than 18 hours for a continuous period of four weeks" requirement under the Employment Ordinance. His average working hours for a continuous period of three weeks was 40 hours, but the working hours for the fourth week never exceeded the 16 hours 30 minutes limit. That situation lasted for 10 years, it is thus clear that the post was not a short-term demand. However, the USD did not employ a permanent worker, and intentionally shirked the responsibility defined by continuous employment under the Employment Ordinance. This was an act of a unscrupulous employer, and it should be reprimanded.

Madam President, under the Basic Law, the duty of the Legislative Council is to raise questions on the work of the Government and to debate any issue of public interest. In short, the duty is to monitor the administration of the Government. The judgement on the administration of the Government should be based on objective facts; we should praise whatever deserves commendation and criticize whatever deserves condemnation. The notion of the so-called

loyalist or royalist is nothing but relative, as the law of eternity comprises both the positive and negative side, and the crux of the matter lies in rationality.

Madam President, I so submit.

MR LAU CHIN-SHEK (in Cantonese): Madam President, a major issue in the policy area for the Civil Service is undoubtedly "the accountability system for senior officials". However, to most middle-to-lower level civil servants and even to the Hong Kong labour market as a whole, the effect of active service outsourcing and corporatization of some departments by the Government in recent years is just as far-reaching. Regrettably, the Chief Executive has evaded the issue in the policy address.

Earlier, in response to a written question raised by Mr LEE Cheuk-yan in respect of service outsourcing for the next 12 months, the Secretary for the Treasury's reply indicates that due to a plan for quicker service outsourcing, 3 500 posts in government departments and public bodies would be affected in the coming year. So, though the policy address maintains that jobs need to be created, the Government is cutting civil service posts. That means the Government is creating and cutting jobs at the same time. This is like inflicting injury on oneself!

The Government may say outsourcing may also mean more jobs. But people do not need my analysis to recall the numerous sad cases in which it was revealed that workers were paid \$7 per hour without rest days or holidays, or workers worked for over 10 hours a day at paltry wages. These cases clearly show that, given the present economic climate, outsourcing means that the Government is tacitly agreeing to exploitation, forcing the wages of workers to a disgracefully low level.

Continuous outsourcing of government services has created three big problems: firstly, workers working for contractors suffer from exploitation; secondly, the people suffer due to no improvement or even worsened services in most of the outsourced work; and thirdly, the Civil Service as a whole suffers due to poor morale resulting from instability brought about by outsourcing.

In recent years, the Civil Service has been confronted by a series of shocks. They include expanded outsourcing of services, and corporatization in some

departments such as the Survey and Mapping Office. There have been calls lately for all civil servants to lower their salaries, which represents yet another shock. An unstable Civil Service will not only cause an impact on the morale of the civil servants but also injure government work and service quality. I believe what is more important is that a disintegration of the Civil Service will push more workers into the private sector, thereby forcing the salaries of the civil servants downwards. As a result, the private sector, already plagued by a slowdown, will be dealt a further blow. Henceforth, the rat race will cause wages to be suppressed further and the masses will live in dire poverty.

I am not raising alarmist talk for I do not wish to see the masses live in dire poverty or riots rising due to wrongful government policies. Therefore I must now urge the Government to stop the "downsizing" programme in the Civil Service and public bodies, or outsourcing or corporatization programmes so that the Civil Service can be stabilized, leading to a stabilized job market.

Lastly, I also wish to urge the Government to conduct a full review to formally include in the establishment of the Civil Service the 12 000 persons or so employed on non-civil service contract term. This may enable the 10 000-odd contract staff, especially those on short contracts who, on repeated renewals, are in fact working as if they are under longer contracts, to enjoy the same benefits for the same work they do as staff in the establishment.

Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, the Liberal Party agrees that the implementation of an accountability system for senior government officials is a correct direction but the details still remain to be discussed. The most important point is that there must not be any duplication of structure for it will lead to reduced efficiency or wasting of resources.

I recalled that the Secretary for Constitutional Affairs, Mr Michael SUEN, had said before that if the accountability system of senior government officials, previously known as the ministerial system, were implemented, he was worried that the Government could not find suitable candidates for the minister posts. I did not agree with him at that time and now there are evidences to prove my point. We have now got a few successful examples before us. Among us are Mr Antony LEUNG, the Financial Secretary, Dr YEOH Eng-kiong, the

Secretary for Health and Welfare and Miss Elsie LEUNG, the Secretary for Justice; moreover, I believe that there are also many senior government officials or principal officials who would have earned a much higher salary than they do at present if they worked in the private sector instead of for the Government. Therefore, they have really made some sacrifices to a certain extent. They are actually not civil servants, but have only joined the Government at the invitation of the Chief Executive.

I believe that many people would like to serve the community and rise to challenges. They would be happy to serve as principal government officials because it can prove their abilities and they can also do something for the public. And, if they can secure the support of the public, they can improve the quality of living for the community at large. Furthermore, I can boldly venture to say that those who are willing to serve under the accountability system will generally regard themselves as capable, and I believe many other people will also regard them as such. However, if this new system were to be successfully implemented, I think the Chief Executive will have to find solutions to some foreseeable problems first.

First of all, after the new Directors of Bureaux are appointed, how can we determine the status of existing officers serving on D8 of the Directorate Pay Scale, but will take up a new post, which is said to be called "permanent secretary-generals". What will be the working relationship between the two? It is obvious that some Directors of Bureaux will be recruited from the private sector outside the Civil Service. They are not civil servants and will not be one after they become Directors of Bureaux. On the contrary, the incumbent Bureau Secretaries, that is, future permanent secretary-generals are still civil servants who are very familiar with their policy areas. Under such circumstances, will there be cases where the new Directors of Bureaux cannot work in harmony with the new permanent secretary-generals? And, will new Directors of Bureaux face problems where their civil service subordinates just feign compliance?

In order to solve this problem, the most direct and effective way is to allow the Directors of Bureaux some flexibility in choosing their own deputies. However, the criteria of selection must entail such requirements as relevant abilities and qualifications, in order to avoid nepotism in the system.

Moreover, the Government should also take the opportunity of the implementation of the new system to change the Civil Service's long-standing

practice of staying in a rut. The culture of shirking responsibilities and bureaucratic red tape where "for every measure from above, there will be a countermeasure from below" should be eradicated. Future Directors of Bureaux have the responsibility of making changes to the deep-rooted and comparatively negative civil service culture. This will be the tallest challenge for new Directors of Bureaux from outside the Civil Service, but if they do not succeed, then this reform will not achieve marked results.

In 1998, when I spoke on the motion debate on the policy address in the Legislative Council, I said there was no horizontal working relationship among civil servants, that was, there was a lack of co-ordination among different government departments and bureaux. Since each bureau and department may have different considerations, they may not be able to reach a compromise in dealing with certain inter-departmental issues, eventually compromising the cause or causing incessant delays.

In 1999, I proposed that the Government should be resolved to change the non-flexible parochial and narrow-minded problem-solving approach of Policy Bureaux. For issues that have to be solved by inter-bureau and inter-departmental efforts, a horizontal team spirit within the Government should be built up. This is the only way to win the hearts of the people and no matter whether the Government is eventually elected or appointed, it can still command the confidence and support of the people. And, the Government can administer effectively and create a better tomorrow only by doing so.

In appointing senior officials under the accountability system, the Chief Executive seeks to find people of insight to assist him, but not scapegoats to take the blame when something goes wrong. The correct starting point is to ask the Directors of Bureaux to assist the Chief Executive in formulating and promoting government policies in a more flexible manner.

So, in selecting his ministers, the Chief Executive must find people of outstanding abilities who possess relevant knowledge and working experience, and are acceptable to the community. Of course, the cabinet in authority must have a team spirit and a relationship mutual trust, but it does not mean that the prime criterion for selection is that the Directors of Bureaux should be "yes men". It should be noted that the ministers should possess the qualities of leadership and independent thinking. They should fight for their ideas in a rational manner and make appropriate compromises where necessary. Such qualities are generally

not found in the average "yes man". The issue that Mr Jasper TSANG is most concerned about is whether or not the accountability system will eventually help administration. Regardless of how political parties are viewed by the Government and the Chief Executive, they are natural products under a representative system returned by election. Therefore, even if there are no connections at all between the executive and the legislature, the new Directors of Bureaux will still have a hard life.

I would like to talk about the issue of "downsizing" in the Civil Service. We all support that there should not be any layoff in the Civil Service right now, but it does not mean that there should not be any "downsizing". If there is a salary cut of 10% in the Civil Service, \$16 billion will be saved, and 160 000 temporary posts can be created.

MR ABRAHAM SHEK: Madam President, I am pleased that the Chief Executive has laid stress on the quality of administration in the Civil Service in his fifth policy address. He has placed emphasis on the introduction of an accountability system, service culture and the curbing of expenditure and enhancing productivity in various government bureaux and departments.

As we all know, the accountability system has long been demanded by my colleagues in this Council and by members of the public following detailed discussions. I am glad to see that the Government has finally heard our voices and decided to partially accede to our wish that it would be accountable to the public in its work.

Under the proposed accountability system, the top three Secretaries and most of the Directors of Bureaux will be nominated by the Chief Executive, from within or outside the Civil Service, to formulate and implement policies. I support the proposed new system as it gives an opportunity for talented people, who are enthusiastic in serving the public, to join the Civil Service at the most senior levels. I hope that, with new blood at the senior levels, the Civil Service will rid itself of its culture of conservatism and rigidity in decision-making. Madam President, I hereby advise our Chief Executive to take special care in the selection of such senior officials who will ensure that the accountability system is applied throughout the Civil Service in a strict but fair manner. Otherwise, no matter how good the objectives of the accountability system are, the Civil Service will remain the same as in the old days, simply like old wine in new bottles.

In the light of the proposed reform to the most senior ranks in the Civil Service, I would like to raise my concerns about other ranks in the Civil Service. In more prosperous times, most of those who join the Civil Service are enthusiastic in serving the community and are willing to give up better monetary rewards they might have received from working in the private sector. In recent years, Hong Kong has undergone an economic downturn. Joining the Civil Service has become the ideal of those who are joining the working world as they perceive civil servants as being free from layoffs, no pay cut, and with great fringe benefits. In the current economic hard times, the Government should inculcate into civil servants that they have a mission to serve the community to the best of their ability, that they should upgrade the quality of their work and rid themselves of the bureaucratic culture. Gone were the old colonial days when civil servants were neither obedient nor were they serving the public. They were neither the “父母官”, nor were they serving us to the best of their ability. But now we have a new breed of civil servants, who will serve us in the best way that we could expect.

Regarding the curbing of expenditure and enhancing productivity, I would like to see our Civil Service remain a small one. Our government bureaux and departments should increase productivity and efficiency, without downgrading service quality. Co-ordination of various bureaux and departments and better allocation of resources are essential to enhance productivity. Otherwise, curbing expenditure will only result in a downgrading of service quality.

For Hong Kong to maintain its status as an international financial centre and as a world-class city, better than Manhattan Plus, we need a responsible government that must be willing to listen to the people and accept constructive criticisms and recommendations, to rule without fear or favour, and to preserve the rule of law.

Thank you, Madam President.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, in his policy address, the Chief Executive proposes the idea of an accountability system for senior officials. As the name of said idea implies, the system should mean that the officials are accountable to the people. However, in the idea as proposed by the Chief Executive, he is the only person appointing or dismissing the top officials, subject to the endorsement of the Central Authorities. The people or

the Legislative Council are neither empowered to elect the Chief Executive nor equipped with the means to dismiss the officials, with Mr TUNG Chee-hwa directing the entire show. Such a system will eventually become autocratic rule by the Chief Executive. Top officials will become the house servants of Mr TUNG Chee-hwa, who would decide their appointment and dismissal. They will be accountable to Mr TUNG Chee-hwa alone. This is feudalism in modern packaging and a retrogression in democracy. The Democratic Party will not support such a form of neo-autocracy.

In the programme "Letters to Hong Kong", Mr Donald TSANG, the Chief Secretary for Administration said top officials under the accountability system would shoulder political responsibilities and that most democratic countries were operating under the system. This is cheating and nonsense. This is tantamount to removing the democracy content from the ministerial system of democratic countries but preserving the powers of the ministers, and to removing the parliamentary powers to reprimand and dismiss top officials but preserving Mr TUNG Chee-hwa as the only person with the power of dismissal. To say such an autocratic system means democracy or an advanced system or an accomplishment for making principal officials shoulder political responsibilities is to be thick-skinned to bluff and to pull wool over the eyes of the people.

An even more outrageous piece of news as intimated by some sources is that the people will have to pay an extra \$40 million annually for this autocracy by the Chief Executive as salaries for the 10 ministers or so since each minister will be receiving a remuneration of approximately \$4 million annually. Among those who are originally Bureau Secretaries, some may be demoted. Their names will, however, not be announced and they can keep their salaries unchanged despite their demotion. So, they will be paid approximately \$3 million, benefits included. Hence, in the accountability system, we see no accountability coming but someone will be paid more and more. Work will be split into two halves and done by two persons and everyone will be happy. Why the people or the Legislative Council should endorse a system in which people are made to pay through the nose but are not being given democracy in return? I just cannot see why.

Madam President, it appears the latest trend is "get promotion while in office, become rich while not in office". In recent years, many senior officials could join public bodies immediately after retirement, or to private companies without going through a certain period of sanitization, or even take up posts in

private companies that may result in a conflict of interest without the necessary declaration. This is so very widespread and many people are doing it. Just listen to the list of names: Mr LI Kwan-ha, Mr YEUNG Kai-yin, Mr KWONG Ki-chi, Mr Andrew MA, Mr MAK Chun-fong, Mr LAM Chung-lun, Mr Rafael HUI, Mr HUI Ki-on, Mr Stephen LAU, particularly Mr Stephen LAU, who within less than six months of his retirement from the post of Privacy Commissioner for Personal Data, represented his company, which is a private one, to submit a tender for smart identity card. All these people switched to public bodies or private companies very soon after retirement. Undeniably, these former senior officers may possess a certain edge or some abilities, but they have almost monopolized posts in the statutory bodies. Is this phenomenon normal? In some statutory bodies, the relevant officials have been preordained to take up certain new posts even before they left their old ones. Is this normal? Any nepotism there? These officials, who switched to private bodies without undergoing a sanitization period, were free to do so, even though the public may doubt they had a role conflict. Is this a thirst for some push from within the Government? Might there even be those who use their senior positions before retirement to establish clout for the new posts waiting for them? Madam President, the people are fully aware of this "get promotion while in office, become rich while not in office" phenomenon and are indignant at it. Is it not imperative for the Government to investigate into this nepotistic practice? Have some private companies been using public office or some people's powers for private gain? Moreover, top level personnel in public bodies are remunerated at \$4 million to \$9 million annually. Despite the economic recession haunting us now, senior government officials are getting high pay but refusing to reduce their salaries. They even get bonuses. How many organizations in Hong Kong can still afford to pay such handsome sums to their staff? This puzzles the people. Are these statutory bodies not monitored in any way and are therefore able to maintain high salaries for some of their staff regardless of the prevalent conditions?

Lastly, I would like to talk about salary reduction for senior officials. The Democratic Party knows the Government has in place a mechanism for pay adjustment for the Civil Service and that the pay can be reviewed. Now is a time when the economy is experiencing an all-time low. Given the bitter grievances among the people, senior officials should find it expedient to reduce their salaries. One possible model that is preferred is to do as we did the last time around, which is to target at staff at Directorate Grade 3 or above, asking them to deduct what has been added to their salaries for this year from their

salaries in the following month. This will not affect the entire salary structure but may express the intention of the Government to tide people over this difficult period. This is the view of the Democratic Party on this particular subject. Thank you, Madam President.

MR ALBERT HO (in Cantonese): Madam President, first of all I would like to talk about the rule of law situation in Hong Kong. Indeed experience from many countries on the development of the rule of law shows that there are three stages to the development. In the first stage, there must be a legal system that can be enforced comprehensively so that one can do what our Motherland describes as "having laws for compliance". The Government should also be willing to comply with the same system. Of course, if the government accepts that laws can bind the government and leaders of the country, the laws will surely take precedence before policies, government directives and directives from the leaders. Hong Kong has advanced to beyond this stage undoubtedly. We have a very long history in the development of our legal system

In the second stage, when the legal system matures in a relative manner, we expect it to give expression to independence of the Judiciary, trials conducted in a fair and open manner and protection of many basic human rights by procedures and laws which are sufficiently complete. Indeed, many of the basic human rights upheld in the International Covenant on Civil and Political Rights (ICCPR) can be realized here. What is equally important is that law enforcement officers, law-makers and judicial officers respect procedural justice and that they are willing to manifest the spirit of the law. This is very important. In this stage of development in Hong Kong today, we can still see some room for improvement. Ms Audrey EU mentioned some examples a short while ago, telling us how we or government officials have sometimes failed to grasp the concept of the rule of law sufficiently well. Some among this group of people often thought it would not matter if legislation were drafted in a somewhat sweeping manner. They thought that as long as the Government was given sufficiently enormous powers, everyone should then feel at ease and there should not be worries because the Government knew how to improvise and would exercise flexibility in enforcement when the situation arose. The Government would not hurt the innocent. Alas, this is not the kind of law made in the spirit of the rule of law. Then, there is the question of law enforcement officers who make use of the loose areas in law to shape the definition of the words and phrases therein to achieve some administrative purposes and maximize the application of their powers. This we feel worried.

However, I would not say the entire Government is so oriented or applies its power in such a manner or is on the brink of abusing the powers conferred on it. But what has happened in a number of cases in recent years makes us feel that they were no individual events. From the incidents surrounding the *Fortune* Global Forum, we can see the police using traffic regulations to halt political demonstrations which they did not wish to see. This is an issue we must face squarely.

Moreover, our system has an immense fundamental defect. Under the Basic Law, the National People's Congress (NPC) holds the power of interpretation. This power was exercised by the NPC at the request of the Government two years ago, and the impact has been extremely profound. The international community has the impression that the power of final adjudication in Hong Kong is in effect non-existent. The NPC as a political authority is able to overrule the interpretation of the Basic Law by the Court of Final Appeal. This gives rise to some worries. In fact, when we attended some hearings of international human rights committees, many experts on international law or experts on the Human Rights Commission also voiced their concern about this issue. I think the Government must address this issue squarely.

In the third stage, in addition to giving due regard to procedures, the entire community must begin to identify with some specific values commonly agreed and practised in the civilized international community. These values encompass not just procedural principles but specific values. I think these include the right to active participation in politics mentioned in the ICCPR and the numerous specific political, social and cultural rights mentioned in the International Covenant on Economic, Social and Cultural Rights (ICESCR). People should enjoy more than just equality before the law, but also equal protection. They should enjoy equal opportunity, right of abode and right to an adequate standard of living. People should be given sufficient and reasonable protection as far as possible. The Government has little to be proud of in this regard or in its understanding of the ICESCR. The select committee of the United Nations Human Rights Commission responsible for interpretation of the Covenant has repeatedly pointed out that the ICESCR should be legally binding. However, the Government still stresses that it is equally good as a promotion and an objective. I think the Government has the duty to be more specific and determined in implementing the ICESCR.

Madam President, I would like to point out that the Secretary for Justice has been endeavouring to establish Hong Kong as a centre of arbitration in

disputes arising between the Mainland and the international community, and to promote Hong Kong laws by making it applicable to resolving disputes. We appreciate her effort made in this respect. However, as I said, before we can remove doubts from the international community on the power of final adjudication enjoyed by Hong Kong, there is ground for secret worries. Therefore, I think if the Secretary for Justice or the Government can give renewed reassurance that the interpretation of the Basic Law by the NPC will not be repeated (what is done cannot be undone, but it should not be repeated), I think this will only do Hong Kong good. I so submit. Thank you.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, over the past few years, the Government's civil service policy has undergone dynastic changes. Following the civil service reform, the policy address this year put forward a so-called "accountability system" for senior officials. This proposal has not only posed a serious challenge to the civil service system, but also produced a far-reaching impact on the politics and economy of Hong Kong. In sum, we can say that it has led to "job instability", "political instability" and "social instability".

First, job instability. Over the past few years, civil servants became the main target of the Government, citing high salaries, fat benefits, low efficiency, and cumbersome structure as excuses. As a first step, an Enhanced Productivity Programme was introduced to force various government departments to suppress expenditure. In order to achieve this objective, departments resorted to cutting manpower, withholding recruitment, and reducing the number of posts. Worse still, some government departments started to outsource their work and services and turn permanent posts into temporary ones, so as to reduce expenditure on staff welfare. The Government has not only taken the lead to outsource its work. It has even adopted an "indifferent" attitude after outsourcing. As a result, employees were subject to serious exploitation by outsourcing contractors because of a lack of supervision. Just as the Honourable LAU Chin-shek pointed out earlier, workers are working 15 to 16 hours daily at an hourly rate of \$7 only. This should be familiar to all Honourable Members. In the past, the Civil Service was known for its stability and security. Today, civil servants can no longer enjoy benefits and can be fired at any time. This has not only dampened staff morale on the one hand, but also set a bad example of exploitation on the other. Under the Government's "downsizing and trimming" policy, private sector organizations follow suit by

persistently curbing wages. At the same time, longer working hours are introduced, and full-time jobs are substituted with part-time jobs. As a result, employees are subject to extremely unfavourable, unstable and unreasonable conditions of service. Despite the unemployment rate has continued to rise lately, the Government has paid no attention to the hardship faced by civil servants and the public in general and continued its "downsizing" exercise. It was pointed out in the policy address that 30 000 employment opportunities would be created, so to speak. If we look at the 8 000 vacancies offered by government departments, we will see that 7 000 of these vacancies are actually outsourced posts. The Government has also announced earlier that 4 500 government posts will be affected in the coming 12 months as a result of outsourcing. Like ordinary citizens, civil servants are tormented by the flagging economy. Notwithstanding this, the Government has insisted on taking the lead to create job instability. We cannot help but ask this question: Should this be considered an effective policy taken by a responsible government? I am not saying that the Government should not carry out civil service reform. The question is: Is it timely for the reform to be carried out when a sound mechanism is not yet in place?

Second, political instability. As a Chief Executive elected by a small circle, Mr TUNG Chee-hwa has certainly not thought of being accountable to the general public. But surprisingly, he proposed an accountability system for senior officials in this year's policy address. The accountability system proposed by him is not the same as the cabinet system implemented in Britain under which cabinet ministers come from the parliament. They are not only monitored by voters, but also restrained by the parliament. Neither is the proposed accountability system similar to the American-style presidential system under which cabinet secretaries are appointed by the elected President and are monitored by voters. On the other hand, the Congress is empowered to propose bills. Implementation of policies formulated by executive departments has to be effected through the tabling of bills by Congress members. While the executive works in co-operation with the legislature, there is also a check-and-balance mechanism between them. On the contrary, the accountability system proposed by the Chief Executive seeks purely to facilitate his concentration of powers. In future, the Chief Executive will be responsible for the appointment and dismissal of principal officials, who will in turn be required to be accountable to the Chief Executive. In the absence of protection rendered by the civil service system, officials are liable to "be accused of deceiving their superior and decapitation" for expressing dissenting views. Under such circumstances and in the absence

of internal constraint, the Chief Executive will only act in a more high-handed manner. In addition, since the reunification, the Legislative Council has lost all its might thanks to the constraint imposed by the Basic Law. Apart from having its power of proposing bills restricted, it is also subject to an utterly unfair and undemocratic system of separate voting. The legislature is absolutely powerless to restrain the executive. Consequently, the executive-led set-up of administration became executive hegemony. Members of the community are worried that the accountability system will eventually turn into an appointment system that can facilitate the concentration of powers by the Chief Executive. Actually, this model of appointment has been in existence since a long time ago. Both the Secretary for Justice and the Financial Secretary are typical examples. Nevertheless, from what happened over the past few years, we can see that administration by the Government has not been improved as a result of this appointment system. On the contrary, the rule of law in Hong Kong has been severely injured as a result of the "Aw Sian incident". Regrettably, the Secretary for Justice, Ms Elsie LEUNG, supposed to be held responsible, still remains in her seat. This system is actually tailored to the preference of the Chief Executive — those who find favour with the Chief Executive can remain. There is absolutely no democracy and accountability to speak of. How can an undemocratic accountability system that is built merely on personal preferences instill stability?

Third, social instability. Social stability will naturally be undermined when people are facing job instability and political instability. Under such circumstances, we will not only be unable to resolve the problems confronting us, the problems so triggered will even deteriorate. In the past, the Chief Executive used to constantly appeal to us to learn from other cities or countries. From an economic angle, the experiences of some places are indeed worth learning. As the Chief Executive said, we should learn from London, New York, and then Singapore. Now we are asked to learn from Shanghai. If he is only talking about learning from their experience of economic development, there will not be any serious problem at all. But if he is asking us to learn from their political experiences step by step, it will really be miserable. The fact that the Chief Executive has unknowingly named these cities and regions indicates that he is gradually heading towards dictatorship and high-handedness. In my personal opinion, members of the general public will certainly not want to see this. It is also not my wish to see our community head towards a regime ruled by dictatorial and high-handed leadership. I earnestly hope that Mr TUNG can genuinely listen to the voices of the public. Unfortunately, Mr TUNG has

invariably chosen not to do so. For this, I feel sorrowful not only for Mr TUNG, but also for Hong Kong.

Madam President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I would like to focus my discussion on the Civil Service. It is because when we held some residents' meetings in various districts, we discovered that many members of the public were very concerned about issues related to the Civil Service. I think the cause of their concern is the idea of cutting the salary of the civil servants proposed in the second round of Singapore's relief package. Hence discussions ensued. During the discussions, the residents offered many different views, but I would like to tell the Government that the labour sector does not like to see a pay cut in the Civil Service, for we think that once the salary of the civil servants is reduced, a wave of pay cuts may follow. However, if a pay cut can be imposed on some senior officials, I think that would have another effect. So I would like to present some of the views of the public on this. They think that a pay cut should not be introduced for the rank and file of the Civil Service, while a pay cut among the senior officials may serve a social cohesion purpose.

Besides, many people said in the discussions that workers were having a very bad time nowadays. When the Government proposed the creation of some 30 000 jobs, it stressed that the number would include jobs related to outsourced projects or work. As a matter of fact, a lot of government departments have contracted out some work in recent years to outside companies as a result of the Enhanced Productivity Programme (EPP) or civil service reforms. The result of contracting out is a fall in the wages of workers. People are worried that if these 30 000-plus jobs are to be created in the projects or work contracted out, then workers are worried about the kind of jobs which they will get. In the end, the wages they get will be even less.

Madam President, over the past few years, I have handled quite a few labour disputes involving civil servants and the outsourcing system. I have on many occasions met the former Secretary for the Civil Service, Mr LAM Woon-kwong and the current Secretary for the Civil Service, Mr Joseph WONG who is sitting here in this Chamber. We were very upset every time when we saw things like these happen in the Government. It was because the people affected were non-civil service contract staff and as a result of outsourcing

government work, the salary of these people was reduced from the original \$8,000 to \$9,000 to only \$5,000 or even less when they were re-employed by the Government. A large portion of their salary was taken up by companies which was awarded the work. I think the Government has a lot of experience on that. If these 30 000 or so jobs are to be contracted out, I think despite the increase in the number of jobs, the salary of these jobs would remain the same. So I very much hope that, insofar as these 30 000 or so jobs are concerned, the Government will recruit civil servants to fill up the vacancies and refrain from employing these staff by way of outsourcing.

In addition, I hope very much that the Government will not do anything to that will injure the interest of the rank and file members of the Civil Service. Over the past few days, there were newspaper reports saying that the Government was about to contract out some work and that would affect another group of civil servants. I feel that in times such as these, to implement projects like the EPP or civil service reforms will create some unfavourable sentiments in the Civil Service as well as in society. As an able government, it should stop doing things that will injure the rights and interests of its employees, or those of the workers at large.

The Hong Kong Federation of Trade Unions (FTU) proposed an employment-led economic development strategy more than three years ago. At that time, we raised the idea that when public service is to be contracted out, the civil servants should not be affected. We therefore were opposed to the contracting out system. Unfortunately, our views were not accepted by the Government. On 8 March 1998 when the civil service reform was launched, a series of changes took place and as a result the morale of civil servants was undermined. Those affected by the contracting out system found it hard to get a job and a large number of grass-roots workers were affected directly as a result of this. I hope the Government will learn from this lesson and stop contracting out projects when it creates new jobs. The Government should call a stop to those civil service reforms once they have done any damage to the interests of the rank and file civil servants. With regard to the EPP, if government departments only seek to enhance their productivity by slashing the salary or benefits of the staff as they did in the past, then such a kind of programme should also be stopped. I think government officials are aware that over the past couple of years, the Legislative Council has been making criticisms that the contracting out system and the "downsizing exercises", and so on have caused some adverse impact on the Civil Service. That applies especially to the EPP. Whenever a

government department thinks of EPP, it will not try to make any changes in its organizational framework but will only target at the rank and file civil servants direct. Such moves include the contracting out system. Having seen such a state of affairs, we think that there is a need for the Government to re-define the position of the EPP. I recall the then Deputy Secretary for the Treasury, Mrs LAM CHENG Yuet-ngo said repeatedly in the Legislative Council last year that the EPP would not affect civil servants, especially those at the rank and file. However, the fact is that the EPP has been affecting the rank and file civil servants. I would like to say that the Government should know that in times of difficulties, it should refrain from doing anything that will damage the interests of its staff, especially in handling these so-called newly created jobs or in its treatment of the serving staff. Thank you, Madam President.

PRESIDENT (in Cantonese): The time now is 21 minutes past nine o'clock in the evening. The time for Members to speak in this session is up. I will now invite public officers to speak in this session. They have a total speaking time of 45 minutes.

SECRETARY FOR JUSTICE: Madam President, I have listened to this evening's debate with great interest. We all agree that the rule of law, the independence of the Judiciary, and the protection of individual rights and freedoms are the foundations of Hong Kong's way of life.

We must build on these foundations to benefit Hong Kong's economy and to revitalize our legal profession. This is being done in three main ways.

The first is the comprehensive review of legal education and training. This is also in response to the Honourable Miss Margaret NG and the Honourable Mrs Miriam LAU, who have spoken on this subject. The first stage of the review was completed in August this year, when the report of two expert consultants was published.

The Steering Committee has frequently reported progress to the Panel on Administration of Justice and Legal Services, and will start to consider the way forward next week. Although the review is still going on, it has already resulted in improvements being undertaken by the universities.

The Department of Justice is eager to ensure that, if agreement can be reached over necessary reforms, funding should not be an obstacle. It will, therefore, give its full support to requests for government funding for agreed reforms.

The second initiative is being taken by the Chief Justice. His Working Party on the Reform of the Civil Justice System, on which my department is represented, is considering ways in which access to civil justice can be made more affordable and expeditious. A consultation paper is soon to be released.

I note with interest the points raised by Miss Margaret NG and the Honourable Ms Audrey EU about access to justice. Their suggestions concerning free or affordable legal advice, a community legal services centre and mediation deserve serious consideration by the profession and relevant government departments, in particular, the Department of Justice. Meanwhile, I would like to applaud the efforts of many members of the legal profession who regularly provide legal assistance to individuals on a *pro bono* basis, as portrayed by Ms Audrey EU.

The third initiative is in promoting Hong Kong's legal services in relation to the Mainland. My department does this in three ways:

- (1) assisting the legal profession to pursue their proposals for gaining entry into the mainland market;
- (2) promoting Hong Kong as a legal services centre for the negotiation and documentation of China-related contracts, and as a dispute resolution centre for such contracts; and
- (3) as part of that promotion, to seek to establish a mechanism for the reciprocal enforcement of certain judgments delivered in mainland and Hong Kong courts.

I am grateful to Honourable Members who spoke favourably of our proposal to make Hong Kong a legal services centre. I would, however, like to take this opportunity to clarify two points.

- (1) The approach we made to the Ministry of Economy and Trade was not to request a directive that mainland companies must use Hong

Kong as a legal services centre. It was simply to verify the feasibility of the proposal and to promote the merits of Hong Kong as a legal services centre, which contain important features familiar to foreign investors. For mainland parties, Hong Kong has additional advantages of being nearby, and of having a good understanding of the Mainland and a common language. The use of Hong Kong as a dispute resolution centre will enhance the confidence of their foreign counterparts. Indeed, the Government's promotion of Hong Kong as a business and professional services centre is not targeted only at the mainland authorities, but also at overseas investors. The proposal is to maximize our potential, not to beg for any favour, but totally World Trade Organization compatible.

- (2) Honourable Members will recall that, since June 1999, arbitral awards made in the Mainland and in Hong Kong have been mutually enforceable. Arbitration is based on the agreement of the parties, either contained in the contract or reached after disputes have arisen. Similarly, the proposed system of reciprocal enforcement of judgments is limited to civil and commercial cases in which the parties had by contract agreed to have the dispute decided by the Hong Kong court or the mainland court. In the proposed convention, the international convention on jurisdiction in civil and commercial matters and the proposed international convention for reciprocal enforcement of judgments, which are being negotiated, the free choice of the parties is respected. Furthermore, as with the enforcement of arbitral awards, the enforcement of foreign-related judgments in the Mainland is entrusted only to the Intermediate People's Court. I hope that this would allay the fears of Miss Margaret NG on this subject. In any event, any arrangement must give legislative backup and that requires the approval of the Legislative Council. I thank Mrs Miriam LAU for her support to our proposal. I also agree with her that improving our skill in arbitration is very important. As to mediation, this is all part of our proposal to make Hong Kong a legal services centre — a centre for all forms of alternative dispute resolution.

I would now like to turn to a number of issues that have been raised in this evening's debate as affecting the rule of law. Some Members have referred to a

number of old issues time and again in the debate in this Chamber, including the issue of public interest, Sally AW, interpretation of law and so on. Members need only refer to the previous addresses of myself and my colleagues. To those Members who mentioned about the motion of no confidence on me, may I say that if you respect the democratic process, you must respect that the motion was not passed. Both Miss Margaret NG and Ms Audrey EU, and also the Honourable Albert HO spoke at length on the rule of law. Ms Audrey EU commented on the description of the rule of law as found in the policy objective of my department. The policy objective is, of course, not meant to be a declaration of what the rule of law is. In any event, I understand that Ms Audrey EU will move a motion relating to the rule of law later next month and we shall have an opportunity to debate on it much more thoroughly. But I would like to respond to several specific points.

The first relates to the quality of draft legislation. Miss Margaret NG and Ms Audrey EU both expressed concerns in this respect. In their opinion, some bills introduced into this Council were not adequately focused in tackling the perceived mischief. As a result, they say, the bills may have had unintended implications for harmless activities. They went on to say that, when this was pointed out, officials were sometimes content to leave the bill as it stood, on the basis that administrative flexibility could overcome the problem.

I take serious note of these comments and will look further into them. It is an important aspect of the rule of law that the law should be applied equally, and that administrators should not have vague and over-broad discretions. Our bills should be precise and well-focused. If problems have arisen in this respect, I will do my best to ensure that they are not repeated.

Another issue raised by Miss Margaret NG related to the role of the Secretary for Justice in advising the Government, in particular, on its obligation under the international covenants on human rights. I have advised and the Administration accepts that it is obliged, as a matter of international law, to comply with those obligations. However, implementation of the covenants may be by legislative, administrative or other measures, and it is normally left to the contracting state to decide which to adopt. For example, as I have previously explained to this Council, the International Covenant on Economic, Social and Cultural Rights (ICESCR) imposes an obligation on each State Party to take steps, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the Covenant.

I have also explained to this Council why it would be inappropriate for me to undertake never to argue in court that the ICESCR is "promotional" or "aspirational". After all, this view is adopted by local court. I do not intend to repeat those reasons, which can be found in my reply to a question in the Legislative Council on 20 June this year.

The Government's record in complying with its obligations under international human rights covenants, including its reporting obligations, is a good one. There is no basis for concerns about the Government's commitment to the rule of law.

Miss Margaret NG also referred to the continuing use by my department of Court Prosecutors and the recent recruitment exercise to fill vacancies in their ranks.

This issue has been discussed in the Legislative Council, and its Panel on Administration of Justice and Legal Services, on numerous occasions. Suffice it to say that Court Prosecutors provide a professional, efficient and cost-effective service to the criminal justice system at the summary level. I spoke at length on the issue in the Budget debate on 4 April this year and do not wish to waste the Council's time in repeating what I said. I am, however, glad to report that in our recent recruitment of Court Prosecutors, a few qualified lawyers did apply.

The Honourable Miss Emily LAU referred to recent court decisions on the question whether certain persons should receive shorter prison sentences on account of their "foreignness". The resolution of that question is ultimately a matter of sentencing policy for the courts. I have sought reviews of sentence in two cases in which mainlanders were given reductions of sentence on account of the "foreignness" issue. The Court of Appeal will be invited by the Director of Public Prosecutions to clarify the position when those reviews are determined by the court on 5 November 2001.

Miss Emily LAU also suggested that government departments should be subject to prosecution if they fail to comply with the law, arguing that the rule of law requires all persons to be treated equally. I cannot, this evening, go into this complex issue in any depth. However, I would point out that criminal sanctions are not the only mechanism by which government departments can be made to comply with legislation that applies to them. I would also refer

Members to a paper which my department submitted to the Panel on Administration of Justice and Legal Services in October 1998. That paper was entitled "Binding effect of Ordinances: legal and constitutional principles, and policy considerations". The paper contains a number of quotations from authoritative sources to the effect that equality before the law does not require a general similarity of treatment between the Administration and the individual. I will be happy to supply a copy of this paper to any Member on request.

The Chief Executive's initial thinking on enhancing the accountability system prompted comments from Miss Margaret NG in respect of the role of the Secretary for Justice. Miss NG drew attention to special constitutional considerations regarding the post of Secretary for Justice and queried whether there is any need to extend the proposed new system to include that post. Miss Emily LAU also requested me to respond to that.

There is no doubt that there are features of the Secretary for Justice's constitutional position which are unique and which cannot be equated with those of other principal officials. That unique position is recognized in the Basic Law, which provides in Article 63 that the Department of Justice shall control criminal prosecutions, free from any interference. Both in law and in practice, prosecution decisions are taken by the Secretary for Justice independently and not by the Chief Executive or by any other part of the Government of the Special Administrative Region (SAR).

There are other special responsibilities which the Secretary for Justice has, some of which arise from her role as guardian of the public interest. These special roles will be maintained.

As the study is taken forward, I will ensure that any changes affecting the post of Secretary for Justice are in accordance with the Basic Law and fully meet the requirements of constitutionality. However, at this stage, I do not consider that this will present difficulties.

There will be no change in the method of selecting a Secretary for Justice, in that the candidate could continue to be drawn from within or outside the Civil Service. There will be no change in the method of appointment or removal, since these are set out in the Basic Law.

The main difference, under the new system, would be that the Secretary for Justice would no longer be a civil servant and the term of office would not

exceed that of the Chief Executive who nominated her. She would be answerable to the Chief Executive for the success or failure of her policies. Such an arrangement under the Basic Law is no different from that for Attorneys General or Ministers for Justice in many (perhaps most) common law jurisdictions, and the constitutionality of their positions is beyond doubt. Moreover, subject to her independent position in respect of prosecutions, the Secretary for Justice, as a public servant whether politically appointed or otherwise, is required by Article 99 of the Basic Law to be responsible to the SAR Government, and the Chief Executive who leads the SAR Government, and the Government is, of course, accountable to the Legislative Council in the manner set out in Article 64 of the Basic Law.

The independence of the Department of Justice in relation to prosecutions would be unaffected by the proposed changes. The Director of Public Prosecutions remains a civil servant. So far as the Secretary for Justice's role as legal adviser to the Chief Executive is concerned, the Secretary for Justice would continue to be duty-bound to give unbiased and reliable legal advice. So far as policy formulation is concerned, the Secretary for Justice has a fairly narrow (but important) responsibility — in respect of the administration of justice and legal services — and there appears to be no constitutional objection to the Secretary being accountable to the Chief Executive in that respect. Policy responsibility for other areas is vested in relevant government bureaux and the Secretary for Justice's role in relation to those areas would continue to be limited to providing constitutional, legal, and legal policy, advice in respect of them.

As I have said, I do not foresee any real difficulties in taking forward the proposal. Nevertheless, any further representations that may be made on this subject will be given serious consideration.

In conclusion, I would like to thank Honourable Members for their comments on issues relating to the rule of law, legal services and the administration of justice. I am sure that we share a common goal of building on Hong Kong's strengths, and I thank you for your suggestions. I have tried my best, in the time available, to respond to the main points raised as some of them may take days of arguments in court. If anyone would like me to follow up on issues that I have not covered, or would like to continue this evening's dialogue, I would be happy to hear from him or her.

Madam President, I wish to end my address with a more light-hearted note. Although constitutional affairs is the responsibility of my colleague Mr Michael

SUEN, regarding the relationship between the Legislative Council and the Administration, may I add that there are, in the front row of the Administration's section of this Chamber, two principal officials by the surname of LEUNG. The message is clear: there is always room for discussion (萬事有商量). Thank you.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the Chief Executive has outlined in the policy address some initial ideas on how the system of accountability could be improved and set out the main point that the accountability system should be conducted within the parameters of the Basic Law. The proposal is to introduce into the Government of the Special Administrative Region (SAR) a new system of appointing principal officials, applicable to the top three Secretaries (the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice) and most Directors of Bureaux. These principal officials will be appointed to the Executive Council to participate directly in the Government's overall policy-making process, decide the allocation of resources and prioritize the introduction of policies, and be answerable for the success or failure of their work.

Subsequent to the policy address presented by the Chief Executive, the Chief Secretary for Administration has further explained the details of the idea in the Radio Television Hong Kong programme "Letter to Hong Kong". In future, the top three Secretaries and most Directors of Bureaux will form a new decision-making circle. Working under a system similar to the ministerial system, they will be held accountable for the success or failure of the policies within their respective portfolios. That way, the request of society for senior government officials being held political accountable for the success or otherwise of the policies they implement can be answered on the one hand, while the neutrality of the Civil Service can be maintained on the other.

Actually, there has been a lot of discussion about this subject in both the Council and the community before.

During the 12 months since the Chief Executive announced the proposal to examine ways to improve the accountability system, Members of the Legislative Council, academics, commentators and the media have enthusiastically expressed their views on the subject. Earlier in the year, the Legislative Council Panel on Constitutional Affairs conducted a public consultation. We have already analysed the opinions solicited with great care.

Academics, commentators and the media have been expounding on their various views since this year's policy address was released. Today, Members have also provided us with further opinions on the subject. We can see that while there is considerable consensus amongst members of the community regarding the idea of subjecting senior government officials to a higher degree of accountability, views on the specific particulars are widely divergent. We will keep listening to the views from the various sectors of society.

We expect to carry on discussions, exchange ideas and consult with Members on issues relevant to the subject at the meetings of the Panel on Constitutional Affairs in the coming few months.

We will continue exchanging ideas with academics and commentators, and will take note of and consider the views expressed by the different sectors in society and the media.

Now I should like to make some initial responses to a number of points raised by Members. Some Members queried how the accountability of senior government officials could be enhanced and the performance of the Government improved in the absence of full-scale direct elections.

According to the Chief Executive's thinking, principal officials will be fully answerable for the matters within their particular portfolios. Given that their success or failure hinges on the success or otherwise of their policies, they will naturally have a strong incentive to listen carefully to the views of the public and visit the people in person to understand their aspirations. In addition to formulating policies that can cater to the needs of the public as far as practicable to ensure the effective implementation of such policies, they will also strive to provide the general public with quality services. Besides, they will also have a greater structural incentive to enhance communication with the Legislative Council and to strive for the Council's support, with a view to ensuring that their respective legislative and funding proposals will be approved by the Council.

The principal officials vested with power and responsibility will be listening to and considering the proposals put forward by Legislative Council Members more conscientiously, thereby contributing towards their better understanding, communication and co-operation with both the public and the Legislative Council. That way, the overall policies formulated by the Government will be more in line with the wishes of the people and implemented

more smoothly, so that the executive authorities and the legislature can better regulate each other as well as co-ordinate their activities. The general thrust of the initial idea is to specify the respective rights and obligations of the top three Secretaries, Directors of Bureaux and other principal officials on the one hand, and appoint them to the Executive Council on the other. In this way, they will participate directly in the Government's overall policy-making process, set priorities for introducing policies and bills and allocate resources for the Government as a whole. Further still, with an even wider and more comprehensive sphere of vision, they can have a better understanding of the co-ordination between the policies within their particular portfolio with the policies of other principal officials. This will help the Government in striving to better co-ordinate, formulate and implement policies that entail interaction between different government departments.

Moreover, as Members of the Executive Council, principal officials can function more effectively in helping the Chief Executive to perceive the overall situation, assess the various policies, set appropriate timetables and make the right decisions in the light of both the expectations of the public and the changes in society. All these will enable the Government to respond better to the needs of the community, perfect the system of accountability and implement policies in a more effective manner.

There has also been a view that while there is no way for the Council to monitor the situation, the principal officials will be dancing to the tune of the Chief Executive under the accountability system, thereby enabling the Chief Executive to further centralize power and select only those officials who supports him or her. It is only natural and proper that the Chief Executive should select the right candidates who share his ideas as principal officials because this can prevent the Government from formulating policies and effecting administration inconsistently. As such, this arrangement should by no means be described as the Chief Executive selecting only those officials who supports him or her. In many democratic countries, the head of administration also appoints those people whom he or she trusts to key posts in executive authorities. If the head of administration and the candidates he or she appoints as principal officials share the same ideas of governance and values, the tacit understanding and co-operation between them will naturally be much greater. This will in turn contribute to the effective implementation of policies.

Given that they are all vested with well-defined powers and responsibilities, principal officials just cannot turn a blind eye to the public opinion under the

accountability system. In addition to explaining and defending policies, principal officials are also required to attend meetings of the Council to answer questions and take part in motion debates. To ensure the successful implementation of their policies, these officials must obtain the support of both this Council and the general public. If they should ignore the public opinion, their work would naturally meet with strong resistance. Besides, the Legislative Council also has a very influential role to play in this respect. If the policies implemented by the Government should fail, these officials would have to consider taking the blame and resigning in the end.

The power of the principal officials selected by the Chief Executive under the accountability system will not be expanded as a result of the introduction of a new appointment system. The Basic Law stipulates that principal officials shall be recommended by the Chief Executive for approval by the Central People's Government. It is also in accordance with the power vested by the Basic Law that the Chief Executive may recommend to the Central People's Government the removal of certain principal officials from their offices. These are the existing arrangements and such arrangements will remain effective in future.

There has been a view that if the principal officials should be answerable to only the Chief Executive under the accountability system, they would not be held accountable to the public. As I said earlier, it is actually natural and proper for principal officials, as public officers, to be led by and answerable to the Chief Executive who is the leader of the SAR Government. At present, principal officials are ultimately held answerable to the Chief Executive, and this arrangement will also be applicable to the principal officials under the accountability system in future. We will not make any major changes in this respect. Indeed, for most countries in the world, the officials in their executive authorities are also answerable to their heads of administration.

The Basic Law has already made it clear that principal officials shall be answerable to the SAR Government, and has specifically prescribed that the SAR Government must be answerable to the Legislative Council. So, the executive authorities and the legislature all have their respective roles to play within the parameters of the Basic Law; they should regulate each other as well as coordinate their activities. Under the new system of accountability, principal officials shall be fully answerable for the policies within their particular portfolios and held accountable for the success or failure of such policies. This is a step towards enhanced accountability. In case of serious administrative

blunders, the relevant officials will of course be subjected to harsh public impeachment. What is more, the new system will also offer a greater degree of flexibility to enable appropriate remedial measures to be adopted promptly, including the arrangement for the relevant officials to take the blame and resign.

Some have opined that since the principal officials under the new system of accountability are not permanent appointees, they will only take care of short-term results rather than caring for the overall and long-term interests of Hong Kong. Our view is that just because principal officials are appointed on a more flexible contractual system, it does not follow that they will have a narrower outlook than officials on the pensionable establishment, or that they will not take a longer view when formulating policies. Actually, a considerable number of senior officials in the Civil Service are appointed on term contracts. But then, there have not been any cases showing that these senior officials have only focused on short-term results to the neglect of long-term considerations in formulating policies. If the policies formulated by the principal officials under the accountability system in future should be so short-sighted and take care of only the immediate interests without considering the long-term effects on Hong Kong, the Legislative Council, the media and the public will certainly criticize the officials concerned for such policies. These parties will all play a role in monitoring the principal officials and exert pressure on them. Under the new system of accountability, principal officials are required to shoulder full political responsibility, they just cannot afford to ignore the criticisms made by the general public on their policies. Short-sighted policies that are not in line with the wishes of the public will never gain popular support.

There has also been a view that before recommending candidates for appointment as principal officials, the Chief Executive should consult the Legislative Council on such recommendations. Another view even holds that the recommendations should first seek the approval of the Legislative Council, and that the principal officials concerned should resign when given a vote of no confidence by the Council. Actually, the arrangements for appointing and removing principal officials have already been specified clearly in the Basic Law. Since the Basic Law stipulates that the appointment and removal of principal officials shall be recommended by the Chief Executive for approval by the Central People's Government, we must abide by the relevant provisions.

Further still, some people consider the new system unnecessarily complicated on the ground that while there will be Directors of Bureaux

appointed under the new accountability system, certain incumbent principal officials under the existing system will remain as civil servants. These people find it not necessary to have a three-tiered system comprising these two types of principal officials and the heads of departments. We cannot subscribe to this view. We believe there is indeed a need to retain in the existing Policy Bureaux those positions held by civil servants. Under the new system of accountability, the work of the principal officials will cover a very extensive scope and a wide variety of sectors. On the one hand, they must solicit views extensively in formulating policies; on the other hand, they are responsible for the implementation of their policies and must ensure efficient delivery of government services. In discharging their duties, they require the support of senior civil servants and rely on the Civil Service for analysing the problems relating to their policies and to implement their decisions. In particular, the civil servants who are currently Secretaries of Bureaux will be required to put in great efforts to help the principal officials under the accountability system to master and manage resources, carry out effective internal co-ordination and monitoring work, implement policies and ensure that the policies will be reviewed and revised in time. In view of their level and complexity, these jobs should be handled by incumbent Secretaries of Bureaux who are civil servants. Under the accountability system, the top three Secretaries will be responsible for formulating policies and held answerable for such policies basically. As regards the civil servants at different levels, they will be responsible for implementing policies and discharging management duties.

We expect the Government to formulate quality policies and implement such policies effectively, so we must make reasonable manpower arrangements and enhance the government structure and manpower resources at senior levels. That way, the Government will be able to formulate policies that answer public opinions and target the prevalent problems on the one hand, and ensure the smooth implementation of policies on the other. We expect the relationship between bureaux and government departments to become even closer upon the implementation of the accountability system, so as to ensure the full implementation of policies.

Madam President, it is in the long-term interest of Hong Kong that this idea has been proposed. We need to have a system that progresses with the times and can cater to the changes in the social and political environment. We must respond effectively to the wishes of the public in this respect. The idea put forward in the policy address is helpful to the Government in appreciating the

changes in society, and enhancing the speed and capacity of senior level officials in responding to such changes. That way, policies will be better co-ordinated, effective implementation of policies and improvement to service quality will be assured, while co-operation with the Legislative Council will be enhanced to contribute to a perfected system, higher accountability on the part of the Government and even better standard of administration.

Thank you, Madam President.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, the Secretary for Constitutional Affairs has earlier on responded to the views expressed by Members during the debate on the accountability system. I would like to add a few points on the changes facing civil servants resulting from the proposed introduction of the accountability system. To start with, as pointed out by the Chief Executive in the policy address, the new system will more clearly define the roles, powers and responsibilities of top officials. It will also build on and continue the existing strengths of the Civil Service, such as permanency, professionalism, neutrality, high efficiency, and freedom from corruption.

In response to the remarks made by Mr James TIEN earlier, I would like to point out that officials appointed under the new accountability system will become superiors of the highest-ranking civil servants of bureaux. If officials appointed under the new accountability system are not satisfied with the performance of certain civil servants, the highest-ranking civil servant responsible for managing the Civil Service will be obliged to handle this personnel management issue properly to ensure that satisfactory services are rendered to officials under the new accountability system. Nevertheless, I would like to add that so far the top Secretaries as well as other Directors of Bureaux recruited from the outside have expressed great satisfaction with the civil servants assisting them in their work. Following the publication of the policy address, the Chief Secretary for Administration and I have met with Directors of Bureaux, heads of departments, colleagues performing administrative duties and representatives from a number of civil service bodies and explained to them the idea of the accountability system. The preliminary response received is positive and enthusiastic. We fully understand that this proposal will have far-reaching impact on the civil service structure. Therefore,

we must examine the specific details very carefully. Nevertheless, we believe the Civil Service of the Hong Kong Special Administrative Region will build on its excellent tradition and progress with the times. Moreover, it will face challenges brought about by the new accountability system with a positive attitude, endeavour to work loyally for the Government and serve the public with professionalism and a pragmatic spirit. I also firmly believe that only through a well-defined accountability system can we reinforce the neutrality of the Civil Service and ensure that civil servants render full support to help the Government and officials appointed under the accountability system in administration.

I note that certain reform measures, in particular, outsourcing of government work, have been criticized by a number of Members. Owing to the time constraint, it is difficult for me to respond to the criticisms *seriatim*. However, I earnestly hope that Members can comment on the principles and contents of the civil service reform from a holistic point of view. The civil service reform dates back to 1999 when substantial reform was introduced to the Civil Service with respect to recruitment, remuneration, benefits, management and discipline. Our objective is to make our civil service team to progress with the times and enhance its efficiency in providing the public with services of a higher quality. The impacts of reform that has been carried out have been far-reaching. They include: establishing and implementing a new entry system and starting salaries for new recruits, as well as determining market levels and practice; substituting the long-standing pension policy with a newly set up provident fund system for new recruits; setting aside an additional \$50 million for the implementation of a three-year programme for enhanced training and development of civil servants; launching a voluntary retirement scheme for 59 grades to slash nearly 10 000 posts over a period of three years; implementing a management-initiated retirement scheme for the purpose of upgrading the standard of senior management staff; and launching a team-based pilot scheme and streamlining disciplinary procedures. Considering the size of the civil service establishment and its cumbersome working procedures, we must maintain the stability of the civil service on the one hand and, streamline its structure on the other to raise efficiency, so that we can strive for progress while maintaining stability, and maintain stability amid changes. This is not an easy task at all. In the past year, we have made constant exchanges with civil service organizations and civil servants in general to explain to them the progress of the reform and the ultimate benefits that various measures will bring to all civil servants. We will push through our reform initiatives and, at the same time, keep Honourable Members and the public informed of the development. We

also need to take this opportunity to acknowledge the great efforts and contributions made by civil servants for this cause. At the same time, we will try every possible means to help government departments to resolve problems arising in the course of implementation.

The Chief Executive mentioned the principle of "small government" in the policy address. According to the anticipated progress of our work in containing the civil service establishment, the total civil service establishment will reduce by 17 000, or about 9%, from 198 000 in March 2000 to 181 000 in March 2003. Throughout the process, not a single civil servant has been, or will be, made redundant. Nevertheless, in view of the number of the staff involved, we will need to ensure that public service will not be compromised. Therefore, sometimes we need to make some inevitable arrangements in enforcement and, as a result, we cannot allow all applicants to resign at the same time. Yet we will examine the matter with the relevant departments with a view to resolving the outstanding problems expeditiously.

Concerning the employment control on retired civil servants, directorate grade officers must seek permission from the Government if they wish to engage in paid-work within two years after their retirement. The period usually lasts two years, though it will be extended to three years in the case of Directors of Bureaux. The relevant applications will have to be submitted to the Advisory Committee on Post-retirement Employment for scrutiny. The Advisory Committee is chaired by one non-civil-servant, with the majority of members being non-civil-servants too. In vetting the applications, we will consider whether there is any conflict of interest between an applicant's new job and his previous work in the Government. At the same time, we will consider the public's possible response with respect to the applications. We will reject an application or impose additional conditions for approval if such needs arise. As a matter of fact, we can provide some actual examples for this.

When delivering my speech in this Council last Wednesday, I explained the policies, mechanism, ways of handling and timetable with respect to civil service remuneration. I would like to reiterate that we disagree to a pay cut for civil servants or senior civil servants. This does not imply we do not appreciate the prevalent economic downturn and the various hardships faced by members of the public. We object mainly because we should not act rashly to change a long-standing pay adjustment mechanism based on a set of objective pay trend indicators that includes other elements (such as Hong Kong economy,

government expenditure, and so on). If the Government decides not to adhere to the established mechanism and timetable in the middle of the year and slashes pay suddenly, it will definitely lead to great dispute among the Civil Service. For instance, I am really unable to put forward an objective and convincing argument to determine the rate of pay adjustment or pay cut for civil servants at the moment. Moreover, such an action will, to a certain extent, affect private organizations and the labour market. A decision made on the basis of political gesture will possibly lead to a series of political consequences. Therefore, I very much hope critics can consider the negative impacts of the pay-cut proposal as well. Certainly, when the results of the pay trend indicators for the period 1 April 2001 to 1 April 2002 are available next year, the Government will definitely take various relevant factors into consideration when handling the issue of civil service remuneration. Actually, pay trend indicators can move upward, downward, and may turn out to be positive or negative. We did have negative indicators before. After obtaining the relevant data and, with reference to the prevalent situation then, Honourable Members or members of the public will definitely be able to reach a legitimate, reasonable and sensible conclusion more easily. I strongly believe the Government will allow Members to scrutinize any proposals it may put forward in detail. I trust there will be plenty of opportunities for discussions with Members in detail too.

Madam President, while I strongly uphold the implementation of the civil service reform, I object to imposing a pay cut on the Civil Service. Actually, this precisely illustrates that we are obliged to ensure that civil servants must work harder and more efficiently to provide better service to the public. At the same time, we are also obliged to ensure that civil servants are treated fairly, reasonably, and free from political influence. I hope Honourable Members can understand that the entire Civil Service, whether senior, middle or junior staff, will continue to work diligently to serve the public with a cherished spirit. This is going to be more practical, more harmonious and more meaningful than demanding the Government to cut the pay of civil servants rashly. Thank you, Madam President.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 2.30 pm next Wednesday.

Suspended accordingly at five minutes past Ten o'clock.