

## **OFFICIAL RECORD OF PROCEEDINGS**

**Thursday, 5 February 2004**

**The Council continued to meet at half-past Two o'clock**

### **MEMBERS PRESENT:**

THE PRESIDENT

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

DR 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.

DR THE HONOURABLE ERIC LI KA-CHEUNG, G.B.S., J.P.

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

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

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

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

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

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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, G.B.S.

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., 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, J.P.

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

THE HONOURABLE 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.

DR 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., J.P.

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, J.P.

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, J.P.

### **MEMBERS ABSENT:**

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

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

### **PUBLIC OFFICERS ATTENDING:**

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

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.  
THE FINANCIAL SECRETARY

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.  
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

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

DR THE HONOURABLE PATRICK HO CHI-PING, J.P.  
SECRETARY FOR HOME AFFAIRS

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.  
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

**CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

## **MEMBERS' MOTIONS**

### **MOTION OF THANKS**

#### **Continuation of debate on motion which was moved on 4 February 2004**

**PRESIDENT** (in Cantonese): We will now move on to the second debate session. The policy areas for this session are "food safety and environmental hygiene, health services and welfare services".

**MR MICHAEL MAK** (in Cantonese): Madam President, "allowing the community to take a respite and build up its strength" is the main theme of the latest policy address. Comparing to the so-called caring and just theme advocated by the Chief Executive, the Government's determination in cutting Comprehensive Social Security Assistance (CSSA) and funding for education and health care which has caused great anxiety among the vulnerable, it can be seen how ironic and flashy a theme it is. How indifferent and apathetic a government it is. Absolutely outrageous!

Next, I will focus on medical and health issues. I think the prevention of a large-scale outbreak of infectious disease is certainly the gravest concern of Members. Recently, the onslaught of avian flu in some 10 countries or regions in Asia speaks for itself the urgency of disease prevention work.

Hong Kong is now in an extreme crisis situation confronted by dangers at all fronts. But it is a pity that the commander in chief of this battle, the Secretary for Health, Welfare and Food, Dr YEOH Eng-kiong, who is so arrogant, behaves as if he had fulfilled all his duties, just like what he did during the SARS outbreak last year. He has played down the threat posed by avian flu, disseminating positive messages to the public that the chances of an outbreak of avian flu in Hong Kong are slim. He has turned a blind eye to the imminent dangers at our doorsteps, the serious menace and the dire threat of the city being swept by an epidemic. Even at the outbreak of avian flu in the Mainland, the announcement of the ban on import of live chickens from the Mainland was made reluctantly under the pressure of Members of this Council. He, who reacted slowly despite prompt actions are warranted, definitely does not think in the way the people think and sense the urgency that they sense.

Last year, the Government promised to set up 1 200 isolation beds and establish infectious disease centres. However, as at the middle of last month, only 930 isolation beds were set up. I hope this cheque, so far seems to be a dishonoured one, will soon be honoured by the Government. The Government should also recruit sufficient medical staff, providing them with due training, to build up the surge capacity of hospitals in dealing with an epidemic.

The Centre for Health Protection, tasked to enhance Hong Kong's capacity to prevent and control infectious disease outbreak, has just been established by the Department of Health. I hereby propose to the Government to put the formulation of effective infectious diseases control measures on the top of its agenda in the short term, and to submit a detailed plan to the Legislative Council. As for the medium and long terms, non-communicable diseases related to mental health and occupational safety should be covered by the surveillance mechanism.

However, the Centre should enjoy complete autonomy. I do say complete autonomy. The chief executive of the centre should be an experienced medical professional. That stubborn and arrogant "dictator" should never be allowed to domineer over the Centre and the Department of Health, otherwise, the Centre will fail to perform its intended function. Moreover, the co-ordination between private and public medical systems in disease surveillance definitely needs improvement.

Regarding the new concept on industrialization of health care services mentioned in this year's policy address, I think the concept in itself is absolutely worth supporting. However, for the policy to be successful, the service quality of private sector health care has to be enhanced substantially. This includes improvement in the charging system, transparency, labelling of drugs and service quality. Otherwise, health care services in Hong Kong will fail to win overseas recognition for the world-class standard they have attained, and people may on the contrary worry about laying themselves bare to exorbitant charges.

Madam President, Chinese medicine, a traditional medicinal practice in China of a long history, is of keen demand among Chinese and foreigners. The Chief Executive, in his policy address delivered three years ago, promised that Chinese medicine out-patient services would be provided in 18 clinics in public hospitals by 2005. The Chinese Medicine Ordinance and the relevant regulations have already been enacted by the Government. These have brought hopes to the public, high hopes indeed.

Unfortunately, the hopes held by us in the past remain a bubble so far. So far, only three Chinese medicine out-patient clinics have been completed by the Hospital Authority (HA), while the implementation of the Chinese Medicine Ordinance, the Chinese Medicines Regulation and the Chinese Medicine (Fees) Regulation have yet to be fully commenced. Moreover, in-service health care personnel, like me, who definitely lack the basic knowledge in Chinese medicine theories and clinical experience, can hardly live up to the demands and aspirations of the public for Chinese medicine services. I thus urge the Government to honour its promise as soon as possible.

Another area showing a lack of progress is the total ban on smoking indoors which indeed has a direct bearing on public health. In 2001, a survey conducted by the KPMG commissioned by the catering industry indicated that a total ban on smoking in food establishments would significantly affect their business. However, the report was criticized by The University of Hong Kong and many other related groups for not being credible because of the significant deviation in the sampling method adopted. The survey conducted by The University of Hong Kong on the contrary showed that a total ban on smoking in food establishments would generate additional profits.

As indicated by statistics, there are at present 800 000 smokers in Hong Kong, and the number of people died of smoking-related diseases amount to 6 000 every year. The Government issued the consultation paper on stepping up enforcement on anti-smoking legislation in 2001, since then no progress has been made. Why? For a lame duck, it is. It is led by the nose by those with vested interest. Is the Government trying to allow politics and financial gains to override public health, putting our life at stake?

The other issue that the authorities promised to follow up this year is to enhance primary health care through the development of a pluralistic primary care model in the public health care sector. In fact, as Members all know, I have repeatedly made a request in this Council urging the Government to follow practically the Report of the Working Party on Primary Health Care published some 10 years ago in 1990. It should make every endeavour to promote primary health care instead of confining itself just to work in the public health care sector. As the saying goes, it is always better to take precautions than effecting a cure. The Government should co-ordinate the joint efforts of various departments such as the Health, Welfare and Food Bureau, the Environment, Transport and Works Bureau and the Education and Manpower



Bureau, and community organizations. Only in doing so can we achieve success in primary health care services.

The Government must incorporate primary health care in the curriculum of general education. At the same time, it should step up its publicity work in the community in respect of mental health, environmental hygiene, air quality, diet, interpersonal relation, occupational safety, and so on. People should be taught to be more health conscious, so that their chances of falling ill may be reduced. This approach can offer a solution in the short term and root out the problem in the long run.

In the middle of last year, the Government introduced vigorous initiatives through Team Clean, a programme led by Chief Secretary for Administration Donald TSANG; however, the relevant activities have failed to sustain.

The SARS outbreak has sounded an alarm for public hygiene; the implementation of the initiatives under Team Clean programme is absolutely necessary. A failure to maintain good hygiene in Hong Kong will certainly have a devastating effect on our economy. I thus urge the Government to focus not only on temporary measures, but also on sustainable measures to improve environmental hygiene and help the public to kick their bad habits.

After a comprehensive study of the entire policy address, I am most disappointed that the Government has failed to say a single word on health care financing, an agenda item that I consider very important indeed. Existing policies on health care are no more than stopgap measures. Under the pressure of fiscal deficit, the Government is at its wits' end. In fact, as I raised in a motion in the middle of last month, money and insurance should not be the ultimate consideration for an effective and sustainable health care financing policy. As Mr Jasper TSANG happens to be in the Chamber now, I would like to reiterate that money is really not the only concern. The policy should at the same time take into account primary health care services, quality assurance, provision of choices to the public, public education on the importance of personal health and the correct concept on costs.

Regarding welfare, I agree very much with the various welfare measures proposed by the Government in the policy address, including initiatives on promoting active and healthy ageing and the launching of a comprehensive consultation on the proposed legislation against racial discrimination.

However, I hope the Government of the Hong Kong Special Administrative Region (SAR), while making every endeavour in promoting our economy on the one hand, will not neglect the interest of the vulnerable on the other, including the chronically ill, the disabled, CSSA recipients, single parents, new arrivals, mental patients, AIDS patients and sex workers. They should not be discriminated against by slogans like "CSSA nurtures lazybones", but be offered assistance in different aspects to become self-reliant. I have to remind the Government, if it wishes to create a truly caring and just society, it must remain positive, open and accommodating, for only this can help to establish a truly caring and just metropolitan city.

Thank you, Madam President.

**DR LAW CHI-KWONG** (in Cantonese): Madam President, I will address the Council mainly on the policy areas of health and welfare.

Paragraph 3 of the policy address mentioned the outbreak of SARS last year, pointing out that, "Drawing on the lessons we learnt, the Government has improved the alert and response system to help prevent, identify and control future outbreaks. In particular, we have ensured that front-line medical staff have all the necessary personal protection equipment they need".

It is true that the Government has embarked on the task of making improvements according to the recommendations of the Expert Committee. The Panel on Health Services of the Legislative Council has also established a Subcommittee to follow up matters in this regard. Here I will not go over the discussions in this area again. The issue that I want to raise is a core issue, that is, the problems in Hong Kong's health care system as a whole, such as inadequate resources, inadequate manpower in health care services, inadequate beds and overcrowding in the wards. The workload of health care workers is excessive and there are too many patients to take care of. This is the weakest link in our defence system against diseases and also the major reason for health care workers contracting SARS in hospitals.

Apparently, the Government has increased the resources for coping with SARS, however, it had no sooner done so than it withdrew several times more in resources from the health care system. The capability of our health care system

in handling SARS patients will probably continue to be enhanced for some time in the future, but we must not forget that last year, most of the infected health care workers did not contract SARS in SARS wards or isolation wards. On the contrary, after hospitals had set up SARS wards, the chances of health care workers being infected were even eliminated. It occurred to me, and I have also often talked about this, that in terms of risk management in hospitals, the greater the risk that appears to exist at a place, the lower the chances of SARS infection actually are. In view of this, how can the Government be considered to have drawn conclusions from experience and learnt a lesson? If the number of beds continue to decrease, if the number of health care workers continue to decrease and patients are crowded in such an environment, how can the risk of infection not increase? Moreover, these places are not isolation wards, and of course, some reports have pointed out that even an isolation ward does not accommodate just one patient but two patients, and later on, maybe three patients have to be crammed into one. These issues all touch the crux of the matter.

At the same time, we know that some of the core issues concerning infectious disease have to do with whether health care workers remember to do things like washing their hands. However, when they are very busy at work, they do not even have the time to wash their hands, and if they comply duly and wash their hands every time after they have come into contact with a patient, they may have to wash their hands hundreds or thousands of times a day. This is not practical at all. This is related to the core issue of workload.

As regards how to solve the problem of workload, this is in turn related to the issue of health care resources. It would not do to say on the one hand that the resources for coping with SARS will be increased, but on the other hand, other resources for hospitals are withdrawn, so that the result ends up being more or less the same.

The industrialization of health care services is also mentioned in the policy address. The Chief Executive probably had the Individual Visit Scheme in mind, thinking that this could help many private doctors and private hospitals, however, this can only be considered an economic policy. Perhaps for this reason Dr LO Wing-lok talked about the industrialization of health care services in the debate session on economic policy yesterday. This does not fall within the scope of the policy on health care and will not contribute significantly towards the quality of health care services that is available to Hong Kong people.

In addition, I want to raise the issue of welfare. I will not talk about resources today. I wish to hark back to October 2000, that is, nearly three and a half years ago. In the policy address published in October 2000, the last sentence in the message preceding the policy objectives on welfare services of the Health and Welfare Bureau (at that time, that was the policy area of the Secretary for Health and Welfare) was — I do not know if the Secretary still remembers this — "We look forward to working together to formulate this blueprint for our future welfare system". I believe the blue has faded into almost white or has even lost all hue altogether and become transparent because the blueprint is nowhere to be seen. In fact, the process has never been launched.

Earlier on, this issue was discussed in the Legislative Council Panel on Welfare Services after the policy address had been published and I believe many Members will probably raise this issue today. It is precisely at a time when resources are stretched that we have to look clearly in which direction the future development of social welfare should be heading. A blueprint cannot be considered to have been formulated by merely organizing one or two seminars and having discussions together, rather, a comprehensive process to seek a consensus is called for. This consensus is not just a view formed within the Government, nor is it just the view of the social welfare sector, but that of society as a whole. Therefore, in order to work out a blueprint for future development, there must be a process of extensive participation and discussion and those people involved will probably involve my co-workers, service users, members of local communities, local organizations, the business sector, and so on. In this process, it is necessary to find out through discussion what essentially our philosophy on social welfare is, where our values lie and why we want to improve Hong Kong's social welfare. It is absolutely necessary to reach a so-called consensus in order for us to work out a blueprint for the future development of social welfare, and to take forward the relevant work.

Although this issue is no longer mentioned in the policy address this time around, nor in those of 2001, 2002, 2003 or 2004, I hope they will not disappear into obscurity because it has not been mentioned for several years. I hope this issue can be revisited. It is precisely because we are facing on the one hand the problem of tight resources and the tremendous challenges confronting the entire social welfare system on the other — the problems in society, in families and in individuals are all worsening — that we have to consider how best to rise to these challenges. How can the stability of Hong Kong society be ensured and those in

need assisted? It is now time we formulated a blueprint. Therefore, I very much hope that the Secretary can retrieve the policy objectives of the policy address 2000, find this undertaking again and continue to formulate a future development blueprint for the entire society in the coming days.

Apart from paying compliments to the co-operation and partnership of some voluntary agencies, the Chief Executive mentioned little by way of social welfare in the policy address. This evoked in me some strong feelings. Madam President, when you find the Chief Executive expressing his appreciation for their partnership and for their co-operation, one wonders if he is saying to my friends in the social welfare sector, "You have been really good, you did not make any noise and you did not protest. When your budgets were cut or you were downsized, you only protested once or twice and then fell silent. You are really co-operative." However, on this issue, I believe if both parties value this partnership, then we have to ponder why we cannot discuss together the direction of future development and how resources should be used. I believe it is important to hold more discussions.

Another rather unusual issue mentioned in the policy address is its admission globalization will aggravate poverty and pointing out that Hong Kong will also be affected. The Chief Executive was fairly frank. What he meant is that although the economy has improved and the world as a whole will fare well, the country will fare well and Hong Kong will fare well, a problem will still emerge, that is, the problem of poverty will deteriorate. However, unfortunately, the Chief Executive only said that this would be examined.

In fact, if we look back at four years ago and again at the policy address published in October 2000, the Chief Executive had already mentioned the problem of poverty. In particular, concerning social welfare, the issues to be studied included the development blueprint mentioned by me, as well as the Old Age Allowance and a social welfare development blueprint. But all these have failed to materialize. Therefore, when I heard the Chief Executive mention the aggravation of the poverty problem in the policy address this time around, I very much hoped that he could consider seriously how the impact of globalization and even that of CEPA or the accession of China to the World Trade Organization on the poverty problem in Hong Kong could be dealt with.

Moreover, the most important issue is that, when we discuss the problem of poverty, it would be of little help if we merely look at how many thousands of

people have fallen below the poverty line because the causes of poverty vary from person to person. The causes of and solutions to the problem of poverty experienced by the elderly, the disabled, single-parent families and new immigrants are different. Therefore, when we deal with the poverty problem, the first step is always to understand clearly what the factors leading to poverty and the solutions are for different groups caught in poverty and then look for the right remedies and adopt appropriate measures for different groups. Therefore, the work in this area does not amount merely to superficial remarks saying that we have to solve the poverty problem and then after one or two lines, taking a turn and saying that Comprehensive Social Security Assistance (CSSA) is available, so the problem is solved. Rather, it is necessary to consider how this problem can be addressed properly.

I believe the Government also knows that in fact not all poor persons among the general public in Hong Kong are on CSSA. I also know that many people who are not on CSSA are even worse off. How can these problems be solved? Of course, on the one hand, we can say that these people are made of strong mettle in refusing to apply for and receive CSSA, on the other hand, this is also because there is a stigma associated with CSSA. However, we also have to consider how this group of poor people can be assisted and when we talk about the problem of poverty, we are particularly concerned about problems involving children.

If we hope that our society offers equal opportunities and that it is a caring one, we would then ask if appropriate opportunities of development are available to our children. One of the more important strategic directions in youth services is to consider how more equal opportunities and chances of development can be provided to poor children. Concerning this task, I remember that about three years ago, there were already some discussions on the so-called strategic directions. But what has been done? How can we enable young people in straitened circumstances to have access to equal opportunities? In fact, I have not seen any specific arrangements regarding the policy in this area of work. Although we can say that some so-called regrouping or integration of services for youths has been carried out in the past, what is our strategic direction? How can we deal with the deteriorating problem of poverty? How can the problems of poor families and young people be solved? It can be said that nothing has been delivered on this score, and there is not much actual discussion and action as far as the introduction of a policy and actual services is concerned.

Therefore, when all of us have reached a consensus on the deteriorating problem of poverty, we have to seek solutions through some specific study proposals. I hope that in the future, regardless of whether it is the Secretary or the Director of Social Welfare, efforts can really be made take forward the work in this area. Here I conclude my speech. Thank you, Madam President.

**MS CYD HO** (in Cantonese): Madam President, the subject of this session of the policy debate is to build a caring and just society. I hope we can all believe that it is the authorities' true wish. But unfortunately, I notice that the measures taken in the past year merely sought to reduce government services under the pressure to eliminate deficit and cut resources. The underprivileged in society has become increasingly bitterly disappointed as the Government grows all the more unkind. Under the pressure of a budget deficit, it is necessary to improve administrative measures to enhance efficiency. We need to tackle the problem as soon as possible to pre-empt a deterioration of the situation which will then entail even more manpower and resources to remedy. Yet we are really slow in improving our administration, lagging behind the development of general circumstances. The policy areas of health, welfare and food safety in fact account for 30% of government expenditure, catering for the health of the general public and the support for the socially disadvantaged groups. They together form a very important portfolio. However, as demonstrated in the last outbreak of SARS, when problems arose in our system, be they caused by a lack of resources or maladministration, their damage to society could be disastrous.

As evidenced in the last outbreak of SARS, the transmission of infectious diseases knows no geographical boundaries. It seems to be impossible to put up an impermeable shield of protection and defence. Nevertheless, what we can do is to effectively control the spread of the epidemic once the first case is reported. Yet the institutions responsible for public health care maintain no structural connection and lack flexibility in handling unexpected outbreaks of epidemic, resulting in the slow reaction of the Government as a whole. Thus the threat of the epidemic is not grasped in a timely manner, missing the opportunity for adoption of suitable precautions. It thus results in double losses of lives and economic benefits.

As regards policy, first, I would like to urge the Government to improve its communication with our neighbouring regions. If there are still insufficient official channels, we have to encourage academic institutions to collect

information through non-official channels, so that there can be enough information to enable us to maintain a high degree of alertness. Second, we should examine the structure of public and private health care services with a view to enabling us to instantly deploy extra manpower and resources at times of crisis. Third, we should review the existing Quarantine and Prevention of Disease Ordinance as soon as possible. It has been almost 70 years since this Ordinance was passed in 1936. The social situation has long changed, so many of the provisions have already become obsolete. For example, visitors are no longer limited to third-class passengers entering Hong Kong by train as described in the Ordinance. Nowadays, guesthouses are no longer small inns standing opposite the old piers in Sai Wan. It will then be impossible to require guesthouse operators to bear the responsibility of reporting if their guests are infected or not. On the other hand, we hope that the authorities will, by a review of the legislation, give the Government suitable statutory power to perform quarantine or provide mandatory health care. All such tasks demand immediate attention.

Actually, insofar as the abovementioned points are concerned, medical experts have also made such recommendations in the published SARS reports. I urge the authorities to implement them as quickly as possible.

What I have just mentioned is policy, which may not need much money to implement. What I am going to talk about involves public expenditure. In fact, the authorities, in particular the Financial Secretary, have to pay much attention. The spread of SARS is an indication of manpower shortage, outdated ward design and inadequate facilities. These are important reasons why health care workers were infected. At present, the authorities are preparing to establish a centre for health protection and employ more personnel and epidemiologists, making up for the shortage of professionals in the present structure. Yet it really needs money. Therefore, no matter from the perspective of meeting actual needs or restoring people's confidence, there is no room for reduction in expenditure on health care and public health.

Here I would like to talk about medical financing. In 1999, the Harvard Report was published, proposing a study on medical financing in society. However, from then on, there has been no more social discussion on the issue. Although the authorities have been slowly introducing changes, for example, the implementation of a review of charges, and in general, people who have the means are willing to accept the new charges, yet we are still unable to implement



the principle of "those who have the means pay more so as to protect the disadvantaged". In fact, there are still many loopholes in the so-called second safety net of the public health care system, which is far from perfect. I urge the Government to take the initiative of consulting the public on the direction of medical financing, in the hope of facilitating a consensus on an ultimate solution. In the last panel meeting, the Secretary said, "We have already discussed it. What if the Legislative Council first holds a discussion to reach a consensus and then we will decide whether to accept it or not?" Madam President, I find this response utterly unacceptable. I fully appreciate that it can be a rather frustrating process for the Secretary to sell a proposal drawn up by him to all parties and all sectors. However, I would like to ask the Government to try another way. Perhaps the Government can invite all sectors to participate in the formulation of a proposal. After discussions, the executive authorities can sum up all the opinions with all sectors together and then present them for public consultation. I believe that social collective wisdom can make a wise decision if the decision-making procedures are properly monitored by the media and the public supplied with accessible and transparent information.

Another job that the Government should do is to reduce the costs of health care. One of the solutions is diversified treatment, as we often mention. Having just been incorporated into the establishment, Chinese medicine should in fact be carefully handled to prevent an escalation of costs in relation to it. However, I think the Government is not sincere enough in the promotion of Chinese medicine, and it is merely taken as a token. After the establishment of the Chinese Medicine Council, the Government has not specifically followed up the registration and examination of Chinese medicine practitioners and other administrative arrangements to determine if they can really take forward the development of Chinese medicine and its transition. I am gravely worried that the costs of Chinese medicine will soon go beyond the affordability of the public, if its development continues in this direction. I hope the Government will not miss the chance. It should promptly incorporate Chinese medicine into public hospital care service, so as to make good use of those professionals trained up by the universities and to give the public an option. In the long run, the medical costs will be reduced.

Madam President, next I am going to talk about social welfare. During an economic depression, the expenditure on social welfare will certainly increase and becomes a burden to the Government. However, the Government has handled the problem in a discriminatory manner. Recently, the target has been

shifted to newly arrived housewives. The required length of residence of eligible applicants for Comprehensive Social Security Assistance (CSSA) has been extended from one year to seven years. Moreover, the Government also refused to disclose how the criteria for discretion are set. As a result, many cases were not fairly handled. This measure may not be compliant with Article 2 of the International Covenant on Economic, Social and Cultural Rights which states that everyone shall be equally safeguarded by the covenant regardless of his capacity. As we all know, the interpretation of the Government may not be the same as that of the relevant commission of the United Nations. We may leave this to other legal experts or until the human rights hearings of the United Nations to draw a conclusion. However, the tightening of eligibility will not help much with the fiscal deficit of tens of billions dollars. On the contrary, it makes the situation of new immigrants and their families, in particular children from poor families, even worse. Without such social investment, it will be even more difficult for society to progress and for the grassroots to break away from poverty. I think the Government should focus on whether these CSSA applicants have genuine needs or whether they are given other assistance instead of their length of residence. The length of residence should not be used to impose a discriminatory hurdle to stop the needy from getting help.

CSSA is a kind of social assistance. In the past, even if you were not qualified to get CSSA, you could still get some short-term assistance for living from other community service organizations. For example, St. James' Settlement has a canteen providing meals for those incapable. They also have a single parent support centre, providing home maintenance and repairs services for single-parent families. However, given the lump sum grant arrangement and the reduction of resources, such organizations have also been compelled to cut their services. If the people themselves did not want to apply for CSSA, or if they did, but encountered many problems, they used to go to these community service organizations to seek help. Now, even short-term assistance is reduced.

The Government has also cut some of its services. With the shutdown of single parent centres, it can only save \$8.5 million per annum. While new immigrants' centres are closing down one after another and the quota of care service is reducing, the grassroots can only get less and less support under the present difficult circumstances. Thus, it is even more difficult for them to get out of poverty. However, it is the authorities' responsibilities to invest in society and provide a safety net. I request the Government to review its long-

term social welfare planning and publish a white paper on it. As mentioned by Dr LAW Chi-kwong earlier, even if there is no blueprint, it is good enough to have a white paper. At least we can have discussion. Provided that it is not transparent and that it will not disappear if not mentioned anymore, I think it is also a feasible step.

On the other hand, we urge the Government to set up a social welfare fund. During an economic downturn with less revenue, the fund can ensure that there will be sufficient resources to meet the increased demand. It can help the grassroots break away from poverty on the one hand, and take care of the incapable or the unfortunate to safeguard their basic living on the other. To build a caring and just society is very difficult. Under a fiscal deficit, the task is even more difficult. I believe it is not only a challenge for the Secretary for Health, Welfare and Food, but also an obligation that requires resolve of the SAR Government as a whole.

Thank you, Madam President.

**MR WONG YUNG-KAN** (in Cantonese): Madam President, today is the Lantern Festival, which is not just the Chinese Valentine's Day but also a day when many members of the public offer chickens in paying homage to the deities. The last thing the devout will want to see is the absence of the chicken from the worship rituals. However, the avian flu epidemic has swept through many countries and regions in Asia and cases of avian flu have been detected even in neighbouring Guangdong Province. The threat of avian flu has made Hong Kong halt the import of live poultry and poultry carcasses from infected areas. Even chickens from local farms have been prohibited from being put on sale in the market because of the culminating stock in retail outlets. Fortunately, this ban lasted only a few days and the public were spared the prospect of having no chicken to celebrate the New Year, as it was the case in early 1998. So far, in dealing with the onslaught of the epidemic, the SAR Government has demonstrated greater resolution in decision-making than in the past, as well as a willingness to strengthen communication with the industry and listen to and accept its views. In sum, there is an improvement.

Up to now, in countries and regions where avian flu outbreaks have occurred, more than 10 million chickens have been culled in an attempt to curb the spread of the avian flu. However, the developments so far are still a cause

of concern to us. Moreover, a series of cases of human infections or even deaths as a result of contracting the avian flu have occurred. So far, no avian flu outbreak has occurred in Hong Kong and great credit is owed to the stringent and effective disease prevention system in place. The year 1997 saw the scary avian flu episode and Hong Kong has always been a high-risk area for an avian flu outbreak since. Each time when there was an avian flu outbreak, the Government and the industry always targeted improvements at inadequacies in disease prevention found in poultry raising and sales venues. After the outbreak in 1997, the Government co-operated with the trade to step up quarantine control of chickens imported from the Mainland and introduced cleansing days for wholesale and retail markets. Following the subsequent outbreak of avian flu at local farms, it also proposed a series of measures to enhance biosecurity in farms. In 1999, the trade made the proposal for the first time to the Government to vaccinate chickens, but the Policy Bureau then kept citing many difficulties and even considered vaccination to be useless. It was not just the Policy Bureau that said so. Even some social microbiologists also insisted on giving reasons against the proposal, saying that vaccination may come up against mutations and expressed a lot of views that should not be expressed by them.

I wish to point out that in the fourth avian flu outbreak in 2002, the Government accepted the view of the trade and adopted vaccination. In early 2003, Secretary Dr YEOH Eng-kiong personally went to farms and poultry associations to meet members of the trade and had some discussions with them. I think it was a wise move on the part of the Secretary in being willing to take on board the views of the trade and introduce vaccination at all chicken farms in Hong Kong, thus serving to prevent an avian flu outbreak on this occasion. In January this year, he went further by requiring that all live poultry imported from the Mainland had also to be vaccinated before they would be allowed entry into Hong Kong. I have also explored this matter with mainland officials. Up to this day, no flu outbreak has occurred in designated rearing farms exporting live poultry to Hong Kong. What I mean is up to now, as I do not know what the future holds.

What is praiseworthy is that in the six years after the first avian flu outbreak, the trade has co-operated sincerely with the Government to make Hong Kong a region in the international community where arguably the most stringent and effective avian flu prevention regime is in place. However, in the face of the avian flu outbreak in Asia and with the developments in this epidemic being

arguably the worst in recent years, if Hong Kong wants to remain unscathed, the task remains demanding. Madam President, to prevent avian flu effectively, the most pressing task is to conduct research on vaccines. Even the World Health Organization has also made such a recommendation. Unfortunately, the Hong Kong Government apparently could not care less. Not only has it failed to take the initiative to research on vaccines suitable for use in Hong Kong, even the research being conducted in some universities is denied any government funding. As far as I know, an Associate Professor of the Department of Zoology in the University of Hong Kong, Dr Frederick LEUNG, is conducting research on vaccines that target diseases affecting poultry and animals in Hong Kong, including the infectious bursal disease and the porcine reproductive and respiratory syndrome. The local trade has taken the initiative to sponsor \$170,000 towards the expenses of the research. Still any government action is lacking.

Last week, the Secretary for Health, Welfare and Food, Dr YEOH Eng-kiong, did not elaborate, apart from announcing three proposals to step up disease prevention and halt chickens from being put on sale in the market, any further to the public what contingency measures had been put in place in the face of the developing epidemic. The Democratic Alliance for Betterment of Hong Kong (DAB) believes that the public's concern about the avian flu is induced not just by the spreading epidemic but more importantly, by their inability to see any counter-measures adopted proactively by the Government. Often, it has taken the occurrence of an incident to elicit remedial measures from the Government. The DAB urges the Government to immediately announce a complete set of contingency measures designed to combat an epidemic, so that the public and the trade can be informed of what contingency measures the Government will adopt under various circumstances. This will allow the trade and the public to make early preparations and express their views.

Madam President, the entire live poultry farming and sales situation is presently shrouded in great unease. The ban on live poultry imports and on local farms offering their chickens for sale has impacted immediately on the operation of the trade. Although the supply of chickens from local farms can resume this Friday, that is, tomorrow, nearly 90% of chicks in Hong Kong come from the Mainland. As long as the epidemic does not recede in the Mainland and the ban is not lifted, local farms will face the prospect of having no chickens to raise sooner or later. On the other hand, the Government has let out the news that the consultation document on a central slaughtering system will be released

this month. As early as the middle of last year, Team Clean made it known beforehand that a consultation exercise would be conducted by the end of last year, but the Government has so far failed to translate this into action. I do not know if this is intentional on the part of the Government or if the timing is sheer coincidence. But at a time when Hong Kong is under serious threat from avian flu outbreaks in neighbouring regions, it let out news again that a consultation document will be released. This has indeed left many members of the trade feeling jittery and suspicious of the Government's design. The DAB believes that it is now a critical moment in devising ways to combat the threat of avian flu. The Government needs the sincere co-operation of the trade to jointly repulse the onslaught of the avian flu. It is not advisable to sidetrack now and arouse the trade's misgivings about the Government's design and damage the basis on which the trade and the Government have co-operated throughout all these years.

Madam President, the policy address proposed the food safety management concept of "from-feed-to-table". From the viewpoint of food safety, this is certainly very much worth supporting. However, in culinary matters, apart from attention to safety, it must be noted that culinary matters *per se* can be an important economic activity and an important cultural feature. To strike an acceptable balance between food safety, the economy and culinary culture is precisely the area requiring the greatest consideration when the Government formulates its policy. Take a central slaughtering system for poultry as an example, with the effort made by the trade and the Government and the co-operation between them for many years, the hygiene of and disease inspection on live poultry have attained very high standards. The fact that there is no avian flu outbreak in Hong Kong presently indicates that the existing practices are effective. If we overlook the efforts made by the trade over the years, if we pay no heed to the traditional Chinese culinary culture and the eating habits of the public, implement a central slaughtering system that cannot be guaranteed to be perfectly safe and deprive tens of thousands of workers in the live poultry trade of their means of living, I believe the Government must have second thoughts about whether such a price is worth paying for. More importantly, if the central slaughtering system is to be implemented in the future, can such a system be implemented in Hong Kong? I hope the Government will also take this point into consideration. Otherwise, by that time, the slaughtering will be done in Shenzhen and no central slaughtering system will be implemented in Hong Kong. If no live chickens can be allowed into Hong Kong, how would a central slaughtering system be necessary? Therefore, I hope the Government can think twice.

Madam President, the challenges confronting the fisheries and agricultural sectors do not come just from epidemics; the bigger challenge lies in their direction of development in the long term. As far as agriculture is concerned, the area of arable land is decreasing due to the urbanization of the New Territories. Coupled with mistakes in urban planning, many new development areas are often located adjacent to poultry and animal farms. Residents have to put up with the nuisance caused by poultry and animals, whereas the farms have to bear the brunt of complaints lodged by residents against the nuisance caused by errors in planning. In fact, as early as 1986, the sector has already proposed to the Government that priority agricultural zones be established. I also proposed in 1998 that the SAR Government should establish priority agricultural zones to group crop cultivation and animal and poultry farming together and carry out proper planning when speaking on the subject of a sustainable agricultural and fishery policy, so that agricultural areas can be located far away from new development areas, thereby reducing the conflicts between the two.

On the other hand, we are glad to see the beginning of the development towards organic farming in crop cultivation in Hong Kong. The Agriculture, Fisheries and Conservation Department (AFCD) has also designed a set of labels and launched promotion efforts for local organic products. This is an area of active work by the Government in recent years in order to promote local agricultural and fishery industries, and this should be approved. We hope the Government can encourage the local agricultural and fishery industries to develop in the direction of producing quality products by offering strategic promotion and assistance. At the same time, more promotional work should be done to promote quality local agricultural products and establish the reputation of Hong Kong brand names.

Here I would like to talk about the fishing industry. In the policy address, several new measures, such as a moratorium on fishing, a conservation area for fishery resources and the issue of fishing licences have been proposed to conserve fishery resources in Hong Kong waters. These measures are definitely better than the uncontrolled capture of the past, which has completely depleted inshore fishery resources. However, there are tens of thousands of fishing boats engaging in inshore fishing in Hong Kong and South China. With not enough to go around for so many, fishing in inshore waters and in the South China Sea can no longer offer any window of opportunity for the development of the fishing industry. The industry has been proposing all along that assistance be offered to local fishermen to transform and develop the industry into an offshore fishing industry. Although the Government has allocated resources to

the Fisheries Development Loan Fund, the amount in the fund is still insufficient in meeting the need of nurturing the development of offshore fishing. Apart from capital, other matching measures such as training for fishermen, liaison with international fishery organizations and overseas fishery bases are also very important.

Madam President, recently I have received requests for assistance from 31 fishermen operating trawling fishing vessels concerning their applications for loans from the Fisheries Development Loan Fund of the AFCD. They pointed out that in recent years, the abnormal soaring of price of fuel in Hong Kong against deflation and the falling prices of fish, coupled with the Government's long-standing neglect in developing the fishing industry, has created an increasingly difficult operating environment. In particular, the SARS episode last year, the war in Iraq, the annual two-month moratorium on fishing imposed by our country in the South China Sea and the drastic increase in the number of fishing vessels in Guangdong and Hainan Provinces on the Mainland, from 7 000-odd in 1979 to over 100 000 at present, thus depleting fishery resources in the South China Sea, as well as the lack of government assistance for the offshore fishing industry, have undermined their repayment ability further and further.

Madam President, when the Government set out to establish the Fisheries Development Loan Fund, the goal was to encourage fishermen to develop methods of production by offering low-interest loans to fishermen to build fishing boats, that is, steel hull fishing boats. The Fund was established in 1960 and the interest rate was fixed at 6%. Compared with the prime rate of about 10% some years ago or nearly 20% at its height in the '80s and '90s, the low interest was indeed true to its name. However, the times have changed, and the prime rate has now fallen to 5% and the description of "low interest" is becoming a misnomer. The industry hopes that the Government can adhere to the goal of offering low-interest loans and follow the trend in the present financial market closely by adjusting the interest rate downward to a level comparable with that of the Fish Marketing Organization Loan Fund, which is 1.9%, because there is no reason why there should be two different interest rates for loans offered by the same executive department. It is also hoped that the loans offered for taking out mortgages on fishing boats can be increased because if the cost of manufacturing a fishing boat is \$6 million, only \$1.5 million can be obtained by mortgaging our fishing boats. As a result, fishermen who have obtained loans from the Fisheries Development Loan Fund do not have enough money to cover the debt incurred.



The industry calls on the Government to address the development of the fishing industry seriously by formulating development policies favourable to fishermen and by assisting Hong Kong fishermen so that they can continue with their production, for example, by offering subsidies on fuel or following the examples of the support policies of other countries. If we look at the developed countries and regions of the world, we will find that they have all put in place support policies and set down directions of development. This is also the case in our country. Recently, I went to Macao to have a discussion with its Port Authority, which has also put in place a similar support policy. In Macao, if fishermen apply for bank loans over \$500,000, its Government will provide an interest subsidy of 4%. This has made Hong Kong fishermen green with envy.

Madam President, agricultural products will eventually be sold on the market for public consumption. However, the public markets frequented by the people daily are experiencing serious problems in operation. The report of the Audit Commission pointed out that the long-standing vacancy rates in some public markets have led to serious wastage of government resources. In fact, everyone knows full well the reasons behind the high vacancy rates, which are inadequate facilities in public markets and the far from satisfactory hygiene conditions. Moreover, with the emergence of superstores and the comfort of shopping in them and their attractive prices to the general public, a lot of business has been taken away from market stalls. The Government should have examined what it should do with some outdated markets which lack facilities and carry high vacancy rates. The DAB believes that consideration can be given to dealing with some markets with inherent inadequacies first, however, what is the number of these markets with inherent inadequacies? Do most markets have inherent inadequacies? I think the Government should explore this issue rather than acting in a way that looks as though members of the trade are put on saline drips for bare survival if they may. It is necessary that we consider seriously what to do with these markets.

Madam President, finally, I wish to talk about the issue of environmental hygiene. The threats posed by SARS and the avian flu are precisely the price paid for our neglect of public hygiene. Last year, Team Clean conducted a comprehensive review on a strategy on environmental and public hygiene for Hong Kong and made a number of proposals. Some of them are even very harsh, such as increasing the fixed penalty for littering to \$1,500. After a series of vigorous measures, the overall environmental hygiene in Hong Kong has indeed improved. However, what we need to do in future is to make Hong

Kong people maintain a high degree of vigilance on personal and public hygiene and to build on the achievements of the measures implemented over the past year. Moreover, in view of the increasingly frequent exchanges between Hong Kong and the Mainland, there is an increasing importance in reinforcing the line of defence for public hygiene through co-operation between Hong Kong and the Pearl River Delta (PRD) Region. Although Hong Kong and the PRD have stepped up their discussion, co-operation and notification on public hygiene after the SARS outbreak, the habits and quality of their people are different. With the increasingly intense exchanges between people in the PRD, the differences between them have become all the more obvious. The SAR Government has to, apart from continuously educating the public on the importance of maintaining environmental hygiene, step up the intensity of the publicity directed at visitors, so as to truly maintain the cleanliness of the environment in Hong Kong.

Madam President, I so submit.

**MR WONG SING-CHI** (in Cantonese): Madam President, the theme of this debate session is to create a "Caring and Just Society", and in the policy address announced by the Chief Executive recently, it was also emphasized that for those who face setbacks or encounter adversity, the Government should provide the support necessary to help them enhance their capacity and realize their full potential. Ultimately, I hope that in a desirable environment, everyone can become self-reliant through his own efforts.

The Democratic Party has all along supported the general principle of self-reliance. We suggest that the Government should practise "Workfare", and should help those in need to improve their ability to work, find a suitable job and become self-reliant. However, with the changes in our economic environment and Hong Kong heading towards a knowledge-based economy, not everyone can successfully get a job without having to rely on government welfare. Therefore, the Government has to extend assistance to the needy. This is absolutely necessary.

Nevertheless, looking back at the Government's attitude in its welfare policy in recent years, we can hardly have any feeling of "care and justice". After the cut on Comprehensive Social Security Assistance (CSSA), the Government will, from this year onwards, tighten the absence rule for CSSA applicants, requiring them to have resided in Hong Kong for seven years or more

before they can apply CSSA. As a result of this arrangement, the new immigrant mothers who have married Hong Kong husbands are the most badly affected. Judging from the residence requirement, we can see that the majority of the affected are mostly women. On one hand, this policy is discriminating against the new immigrants, and on the other, we even think that it is discriminating against women. This is in violation of the principle of protecting human rights. Giving continuous emphasis to the notion that new immigrants are wasting social resources is in fact creating social conflict, and is also dividing our society. Under such circumstances, how can we create a caring and just society?

Moreover, on the premise of "downsizing", the Government has already cut some allowances to children of CSSA families. For example, allowances for purchasing glasses and meal allowances for students have also been adjusted downwards with deflation, making life more difficult for children of CSSA families. I am not asking that the living of children of CSSA families to be brought up to par with the others, but I am concerned that, in a society where knowledge is becoming more and more important, whether these children have enough opportunities and ability to compete with others when they grow up. Can they break away from poverty and move up the social ladder? Or do they have to continue to live in low income and poverty? I hope that while the Government talks about eliminating its budget deficit, it will not forget the needs of this group of poor people in society.

This year, not much on social welfare was mentioned in the policy address. Apart from the basic general principle, that is big frames such as self-reliance which was mentioned earlier, the Chief Executive has actually failed to spell out in detail how the poverty problem can be resolved. It seems that he has ignored the needs of the low-income earners or the needs for various social welfare presently. This is most disappointing indeed.

According to the World Development Report 2003 of the World Bank, among some 100 countries and regions, Hong Kong ranked 97, that is, we have the most serious case of wealth gap worldwide. The Democratic Party urges the Government to face this problem squarely. It should not think that with the Community Investment and Inclusion Fund of several hundred million dollars, all problems can be solved. The Government should continue to shoulder its due responsibilities, extend support, and really create a caring and just society.

Thank you, Madam President.

**MR JASPER TSANG** (in Cantonese): Madam President, when Mr WONG Yung-kan spoke earlier, he not only reflected the views of the agricultural and fisheries sector, of which he represents, on the handling of epidemic, in particular, the avian flu, but also stated the position of the DAB. I only wish to add a couple of points regarding the prevention and battle against epidemic, as well as the development of primary health care.

Last year, we were hard hit by SARS. While we are still reeling from the aftermath of the SARS outbreak, praying there will not be a resurgence of SARS, unexpectedly, we have to face a raging outbreak of avian flu. We have now witnessed a massive outbreak of avian flu in our neighbouring regions. I am not sure whether Hong Kong is particularly fortunate or not, we were the first to have human infection of avian flu. Over the past few years — over the past six years actually, we have experienced four outbreaks of varying magnitude. As a result, we have built up some experience in tackling avian flu and adopted a lot of effective measures. Let us now take a look at our poultry industry from the farms to import, wholesale and retail sectors where significant improvements have been made indeed. We have contained the epidemic and managed the poultry industry in a fairly sophisticated manner. I still remember that back in 1997 when we had the first outbreak of avian flu, some colleagues of mine and I had inspected a wholesale market and the situation there was absolutely horrendous. We have indeed come a long way since then.

However, we have learnt from the SARS outbreak last year that the effort of Hong Kong alone cannot withstand an epidemic. We have to strengthen the mechanism of notification and co-operation with the Mainland. The present outbreak of avian flu makes us better understand the importance of strengthening regional collaboration.

Globalization — this term becomes popular these days, and so does the term "regional collaboration" — is not only necessary in terms of economic development, but also very significant in terms of prevention and combat of epidemic because the spread of infectious diseases knows no boundaries. We must have a sound understanding of this concept of globalization in our efforts to combat infectious diseases. Since Hong Kong has built up experience in the past and acquired more advanced skills and measures, we can, in fact, play a greater role. I am talking about we should not passively wait for the epidemic-affected regions to seek our assistance. Can our professionals, experts or even the SAR Government be proactive to get in touch with our neighbouring epidemic-affected regions? Apart from assisting them to solve some of their

problems — and I know some of our experts are now playing such a role, the image of Hong Kong can also be burnished by such actions.

The policy address delivered last month has mentioned the development of medical services into an industry. In fact, this can lay a foundation for possible development. More importantly, if this can help our neighbouring regions to contain the epidemic there, it is actually beneficial to Hong Kong and our people. This is because although there is no outbreak of avian flu in our community so far, the people of Hong Kong are actually affected by this epidemic in terms of economic development and the people's livelihood. Due to the massive outbreaks in our neighbouring regions, we are actually being affected. Therefore, I think the SAR Government should attach great importance to the strengthening of regional collaboration, in particular, the setting up of an effective platform for exchange, so that problems can be nipped in the bud and concerted efforts can be made in the prevention and combat of epidemic.

Of course, when we talk about co-operation with the others, we have to get our own problems sorted out first. We ourselves and our society need to do our best in the prevention and combat of epidemic. After the battle last year, I believe everyone in Hong Kong is aware of this matter of importance. We have learnt from the experience last year that the whole territory has to be mobilized and all levels and sectors of the community have to be engaged in the battle against infectious diseases. Therefore, it is worth raising here the issue of how best social resources can be deployed and the so-called third sector fully mobilized.

Last month, when the Government briefed the Legislative Council Panel on Health Services on the policy agenda of the Health, Welfare and Food Bureau, I was particularly interested in one point, which stated that our social programmes would need to be re-oriented from the current model of encouraging passive recipients of resources and services to those that involve people in active learning and problem solving, which would help instill in them self-esteem, self respect and a sense of control. To put it simply, the Government must shift from the service provision approach to a social investment concept and approach.

When I raised this issue at the time, the Secretary apologized to me and said that this concept was only applicable to social welfare and we were talking about health services. May I ask, however, why the concept of social investment cannot be applied to medical and health services. Especially

nowadays, when emphasis is put on strengthening primary medical services and community health care, why can social resources not be more fully deployed? For example, in 2001, the Government decided to set up the Community Investment and Inclusion Fund. This in itself is a measure aimed to encourage social investment, to mobilize the third sector. However, theoretically speaking, I am still of the view that the concept of social investment should not necessarily be confined to policies of social welfare; it is also applicable to such policy areas as environmental protection and education, not the least of which is medical and health.

In the area of medical and health, particularly in the promotion of public health and primary medical services, I sense that the Government seems to remain committed to the service provision approach and overlook the opportunity offered by the community seeking more participation. Basically, a top-down approach has been adopted in the formulation of policies. If the concept of social investment is applied to medical and health services whereby funds and channels will be provided to rope in the forces of the community, such a bottom-up approach may assist the Government in providing medical and health services that can better meet the people's needs with improved efficiency perhaps.

In fact, in the area of medical and health, community-initiated organizations have been existing for a long time in Hong Kong, and they include patient rights groups, concern groups for certain diseases organized by medical professions, and so on. In fact, the local offices of the DAB have often provided primary health care services, for example, health talks and free medical consultations to local residents. It seems that these community organizations can be more flexible and attentive to, or even offer tailor-made services to, certain social groups in the provision of medical and health services to make up for the inadequacy of the Government.

As these organizations invariably receive little positive support from the Government, they usually face a lot of restrictions in the provision of services. For example, since the Community Investment and Inclusion Fund is primarily confined to the so-called welfare, that is, social welfare services restricted to the more narrow concept of the Government, only a handful of organizations of a health care nature have submitted applications for funding. They only represent a few percentage points and the number is extremely small. Can the scope of the Fund be expanded? I would also like to point out that at present, there are

no sufficient channels for these community-initiated organizations to participate in the formulation of our public medical and health policies. As a result, these organizations have been compelled to become pressure groups, in the sense that they have to express their grievances over some policies in a manner very much like a pressure group. Should the Government not provide these organizations a platform on which they can have an opportunity to represent the users of medical services and the general public in participating in the formulation of policies on medical care? This may help the Government to formulate more effective policies on the provision of medical services.

The above two points are what I would like to add. Thank you, Madam President.

**MRS SELINA CHOW** (in Cantonese): Madam President, yesterday, I called on the Government to address squarely the harm inflicted on business operation by tenuous layers of regulation, and expressed the hope that actions could be taken as soon as possible to improve the situation and reverse this trend which is not beneficial to the economy.

Today, I have to point out in particular that since 1997, there have been as many as seven counts of regulation and consultative documents in respect of food alone, including regulation on the constituents and labelling of food and drugs, inspections and grading of food factories, registration and regulation of Chinese medicine, regulation of expiry date labels of pre-packaged foods, consultation on labelling of genetically modified foods, regulation of health claims and consultation on nutrition information labelling. These requirements, one after the other, have already tired the trade out. Groups which are of considerable scale can still keep pace with the discussions initiated by the Government; small and medium enterprises however can only live under horror. This is particularly so in the past few years as they have been subject to undesirable pressure coming from a poor market. They really have the feeling that they are at the mercy of the Government.

No one can question the motive of the Government in introducing these consultations or regulations. Of course, each bureau, department and government official has in mind the health, safety, benefits and well-being of the people, and this is something which anyone, including all trades, who loves this place called Hong Kong and this society will agree. Unfortunately, officials

who are in charge of drafting the documents concerned only pay attention to the good subjective wishes, and seldom take the initiative to understand the actual situation. Take the consultation on nutrition labels as an example. The medical sector, dietitians, the Consumer Council and some Members of this Council have all voiced their demands from their angles, and representatives from the medical sector have even said that they have already carried out extensive discussions. However, after repeated enquiries, we find that their so-called discussions are completely devoid of the participation of suppliers, importers, manufacturers, wholesalers and retailers, and this is where the question lies.

In fact, the professionals have made the demands on basis of their professional knowledge. Though they have ignored the practical difficulties, this is still understandable. However, the refusal of the departments responsible to listen to and accept their opinions has made the trade very disappointed and frustrated. Before conducting public consultations, they have the responsibility to understand the actual situation and make feasible proposals, instead of setting out forcefully and subjectively policies and regulations which the whole trade thinks are absolutely impracticable. This is because when the Government sets out such proposals, apart from causing unnecessary disputes, it will also give the wrong impression that the businessmen are brushing aside the interests of consumers. In fact, anyone who understands the psychology of businessmen will know the truth of "going about your business little by little and it will last long". This is to say one must first consider the demands and aspirations of consumers. To those successful trades, this is a truth that cannot be abandoned. Nevertheless, an indisputable fact is that, compared to the other regions and countries, Hong Kong is only an insignificant tiny market. If we set our own standards thinking that we are right, the only consequence will be a reduced variety of goods on offer, thus stifling the vitality of the trade, raising the prices of food and denying consumers choices.

Madam President, I would like to point out in particular that in recent years, the Consumer Council has made repeated demands as the speaker for consumers. It has done so frequently on the justification that consumers have the right to know, refusing to listen to the opinions of the trade and carry out analyses in order to understand the costs of and difficulty in meeting demands. As a former Chairperson of the Consumer Council, my advice is that both the Consumer Council and the Government have to reflect on whether adjustments should be made in this respect. However, coming back to the issue of nutrition



labelling, I am much obliged to the Secretary and his Bureau, as well as the panel of this Council, for they have carried out in-depth discussions seriously. As a result, the voices of the trade have finally been given due attention. I am very pleased to hear earlier Mr WONG Yung-kan even appeal to the Government. Although he was talking about the supply of chickens, as a basic principle, he called on the Government to strike to a suitable balance between the interest of operators and the need of the market when taking actions. This has induced in me greater confidence in the Democratic Alliance for Betterment of Hong Kong in its stance on similar matters in the future. I also very much hope that other colleagues of this Council can follow this principle when considering matters. I also sincerely hope that the Bureau can fully consider the actual circumstances and take on board the trade views before making sensible policies. Thank you, Madam President.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, I am going to talk about issues in relation to health and welfare. However, with less than six minutes left for me to speak, due to the time constraint, I will focus on some key points.

In paragraph 42 of the policy address, Mr TUNG talked about meeting the challenges of globalization. In his opinion, globalization brings severe challenges, such as intensified competition, corporate restructuring, loss of jobs, more impoverishment and the marginalization of certain social groups. He described in this part the problems that had emerged in the so-called knowledge-based economy and globalization of world economy.

On the other hand, looking back at our community, while Mr TUNG proposed to build up a society emphasizing care, some of our citizens were facing threats brought about by globalization, particularly those grass-roots workers. What welfare policies has the Government adopted in this regard? I do not see any specific government policies in place. Today, our workers are still facing problems. Notwithstanding the improvement in our economic situation, as we can see, those thriving trades and sectors are employing only part-time workers at very low wages. On top of that, they have to work long hours and often work over-time without pay. In fact, as our grass-roots workers have lost their competitiveness in the course of globalization where jobs suitable for them are diminishing, how is the Government going to face the problem and give them assistance?

In another part of the policy address, Mr TUNG mentioned social capital and talked about solving the problems by means of our social capital. However, apparently, to tackle the problem, we need considerable support services to help these people. For instance, we did not realize that the Co-operative Societies Ordinance is so outdated and only applicable to the Civil Service until a group of unemployed women wanted to set up a co-operative society to help people looking after their children or cooking meals. Under such circumstances, has the Government as a whole formulated measures in the light of the plight of the grass-roots workers affected by globalization? As we do not see any such measure, we do hope that the relevant government departments will expeditiously provide assistance to the community, and the Government and the business sector taking forward some related activities, so as to bring more vitality to these people.

There is another point I want to make. When talking about a society emphasizing care, apart from the community force we can see, I feel that the Government itself should also play a part. For instance, how is the Government going to provide assistance to the unemployed, the new immigrants and the elderly? The community has in fact made a lot of suggestions to the Government, yet the Government has to set certain mechanisms in motion for the purpose. Let me cite another example. We in the Hong Kong Federation of Trade Unions have suggested the setting up of an old age retirement protection scheme for years, and we have also suggested that the unemployment problem should not be solved by including those unemployed in the Comprehensive Social Security Assistance (CSSA) Scheme. In this policy address, I cannot see any motions in the relevant policies.

Madam President, I hope that the Government has indeed formulated some specific policies when it talks about building up a society emphasizing care, especially when it is cutting the resources for non-profit-making organizations, that is, related organizations in the welfare sector, thus resulting in their reluctant withdrawal of some services. In a difficult time such as this, I feel that it is time for the Government to consider the need for a continued cut of their resources. I think the Government must consider this: How a society emphasizing care can be achieved while the public is facing hardships on the one hand and the initiatives of support for them are being reduced on the other?

Madam President, I will talk quickly about a health issue. I would like to focus on the recent avian flu. The avian flu is in fact spreading in more and

more places in our neighbourhood. We have already learned a painful lesson during the SARS outbreak. We see that in handling crisis and introducing contingency measures, the Hong Kong Government has had many shortcomings, particularly the delays in policies caused by bureaucracy. Today, with the recent outbreaks of avian flu in our neighbouring regions, people are worried if Hong Kong will lose in the defence ultimately and be attacked by the flu. We are indeed very worried. Nevertheless, as we can see, our decision makers are still tackling the problem with their usual scientific and cool manner, as if nothing serious has happened and everything is under control. I feel that this approach cannot respond to and handle the whole crisis, indicative of a failure to learn from the experience of SARS. The problems emerged in last year's epidemic revealed that the Government was lagging behind the public aspirations.

Madam President, I have read a book lately. It was the *Leadership* written by Mr Rudolph GIULIANI, the former Mayor of New York. It is a very good book. In his book, Mr GIULIANI opined that two points are crucial to the process of making decisions, including handling crisis. The first one is he will watch with his eyes. I believe that Secretary Dr YEOH should watch with his own eyes the way some members of the public are facing the threat of the virus coming to Hong Kong. He might hear two different stories in and outside his office.

The second point mentioned by him is: the decision should be made in the sentiment of the public, but not to face and handle sentimental matters (be they of an emotional or panicking nature) with some so-called clinical attitudes.

As such, I do hope that the officials leading the health care work in the Government of the Hong Kong Special Administrative Region (SAR) should know clearly that whether Hong Kong can be spared alone in a region where avian flu has already broken out in other places. We are worried that our defence will break down at the end. I feel we should formulate our policies in advance, in particular to tie in with the present notification system with the Mainland. The SAR Government should not ask Mr TUNG to go to Beijing again to talk about issues relating to notification after problems have emerged. I hope we can formulate all our policies in the light of the experience drawn from SARS, and not to lag behind the public aspirations anymore. Thank you, Madam President.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, just now Miss CHAN Yuen-han hoped that Hong Kong would not fall to avian flu, yet it has already fallen to another kind of flu. Today I am going to talk more about the disease, yet it is not avian flu.

Hong Kong has already fallen to the "poverty flu". From where have we contracted the disease? It is a global influenza. The disease can be transmitted from human to human and observing personal hygiene (such as washing your hands over and over) alone cannot protect people from contracting the disease. To cure "poverty flu", a vaccine has to be developed by the Government. At present, it can be seen that the "poverty flu" is spreading among families, community and the middle class. We can see that the middle class is beginning to be impoverished. According to figures, people living below the poverty line accounted for 11.9% of our population in 1986, and the percentage increased to 18.5% in 2001. From the increase, we can see that the outbreak has become increasingly serious, with a rise of 50% as a share of our population. In the havoc caused by "poverty flu", Hong Kong has split up into two: the poor side of it and the rich side. With an extreme disparity between the rich and the poor and two different classes, it has caused adverse impacts on social cohesion and stability.

In the face of the "poverty flu" havoc, instead of providing preventive vaccines, the Government is going so far as to giving poisonous injections by cutting resources on social welfare and the CSSA payments. How the Government is going to tackle the poverty problem by doing so? Although I am pleased to note the policy address this year mention that solutions to the poverty problem would be considered, I wonder whether there is any progress in developing the vaccine. When the Secretary came to this Council to discuss the problem last time, the attitude adopted by him was rather perfunctory. I fail to see what has been done in the study at all. I do hope that the Government will on the one hand, consider the problem seriously, be genuinely fair and caring and develop the vaccine for "poverty flu", while refraining from reducing social resources on the other — it is a shame that the Secretary is not here, but he should try to persuade the Financial Secretary not to cut resources on social welfare.

Thank you, Madam President.

**DR TANG SIU-TONG** (in Cantonese): Madam President, the motion topic of this debate session is "Caring and Just Society". Owing to the SARS outbreak last year, the initiatives advanced by the policy address this year are mostly on epidemic prevention. Similarly, I am going to focus mainly on the health care policy of the Hong Kong Special Administrative Region in my speech now.

First, measures on epidemic prevention. The policy address puts forward quite a number of initiatives to prevent infectious diseases, most of which are measures to implement the recommendations of the expert report on SARS, such as the establishment of a centre for health protection and enhanced training for health care workers. Until the outbreak of SARS, there had not been any large and serious outbreaks of infectious diseases in Hong Kong for quite some years. Even other infectious diseases such as tuberculosis and cholera also broke out very rarely, much to the indifference of society as a whole. There was a general decline in the vigilance of society against infectious diseases; even health care workers were not sufficiently trained on such diseases, so they lacked any experience and knowledge of dealing with them; and, no hospital was equipped with any isolation facilities. Although the new measures will increase the surge capacity of the local health care system, only time can tell whether it will be able to cope with the possible twin attacks of avian flu and SARS this year. What is even more important is whether or not those in charge of the health care system are sufficiently alert to crises and able to respond competently. If they can "internalize" everything, the work of epidemic prevention will definitely be facilitated.

Second, a notification mechanism for infectious diseases. Hong Kong itself is quite well-prepared in terms of preventive facilities, but there is still much room for improvement when it comes to the notification mechanism for infectious diseases. Let us take the recent outbreak of avian flu as an example. In this connection, the only thing that Hong Kong has been able to do is to wait passively for a notification from the Guangdong Government. However, since it took time for the confirmation of cases, and also because reports on the epidemic had to be submitted rank by rank up through the hierarchy of authorities, information on epidemic prevention might not necessarily have reached Hong Kong in good time. Guangdong and Hong Kong must put in extra efforts and initiate communication with each other more frequently. They may even put forward requests for mutual visits, so as to realize the spirit of mutual understanding and respect as well as interaction under "two systems". This will be conducive to the co-operation between the two places in epidemic prevention.

In terms of epidemic prevention, the best measure in fact is for the two places to set up a Centre for Disease Control and Prevention in the Pearl River Delta (PRD), where infectious diseases such as SARS can be effectively surveillanced, studied and prevented. This should be able to curb the spread of SARS and other communicable diseases as well as reduce the harm caused by them. The rationale behind this is that Hong Kong and the PRD are in fact one single, inseparable entity. Unfortunately, since the health care and epidemic prevention systems of the two places are different, it is for the time being impossible to realize the idea of setting up a Centre for Disease Control and Prevention in the PRD. Guangdong and Hong Kong have recently reached an agreement on exchanging virus samples and on the conduct of joint diagnoses. This can foster the establishment of a regional Centre for Disease Control and Prevention, so I hope that the authorities can keep up its efforts.

Third, environmental hygiene. Environmental hygiene is the ultimate solution to the prevention of infectious diseases, which is why I approve of the efforts made by Team Clean. It is hoped that the measures concerned can be sustained, instead of being reduced to something like the Clean Hong Kong Campaign and the "Healthy Living into the 21st Century" campaign in the past, which all had a fine start but ended up in a fiasco a year or so afterwards. It is now a high-risk period of virus outbreaks, so it is hoped that the authorities can continue to publicize the significance of personal and environmental hygiene, in the hope that people can really become "vigilant and prepared" and form the habit of maintaining personal hygiene.

Fourth, the community mode of health care delivery. The policy agenda highlights the enhancement of primary health care to reduce reliance on public hospitals. This is a proper approach because one of the reasons for the incessant increase in public hospital in-patients is that primary health care in Hong Kong is inadequate, thus leading to a lack of post-hospitalization care, which in turn increases patients' need for seeking hospital care again. At present, health care resources are concentrated mostly at hospitals; in the future, the Government should spend more resources on primary health care for the purposes of training up more family doctors, providing post-hospitalization care and conducting disease prevention work, with a view to reducing the number of in-patients. This will not only do good to people's health, but also reduce the Government's health care expenditure.

Fifth, resource deployment. In recent years, there has been an acute imbalance between public-sector health care services and private-sector health care services, and the incessant increase in public-sector health care expenditure has become an increasingly acute problem, but I doubt whether it is possible to enhance primary health care and implement other reforms to the health care system if funding is slashed. The reason for the existing imbalance is inexpensive quality services offered by public hospitals, leading to people's increasing reliance on the Government and in turn the low occupancy rate of less than 50% in private hospitals in recent years. Public health care expenditure has increased from \$10 billion at the time of inception [of the Hospital Authority] in 1991 to \$30 billion this year. Admittedly, the Government must shoulder a certain share of health care commitment. For instance, it will be difficult to fully let the market take the lead in public health education, epidemic prevention, infectious disease treatment and medical research. But if the public sector keeps on expanding, even to the extent of losing control, I am afraid the whole system may eventually collapse.

The Health, Welfare and Food Bureau will submit a tentative health care financing scheme to the Legislative Council in the first half of this year. Some may think that at this very time when the economy has not yet fully recovered, it is not appropriate to discuss the issue of health care financing, and that most people may not approve of this proposal. I understand that members of the public very much hope that they can continue to enjoy inexpensive but quality public health care services. However, given the need to balance the utilization of public and private health care services, control public expenditure and comply with the "user pays" principle, the issue of health care financing must be looked into. We cannot keep on ignoring this long-term crisis or society as a whole will have to bear the bitter consequences.

Madam President, I so submit.

**MR FRED LI** (in Cantonese): Madam President, I would like to express our opinions on both food labelling and avian flu. We have recently conducted a survey and found that the public is relatively satisfied with the Government's measures against avian flu. However, their confidence in purchasing live chicken or chilled chicken is very low. Even when dining in restaurants, people

say that they will not eat chickens. At present, no avian flu has yet been discovered in local farms, and local chickens are still relatively healthy. However, starting from the day before yesterday, there were news reporting that some chickens from local farms had contracted some other diseases — Newcastle disease and Gumboro disease. Consequently, the fatality rate can be up to 4% to 5%. I hope the Government will stay alert. Farms should be required to inform the officers of Agriculture, Fisheries and Conservation Department to collect dead chickens (which is what they have already done), if any.

We support this measure, and would also like to make four suggestions:

Firstly, while the avian flu epidemic sweeping through Asia has not yet been put under control and the supply of live poultry from the Mainland has not yet been resumed, local markets only maintain limited operation and some have even closed. At this stage, cleansing work should be reinforced and alcohol dispensers added within the poultry stall areas in the markets.

Secondly, since the occurrence of avian flu (I mean the last outbreak of avian flu, that is, the last outbreak of avian flu in Hong Kong), the Government has already reviewed all the precautions taken in respect of live chicken. All live chicken, including those from local farms, must be distributed through the Cheung Sha Wan Temporary Wholesale Poultry Market. As a result, chickens from local farms are not directly sold to the retail market. The risk of virus transmission is thus minimized. In order to further minimize the chances of cross-infection between mainland and local chicken, the Government can actually consider dividing the wholesale market into different areas designated for local and mainland chicken respectively. The separation of wholesale activities can thus help reduce the chances of cross-transmission.

Thirdly, when the avian flu epidemic in Asia is brought under control, the Government should organize more food fairs on local chickens to promote quality chickens raised by local farms, so as to facilitate the development of the local poultry industry.

Fourthly, since the local poultry industry is dominated by small farms operating in backyards as family subsidiary business and in squatter huts, the Government should investigate how to help the poultry industry develop and operate in a more modernized environment.



Lastly, I would like to talk about the current hot topic of eggs. Eggs require neither quarantine nor certification. All such goods can be freely imported and exported like any other goods. I hope the Government will look into the case since there are all sorts of news going around. Some say that eggs from infected areas in the Mainland are not allowed entry, and neither are those from non-infected areas. Yet how is a non-infected area defined? I do not know. Are non-infected areas places where there are infected or suspected cases? Is that true that only eggs from places located at 4 km or 5 km away from the infected areas can be exported to Hong Kong? Or only eggs from places which are at least 5 km away from the infected areas can be exported to Hong Kong? Or no eggs can be exported to Hong Kong from the whole province? I think the Government has failed to clearly master such enquiries. Have the mainland authorities failed to notify us of some of their decisions? Although eggs are not required to go through quarantine or any other procedures, this is a sensitive and important topic still. People will start wondering whether it is safe to consume eggs. The Government has also advised that eggs should be hard boiled, preferably with boiling water. I think that since there is such public education, our notification mechanism with the Mainland must be strengthened and improved to avoid confused messages in the media.

Let us change to the topic of nutrition labelling. The Legislative Council has held a special meeting, during which two hours were spent listening to the opinions of various trader and sectors about the formulation of a nutrition labelling scheme. As regards this issue, the Democratic Party has a distinct position. We cannot accept the opinions of some members of the trade, who claimed that it was not necessary to adopt a labelling scheme or it could be worked out on a voluntary basis. We think that they have taken no account of public health, but only considered the costs, the potential impact on business turnover and the reduction in imported food. From this perspective, we cannot accept their opinions.

Hong Kong is a relatively rich society. What most people pursue is a quality life, and among them many also observe healthy eating habits. It is a pity that in the supermarket, most foods for sale do not highlight high fibre or specify low fat. Even if they do, there are no detailed descriptions on nutrition contents. Given that the products are offered on the market, food manufacturers, while making a profit, should respect the consumer's right to information and thus make public the production and nutrition contents of their food products. In fact, had the Government not formulated the Food and Drugs

(Composition and Labelling) Regulations more than a decade ago, requiring the industry to specify the constituents and the best-before date on prepackaged foods, maybe nowadays we would not have found such information on the packages when making our purchases. It is extremely difficult to count on the trade's voluntary adoption.

At present, in the absence of regulations by relevant laws, what consumers can do is very limited. At most we can only refuse to buy food products with unreliable advertisements, or rely on regular disclosure by the Consumer Council of food products with inconsistent constituents contrary to their claims and food products suspected of deceiving consumers. If both the Government and the industry pay no attention to public health, the burden on the whole health care system will eventually become heavier and heavier.

Madam President, the implementation of nutrition labelling is absolutely helpful to the Government in promoting good eating habits and improving public health. The United States Food and Drug Administration estimated that the implementation of a mandatory labelling scheme on nutrition information can save US\$4.4 billion to US\$26 billion in 20 years. In fact, even the Australian and New Zealand Governments have indicated that about 320 to 460 lives can be saved each year. As regards the situation in Hong Kong, heart diseases, stroke, kidney-related diseases and diabetes mellitus are all included in the list of the top 10 killer diseases in Hong Kong, and all such diseases require dietetic therapy to cure the illnesses and to prevent complications. However, since there is no labelling scheme on nutrition information in Hong Kong, either patients or the dietitians who help the former choose their foods will face many difficulties. As these food products carry no food labels to indicate the nutrition contents, it is hard to tell whether there are unsuitable or excessive contents, such as excessive saturated fat. Even if there are labels, it is still difficult to determine whether the manufacturers have truly provided the nutrition information.

In our opinion, to work out a mandatory nutrition labelling scheme is indeed an important step for the Government of the Hong Kong Special Administrative Region (SAR) in protecting public health. In order to care for the health of Hong Kong people, to choose healthy food, to improve the condition of the chronically ill, to reduce the medical care burden of the Government, and to effectively achieve the objectives of preventive medicine, we must have a complete mandatory nutrition labelling scheme.

As regards the nutrition labelling scheme proposed by the Government for consultation, we fully support the Government. Yet we still think that the Government may speed up the implementation of the proposed scheme. According to the Government's schedule, save for food products with nutrient claims, all other general food products have a grace period of five years altogether. This grace period is indeed too long. Even if the two-year grace period before the first stage starts at once, the relevant scheme will not be fully implemented until 2009. From the perspective of protecting and promoting public health, the step of the Government is indeed too small and too conservative. We hope that the Government will implement the first and second stages of the scheme proposed in the consultation paper in three years' time.

Next I would like to talk about genetically modified (GM) foods too. The Government should — I stress should — formulate a labelling scheme. It is a pity that the Government has taken an even more conservative stance on this issue. Without considering public health, the Government has adopted a passive approach in requesting the industry to label their food products on a voluntary basis. The Democratic Party always thinks that this issue should be handled in a "first voluntary, next mandatory" manner. In fact, we have mentioned more than once in public that it is indispensable to indicate the contents of GM foods, in addition to nutrition information, so as to perfect the food labelling scheme in Hong Kong. Otherwise, the public may be unable to tell if they are taking soymilk containing up to 70% GM soybeans. They may also consume potato chips modified by antibiotic resistance genes containing maximizer without knowing it. These GM foods are banned for human consumption overseas, and even banned for use as animal feed. Allowing the people to consume foods banned for animal consumption overseas is probably not what a responsible government should do.

Madam President, in the policy debate last year, I mentioned that there were still a few measures within the purview of the Health, Welfare and Food Bureau lagging behind schedule, including legislative amendments necessary for GM foods. In the 2000-01 policy agenda, a primary direction for legislation on GM foods was set. Unfortunately, that the Government has disregarded the interests of consumers for fear of objection of the industry. The Government has now changed its attitude from supporting legislation to almost relying on the industry to carry out their own safety tests on relevant foods. Regarding this, the Democratic Party and I have to express our disappointment.

Another issue that has lagged behind the policy objectives is the setting up of a framework for a mandatory food recovery system. In this year's policy agenda, the Government has not mentioned a word on this issue. I hope Dr YEOH will later on talk about the work progress in this area or clarify if this issue has been removed from the policy objective of the Government.

Madam President, I so submit.

**MR BERNARD CHAN:** Madam President, as the Chairperson of the Hong Kong Council of Social Service, I was grateful to hear the Chief Executive refer to the social welfare sector in this policy address. I was especially pleased that he mentioned the growing partnership between the corporate sector and our non-profit service organizations.

Earlier this week, around 500 companies were awarded "Caring Company" logos, as a result of their commitment to building partnerships with the social welfare sector. They were not given this award simply in return for making financial donations. In order to qualify, they must actively work with a non-profit organization in sharing skills, resources or some other ways.

With people from the two sectors working together in this way, we hope to see more and more bridges, and more understanding, between parts of the community which have traditionally been far apart.

One of the best things about the Caring Company movement is that it makes no demand on the Government. Because of the budget deficit, reductions in public expenditure are probably impossible to avoid at some stage. For the coming financial year, welfare organizations could be looking at a few percentage cut in subventions.

The private sector can make a difference. In many cases, it is difficult to quantify the value of the Caring Company activities in financial terms. The emphasis is on personal involvement rather than cash transfers. But Caring Companies are adding value, especially by sharing resources or transferring skills, including cost management and other know-how.

These are decentralized projects carried out in a spirit of self-help and mutual assistance. It is a good example of the community helping itself, in line with the Chief Executive's wishes in this and the previous policy addresses.

I greatly welcome the moral support the Chief Executive has given us in this movement, and I look forward to more encouragement from the Administration in the future.

**DR LO WING-LOK** (in Cantonese): Madam President, I am going to spend the next 10 minutes appealing to the Government of the Hong Kong Special Administrative Region (SAR) and the people of Hong Kong to get prepared for the possible worldwide outbreak of a new type of human influenza.

The greatest concern of Hong Kong over the past few weeks has been avian flu, not human flu, but the two are closely related. Avian flu as a disease affecting humans is not so common because it is after all passed on from birds to humans. After the disease has been passed on from birds to a human being, its efficiency of spreading among humans is extremely low, which is why despite the outbreak of avian flu in so many countries recently, there has been relatively few cases of human infection. But what is most worrying is that if the outbreak of avian flu persists among birds, leading to a continuous reproduction of viruses and an increase in their numbers, a crisis may emerge, whereby their genetic mutation may eventually result in a virus capable of spreading extensively among human beings. When this happens, there will be a global outbreak of human flu. This is no alarmist talk. If we look at the history of human beings, we will find that since the 16th century, there have been no fewer than 10 global outbreaks of influenza. There were three outbreaks in the last century, the most massive of which occurred in 1918. The most recent one started in Hong Kong, in 1968. All such global outbreaks of human flu invariably led to heavy casualties, which is why I maintain that apart from concentrating on the prevention of avian flu, we should also, more importantly, make early preparations to prevent human flu.

In the past one year, we managed to learn a lot about epidemiological diseases and epidemic prevention from the SARS outbreak, and precisely because of this, hospital facilities, virus surveillance in society and many mechanisms have been put in place. But the measures on preventing SARS cannot possibly enable us to prevent a major outbreak of human flu, because the latter is far more infectious than the former, being able to infect much larger numbers of people. People may say we will have some 1 400 isolation beds coming on stream, but in case there is a massive outbreak of human flu, these beds will be far from being able to meet the demand.

Does the world have any means to cope with the global outbreak of a new type of human flu? There are several ways. The first is vaccination. But then we must note the world's total volume of vaccine production, which, in 2003, for example, stood at some 300 million shots only. But there are 6 billion people in the world, so how can these 300 million shots prevent all the 6 billion people from contracting this type of flu? Even if we split up the three-ingredient vaccine and only produce the single-ingredient contingency vaccine, the production volume will just increase by three times, to a mere 1 billion shots. Besides, production will also take time, which is why by the time there is any supply of vaccine, it may well be months after an influenza outbreak.

Another means of prevention is the use of drugs. We have recently learnt that flu viruses are resistant to existing drugs, but patients still react quite positively to newer drugs. The point is that new drugs are also limited in supply, and their prices may also pose restrictions, which is why money is not always a sure guarantee of their availability. When there is a virus outbreak, drugs will certainly become scarce in supply, so I am sure that since there are no vaccine and drug manufacturers in Hong Kong, it will certainly be put in a most disadvantageous position. Therefore, regarding the supply of vaccines and drugs, the SAR Government should seek to initiate international negotiations through the World Health Organization, with a view to formulating a global strategy. Such a strategy should specify how vaccines and drugs worldwide will be distributed when there is an outbreak of human flu, so that Hong Kong can also get a share of the supply, so that countries with drug and vaccine manufacturers are prevented from getting all the supply. On this matter, the SAR Government should co-operate with the Mainland, because it is unrealistic to expect Hong Kong to manufacture drugs and vaccines on its own. But if Hong Kong can work with the 1.3 billion people-strong Mainland, it will be possible to formulate a national strategy on influenza prevention, under which we can assess whether the output of vaccines and drugs in the whole of China is adequate, and what measures can be taken in the short run to increase output and upgrade quality if supply is deemed to be inadequate. In other words, Hong Kong can actually be part of an interactive process under "one country, two systems", and with such interaction, there can be a more satisfactory influenza prevention strategy for the whole of China, including Hong Kong.

Having ensured the supply of vaccines and drugs, we should also work out an internal distribution strategy. I do not think that during such times, all Hong

Kong people can be vaccinated and given preventive drugs. Therefore, the Government must draw up a priority list well in advance, identifying all those who are in greatest need of protection. Naturally, the commanders of anti-epidemic work must be protected, and so must health care workers and all personnel exposed to high risks of infection. All this must be done well in advance, not in any haste prompted by emergencies.

Vaccines and drugs aside, we must also deal with environment control and isolation facilities. We must examine how far the isolation facilities under the existing health care system can cope. I can also tell members of the public that these facilities are definitely inadequate. For this reason, we must formulate a community strategy outside the health care system, so as to co-ordinate and consolidate all forces in Hong Kong as a whole, including the various districts and local communities, and also to work out ways of enabling patients to remain in the communities for appropriate treatment without going to the hospitals. Such a territory-wide strategy is also essential. How should we go about the task of isolation? When should public places cease operation? What places should do so? When should schools suspend classes? When should factories and offices stop functioning? What actions must public transport operators take under various circumstances? Prior arrangements must be made for all these, and we must not wait until the onslaught of an epidemic.

The last global outbreak of influenza occurred in 1968, or roughly 35 years ago. Having done some sort of estimation, I believe there will be another outbreak in this century, and it appears that an outbreak is getting more and more imminent. Why do I say so? Because avian flu seems to have gone out of control in many parts of Asia. They say that they want to slaughter all the chickens, but they have failed to do so. And, the epidemic among chickens is becoming more and more acute. If the epidemic among chickens continues to worsen, an outbreak among humans will become increasingly probable. That is why I hope that the Government can note this point. Thank you, Madam President.

**MR TOMMY CHEUNG** (in Cantonese): Madam President, the policy address by the Chief Executive touches upon the business environment. Today, I only wish to discuss very briefly the problems in three areas which affect the industries I represent. To begin with, I think the hottest topic must be avian flu. Actually, although so many places in Asia are now battered by outbreaks of

avian flu and Hong Kong is somewhat surrounded by all these places, our city is fortunately still a safe place, and we can continue to enjoy eating our own chickens. This is largely due to the lessons that we and the Government have drawn over the past few years. And, the industries concerned have co-operated actively with the Government, because they do not want to see the disappearance of the live chicken business, nor do they want to affect their own livelihood. This has been particularly so recently, and I must thank the Government for accepting the views of the Liberal Party, the industries and me on the issue of vaccination. I mean, we hope that chickens can be vaccinated, and those imported newly from the Mainland are also vaccinated. But vaccination is not a sure guarantee of safety, and we dare not lower our guard too.

But right at this time when avian flu is so rampant, the Government happens to be discussing the issue of central slaughtering. Frankly speaking, central slaughtering will definitely affect the industries. Besides dealing a blow to chicken farms and the thousands of jobs and families connected with the wholesale, retail and transportation of chickens, central slaughtering will also reduce the chances of Hong Kong becoming a gourmet's paradise. We may know the impact by looking at the case of geese and ducks. Not too long after the implementation of central slaughtering, only chilled or frozen poultry will be left. Chilling will affect the taste of a chicken. The industries have been co-operating with the Government by stepping up cleansing work. Today, cleansing is to be carried out, and the cleansing day has actually been advanced at the request of the industries. Although it cannot be denied that the Government has put in lots of efforts, I must still say that with respect to central slaughtering, it has so far failed to free itself from its own mindset. I think it is high time that we reflected our views to the Secretary. In Japan, central slaughtering has been implemented for quite some time, but there is still an outbreak of avian flu. Of course, the Secretary may be worried about how chickens and human beings can be separated. Everybody is similarly worried, but still, I think the Government has failed to do two things.

First, I very much hope that the chickens reared in local farms and those imported from the Mainland can be handled in separate wholesale markets. There are two merits in this. First, the mingling of these two types of chicken will make it impossible to trace the sources of virus, and in case anything happens to either type of chickens, separation can ensure that the other type of chickens will not be infected. Second, even on the rest days of wholesale markets, there will be no need to cram chickens together, and so markets will not



have to keep so many chickens because of rest days. I very much hope that the Government can consider this point.

Second, in the past six or seven years, outbreaks of avian flu occurred mainly in the markets under the Food and Environmental Hygiene Department (FEHD). Is this indicative of the FEHD's poor management? Well, I do not think that it is necessarily the case, but I must say all these markets do share one common feature — there are invariably many chicken stalls, as many as 20 to 30, or even some 40 at one time. Now, of course, because business is declining, only some 20 stalls are left. But during the same periods of time, the markets under the Housing Department were not plagued with so many similar problems. Why? Because only one chicken stall, or at most two, is found in the markets under the latter department. The cramming of many chickens in a market will result in competition, and the chickens for sale may not be so fresh, or they may even be sick, leading to many problems. That is why I have always hoped that the Government or the Financial Secretary can allocate funding to the Secretary for buying back some licences, or encouraging chicken sellers to surrender their licences, or at least relocating them to other business venues. I think this can dispel our great worry about the mingling of chickens and human beings.

Besides, I hope that the Government can allocate the resources required as quickly as possible. I mean, there are now many new markets under the FEHD, and in these markets, the slaughtering and sale of chickens are conducted in separate venues. If there are independent ventilating facilities, or if even vehicles can be provided with separate access, I am sure the chances of seeing an avian flu outbreak in Hong Kong will become very small. The chances will become even smaller if vaccination is also introduced. I do not think that the Government should so lightly resort to the easiest way out, that is, central slaughtering, instead of trying to deal with other problems. If it does, it will do harm to the business environment in Hong Kong. For markets (since wet markets do rely on the sale of chickens), they may even have to close down if they are left with nothing to sell, and if there are so many business restrictions.

I also wish to say a few words on nutrition labelling of food. Mrs Selina CHOW talked about this a moment ago, but I could not hear what she said. Anyway, I also wish to say a few words. Nutrition labelling of food is good; very often we talk about the right to know of consumers. We in the Liberal Party agree to this, and we also understand that the industry operates in just a very small market, so if labelling is made compulsory, they may face a limited variety of food imports. Therefore, I do not wish to dwell on this at length, and

I only hope that the Government can consider the possibility of deferring mandatory labelling for several years and introduce voluntary labelling in the meantime. I am not requesting an indefinite deferral, but I must say we should consider mandatory labelling only after the vast market of China has also introduced mandatory labelling. We should not hasten to do it when this is not considered at all in the China market.

Finally, I wish to talk about the licensing system. Even the Government and Mr TUNG often say that we should not do so many things to affect the business environment. Actually, most of the legislation put before the Legislative Council in the past two years would not affect the business environment in their original form. But in many cases where there was no need for legislation and enforcement on the part of Policy Bureaux and departments, they tended to be very strict in terms of licensing procedures and the enforcement of licensing conditions. Very often, they did not bother to go to court; and after the first and second oral warnings, licence suspension would follow. Team Clean has launched many measures after the SARS outbreak, but many of them have nothing to do with environmental hygiene, or even the spread of SARS, one example being unauthorized building structures. But the authorities still see fit to step in. I hope that the Secretary can discuss with the FEHD and various departments and advise them that while refraining from affecting the business environment, it must be noted that control should not be tightened in some areas which do not really affect environmental hygiene and public health without the knowledge of people, lest this may eventually affect the business environment.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Council will now be suspended for 10 minutes. The public officer will speak when Council resumes.

4.33 pm

Meeting suspended.

4.46 pm

Council then resumed.

**PRESIDENT** (in Cantonese): Council now resumes to continue with the second debate session. The Secretary for Health, Welfare and Food will speak in this session. He has up to 45 minutes for his speech.

**SECRETARY FOR HEALTH, WELFARE AND FOOD:** Madam President, Hong Kong is going through a period of restructuring — in both the economic and social arena. The pace of change has escalated and the movements in business and people have increased. More individuals and families are facing varying degrees of changes: with uncertainties in terms of the relevance of skills and qualifications, in terms of security of employment and in terms of stability in their family relationships. In rising up to these renewed challenges, it is timely for us to reflect on our policy directions.

Members have expressed their views on how Hong Kong should position itself in the light of these new challenges. I wish to thank Members for some of their valuable advice. Our mission in the policy areas of health, welfare and food is to build a 'Caring and Healthy Society', a society with rich diversity recognizing the strengths of differently endowed individuals. We seek to build a community which celebrates family solidarity and a network of mutual care, trust, support and reciprocity which embraces all individuals, nurtures their healthy development, and enables them to participate in economic and social life with dignity and self-reliance.

We are all born with different abilities and potentials, and acquire capabilities and skills as we develop. In encountering different circumstances at different stages in our lives, the life skills which we have acquired would either enable us to meet life challenges or create vulnerabilities. We therefore need to act today to preserve tomorrow. Our policies and programmes should be directed at enhancing physical and psychological well-being by strengthening preparedness and building resilience. In this regard, capacity building, of both an individual and the community, is the key.

We invest heavily in the health and well-being of our people. The figures speak for themselves. Currently, over 30% of our budget (amounting to \$69.4 billion) is invested in our public health care system, social services, providing a safety net for the needy and ensuring food safety and hygiene. This level of investment, made on the basis of a low tax regime, is substantial both on its own and in relative terms when compared with other developed economies which have a much higher rate of taxation. Our challenge remains to ensure the effectiveness and efficiency of such an investment and in this regard, our policies need to be fair within generations, equitable between generations and sustainable across generations.

We recognize that we must take on an approach which adopts a social investment perspective in order to build the capacity of individuals, families and the community to meet the evolving challenges, and to build a more inclusive and participatory society, where each person can aspire to fulfill his or her life goal and contribute to a mutually supportive community. Such an approach enables us to cover human, social, natural and physical dimensions of our society. A broader partnership base is required. Individuals, families and communities, as well as professional and business sectors, must all be engaged in exercising our social responsibilities for strengthening the health and social fabric of our society.

On the health front, we will ensure a quality, equitable, efficient, cost-effective and accessible health care system, and organize the infrastructure for co-ordinated health care delivery through an interface of the public and private systems. We have already said that we will target subsidies to ensure that we will offer protection to the community from significant financial risks which may arise from catastrophic or prolonged illnesses, and avail affordable quality care to the disadvantaged in our community. We will strengthen the community mode of health care delivery so as to provide better quality and more cost-effective care to the elderly and the chronically ill as well as the population at large. At the same time, this will reduce the reliance on hospital care and reduce the need for hospital beds. We will continue our work in addressing the long-term financial sustainability of our public health care system. With the SARS outbreak last year and the threat of avian flu this year, it is inevitable that one of our major emphases will be on strengthening our infectious diseases prevention control systems and infrastructure.

In the wake of the SARS epidemic last year, we have implemented a comprehensive package of cross-sectoral measures to prevent and control SARS and other infectious diseases. We will further enhance our preparedness against outbreaks of communicable diseases on a number of fronts.

First, we are drawing up a major disease outbreak control plan using existing contingency plans as building blocks, drawing on the advice of international experts where necessary.

Second, we have already established a notification mechanism for infectious diseases and public health incidents with Guangdong Province and Macao. The three places will explore the development of a common information system, start exchange programmes for public health officers and undertake joint research projects for the Pearl River Delta Region.

Third, to build up hospital surge capacity for infectious disease control, we will provide over 1 300 additional isolation beds by the early part of this year, including intensive care unit beds in 14 public acute hospitals, and we intend to construct a new infectious disease centre at the Princess Margaret Hospital with the necessary facilities.

Fourth, we will review the adequacy of existing publicity and educational avenues in a bid to reach out more to vulnerable populations, and to engage more the community in fighting communicable diseases.

Fifth, we will recruit experts in public health and hospital infection control to run training programmes, and second staff to international institutions.

Sixth, we will support research on prevention, treatment and control of infectious diseases through a dedicated research fund of \$450 million. Applications for funding research projects have already been invited and are in the process of approval.

The SARS Expert Committee has recommended that a Centre for Health Protection (CHP) with responsibility, authority and accountability for the prevention and control of communicable diseases be established in Hong Kong. We are pressing ahead with the establishment of this new public health infrastructure. Our interim target is to set up the CHP under the Department of Health with two functional branches, namely the Surveillance and Epidemiology

Branch and the Infection Control Branch, starting to operate by the middle of this year. We expect the six functional branches to be fully operational by the year 2005.

Members have commented on the long-term financial sustainability of our health care system. We will continue to follow a four-pronged approach to address the issue of long-term financial sustainability of our health care system. First, we will work with the public sector to identify further means to improve productivity and efficiency in the fulfillment of our plans and objectives. Second, we will continue to explore areas where resource-sharing arrangements between the public and private sectors can be gainfully pursued. Third, we will keep reviewing the need for further fee restructuring to ensure that public subsidies are channelled to service areas with the greatest need. Fourth, we are conducting studies on the relevance and suitability of various health care financing options to Hong Kong. Upon completion of these studies this year, we will consult Members on the way forward.

Turning to food safety and environmental hygiene, health and food safety are inextricably linked. On the safe food and clean environment fronts, public health protection should always take precedence. We will ensure a comprehensive and integrated approach in food chain management (that is, from feed to table) by putting in place the necessary infrastructure; a coherent, effective and dynamic food policy on the basis of scientific evidence and risk analysis, and enhancing private-public partnership and participation by stakeholders during the process. While legal and regulatory frameworks are necessary instruments of last resort to ensure and raise standards and provide necessary safeguards, effective protection for public health can only be achieved by the concerted actions from all parties, collaboration across sectors and shared responsibilities between the sectors and the general public. I can assure Members that in the consultation exercise, we will certainly take into consideration the views of the trades and the anxieties of the public before we make any decisions. We will certainly take in view all these considerations before a decision is made.

The unprecedented outbreaks of avian influenza in poultry currently occurring in the region have aroused grave concerns over the potential health risk of avian influenza posed to humans. I would like to assure Members once again that we have done all we can to prevent an outbreak situation in Hong Kong, and will continue to monitor closely the outbreak situation in the region and review the relevance of further control and preventive measures.

Although events in the past few days have led us to take unusual, drastic and decisive actions, it would be useful for me to give an overview of what we have done in the past few years, and put in perspective the current risk to Hong Kong.

We have taken a number of effective measures to reduce the risk of recurrence of avian influenza outbreaks in Hong Kong. We introduced a vaccination programme for all our chicken farms in June last year, and we also secured the Mainland's agreement and co-operation to vaccinate all chickens intended for export to Hong Kong. At present, all the chickens available in the market have been vaccinated against the H5 avian influenza, and we have been most vigilant in our efforts to monitor both local and imported chickens to ensure that their immunity status is maintained at a satisfactory level. In the farms, we have imposed tightened biosecurity measures to prevent the introduction of avian influenza viruses to farms. At the wholesale level, our wholesale market is thoroughly cleansed and disinfected on a daily basis to maintain good hygiene standards. The Agriculture, Fisheries and Conservation Department (AFCD) has also put in place a demerit point system to ensure that all wholesalers and transporters working at the wholesale market must thoroughly cleanse and disinfect their vehicles after unloading. At the retail level, we are implementing two rest days per month to reduce the viral load there, if any. The Food and Environmental Hygiene Department (FEHD) has also stepped up inspection of the retail outlets to ensure that all hygienic conditions relating to the sale of live poultry are being observed.

In fact, we have presented these strategies at the meeting in Thailand. The World Health Organization (WHO) has commented that this is one of the most advanced systems which they have seen, and they doubt whether this system can be transposed to other countries in the region.

However, we fully understand that we must, in the light of the rapidly changing circumstances, review our strategies regularly to ensure that they continue to be effective in addressing and anticipating the problems. To this end, we will maintain our avian influenza surveillance programme to cover all poultry from the farm to the retail level, wild birds, waterfowls in recreational parks and pet birds available in the market.

Members will be aware that in the past few days, we have introduced a number of additional precautionary measures in response to the outbreak situation in the neighbouring countries. These measures include:

- first, the temporary suspension of all imports of live poultry, including pet birds and poultry meat from the Mainland;
- second, the stepping up of our monitoring programme for travellers at the border control points;
- third, the addition of avian influenza to the schedule of diseases under the Quarantine and Prevention of Disease Ordinance, requiring medical practitioners to notify the Department of Health of the existence of avian influenza cases;
- fourth, the closure of the Mai Po marshes and walk-in aviaries in recreational parks to minimize contacts between the public and wild birds;
- fifth, enhancing the surveillance programme of wild birds and birds at recreational parks, increasing the collection of faeces from wild birds for laboratory testing and stepping up inspections of pet bird shops;
- sixth, testing by the Hospital Authority (HA) on influenza viruses for patients to check if the case is related to avian influenza;
- seventh, the issuance of advisories and warning notices to schools and nurseries to take measures to prevent children from coming into contact with live birds;
- eighth, establishment of a formal liaison mechanism with the Mainland for the exchange of information on animal diseases;
- ninth, the temporary suspension of processing applications for the importation of pet birds, pending the evolution of avian influenza in the region;
- tenth, the compulsory requirement for all workers in the poultry and bird trades (including those operators in the Bird Garden in Mong Kok ) to wear protective clothing through the appropriate licensing and management authorities;



- eleventh, the offer of vaccination to all poultry and bird workers as well as those who work in the related trades;
- twelfth, increasing and enhancing the inspections by AFCD and FEHD staff on farms, wholesale markets and retail outlets; and
- thirteenth, enhancing our surveillance programme by increasing the number of swab tests on chickens to detect the presence of the virus.

In addition, Madam President, we have also developed contingency plans for various case scenarios, and we will be sharing this with Members of the Legislative Council at a very early date when it is ready.

Obviously, I think all these measures and the comments made by other Members do not, in fact, collaborate with the allegations made by the Honourable Michael MAK that the Government has not learned its lessons in dealing with infectious diseases. Certainly, I would beg to defer with Mr MAK's views and opinions.

The outbreaks in the region have also led to recent discussions in the community as to whether central slaughtering should be introduced to further address the avian influenza problem. In this regard, we have been studying various options to reduce contact between the public and live poultry. We certainly intend to start the consultation process, and we will certainly listen very carefully to the views of the trades, the relevant stakeholders and the public, and sustain dialogues with the various sectors throughout the whole consultation exercise.

In this regard, relating to the comments made by the Honourable Jasper TSANG, in fact, in Thailand last week, I did share with the ministers present there our experiences in avian influenza and did offer to share the experiences we have had. Certainly, some of the member countries and ministers are expressing interest to come to Hong Kong to learn from our experiences and we certainly welcome them.

In fact, today, we have sent a team from Hong Kong to Vietnam to help the Vietnamese government deal with the avian influenza problem on the human side. This team has been sent by the Department of Health and comprises members from the University of Hong Kong, The Chinese University of Hong Kong and the HA.

I completely concur with Members that to deal with the avian influenza problem and the potential threat to human lives, we need to have international collaboration and we are certainly working very closely with the WHO to deal with these problems. Can I also assure Dr the Honourable LO Wing-lok that we are working on the contingency plans in case there is a large pandemic of influenza in Hong Kong. We already have a pandemic plan for influenza, and this is being updated in the light of the current threat of the avian influenza.

So, certainly, the concerns expressed by the Members are being dealt with. Obviously, Members may not be completely aware of the work which we are doing, but we will certainly share with Members at the earliest possible time.

I would like now to turn to the support to the agriculture and fisheries industries. We are committed to promoting the sustainable development of our agriculture and fisheries industries. By providing technical advice and offering credit facilities, the AFCD assists the industries to improve their productivity and upgrade their production.

The AFCD supports and facilitates local development of organic farming through the provision of infrastructural and technical support to the agriculture industry. The AFCD and the Vegetable Marketing Organization have entered into partnership with a number of non-governmental organizations (NGOs) to establish the Hong Kong Organic Resource Centre to develop local organic vegetable standards and a certification and inspection protocol to ensure that the food produced through organic farming is properly recognized. Four local farming areas have already been converted for organic farming. The AFCD also promotes controlled-environment greenhouse farming to the local agriculture industry for the production of high-end crops.

As regards fisheries, considerable resources and efforts have also been committed to the protection of our fisheries resources. We have implemented a number of measures to protect our fish stock and help it to recover to a sustainable level. These measures include a habitat enhancement and restoration programme which entails the deployment of artificial reefs in selected waters to provide shelter and spawning grounds for our fish stock, and a fish fry release trial scheme to help enrich our marine resources.

I would like to assure the Honourable WONG Yung-kan that we are committed to continuing to provide this support.

I should now turn to welfare and rehabilitation. In the social welfare arena, we must shift from the "service provision" orientation to the "social investment" approach in our services. We need to ensure that the services which we are supporting are in fact investing in individuals, families and the community to enhance their capacity to cope with changes and adversities, and seek to maximize individual's strength, promote self-reliance and self-betterment. Our social programmes will need to be re-orientated to ensure that we are not encouraging passive recipients of resources and services, and that we involve people in active learning and problem solving. We should help to instill in themselves self-esteem, self-respect and a sense of control.

In this connection, I note that there are calls by Members of the Legislative Council and by the sector to introduce and resurrect the planning mechanism and develop this blueprint for Hong Kong. Obviously, the old rigid planning mechanism which sought to match service provision with population level has already served its useful purpose. As resources are finite, we need to look beyond the conventional approach. I recognize the need to develop new strategic directions to achieve the paradigm shifts from "service provision" to "social investment", and I certainly agree that we should not develop such strategic directions in a vacuum. I have already started the work to communicate with my NGO welfare partners to revisit the philosophical basis and the values of our social welfare system as suggested by the Honourable LAW Chi-kwong, and assess our efforts in focusing on the "social investment" approach in our services. At the end of the process, I look forward to enhancing the sustainability of our social investment strategies and developing priority investment areas which would best serve the interests of our community. I certainly look forward to working with the sector to develop the so-called blueprint.

I should now turn to partnership with third and business sectors. Life in this millennium is complex and intense. Regardless of one's disposition, we would all face vulnerabilities in one form or another at some stages in our lives. Of course, none of us is immune to this. I cannot over-emphasize the need to enhance our overall capacity to cope with such situations. Individual efforts alone at times may not be sufficient, and naturally, people look to the Government for support.

Our investment in human development caters for the different endowments of individuals as far as possible. We also provide a safety net of basic support

for the needy, and a mechanism exists to help able-bodied recipients to gain self-reliance and rejoin the market and be economically active. Nonetheless, while the Government offers opportunity to all, we also look for responsibility from all. I, therefore, see the need for a multi-pronged approach of drawing the best out of our community resources, with the Government, the third sector and the business sector working together in a close tripartite partnership. By resources, I am looking beyond the narrow monetary definition to include mutual help, sharing of innovative ideas, operational experience and management skills and volunteerism, just to quote a few.

I see such resources working at least at two levels. At the community level, cross fertilization of skills and expertise between the Government, the third and business sectors would work to the benefit of all. Mobilizing the efforts of all three sectors would tremendously enhance the community's capacity to cope with changes and challenges. At the individual level, through the new and effective modes of capacity building programmes the community can provide, they would be better positioned to tackle life's challenges and stand a better chance to return as active and participating members of our society instead of descending into a downward adversity cycle.

The Chief Executive's policy address states that the seeds of tripartite partnership between the Government, the business community and the third sector were sown when we established the Community Investment and Inclusion Fund in 2002. We now need to explore more effective means to further entrench this cross-sectoral partnership concept at the local community level at a faster pace. I have exchanged initial ideas with the Community Investment and Inclusion Fund Committee and the Social Welfare Advisory Community, and in the coming months, we will be working with the relevant Committees, the third sector as well as the business community to devise effective measures in this regard.

Now turning to poverty, I am conscious of Members' interests in how to help the poor elevate themselves and to improve their economic situation. Obviously, the problem of poverty is a very complex one, not least of which is a definition. We have entered into debates at the Legislative Council for many times and too many hours, and I do not believe that we have a common definition of what poverty is. I do agree with Dr the Honourable LAW Chi-kwong that whatever the definition of poverty is, it is a very complex issue and there are multiple causes. Unless we are able to identify them, it is going to be very

difficult to have a comprehensive policy which will be sustainable. That said, I have already undertaken to research the problem in the next six months. We will share with Members on the welfare side how we intend to take this forward. Initially, we are of the view that capacity building remains the key in this regard. We are obviously conscious of the importance of ensuring the effectiveness of the social investments we have made in relation to those in vulnerable situations. Members are aware that the Director of Social Welfare will conduct a study on the effectiveness of the Department's Active Employment Assistance (AEA) scheme and Intensified Employment Assistance Projects with a view to helping the recipients elevate themselves and become more self-reliant. The Director would involve our NGO partners in this study and that would also throw some light as to how we should approach the problem of poverty and help the more vulnerable in a more positive manner.

Turning to social security, we remain committed to implementing an effective and sustainable safety net, particularly through the Comprehensive Social Security Assistance (CSSA) Scheme, to look after those least able to help themselves, such as the needy elders and the disabled. I would also wish to clarify that the adjustments to the CSSA Scheme were on the basis of deflationary adjustment, and there were no cuts to the basic rates. In 2003-04, the estimated social security spending of \$22.38 billion has increased by 4.5%, accounting for 10.8% of the Government's recurrent expenditure.

As over 30% of CSSA cases involve able-bodied adults, we will ensure that the Scheme can serve as a springboard to self-reliance for these individuals. In this connection, we have intensified our Support for Self Reliance measures since June 2003 to help those able-bodied recipients to go back into the workforce. We will continue with our efforts to help them become self-reliant.

Against an ageing population, we will continue to work with the Elderly Commission (EC) to promote active and healthy ageing in the community. We will work with the EC to network with different sectors to promote work in these areas, and assist the EC with research on ageing issues to support its work. The EC has identified four priority areas for consideration, namely, lifelong learning; financial security, retirement and work practices; intergenerational solidarity; and transport and building environment.

Finally, on women. In respect of promoting women's well-being, we should continue to tap the advice of the Women's Commission on implementing

the three-pronged strategy of gender mainstreaming, empowerment of women and public education.

Madam President, I hope that in this very brief presentation, I have been able to demonstrate to Members that we will continue with our policy in building a caring and healthy society, and we have substantial and substantive strategies and measures to take this forward. Thank you very much.

**PRESIDENT** (in Cantonese): The second debate session ends.

**PRESIDENT** (in Cantonese): We will now move on to the third debate session. The policy areas for this session are "education, home affairs and manpower planning".

**MR IP KWOK-HIM** (in Cantonese): Madam President, in order to upgrade people's quality of life, cultivate their aesthetic taste, foster that cultural cultivation and encourage them to strengthen themselves and strive for progress, we must formulate a satisfactory policy on heritage conservation, promoting cross-boundary sports co-operation and building up an open society with a rich culture.

In the coming year, the Government will conduct a public consultation exercise on the conservation of heritage, so as to collect the views of the public and use them as a basis for formulating a relevant policy. The DAB has very high expectations of this consultation exercise. The existing policy on heritage is rather passive; the Government can do practically nothing in cases where private buildings of historical value are either demolished or reduced to the so-called "haunted houses". The case of Kam Tong Hall is a typical example. The matter still remains unresolved, and the building is enveloped by bamboo scaffoldings, with prospects largely unknown.

At a meeting of the Panel on Home Affairs, the Secretary put forward a number of proposals relating to the existing policy on heritage conservation. The DAB agrees to these proposals. We think that the most important issue underlying the conservation of heritage is the lack of any financial incentive. To put it more honestly, there is no compensation mechanism. As the Secretary

put it, "The review will involve complex issues such as the public interest, private properties and the work of community building, so the consensus and support of the entire society is required." As in the case of environmental protection, no one will vigorously oppose the idea of heritage conservation, but when one's own property rights are involved, reasonable compensation will immediately become the key issue. The DAB hopes that apart from the concepts underlying a macro policy, the review will also deal with the key issue, that is, a compensation mechanism.

According to the Secretary, the policy will cover the entire process of conserving heritage, including their authentication, management and revitalization. The declaration of a building as a monument can prevent the owner from demolishing the building for redevelopment, but a failure to develop and make good use of the monument subsequently will display a lack of foresight and planning. Let me refer to Kam Tong Hall as an example again. Have the authorities ever considered the conversion of the building into a museum, library or community centre, if Kam Tong Hall can really be preserved? This is in fact a way of achieving revitalization.

The State has been successful in its bid for hosting the Olympic Games in 2008, and Macao and Hong Kong will also hold the East Asian Games in 2005 and 2009 respectively, so the three places will certainly make active preparations for the events, such as enhancing the training of athletes and stepping up the construction of sports facilities. After the three places have signed an agreement on sports co-operation, their exchanges in respect of athletes, facilities and sports technologies will also become much more frequent. There will be training activities, competitions and attempts to learn from one another; all this will not only raise the standards of athletes in the three places, but also widen the horizons of those engaged in the sports industry, thus facilitating the development of the Hong Kong sports industry in the long run. The world image and status of Hong Kong will thus be upgraded.

Let me now turn to a topic which I have been following with great concern over the past decade or so — building management. Madam President, in its briefing session on the policy address this year, the Commissioner, Independent Commission Against Corruption pointed out that 4 310 reports on corruption had been received in 2003. Of these reports, 57% were connected with private-sector organizations, and 38% of these reports were about building management. In other words, corruption reports connected with building management

accounted for one fifth of all corruption reports last year. Such a high proportion is not acceptable under all circumstances.

In August last year, the Building Management (Hong Kong) Limited was liquidated by the banks. Such a large property management company having a history of 29 years vanished practically overnight, taking with it building electricity charges and lift maintenance fees, and building funds too were taken away. The Home Affairs Department could only stand helplessly by. Even a large property management company with such a long history can close down so very easily, who else can we as property owners trust?

The root cause of the building management problem is that amateurs are put in a position to lead professionals. Despite their enthusiasm, individual flat owners who lack any professional expertise will generally find it very difficult to deal with complex building management problems such as tenders, daily expenses and accounting. Property management companies are nominally under the regulation of Owners' Corporations, but in practice, who are "in charge"? The answer is very obvious. It will be most unrealistic to expect an Owners' Corporation to have a free hand in building management. Since there is no protection under the law, no mandatory provision on building management companies, the Independent Commission Against Corruption will be the only effective channel of complaints for individual owners in case anything goes wrong. This is not an issue of education, nor an issue of promoting commercial ethics. Rather it is all about the loopholes in building management, loopholes that permit the existence of intrinsic immorality. No anti-corruption advice can possibly be of any use. Therefore, I hope that the Government can complete the amendment of the Building Management Ordinance as soon as possible to plug all existing loopholes and better protect the rights and interests of Owners' Corporations and individual owners. This is our most pressing task.

I so submit. Thank you, Madam President.

**MR CHEUNG MAN-KWONG** (in Cantonese): Madam President, TUNG Chee-hwa's policy address still emphasizes that "every cent spent on education is an investment, not an expense". This makes people feel that he is just living in his own dreams, unaware that Henry TANG has already slashed the funding for education, that Henry TANG and Secretary Prof Arthur LI are still arguing over



the provision for education, and that his own pledge of "sparring no efforts to invest in education" is now being considered as either empty talk or sleepwalking.

Parents in Hong Kong have always attached great importance to the schooling of their children, aiming to enable them to receive quality education. The education system of the colonial regime emphasized quantity instead of quality, discriminated against basic education, and neglected students at elementary levels, so education at that time was never of any high quality. During the spates of emigration in the 1990s, in a bid to fill the vacuum left behind by the brain drain, the then government switched part of the resources meant for basic education to the expansion of tertiary education, ultimately sacrificing the interest of secondary and primary students, and resulting in adverse consequences extending the present day.

The Government's investment in education also reflects its neglect of basic education. At present, the unit cost for each student in primary education is \$25,000 per year, that of secondary education is \$35,000, and that of university education is \$230,000. The unit cost of university education is nine times that of primary education and six and a half times that of secondary education, illustrating that the investment in secondary and primary education is severely inadequate, causing the "malnutrition" of basic education.

Prof Arthur LI once said in the Legislative Council that the unit cost of university education in Hong Kong is on a par with international standards. This means that the cost of university education in Hong Kong is not high at all. Any further reduction of university funding will only deprive universities of competitiveness and quality people, thus affecting economic development. Funding reduction will lead to retrogression in education, tantamount to digging graves for talents.

For these reasons, I oppose any further reduction of university funding by the Government. Education is like the planting of trees. Now that the trees are growing and a forest emerging, why try to fell them and burn down the forest? Why try to sap the vitality of the universities and hinder the nurturing of elites?

Secretary Prof Arthur LI also once said in the Legislative Council that the unit cost of our secondary and primary education is just about 60% of the international standard. This means that the Government should increase the investment in secondary and primary education instead of trying to reduce the necessary resources. But Henry TANG's slashing of education funding will

affect universities and secondary and primary schools alike. In the case of universities, it is a lump-sum reduction, all to be done openly. In the case of secondary and primary schools, large classes, each crammed with 30 to 40 students, are used as a means of pumping resources away unnoticeably, injuring the quality of education.

Teaching in large classes can save money. The reduction of one class can save \$700,000 a year for primary education and \$1.2 million for secondary education, but then small-class teaching will become a remote target, thus making quality education and students' interest the victims of the fiscal deficit. Many countries in Asia, including nearby Taiwan, Japan and South Korea, are all making use of their population decrease as an opportunity to implement teaching in small classes. In Shanghai and Macao of China, teaching in small classes has also been put into practice. The only exception is Hong Kong which, due to its fiscal deficit and in order to save money, still clings to teaching in large classes as if it should remain unchanged for 50 years. This is the price of Henry TANG's slashing of education funding and also the greatest mockery of TUNG Chee-hwa's pledge on investing in education.

Actually, Henry TANG needs only maintain the existing level of education funding, then urge secondary and primary schools to enhance their productivity, and it will be possible to implement small-class quality teaching to the delight of all parents. At present, teaching in small classes is implemented only in fee-charging schools under the Direct Subsidy Scheme, instead of any government or subvented schools. In other words, "those who have money can be taught in small classes, and those who do not will have to study in large ones." This is nothing but class polarization in education, the greatest social injustice.

The need for justice in education can be compared to the necessity of designating the same starting point for all competitors in a running race. Although students may vary in speed, the same starting point can ensure justice. Education can ensure class integration and serve as a ladder of social mobility. Universal education should see no distinction between the rich and the poor, or discrimination will result. I hope that teaching in small classes can be implemented in Hong Kong as soon as possible, thus enabling its basic education to keep pace with the world, Shanghai, Macao and justice.

TUNG Chee-hwa says that education reforms have been "on the right track" but have "increased the workload of teachers and confused some parents".

This shows that for any education reforms to succeed, the difficulties of teachers and expectations of parents must be duly considered. The difficulties of teachers are not just about work pressure, about any "increased workload", but more about the Government's failure to respect them and appreciate their difficulties. Why is it that instead of encouraging teachers to pursue continuous learning to upgrade their quality, benchmark examinations, which practically negate all their qualifications, are introduced? Why is that quality education is being pursued through the deliberate creation of surplus school places as an excuse for closing down schools and getting rid of teachers, not through enhanced teacher training, school improvement and teaching in small classes? Why the majority of industrious teachers and principals are so often made the targets of smearing under the Government's education reforms, much to the detriment of all their efforts?

Education reforms involve a process of self-perfection and continued improvement, in the course of which both teachers and schools need encouragement and respect instead of smearing and attacks. But the education reforms of the Government have created an environment of vicious competition, in which a huge excess of school places is purposefully created to force schools to close down and plunge teachers into unemployment due to class reduction, thus affecting the stability of education provision. The Education and Manpower Bureau has been trying continually to create internal depletion in the education sector; very often, in society, it will set one group against another, thus hurting the feelings of teachers and principals in the end. Education reforms hence no longer carry hopes and delights, but numerous grievances. How can it be said that education reforms have been "on the right track"? Without the support of the education sector, how can any education reforms possibly succeed?

Education reforms must naturally cater for the expectations of parents. The birth rate has now declined sharply, as many people have only one child or at most two; so, parents' expectations of education are bound to become increasingly high. Teachers have to put themselves in parents' position, exerting their utmost to meet parents' expectations and treating students as children of their own. Only by doing so can they have the loving heart of both parents and teachers and command the love and respect of students. The Government should also stop slashing the funding for education in the belief that investing in students is just the same as investing in one's own children. Hong

Kong parents would rather skimp and save than cutting their children's education expenses. The Government is still in possession of nearly \$1,000 billion of foreign exchange reserves, and the reserves also yield an average return of about \$50 billion a year, so how can it sacrifice education on the ground of tight finances? How can it thus slash its funding for secondary and primary education, which is already lower than the international standard by 40%? How can it still dodge parents' request for small-class quality education? Education is an important investment in children's future and prospects. The Government must note that a small saving may lead to huge losses.

I also wish to appeal to all teachers and principals in Hong Kong that no matter how difficult the situation is, how ignorant the Government is, they must remain dedicated to their duties, love their students and respect students' parents, so as to do a good job as educators. Even if the Government does not appreciate your efforts and dedication, students and parents will understand you all the same. Teachers owe their status not so much to their salaries, but to their dedication and relentless efforts of self-enhancement. Society's expectations of teachers are getting increasingly high, both in terms of continuous learning and teaching quality. This is an irresistible trend and also a requirement that must be fulfilled by educators. All educators must do the best you can, so that you have no qualms about the teaching profession. I must express my gratitude to you for their perseverance and hard work, but my gratitude is really nothing, because you have contributed so much to education and students' well-being. Thanks to your efforts, students will make a mark in society, and the cause of education will thrive and prosper. It takes ten years to grow trees, but a hundred to nurture people. The torch of learning is passed on from you to your students. Yours is indeed a highly significant profession.

Madam President, I so submit.

**MR LAU CHIN-SHEK** (in Cantonese): Madam President, on behalf of the Hong Kong Confederation of Trade Unions (CTU), I would like to take this opportunity to commend Secretary Prof Arthur LI for his heeding good advice and accepting the proposal raised by us in the meeting of the Panel on Manpower, that is, allocating the \$16 million administrative charge collected from the levy on employers of foreign domestic helpers back to the Employees Retraining Board (ERB). It gives the ERB more resources to serve unemployed workers in times of retrenchment. Thank you.

Nevertheless, with regard to the question of reduction in funding for education, we hope the Secretary can likewise heed good advice in order to achieve the goal of making vigorous investment in education, instead of making vigorous reduction in education funding. I understand that the improvement of the quality of education and the quality of human resources does not solely rest with the question of resources, but it is certain that a reduction in funding will definitely impact on the quality of education and the future development of Hong Kong. I wish to reiterate that I oppose the reduction of university funding in the triennium of 2005-2008, and I hope our next generation will be given an opportunity to embark on the road to advanced knowledge and high added-value.

Madam President, I wish to talk about the question of qualifications framework. The CTU met with the Secretary on 12 February and stated our position in detail. Our concern is that the qualifications framework is somewhat a cleansing to wage earners, "they would get a job if they pass, or they would be thrown out if they fail". Of course, the Secretary will argue that this is not the case, but those wage earners, who have been suffering the threat of unemployment, are terrified by the trade test and fear that they may lose their jobs. I hope the Secretary can appreciate the concerns of these wage earners and refrain from introducing any measures arbitrarily to throw them into panic. The qualifications framework is launched on the premise of improving vocational training. May I ask the Secretary, given that wage earners have to work 12 hours a day, what time and energy they can spare to receive training? Without solving this problem in the first place, the launch of the qualifications framework is just putting the cart before the horse. I implore the Secretary to think twice. Thank you.

**MS AUDREY EU** (in Cantonese): Madam President, the importance of education is indisputable worldwide. When a government proposes to reduce its commitment to education, it will inevitably lead to a major controversy. A good example is the recent episode in which British Prime Minister Tony BLAIR was nearly forced to step down after introducing a bill for a substantial increase in university tuition fees.

Hong Kong is facing a fiscal deficit, and the Government naturally has to be very prudent in spending every single cent. However, investment in education is essential to the long-term future of Hong Kong, and it has a major bearing on whether Hong Kong can survive and maintain its position in the

globalized economy in which competition is becoming increasingly keen. Any proposed reduction or adjustment of resources for education could not be simplified as a formula or a mere percentage figure. Instead, it warrants very careful deliberations.

Is it necessary to review the existing utilization of resources for education? The answer is in the affirmative. A friend who is a teacher told me that, teaching assistants in his school were left idle. The school had been given funds to acquire computers, yet due to the lack of manpower to manage such computers, the computer room could open for use only occasionally. Besides, some schools try their best to use up the provision, ignoring whether the use of funds is justified, because they do not wish the Government to come to the conclusion that they are too well-off.

Why do the above situations occur? That is because the schools used to follow the guidelines of the Education Department (ED) too closely in their operations. Once the Government gives them more resources and greater autonomy, they would be at a loss of what to do due to the lack of management experience. Even though the Government has allowed the schools to employ some teaching assistants, with the original intention of relieving the "burden" of teachers, yet the teachers are too busy to assign any jobs to the teaching assistants. As a result, instead of serving the original good purpose, it leads to a wastage of manpower!

Similar situations also happen in universities. The delinking of the salaries of university staff from the pay scale of the Civil Service aims at giving greater financial autonomy to the universities. The Government expects the universities to operate according to commercial principles, such as strengthening the co-operation with the business sector and open up more sources of funding. The original intention was good, but the problem is: Do the universities themselves possess adequate management experience? Are the teaching and non-teaching staffs sufficiently prepared for this?

Madam President, I have mentioned the above situations not because I support the Government's reduction of education funding, nor do I prefer a retrogression to the era when the ED and the University Grants Committee (UGC) controlled and interfered with everything in primary and secondary schools and tertiary institutions. I just want to highlight a fact that, in the implementation of education reforms or other measures, the Government should

provide support to the schools, including management training. And it should also review from time to time whether the resources are utilized properly. In this Chamber, we often hear the Government say that a lot of funds are available, so even if some expenditure or recurrent expenditures are cut, many funds have been established instead. However, there are no objective criteria or reviews held to determine whether the money in such funds is used in proper ways.

On university education, as I have said many times before, the present admission rate of local universities is a nominal 18%; in fact, it should be about 16%. When this figure is compared with the 44% of Singapore, 56% of Taiwan and 68% of South Korea, Hong Kong lags far behind. I was most distressed when I heard Mrs Fanny LAW, the Permanent Secretary, say that the admission rate was so low just because there were "no more worthy candidates who could be chosen by the universities". What I cannot understand is: As many studies have shown that the children or students of Hong Kong are no inferior to those of other places, why are there "no more worthy candidates who could be chosen by the universities" so that our admission rate lags considerably behind? This remark was really most distressing and harsh.

Besides, according to the Sutherland Report, the scientific research expenditure of the local universities only stands at 0.48% of the Gross Domestic Product (GDP) — which is also on the low side. In fact, many of the results of scientific research can be commercialized. Therefore, be it in the interest of enhancing our competitiveness or elevating the academic status of our universities, the Government should increase its commitment in this area.

Madam President, regarding primary and secondary education, language education is of course very important. I would like to highlight this problem: As the performance of teachers in their language benchmark tests leaves much to be desired, I hope the Government can allocate more resources to assist such teachers to further their studies and undergo more training. Next, similarly an old subject, as just mentioned by Mr CHEUNG Man-kwong, is small-class teaching. Last week, many organizations attended a meeting, including principals, teachers, school sponsoring bodies and even parents. They were all in one voice in saying that it is a matter of common sense that small-class teaching was a better mode of teaching. However, the Government maintained that the issue had to be studied in greater depth before concluding whether it could be implemented. Just now, Mr CHEUNG Man-kwong has also mentioned that this has been achieved in Macao, Shanghai and South Korea. I

just do not understand why Hong Kong always has to lag behind others. Although there may be a resource problem, why can we not work towards this target gradually and step by step? At least we can put forward this target, namely, the approach of small-class teaching is good, and then we may move forward to achieve it.

Last week, a group of educational workers, including principals, teachers and representatives from school sponsoring bodies, attended a meeting of the Education Panel. They were all in one voice in saying that small-class teaching should be implemented. So this serves to illustrate that this is really a common sense issue. As for the most difficult issue, the resource issue, I think we may deal with it like what we have done with the issue of increasing the number of university places — do it gradually and step-by-step, and maybe we may start implementing it in primary schools.

As regards the controversy surrounding university funding, I expect the Government, the UGC and heads of the universities to come together for discussions as soon as possible, so as to reach a consensus, thereby enabling them to present the figures for 2005-2008 to the Finance Committee. The Government will soon conduct a consultation on the academic structure of "three-three-four", which will inevitably involve some additional expenditure. Secretary Prof Arthur LI intimated subtly to the press some time ago that it might be necessary to increase the tuition fees of senior secondary forms. Madam President, I wish to make it crystal clear that I do not necessarily oppose whatever increases the Government proposes. However, we must study the figures very carefully and take the affordability of parents into consideration. Most important of all, of course we must have adequate matching measures to assist needy families.

Madam President, in the past when the Government implemented the education policies, such as the language benchmark tests, the reduction in funding to universities or a merger of universities, it invariably left an impression of "a top-down approach" or sometimes even "an autocratic approach", without due regard to the feelings of the affected parties. The pet line of Secretary Prof Arthur LI is, "Something has to be done, and those with vested interests would surely oppose it; therefore, it is not necessary to conduct any consultation." He always adopts such an attitude, but ultimately his proposal would invite strong objections from others, and eventually lead to a very miserable predicament for himself. In fact, education policies are always



controversial. Even for British Prime Minister Tony BLAIR, though his Labour Party has two thirds of the seats in the Parliament, just managed to secure a marginal victory by five votes, not to mention the fact that there are many different voices in the Legislative Council now. Therefore, I sincerely hope that Secretary Prof Arthur LI can, while launching education initiatives, conduct adequate consultation and render full co-operation to all the affected parties in the education sector, thereby helping Hong Kong to make even greater improvement in education.

Thank you, Madam President.

**MR ANDREW CHENG** (in Cantonese): Madam President, I would now speak on the point on "Enlightened People with a Rich Culture" as presented in the policy agenda and put forward some advice and even criticisms to Secretary Dr Patrick HO.

Madam President, this part on "Enlightened People with a Rich Culture" which falls in the policy portfolio of Secretary Dr Patrick HO really gives me an impression that we are now in an age of "enlightened and rich culture of football betting". Why do I say so? For betting on football games is very enlightened and bets of various sizes are accepted and there are rich and varied ways to place such bets. A few weeks ago the "6 HaFu" was launched. Then a few days later there will be the "All Up" on correct scores and a month later the much-awaited "Asian odds" are very likely to be introduced. New form of bets will appear almost every month and it is amazing to see their richness and variety. Is this the kind of enlightened and rich culture which the Home Affairs Bureau wants to promote?

Previously the Home Affairs Bureau had a Secretary by the name of David LAN, or "Uncle LAN". When Hong Kong was bidding to host the Asian Games, he spoke loudly here to the effect that "Andrew CHENG wants each pupil to take up one sport, we in the Home Affairs Bureau want each Hong Kong person to take up one sport." The bidding to host the Asian Games was over, and we did not make it. But what has the Home Affairs Bureau really done to promote a healthy sporting culture in Hong Kong?

Sorry, I fail to see anything. However, what I have seen is, like I said, an increasing number of betting odds and forms of bets and they are becoming

increasingly rich and varied. All these draw the people of Hong Kong, especially the young people, closer and closer to football betting and on the way to becoming pathetic gamblers. I hope the Government will realize that an enlightened and rich culture should be a healthy sporting culture in which the public is encouraged to take part, instead of an unhealthy culture of football betting. Some people will say that football betting is not necessarily unhealthy, for placing small bets can be lots of fun. But we have all been alert to the problem that if the Hong Kong Jockey Club is acting in a restrained and disciplined manner, instead of offering bets on everything, then the people of Hong Kong can really treat betting as an entertainment. But the number of betting methods is increasing, and even some bets refused by off-course bankers are offered by the Jockey Club. Is this the so-called crackdown on off-course gambling avowed by the Home Affairs Bureau?

Therefore, Madam President, I hope that the Secretary, when he promotes culture and sports in Hong Kong, will study deeply into the issues involved. Some days ago there was news that a young person became addicted to football betting because he once won \$10,000 from it. He became addicted to this bad habit because football betting is becoming so unrestricted. Previously the Home Affairs Bureau made a pledge to the Legislative Council that there would be a code of operation to regulate football betting. But to date we have not seen even a draft of it.

Madam President, I hope very much that there can really be "enlightened people with a rich culture". May I reiterate that today is the best time for it. For Secretary Prof Arthur LI is also here. Every time when I mention the idea of one sport for every pupil, officials from the Home Affairs Bureau will say, "Okay, we will discuss with the Secretary for Education and Manpower." I hope the two Directors of Bureau will consider the well-being of our next generation. We want our young people to have independent thinking and we should give them a good environment. We will not encourage gambling and the Jockey Club can act in restraint and it should do its part in cracking down on off-course betting instead of accepting bets so indiscriminately. I also hope that the Education and Manpower Bureau can provide favourable conditions and encourage our young people to take part in sports, train themselves to be physically fit and get involved in a sporting culture. Right now the young people of Hong Kong are not enthusiastic about sports, but they are showing more interest in football betting. This is an unhealthy development.

Madam President, I hope the Home Affairs Bureau and the Jockey Club can provide information on an operation code so that the Legislative Council can discuss how it should be implemented. I hope they are acting in line with the original intention as stated by the Government, that football betting is legalized to combat off-course betting and to discourage gambling. But what we see now is that the trend is moving in the other direction.

I would like to warn the Government again that if no action is taken, our gambling population and the problem of pathetic gamblers will only oblige us to pay a heavy social price that cannot be offset by a meagre income from what is called betting duty.

Madam President, I so submit.

**MR TOMMY CHEUNG** (in Cantonese): Madam President, the Liberal Party strongly supports the reassurance given by the Government in the policy address that it will continue to develop tertiary education. However, as the Government is now carrying a serious fiscal deficit, it will be very difficult for it to carry on subsidizing new associate degree courses fully or substantially. We propose that such new courses should be offered on a self-financing basis. However, for those practical higher diploma courses which were launched in the past, the subsidies should continue. Yet, unfortunately, in the allocation of funds for 2005-08, the subsidies for many associate degree courses and higher diploma courses in two institutions have been cancelled.

Moreover, as regards the major trend of the four-year university system, the Liberal Party thinks that, insofar as the "three-three-four" education system is concerned, the Government should conduct a public consultation, co-ordinate and formulate an implementation schedule as far as possible. However, we also wish to remind the Secretary for Education and Manpower that, as the Financial Secretary is cutting the funding for universities, secondary and primary schools, we strongly hope that the reduction could be shared out by all the parties concerned, instead of making any specific part of the education sector, be they the universities, secondary or primary schools, shoulder the burden alone. We certainly do not like to see this: On a certain day in future, the salary of a university professor is even lower than that of a primary school teacher. This is because this trend may have already come now — that the salaries in universities are dropping all the time, whereas those of secondary and primary schools remain unchanged.

We hope the Secretary can make all the stakeholders share the reduction evenly because, according to the report prepared by the Audit Commission, there are in fact numerous cases of resource wastage in all education institutions, be they universities, secondary or primary schools; and such wastage could be reduced.

Madam President, I so submit.

**MR WONG SING-CHI** (in Cantonese): Madam President, before the policy address was released, the Caritas Youth and Community Service Centre had interviewed over 1 000 young people aged between 15 and 24 in December 2003 to gauge their views on the performance of the Government in administration. The findings show that most of the interviewed young people were dissatisfied with the administration by the Government, and in particular, nearly 70% of them were dissatisfied with the performance of the Government in solving problems of education. In another survey conducted by the Hong Kong Society for the Aged and the Hong Kong Playground Association, in which nearly 500 young people were interviewed, the findings showed that the young people interviewed were most dissatisfied with, in this order, the employment opportunities, the economic conditions and the education system.

These surveys reflect that the greatest difficulties faced by the young people are education and employment problems, and they hope that the Government can come up with some policies to improve the situation.

Undoubtedly, good education is very important to the young people. The Chief Executive, Mr TUNG Chee-hwa, once said that education is an investment, not an expenditure item. However, in the implementation of policies, the Government has slashed education funding substantially on the ground of eliminating fiscal deficit. As a result, the target schedules for implementing small-class teaching, full-day schooling for primary and secondary schools and the four-year university system have become very distant goals. The Government even goes as far as cutting the subsidies for courses such as higher diploma courses, associate degree courses and master degree courses, thus reducing the opportunities for the young people to pursue further education, or making them shoulder huge debts in order to pursue further education or take university courses.

The Democratic Party opposes the drastic reduction in education funding, and suggests that, in time of tight finances, the Government should transfer some of the revenue generated from the Exchange Fund to finance the work of education reforms, which will provide the young people with opportunities of access to better education. Meanwhile, the Government can continue subsidizing such courses as higher diploma courses, associate degree courses and master degree courses.

Addressing specifically the unemployment problems faced by the young people, the policy address proposes to extend the existing temporary measures as follows,

- (i) Extending 11 600 temporary posts in the Government, including programme assistants, peer counsellors and youth ambassadors; and
- (ii) Extending the Youth Work Experience and Training Scheme for two years, and extending the Self-employment Business Start-up Plans and the Continuous Education Fund Programme.

All these measures can benefit the young people. To the young people, these are still good news. However, in the long term, the Chief Executive must improve the economic conditions of Hong Kong and provide long-term, instead of temporary, employment opportunities. This is the only ultimate solution to the employment difficulties faced by the young people.

For short-term employment programmes for the young people, the Government should conduct a review as soon as possible, so as to provide better matching and support measures for the various social service organizations and bodies, thus providing services that are desirable both in quality and quantity. This would prevent such programmes from degrading into tools for making unemployment figures look better.

Those "non-engaged youths" with lower educational attainment are less capable of adapting to the knowledge-based economy after economic restructuring. Insofar as these young people are concerned, the Democratic Party suggests that the Government should strengthen the employment support and training initiatives for them, so that they may join such programmes after

leaving schools. In doing so, they could learn the knowledge or qualifications required in certain technical or service industries such as computer maintenance, homepage design, sales skills, beauty therapy, hotel and tourist guide services, and so on, thus improving their employment opportunities.

After dwelling on the two pressing issues of education and employment, I would like to discuss an issue of far-reaching impact, namely, the young people's participation in politics. According to a past report, among the 500 000 participants in the march on 1 July, 21% were students, that is, over 100 000 students had participated in the march. Their participation in this mass rally represented a major stride in the young people's participation in politics. According to a survey entitled "A study on the form of youth participation in the election" released by the Hong Kong Federation of Youth Groups (HKFYG) in 2000, it was already discovered that nearly 70% of the young people interviewed were "dissatisfied with the pace of political development in Hong Kong". We can see that, apart from taking part in election activities, more young people have actively built up different networks and organizations, such as the Young Christian Concern Group on Popular Elections, the League of Secondary Student Concern Groups on the Enactment of Laws to Implement Article 23 of the Basic Law, and so on, with a view to monitoring the performance of the Government.

The HKFYG initiated "The Action of Making Proposals" in November last year, suggesting many policy issues which are of concern to the young people, such as the unemployment problems of the young people, the young people's participation in community affairs, the promotion of the youth councils, and so on. However, the Chief Executive has not proposed any specific measures in response to the aspirations of the youths in respect of participation in community affairs and in the promotion of the youth councils. This is regrettable.

We had five youth councils in the past. As far as I know, only the Tsuen Wan Youth Council is still in operation. This is mainly because of the lack of support from the Government. The Democratic Party thinks that the Government should allocate resources to assist the District Councils in developing youth councils, so as to enable the young people to exercise their influence through their council experience and provide them with an appropriate chance to grow in the process of their participation in the community.

Lastly, I would like to mention another issue, which was discussed at length by Mr Andrew CHENG, that is, the increasingly prevalent trend for the young people to take part in football betting ever since the authorization of this gambling activity last year. From the newspapers, I learnt that some staff members of the Jockey Club had recently found that, as they stopped certain persons from entering the betting centres to place bets, more than 7 000 people could not produce identification documents to prove that they were adults. This is a very serious situation, that is, many young people want to take part in football betting because there are convenient betting centres nearby to facilitate their participation in such gambling activities. They may even bring such gambling activities into the campus. Some people may become excessively addicted to football betting and they may lose their own savings and commit suicide in the end. However, the policy address fails to respond to the issue of when the Government will conduct a review of the authorization of football betting. The Democratic Party requests the Government to conduct a review of the authorization of football betting as soon as possible, with particular attention being paid to the impact on the young people who might become addicted to such a gambling activity.

I so submit. Thank you, Madam President.

**MR YEUNG YIU-CHUNG** (in Cantonese): Madam President, the policy address has devoted limited coverage to the policy area of education. Yet, the address has elevated the discussion of education problems to the level of the sub-heading of "Meeting the challenges of globalization". This treatment is sufficient illustration of the great significance attached by the Government to education. The Chief Executive says, "The main tool for promoting economic restructuring and establishing a knowledge-based economy is to invest substantially in education." Insofar as this point is concerned, the Democratic Alliance for Betterment of Hong Kong (DAB) is ready to give its full support and agreement. This is the main reason for the DAB's strong opposition to the Government's proposed reduction in its investment in education. I oppose the reduction in education expenditure not because of my work in the education sector or the insular insistence that education is of the utmost importance. Instead, I oppose the reduction due to my consideration of the need to maintain the competitiveness of Hong Kong as a whole.

The policy address mentions the development of education industries. This is a relatively new proposition, which has the support of the DAB. Developing education industries and running schools with public funds are not mutually exclusive. Although education is a public cause, this does not mean that it has to exclude any commercial operations. I would like to stress that, commercial operations are not equivalent to profiteering or selfishness. As proven in history, fields excluding commercial participation are all those that could not do well. The education sector is no exception. For certain goods that are both good in quality and inexpensive in price, some commercial elements must have been introduced into them. I hope the Government can, while developing education industries, explain the relevant concepts and measures clearly to the people. It has to explain especially in explicit terms that the Government is not withdrawing its commitment to education, not abandoning its care and concern for less well-off students. This could avoid causing any misunderstanding or rebound, which might eventually turn a good initiative into a bad one.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

There are divergent views as to whether the education reforms, to date, are a success or failure. Since the reunification, the Government has been doing whatever it can in making investments in education. During the past six years, the expenditure on education has sustained an increase of 30%. Yet, the effect of implementation leaves much to be desired. The DAB thinks that the crux of the problem lies in the great haste in implementing some of the policies. As a result, they have failed to secure an extensive consensus in society. In addition, the absence of matching measures in the process of implementation has made it difficult for the Government to clarify the details of how the policies are implemented. As a Western saying goes, "The devil is in the details." It has simply induced all kinds of discontent. Some of the initiatives were not implemented initially in the best possible way, and after their implementation, they were not supported by parents and teachers. For example, for the primary one admission mechanism, some people still wish to see that headmasters could exercise some discretion in giving additional marks in the assessment process.



This year, there are two major initiatives insofar as education reforms are concerned: First, a public consultation on reforms to the senior secondary education system and the university system; second, the reviews of the medium of instruction and the secondary school places allocation system. Both initiatives are tough and complicated tasks, involving a series of reforms to the curricula, financial arrangements and matching measures, and so on. We sincerely hope that the Government can learn from past experience and do not proceed too hastily for quick results. It should also avoid stretching the battle lines too long, which will lead to a loss of control and co-ordination, and could provoke a lot of complaints and grievances.

Among such new initiatives, the financial arrangements for effecting the reforms to education systems are particularly worrying to us. During the past few days, a certain source speculates that the tuition fee for senior secondary students will go up by 29%. It was estimated by the Education Commission (EC) last year that the change of the system would entail an additional \$5.4 billion, and the extension of university education by one year will require an additional \$9.5 billion. It is really an extremely heavy financial burden. At a time of serious financial straits for the Government, it appears to be most unrealistic to ask the Government to allocate additional education funding to implement the change of system. As such, deployment of resources seems to be the only way out. However, in doing so, we have to cut some of the resources for the provision of some existing education services. Therefore, in conducting future consultations, the Government must explain it very clearly to the people why there should be some deployment of resources and how this is done. In addition, the Government has to listen to the opinions of schools, parents and the public. Of course, we hope that the consultation could be implemented smoothly and we would be glad to see that the reforms to education system could be implemented expeditiously.

Furthermore, according to a certain source, it is most likely that the reviews of the secondary school places allocation system and the medium of instruction policy, originally scheduled for completion in September this year, will be postponed due to the complexity of the work involved, and its implementation may have to be delayed to next year. On this, the stance of DAB is: Education reforms are interrelated with each other, so one aspect may have a significant bearing on the other. Instead of conducting the reviews in

great haste and then putting forward a half baked proposal on which there was no general consensus, we would rather postpone the date of implementation in exchange for some time to conduct some in-depth consultations and reviews in order to seek a general consensus. In this way, we can minimize the possibility of introducing frequent policy changes and reversal of such changes, and so on, thereby also minimizing the impact of education reforms on schools, teachers and the next generation.

The excessive working pressure of teachers is a problem that has existed for many years, yet it has never received any proper attention. In the beginning of the last academic year, the suicides of two teachers had alerted us. The excessive pressure on teachers affects not just the quality of teaching, but also the professional development and the mental well-being of teachers. For the very first time, the Chief Executive shows his concern for the pressure problem of front-line educational workers in his policy address this year. He also admits in the policy address that the education reforms have confused the parents. All these show that the Government is actively reviewing the effectiveness of its administration. This is a good beginning of people-based governance. However, regrettably, the Government has not mentioned the need to formulate strategies and measures to relieve the pressure of teachers. We hope that the Government can deploy some resources to set up a teachers support team and reduce the number of lessons per week. So doing will, apart from reducing the working pressure of teachers, help to release the creative potentials of teachers, thereby enhancing the quality of teaching. The Government will then be able to live up to its promise of "thinking in the way the people think and sensing the urgency of the people"!

Madam Deputy, another deficiency of this year's policy address is that it has overlooked the significant role of moral education and civic education in shaping the total development of students. In recent years, there has been an increasingly serious trend among the young people of vandalism and littering, and so on. News of assaults and suicides is heard quite frequently. In addition, the young people do not like to identify themselves as Chinese nationals. All these show that our young people are not public-spirited, lack a proper outlook on life, hold incorrect values and are weak in civic awareness. The DAB urges the Government to show some determination in stepping up and monitoring the implementation of moral education and civic education in schools. In addition,

in reviewing the curricula, the Government should incorporate the same as a key area of reform, so as to formulate a set of specific and effective policies, subject to regular review. Moreover, the DAB thinks that the Government should set up some education exchange funds to facilitate more education exchanges between Hong Kong and the Mainland. Through such live experience, students may develop their civic awareness and their feelings and commitment to the country.

Madam Deputy, I so submit.

**DR TANG SIU-TONG** (in Cantonese): Madam Deputy, in the section of "Enlightened People with a Rich Culture", the Chief Executive says explicitly that education will be used as the backbone in relation to all such initiatives. This evening, I would also like to speak on policies on education.

*(1) Previous education reforms should be assessed and reviewed in a comprehensive manner*

Since his assumption of office, the Chief Executive has implemented many education reforms, including introduction of the mother tongue education, language benchmark tests for teachers, schools under the Direct Subsidy Scheme, the cancellation of the Academic Attainment Test, and so on, and even the proposed change of the three-year university system into a four-year one mentioned this year. However, most of such policies have come under criticisms. All along, no comprehensive and in-depth review has been conducted of them. By "comprehensive and in-depth", I mean we should not just take education reforms as individual policies on education, nor should we just examine if such reforms can effectively solve the original problems and effectively upgrade the quality of students. In addition, we should also review the advantages brought about by the new policies as well as new problems that may emerge with the implementation of such policies, so as to avoid the emergence of the situation of "having brought about one advantage on the one hand, yet causing other disadvantages on the other". The approach and the public relations techniques adopted by the Administration in promoting the policies should be reviewed as well. For example, in implementing certain education reforms in recent years, the Administration seemed to have held the teachers responsible for the deteriorating quality of students. And in the course

of implementing education reforms, the work pressure of front-line teachers has often been overlooked, and the changes are implemented as soon as an idea has sprung to the minds of the relevant officials, obviously without prioritization. This has put front-line teachers into very difficult situations, and grievances and complaints can be heard all the time. As a result, "Before the reforms achieve any success, the people are already disheartened. It is indeed a great regret for the aspiring advocates of reforms." Before the education reforms could achieve anything, the morale of educational workers has already been dealt a great blow.

*(2) The slow pace in effecting the change of the three-year university system to a four-year one is criticized*

Among the education policies of the year, the focus is undoubtedly the change of the three-year university system into a four-year one. This change has been brewing for a long time, and the principle of such a change has been widely accepted by the universities, students, parents and even people from all walks of life in society. In addition, the Early Enrolment of Top Secondary Six Students Scheme implemented by the various universities has actually enabled some of such top Secondary Six students to enjoy the four-year university system. Instead of allowing such a "transitional academic system" to continue, it is better for the Government to implement the four-year system as soon as possible, so as to avoid affecting the teaching progress of the matriculation classes. However, according to the timetable put forward by the Government, it has to go through a one-year consultation and four years of preparation. It is anticipated that we shall have to wait until the new academic year commencing in September 2009 before the new senior secondary school system can be put into operation at the earliest. For a policy about which there is already a consensus, it seems to be taking too long. In fact, the focus of discussion is no longer whether the universities should adopt the change to the four-year system. Instead, the focus is now how the secondary school system should be reformed. The focal points of concern are the details of the curricula of junior and senior secondary school education (both of three years duration), as well as the arrangements for public examinations. I hope the Government will not slash the funding allocations to secondary schools on the ground of having one form of class removed from the secondary school campus because the purpose of effecting the change to the system is upgrading the quality of students. As such, the Government should not take any actions that run in the opposite direction.

(3) *Support different roles for the various universities and the Hong Kong Institute of Education should take on a new positioning*

All along, there has been the opinion that, with seven universities, Hong Kong seems to have too many universities. In fact, only 18% of the students of the relevant age have enrolled in universities. The rate is quite low when compared with most developed places. However, from a resource perspective, the existence of seven universities is too much for us. The Government actually cannot afford to pay for the expenditure of seven universities. As the salaries of university staffs are quite high, and there has been an excessive reliance on government funding on the part of the universities, that explains why university expenditure has remained at a high level. Therefore, it has become increasingly significant for the limited resources to be utilized in the most effective way. Based on their unique characteristics, the universities should formulate plans for different directions of development, in order not to duplicate research efforts and avoid triggering vicious competition for resources.

Let us cite the case of The Hong Kong Institute of Education (HKIEd) as an example. With the decreasing birth rate, the number of students enrolling in primary schools has dropped drastically. As a result, in the human resources market, the demand for new teachers has diminished substantially. Therefore, we propose that the Government should give the HKIEd a new positioning in the education system. It should reduce the intake of undergraduates and utilize the resources effectively. In order to upgrade the quality of its students, the HKIEd should introduce higher admission criteria. We think that, for students with secondary school qualifications, they should only be allowed to enroll in primary education bachelor degree courses. Only graduates of the relevant disciplines who have completed the education diploma courses are allowed to teach in secondary schools. Besides, the recouped resources should be used mainly on supporting serving teachers by assisting them to upgrade their qualifications to bachelor degrees. This is the way of assisting serving teachers to keep abreast of the times and upgrade their standard. Incorporating the HKIEd into other universities is also a way of reducing administrative resources.

(4) *The work of the Home Affairs Bureau*

The Home Affairs Bureau has been negligent in discharging its duties in collecting public opinions. All along, the SAR Government has not been very

good at grasping public sentiments, and obviously it has a long way to go before really becoming a "people-based" government that can "think in the way people think and sense the urgency of the people". This is especially evident in mid-2003, when the Government failed to grasp the public opinions in society for most of the time, thus making the implementation of its policies doubly inefficient. As a result, there have been voices in society calling for a reform of the Government's public opinion collection mechanism. The Chief Executive has also responded to this criticism in the policy address of this year. However, we cannot help asking the question: What is the original mechanism for collecting public opinions? Which department is responsible for collecting public opinions? The answer is the Home Affairs Bureau. It has an enormous network of Liaison Officers, whose primary responsibility is to collect public opinions and views in society, so as to enable the Government to make prompt responses to issues of public concern, and to alleviate public grievances as early as possible. However, at the moment, they are just responsible for organizing some carnivals and other cultural and recreational activities — they are taking part of their duties as the totality. It is really a serious negligence of duty. I hope, with the reforms put forward in the policy address, together with greater reliance on the consultative function of District Councils and the incorporation of the voices of the middle class on a more extensive scale into the policy-making process, the situation can be improved.

*(5) Support for conducting studies on gambling-related problems*

Madam Deputy, the authorization of football betting was one of the most controversial issues of last year. After proceeding with the enactment of legislation for the legalization of football betting, the Government has come under severe criticisms by people in the religious, educational and cultural sectors. With the authorization by the Government and the promotion by the Jockey Club, the scope of football betting has been extended from four major European leagues and three betting methods to leagues in eight countries, over 20 leagues and cup tournaments. There are more than 100 matches in a week for betting, and the number of betting methods has increased to eight. With overwhelming promotion of football betting in various media, there is virtually no need for arguing whether the Government is responsible for adding momentum to the gambling trend. A survey conducted by non-government organizations clearly illustrates that: With the authorization of football betting,

people originally not participating in off-course football betting, especially the young people, have now become gamblers in football betting. The situation is worrying. Many recent family tragedies fully testify that the legalization of football betting is sufficient to ruin the families of many new gamblers. I strongly request the Bureau to expedite the implementation of such mediating measures for gambling problems as promised earlier, study the impact of football betting on the people especially the young people, expeditiously formulate relevant solutions, and provide preventive education, counselling and curative services.

*(6) The Equal Opportunities Commission (EOC)*

A recent employment issue in connection with the EOC has given rise to a major controversy in Hong Kong. Originally a labour dispute, the incident has eventually escalated and intensified into a crisis of governance.

The EOC is a statutory organization, governed by legislation relevant to equal opportunities. The responsibility of the Home Affairs Bureau is to appoint members of the EOC and scrutinize the use of its financial resources. The Government does not have any motive in interfering with the appointment of the staff members of the EOC, nor smearing its members.

The credibility of EOC should be improved and perfected by the EOC itself. If the issue is taken over by the Legislative Council, we are minding other people's business. No desirable effect could be achieved. In the face of public criticism, the EOC should appoint an independent committee of inquiry to find out the circumstances surrounding the case and give a full account to the people.

Madam Deputy, I so submit.

**MR TIMOTHY FOK** (in Cantonese): Madam Deputy, after experiencing the longest recession in half a century's time, finally there are signs of economic recovery in Hong Kong. As to whether our economy has actually entered "a blossoming new season of spring" as Chief Executive TUNG Chee-hwa said at this year's spring reception, it is a historical mission of the seventh policy address of the Chief Executive.

The title of this year's policy address is "Seizing Opportunities for Development Promoting People-based Governance", which has established the strategic direction of "leveraging on the Mainland, engaging ourselves globally, capitalizing on our advantages, strengthening our core industries, deploying new knowledge and new technologies and moving up the value chain", with a view to promoting Hong Kong as Asia's world city.

In order to achieve the objective of promoting Hong Kong as Asia's world city, the policy address proposes the creation of an environment which encourages innovative thinking, mutual respect and social cohesion, with a view to motivating the public's interest in culture and arts, nourishing personal tastes, improving advanced cultural and ideological progress and uplifting cultural accomplishment. For this reason, eight new measures were introduced and 16 major measures were retained.

Madam Deputy, the policy address incorporates sports, culture, arts and education as the substance of improving the quality of life, where education is considered the major impetus. I consider this a fair enough move. However, under the objective circumstance that creativity has become the core of economy, I am afraid the effect of a sports and culture policy without a macro blueprint and a concept of making industrializing it is rather feeble and indiscernible.

For one thing, among various policies, as the proposed development of the West Kowloon Cultural District involves sports, culture, performing arts or even real estate development, encompassing dynamic cultural, commercial, tourism and sightseeing elements, in addition to the fact that it will mark the outlook of the metropolitan development of Hong Kong as well as South China, it has therefore become the concern of all sectors. The cultural sector eagerly hopes for the success of the West Kowloon project, but how can the project manifest positioning of Hong Kong as a cultural metropolis or even of South China? How can the fine traditions of the culture and arts of the East and the West be passed on and amalgamated? How can cultural and arts elites of the new millennium be uncovered and nurtured? How can the creative economic elements of culture and arts be tapped? These pillars of the project could not be accomplished merely by the architectural plans or the commercial negotiations between the Government and individual developers. The cultural and arts sector should take part in it and play a leading role. Certainly, a multi-faceted commercial development cum management project, an insightful culture and arts policy, a comprehensive set of component facilities, and a macro design and



development of the entire lot together with its adjacent districts, such as the old urban area of Yau Ma Tei, are indispensable to the development.

The financial potentials of sports are immeasurable. We have learnt that in the recent Super Bowl final, the charge for commercials was as much as HK\$30 million/second. Hong Kong should not stand still and refuse to make progress, retaining sports merely for arts, cultural and recreational or keep-fit purposes. Instead, we should make it the fifth pillar industry with the same field of vision as we have developed the financial services, logistics, tourism and producer services and determine a new direction for the development of sports with the help of the establishment of a sports commission; we should go after the target of industrializing sports by seizing the opportunity of hosting the Fifth East Asian Games with an overall plan. I trust that with Hong Kong's position as the international information hub and its exceptional and excellent business development and management experience, and as long as there is complement in terms of policy, resources, facilities as well as the deregulation in commercial sponsorship constraints, we can definitely become the international sports centre and the convergence point of the sports industry in the region.

With the impetus of CEPA, the upside of film industry resurfaces. Thanks to the Government's concern and support. However, with regard to local films accessing the mainland market, considerable obstacles still get in our way. The film industry hopes the Government can make persistent efforts to help us restore our status as the "Hollywood of the East". In the meantime, in addition to accessing the mainland market, assisting mainland television production to open up overseas' markets will be one of the business directions of the local film industry. The support of the Government can play an active role in this respect.

Madam Deputy, the 2004 Taipei International Book Exhibition, which has just been held a while ago, registered a record attendance of 420 000 and sales over 500 million New Taiwan dollars. Even though the conditions of Hong Kong are different from Taipei, its position as the global Chinese-language publishing centre and its geographical advantage are irreplaceable. The question lies in the fact that inadequate importance has not been attached to the publishing industry, while computerization and cost hikes have forced local printing operations to move out of Hong Kong. However, in view of the continuous expansion of the mainland market in addition to the rising position of

the Chinese language in the international arena, the chances of Hong Kong becoming the window of the mainland market are growing stronger. As long as the industry can liaise with overseas' countries, carry out its intermediary role in the international copyright exchange and perform its function as the hub of international publishing with the support of the SAR Government, it can become another "new dawn" industry of Hong Kong.

All along, the advantage of Hong Kong lies in its creativity and its global vision. The function of sports, cultural, arts and publishing activities is to enrich our inner-selves and to uplift our outlook, so that the co-ordinates of Hong Kong in the world map will maintain glitter and glamour.

With these remarks, Madam Deputy, I support the original motion.

**MR ALBERT CHAN** (in Cantonese): Madam Deputy, the policy address this year is a continuation of governance *à la* TUNG Chee-hwa, that is, fooling the people and piling heaps of nonsense. As we look back at the policy addresses of the past seven years, we will find that they are all full of words exaggerated, grandiose and hollow. A lot of things are said but never done. Things are said this time, in a similarly exaggerated, grandiose and hollow manner. We will have to wait and see how many things can be achieved.

In a meeting of this Council last year, I made the request that TUNG Chee-hwa should resign. Then followed the march of half a million people on the streets. When I demanded his resignation, I wrote 18 slogans, all started with the word "one". But after the march by half a million people on the streets, this policy address by TUNG Chee-hwa is the same as the previous ones. Nothing has changed, and no response is made to the demands of the people.

I would later discuss issues related to planning, lands, public works and transportation, and so on. In this session, I will dwell mainly on education and local community economy. For as far as I know, matters related to local community economy belong to the portfolio of the Home Affairs Bureau.

With respect to education, TUNG Chee-hwa has constantly stressed in his policy addresses from 1997 to 2002 the need to nurture talents, reform education, encourage continuing education, train up elites, and so on. But recently the

Government has slashed funding for higher education, causing the tuition fees of some post-secondary programmes to rise immensely and putting off many people intent on pursuing further studies. In addition, the Government turns a blind eye on the increasing hardship faced by teachers in primary and secondary schools and insists that a "big-class system" be maintained and that schools with under-enrolment must be closed down. This has severely damaged the morale of teachers and hence inducing a talents drain in the education sector.

The move made by the Government to slash education resources is obviously a violation of the pledge made in the policy addresses over the past six years. It is an act of betrayal. The frequent changes in education reforms also add greatly to the workload of teachers and affect the quality of education. The mental stress on teachers also increases. The result is a number of suicides committed by teachers. This exerts an adverse impact on the young people which is far-reaching.

With respect to boosting the local community economy, the Government regarded activities in the Sheung Wan Gala Point and open air cafes as activities that could boost the local community economy. Once I submitted an opinion paper to the Chief Executive on innovative proposals to revive the economy. That proposal was handed to him in person when I met with him. To date, I have never heard from him. The only response I got is from an Assistant Permanent Secretary in the Home Affairs Bureau on some of my proposals. But these are just part of the some 10 to 20 proposals which I have made. Basically, the reply I got is that these proposals will be considered or studied. At a time when the people of Hong Kong are living in dire distress, high unemployment and financial hardship, the use of this kind of conventional and bureaucratic mentality to handle things is definitely not the right kind of governance. It is also the kind of practice that the people of Hong Kong would not want to see.

The submission has been sent to the Chief Executive's Office. As many officials and groups have put it, the Chief Executive's Office is like a black hole, for submissions sent there will simply disappear and no response will be made. I do not think this is an exaggeration. The innovative plan is meant to stimulate economic growth. I hope that the Secretary can take the matter into his hands and do away with the conventional and bureaucratic mentality and practice so that there can be prospects of development for the economy of Hong Kong.

In my proposal, I have mentioned that the Government should use fair and impartial measures and permit those people or consortia with strength to put forward innovative and workable plans. They should be given an opportunity to put these into practice as soon as possible, in order that the economy can be given an impetus and jobs increased.

There are lots of talents in Hong Kong indeed and capital is abundant. The banks are flooded with money. We must develop some scenic spots which are innovative and endowed with local characteristics. These spots will make Hong Kong a more attractive place to visit, so that not only will tourists come here but locals will want to stay in Hong Kong for spending. This will make our economy vibrant. However, this creative plan has been put forward for many years, since Antony LEUNG assumed office as Financial Secretary, but no concrete plans have been formulated to date. I therefore hope that the Secretary for Home Affairs — I have lost all my hopes for TUNG Chee-hwa and I have more expectations for the Secretary than TUNG Chee-hwa — will break this conventional and bureaucratic mentality and give the people of Hong Kong an opportunity to develop their own place.

As for other issues, in particular my discontent for the whole administration, I will comment on it later. Thank you, Madam Deputy.

**MR HENRY WU** (in Cantonese): Madam Deputy, today we are debating on the policy areas of "education, home affairs and manpower planning". I believe my speech is quite educational.

First of all, I would like to thank Dr LAW Chi-kwong for telling me that "Yiyuanfushi" (一元復始) (meaning that the year has completed the cycle and returns to the very beginning) should fall on the Winter Solstice, not on the Beginning of Spring. After I had finished my speech last night, he passed me a note to tell me that, according to *I-Ching* (易經), the hexagram for the Winter Solstice is "Fu" (復卦), which means the Sun has returned from the Tropic of Capricorn and is moving northwards, representing that the Sun is returning to the very start, so it is "Yiyangfushi" (一陽復始), which is also described as "Yiyuanfushi" (一元復始).

Since yesterday was the Beginning of Spring, so in my speech I said, "We are at the beginning of the year and everything will make a fresh start." (一年之

始，萬象更新) By this, I meant to say that Spring had arrived, and everything on the Earth would make a fresh start. As a common saying goes, "Spring is a good time for making plans for the year." So I hope that the Government can readjust its planning to make a new start for all its policies.

Owing to the different interpretations of "Yinianzhishi" (一年之始) and "Yiyuanfushi" (一元復始), I tried to look for some information on the 24 Solar Terms. As a result, I found some information in the Chinese Culture Channel of the website of the Radio Television Hong Kong. The Beginning of Spring is the first solar term in the lunar calendar, which marks the arrival of Spring. On the day of the Beginning of Spring, people will usually whip the Spring Cow, moulded in clay. This action marks the beginning of a new year of farming activities. And it is said that this custom of "Whipping the Spring Cow" has a history of over 3 000 years.

Other information on the website shows that, on the Beginning of Spring, Spring has arrived, and all creative activities will then begin. According to *Zhozhuan*, "the Beginning of Spring marks a new start, whereas the Winter Solstice means an initiating point." Both refer to the beginning of a year. Although only the word "qi" (啟) is used, it signifies unlimited vigour and liveliness.

Madam Deputy, our country was established with agriculture as the main means of living of the people since the very ancient time. Spring is the time when everything becomes lively again. All the plants and trees are flourishing and booming. Therefore, the arrival of Spring bears great significance. As early as the Zhou Dynasty, the imperial court would usually hold a Spring Worshipping Ritual in Spring. For the various dynasties after the Song Dynasty, such as the Yuan Dynasty, the Ming Dynasty and the Qing Dynasty, the Spring Worshipping Ritual was held as a tradition. The ritual aims at celebrating the beginning of the new year and the arrival of Spring, and it conveys the hope that the people could enjoy good weather and prosperity during the year.

However, another note recorded that the Winter Solstice is the extreme point of the wintry weather. After this day, the warmth from the Sun will usually begin to come, and the duration of daytime will begin to grow longer. As a popular saying goes, "the Winter Solstice leads to the growing Sun." The days for the replacement of Winter with Spring will commence. It is said that in the Zhou Dynasty, the Eleventh Month was considered "positive", and the day

prior to the Winter Solstice is the end of the year. So the Qin Dynasty had adopted the traditional practice of the Zhou Dynasty and considered the Winter Solstice as the beginning of a year.

Consolidating such information, I find that the Chinese culture, with 5 000 years of history, is really very profound. On a single subject matter, there may be different interpretations in different periods of time, and the variation of one character may also change the meaning of an expression completely. Theoretically, from the perspective of the calendar, the Winter Solstice does carry the true meaning of "Yiyuanfushi", that is, it really marks the beginning of a year. Yet from a more practical point of view, with reference to the actual work and rest pattern in the daily life of the people, the Beginning of Spring is actually the time when the farmers start ploughing their fields, and it signifies a starting point for renewed vigour and liveliness. So the period of time between the Winter Solstice and the Beginning of Spring is for people to take a respite and build up their strength in preparation for the arrival of the Chinese New Year. So which day is the beginning of the year: The Winter Solstice or the Beginning of Spring? Having listened to so many details, Members would know that it really involves a lot of historical knowledge.

Why have I said all these? Madam Deputy, this is just because the Chinese culture is so great, profound and subtle. But in the past, during the reign of the colonial government, no proper emphasis had ever been put on Chinese cultural education. Therefore, the people do not have a very good understanding of the traditions of the Chinese culture. That explains why we have misunderstood the real meaning of the Beginning of Spring. This is understandable.

However, now, after Hong Kong has been reunited with China, the Home Affairs Bureau and the Education and Manpower Bureau should strive to work together in stepping up publicity efforts to educate the people and the students, so that they can gain a good understanding of the Chinese culture. Special efforts should be made to promote the education on the fine traditional moral thinking. Therefore, I hope the authorities could step up the efforts in promoting the learning of traditional Chinese culture. I believe everyone would not like to see that, the young people, after a few generations, would know only the existence of Christmas and the All Saints' Day, but know nothing about such wisdom of cultural tradition as the 24 Solar Terms, which were passed to us from our ancient ancestors.

Madam Deputy, antiquities and monuments are the light illuminating our path of pursuit of the traditional culture. At this point, I would like to make a declaration: I am a member of the Lord Wilson Heritage Trust. I would like to commend the authorities for attaching great significance to the issue of the policy of preserving cultural heritage. I hope the authorities can make improvement to the various concerns as soon as possible.

I agree with the authorities' claim that it is necessary to upgrade the public consensus on heritage conservation as well as the support from society in this regard. But I am more concerned about the need of upgrading the awareness of public officers, especially front-line staff, in heritage conservation. I have attended a meeting of the Public Works Subcommittee of this Council, in which an official described some cultural relics as "broken glasses". This is a total disrespect of heritage and history. Therefore, I hope the relevant authorities can further educate officials of different levels to ensure that antiquities and monuments are given due respect and protection.

Madam Deputy, I so submit.

**MS CYD HO** (in Cantonese): Madam Deputy, I would like to state at the outset that although my speech starts with the part on governance in relation to Article 23, I am actually speaking specifically on the purview of the Home Affairs Bureau.

One of the focuses of our discussion on the enactment of laws to implement Article 23 is striking a balance between national security and the human rights of the people. However, in the policy address of 2004, we can see that there is an absolute imbalance in the emphasis of administration by the Government. It just stresses the acquisition of power through the enactment of laws. Yet in advocating human rights, it is just doing some window-dressing with no sincere intention of enhancing the human rights awareness of the people of Hong Kong by use of its policies, resources and administrative measures. On the part of governance, the Government makes it very clear that it will continue to proceed with the work related to the enactment of laws to implement Article 23. The amendments to the anti-terrorist law are also being proceeded with. However, regarding the implementation of the five human rights conventions through the country, we cannot see any major progress. Let me

name them in one quick breath: The five conventions are the International Covenant on Civil and Political Rights, the Convention on the Rights of the Child, the International Covenant on Economic, Social and Cultural Rights, the International Convention on the Elimination on All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination Against Women.

The responsibility of the Home Affairs Bureau is to compile a report on each Convention on a regular basis, and present the reports to the relevant Committee, and to attend the relevant hearing of the Committee, and then bring the suggestions made by the Committee back to the relevant Policy Bureau. In the past, many officials of the Home Affairs Bureau said that they were just doing the job of messengers. All they did was to collect information from the various departments and bureaux, compile the report and then present it to the Committee. They felt that they did not have any role to play in the process. They in fact have ignored their responsibility in bringing the values of human rights to the local people. In the past the United Nations Committee on Human Rights had criticized that, governments should promote more discussions in their respective countries, instead of just submitting reports to it. The report submission is just a means, and it is absolutely not an end in itself. The governments should review their local human rights situations with non-government organizations in the process. They should jointly find out the problems which undermine human rights both inside and outside the establishment, and then strive to monitor the situation and strengthen the protection by way of policies. On the cultural level, mutual respect and tolerance should be promoted in every aspect of the people's life. This is because protection of human rights means not just enacting laws to prohibit this or that. Instead, the more effective approach is to make the thinking of equal rights and equality part of the living attitude of the people. If such an attitude is adopted by the people, then it will be doubly effective, and we do not have to rely on taking all issues to court.

However, unfortunately, what the Government is doing now is just "submitting its homework" to the United Nations. It simply neglects its communication with the people, and it just reports the positive events and conceals the negative ones. When the time for report submission draws near, it will hastily proceed to do some remedial work. Let me quote one example. On the issue of the age threshold of criminal responsibility, as it is the time for



compiling the report for the Convention on the Rights of the Child, it hastily raises the age threshold from seven to 10, albeit all matching measures are still not in place. We were still holding a meeting with the Government this morning, with a view to identifying ways of genuinely protecting local children after such a minor window-dressing change is made.

In the past, we had requested the Government to allocate some resources to assist non-government organizations in promoting human rights in their respective networks and initiating discussions. Yet the Government would only take up the issue for a year or so, and then the whole issue will fade away gradually because no one knows when the next hearing will be held. So all the efforts in this regard will be slowed down again.

Madam Deputy, I would like to ask the Government to do two practical tasks: First, set up a human rights commission, which shall be responsible for reviewing our human rights situation annually, instead of just handing in a piece of homework to the United Nations. Of course, I hope, instead of being another window-dressing organization, this human rights commission can be formed with its relevant office-bearers appointed in an open, transparent manner with objective selection criteria. Secondly, non-government organizations cannot afford to wait any longer. They have already started the work. Some non-government organizations are planning to regularly review the local human rights situation on their own. I hope the Secretary can accept the invitation and attend such a meeting to jointly review the local situation with them.

On hearing this, the Secretary may think: Have we not done some work on elimination of racial discrimination, making preparations of the enactment of laws? Why do you say that we are not doing anything? We understand it all very well, and we also understand it very well that the people are strongly discontented with the preparatory work. Why? Because the Government has disclosed at the early stage that the legislation concerned does not protect the new immigrants who have just arrived in Hong Kong. I would like to draw the attention of the Government to one point, that is, insofar as the United Nations Committee on Human Rights is concerned, "race" also refers to people with different cultural backgrounds. I believe everyone knows it very well that people from the neighbouring provinces of Hong Kong may speak different dialects and have grown up with different backgrounds. Even speaking in the same Cantonese dialect, we may speak with many blurring words, many local

slangs and trendy phrases, which may not be perfectly understood by people living in a more remote part of Guangdong Province. If this point is not taken into account in the law drafting process, it will provoke great discontent even after the law is enacted.

Madam Deputy, I shall stop here.

**MR JAMES TO** (in Cantonese): Madam Deputy, the year 2003 was indeed a historic year for Hong Kong. We survived the SARS threat and felt the unity and care among the people of Hong Kong, particularly evident in the sacrifice made by front-line medical workers. We had the great march on 1 July when more than half a million people took to the streets in peace and order. The people expressed their views on various government policies, especially their aspirations for the protection of freedom and human rights. The event is still a vivid picture in our minds.

Though the Chief Executive said in his policy address that he and the officials of the Government of the Hong Kong Special Administrative Region (SAR) had learnt a painful lesson, would adopt various measures to get closer to the community and respond more vigorously to the aspirations of the people and effect "a better grasp of public sentiment", we are worried that all this is nothing but a public relations gimmick that will induce no substantial change. For if the Chief Executive remains indifferent to the importance which the public attaches to human rights and freedom, and if he remains indifferent to the most fundamental and foremost element of a just and caring society, which is respect for human rights, equality, freedom and the building of a democratic system under the rule of law, then how can the Chief Executive devise policies consistent with public sentiments? We have seen the attempt to connive at the controversies surrounding the Equal Opportunities Commission, the slashing of education investments to eliminate fiscal deficits, and the procrastinations in the constitutional review, in the enforcement of the Interception of Communications Ordinance which has been passed, the setting up of an independent mechanism to handle complaints against the police, and in the conduct of a review of the Public Security Ordinance in the protection of the freedom of procession and assembly. All these show that it is very difficult for the SAR Government to achieve "people-based governance".

With respect to the protection of human rights and freedom, according to the existing government structure and the division of responsibilities, it is the Home Affairs Bureau which is responsible. The Bureau heads government efforts in collecting information from various bureaux and compile a report on human rights, makes recommendations to the Chief Executive with regard to the candidates to serve as members of advisory and statutory bodies, including public offices of the Equal Opportunities Commission and the Office of the Privacy Commissioner, and so on. But other than these, the Bureau is very passive when it comes to major issues in relation to human rights policy. For example, in the National Security (Legislative Provisions) Bill which is an attempt to enact laws to implement Article 23 of the Basic Law, there are many provisions which are in breach of policies and provisions found in the international covenants on human rights, but the Bureau has been silent on this. This shows a great drawback in having a government department to take charge of human rights policy, and that is, the lack of independence and autonomy.

All along the Democratic Party has been in favour of the setting up of a human rights commission. This should be a statutory organization independent of the government framework and it should be tasked with the handling of complaints against violations of human rights, making reviews and amendments of laws in contravention of the Basic Law and international covenants on human rights, and formulating policies and making recommendations to protect human rights and to improve the human rights situation in Hong Kong. These will ensure the effective protection of human rights and freedoms in Hong Kong.

In addition, with respect to the legislative work in the elimination of racial discrimination, the Government agreed to make legislation in principle as early as the middle of last year. It indicated that a consultation paper with the legislative proposals will be issued for public consultation. Six months down the line, the officials of the Home Affairs Bureau only managed to mention in the policy agenda 2004 that they will proceed to issue a consultation paper on the proposed legislation against racial discrimination. That is really outrageous! On this issue of legislation against racial discrimination, the United Nations has a model text of legislative provisions in place for a long time. Prior to the reunification, a Member of the former Legislative Council proposed a related bill. The existing Sex Discrimination Ordinance and the Disability Discrimination Ordinance can also be used as reference. So there is absolutely no ground that

the Government should delay the issue of the consultation paper on legislative proposals. The Democratic Party therefore demands that this consultation paper be issued as soon as possible so that the legislative work will not be delayed and that the rights of the ethnic minorities in Hong Kong can be protected.

Another work objective with respect to the protection of human rights and freedoms is the submission of a report on the human rights situation in Hong Kong to the United Nations. However, ever since the reunification, this submission of human rights reports to the United Nations in compliance with requirements under international covenants has often been delayed. The international covenants concerned include the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the International Convention on the Elimination of All Forms of Racial Discrimination. The Democratic Party hopes that the Home Affairs Bureau will complete the relevant work within the coming year and take active steps to promote the spirit espoused in these international covenants which is respect for human rights, equality and freedom, and on the responsibilities played and roles assumed by the international community and local governments in upholding human rights and freedom. This will have the effect of reinforcing the protection of human rights and freedom in Hong Kong, as well as broadening the international outlook of the public in this respect.

**MR SZETO WAH** (in Cantonese): Madam Deputy, the policy address devoted four paragraphs to education, from paragraph 43 to paragraph 46. The content is brief, abstract and vague. Outsiders, who are completely at loss, can make no sense out of it. Members in the education sector, with reference to the reality, find it both funny and annoying, and are most disappointed. I will now respond to each of these paragraphs.

In paragraph 43, it says, "the main tool for promoting economic restructuring and establishing a knowledge-based economy is to invest substantially in education and to strategically raise the competitiveness of our labour force..... As I have said on many occasions, every cent spent on education is an investment, not an expense". A lot have been said by the Chief Executive, but on how many occasions have his words been put into action? "To invest substantially", "every cent spent on education is an investment, not an expense", statements like these sound very grand, but what is the reality? Not

long ago, the funding application for tertiary institutes under the University Grants Committee submitted to the Finance Committee of this Council was voted down by Members to show their opposition to the drastic funding cut. Is this what is meant by investing substantially? If the Government has ever regarded funding for education an investment rather than an expense, would funding be cut just because of its fiscal deficit? Next month, the Financial Secretary is going to release the Budget for the next financial year. By then, we must focus our attention on funding for primary and secondary schools to ascertain if it keeps faith with investing substantially and treating every cent spent on education an investment rather than an expense.

In paragraph 44, it says, "it is imperative for Hong Kong to continue developing tertiary education ..... the proportion of secondary school graduates who could pursue further studies 30% a few years ago to 48%. To support economic restructuring, this proportion will need to be increased." In the past few years, secondary graduates managed to receive tertiary education by enrolling in sub-degree and higher diploma programmes. However, the recent cut in funding has dealt a severe blow to such courses, with a number of them being forced into discontinuation. For those courses continued, tuition fees of many of them have been substantially increased because of the adoption of the self-financing mode. As students have to take on a heavier burden, the enrollment rate will certainly be affected. Is this continued development in tertiary education? If the proportion needs to be increased, the increase will not be resulted from investment by the Government, but a further squeeze on parents and students who have to support such investment by scrimping and saving.

In paragraph 45, it says, "education reforms carried out ..... over the past few years have been on the right track ..... I am aware that the implementation of education reforms has increased the workload of teachers and confused some parents. Following feedback from educators and parents, we will strengthen communication ..... and listen to views from all sectors. But, for the sake of Hong Kong's long-term interests, we must insist on education reforms." On what grounds has the Chief Executive asserted that the reforms are "on the right track"? For the increased workload of teachers, does he know how heavy it is now? In fact, teachers are aggrieved not by the heavy workload but the tons of work of no education benefit to students that they are forced to undertake. Why are parents "confused"? Actually, over the past few years, the authorities have not taken stock of the views of the education sector and parents; there has been no communication. In my view, "for the sake of Hong Kong's long-term

interests", we must, instead of insisting on education reform, conduct an immediate review to redefine a right direction of reform by drawing lessons from our past experience. I do not know whether senior officials responsible for education have read the recent article, "Qian-fu de Jiao-bu" (Pace of a boat tracker), written by Prof LU Wei-luan. Will they please spend 10 minutes or so reading the article to understand her words of advice from the bottom her heart?

In paragraph 46, it says, "the prime mission for the next few years is to ensure the success of reforms already started and to fine-tune the various related arrangements." However, no matter how sound a plan may be, it has to be subject to constant review, and revisions have to be made by drawing lessons on past experience, only in this way can success be achieved. Therefore, the prime mission should be conducting a review, drawing up conclusions and making revisions. It is "pigheaded" to insist on carrying out the reform by ignoring all the criticisms, which will in no way lead to a success. The success or failure of any individual is not important. But if the prospects of our next generation are ruined in your hands, could all of you not toss in your graves?

Madam Deputy, I so submit.

**MR ABRAHAM SHEK:** Madam Deputy, Hong Kong should be aspired to be the education hub in the region, it has been told in a recent review undertaken by the University Grants Committee (UGC). Yet, under a massive budget deficit, the Government seems to have made a quick U-turn in its commitment to quality higher education.

To respond to Hong Kong's economic growth, the tertiary education sector has grown significantly over the years. Indeed, the development of the sector has roughly followed the economic development of Hong Kong. In the early 80s, Hong Kong was still an industrial-based economy. Only 7% of the population could reach tertiary education. The proportion rose rapidly from 10% in 1995 to 16.4% in 2001 and further to 18% in 2003. Indeed, this is a remarkable achievement, and Mr Secretary, you must be congratulated for this. During the same period, Hong Kong has developed into a financial, services and industrial hub in Asia.

Unfortunately owing to our present economic condition, our universities are now punished for following the Government's expansion policy. They have

thrived because of the Government's generous financial support. Teaching and research activities have been expanded in order to match the Chief Executive's ambitious goal to increase the proportion of population with tertiary education to 60%.

Now, their success is degraded to a case of inefficiency and wastage. Under massive fiscal pressure, the Government seems to be oblivious to the likely effects of its excessive funding reductions on education quality. It pays little attention to the warnings from university heads that the daily operations and long-term development of tertiary institutions will be threatened. The U-turn confuses the public as well. Why has a good policy, in a few years' time, become a bad policy and a social burden to the community? The Government needs to clarify its higher education policy. It has to spell out the financial commitment it is prepared to make to the sector. The most important principle is that the interests of our next generation should not be in any case sacrificed. Hong Kong deserves, and must have, quality education.

Furthermore, the Chief Executive in his policy address has encouraged tertiary institutions to accept a recent proposal of role differentiation by the UGC. The Government claims the measure would help the institutions achieve excellence, but it is in fact a way to relieve the Government's fiscal imbalance. What the UGC proposed is that it should be granted the power to tell each university what role they should play academically. The UGC calls its proposal greater collaboration or specialization. In fact, it is a euphemism for academic meddling.

Such a proposal is undesirable in several other ways. Firstly, it may reduce inter-institution competition which is not helpful to the continuous improvement of teaching and research quality. Secondly, it is too narrow-minded a view to think that Hong Kong is too small a place to afford having eight universities. In the first place, why do we have eight universities? Our local universities should not accommodate only the needs of local students, but also those of students from the Mainland and other places in the region. From this perspective, Hong Kong may well have too few, instead of too many, universities. To meet the potential demand, different institutions could offer the same discipline or course, given that they have different academic focus.

I also have grave concerns in the UGC's proposal to strengthen its role in steering the higher education sector. It has already deviated from the non-

statutory body's role as an advisor to the Government on the development of higher education. By interfering into the strategic direction of individual institutions, it threatens to jeopardize the highly independent, professional higher education system which is the very pillar and foundation of Hong Kong's success in the past and in the future. Also, the UGC's claim that it needs to ensure that institutions "keep closely to their role and do not chase or 'misdirect' public funding" conveys a sense of mistrust of universities. This is not helpful for introducing these new reforms.

Another role of the UGC is to advise the Government on the funding needs of tertiary institutions. It is subject to further debate whether the Government needs a go-between for the universities and the Education and Manpower Bureau which has handled the matter very inadequately. It may be more appropriate and efficient for the Government to negotiate funding proposals directly with the respective institutions. Perhaps it is time for the Secretary and for the Government to review the role of the UGC which is a leftover from the colonial past.

(THE PRESIDENT resumed the Chair)

Madam President, with these words, I so submit.

**MISS CHOY SO-YUK** (in Cantonese): Madam President, other Members from the DAB have stated the position of the DAB on the policy address. I am going to say a few more words on the policies on women and the vulnerable mentioned in the policy address.

The Chief Executive says in the policy address this year, "In formulating and implementing our policies, we will take into account the gender perspective, and will strive to enhance the participation of women in the work of government advisory and statutory bodies." This reminds me that in late 2000, when the then Secretary for Housing replied to a question asked by me in this Council on whether or not the Government would increase the proportion of female members in the Housing Authority, it was stated categorically that the Government would not pay any heed to gender factors in considering the candidates. Three years later, I am pleased to see that the Government is finally willing to move with the times.



Although the official concerned disclosed after the announcement of the policy address that the proportion of female members in government advisory bodies would be raised from 20% to 25%, one still cannot be assured whether future policies will really be able to incorporate the views of women from all social strata. The reason for this is simple. To begin with, the increase is far too mild, so there will not be any substantial impact. Second, under the existing appointment system, appointments are all the time confined to the same group of people, and concurrent membership is very much a norm. Therefore, the Government can actually accomplish the task quite easily simply by encouraging the same group of women to serve as members of more advisory bodies, if its aim is just to increase the proportion of women, that is. But what is the point of doing so? Another point, a more important point, is that over the years, very few grass-roots women have been appointed. With the lack of grass-roots representation, a mere increase in the proportion of women will not solve the problem.

Besides, the Gender Mainstreaming Checklist mentioned in the policy address is nothing new at all. The authorities have been experimenting with such a list since the year before last. The problem now is rather that the implementation of the policy has been marked by inadequate transparency. Members of the public are hence unable to see its actual effects. That is why the authorities should make a detailed account immediately, and concrete examples must be supplied to let people know the effects on government policy formulation.

Madam President, Hong Kong claims to be a metropolis, but in this predominantly Chinese society, instances of discrimination against ethnic minorities are not at all uncommon. For example, ethnic minorities face numerous obstacles in the mainstream education system, and very few of them are able to enter university. During the SARS outbreak, since some of them do not know either Chinese or English, they did not realize that they had to wash their hands and wear face masks until being told by some voluntary organizations. Besides, when the Home Affairs Bureau published a booklet on anti-racial discrimination sometime ago, it did not provide any non-Chinese versions of its own accord. All these glaring examples aside, there are numerous other instances where ethnic minorities are cold-shouldered and discriminated against in their daily life on racial grounds.

Since it is stated in the policy address this year that a consultation document on anti-racial discrimination legislation will be published, I do not intend to criticize the Government for any inadequacies for the time being, as I think that criticisms should be withheld until the outcome is known. I only hope that the Government can adopt various means to shape Hong Kong into an international community of racial harmony, where there is respect and care for different peoples, thus inducing them to make Hong Kong their home and contribute to its well-being.

Madam President, I so submit.

**MR JASPER TSANG** (in Cantonese): Madam President, in the policy address this year, the Chief Executive says, "As I have said on many occasions, every cent spent on education is an investment, not an expense." What is the practical implication of this statement? Is education funding an expense, or an investment? What are the different implications to the resource deployment of the Government?

Mr TUNG said that he had made such a remark many times before, so let us check whether this is really the case. Yes, in the 2000 policy address, he did say that "Education is our most important long-term investment" — our most important long-term investment; and, in the 2003 policy address, he also said that "one crucial means of promoting economic restructuring is by investing in education." Mr TUNG went on to say, "I can assure you that investment in education will remain our priority, notwithstanding the need to address our budgetary problems." And, in the 2001 policy address, he even said, "Despite the pressure of economic downturn on public finances, our resolve to invest in education is unshaken. Regardless of Hong Kong's economic situation, you can rest assured (Please note the following words) that in the next five to 10 years spending on education will continue to increase year after year."

We have recently heard lots of talks about the fiscal deficit, about the need for everybody to contribute to its eradication, about why education funding should not be exempted as the expenses in all other policy areas have to be slashed, about equal treatment for all, and so on. Do all these talks contradict the theory that education is an investment?

Actually, as admitted by the Chief Executive in the 2001 policy address, the average education level of Hong Kong people is lower than that in other developed places. At present, people with tertiary education qualifications or above account for 18% of those aged 15 or above in Hong Kong, while those with Secondary Three qualifications or below account for 48%. In recent years, we have been talking a lot about a knowledge-based economy, about the ways in which Hong Kong can upgrade its competitiveness. We also notice that in order to succeed in economic restructuring, Hong Kong must first overcome a very difficult problem — the employment of those with low qualifications. If our education development fails to catch up, this problem will continue, and conflicts will only intensify.

Over the past few years, the SAR Government has made a whole raft of promises on the development of education in Hong Kong. For instance, in respect of early childhood education, the Government has pledged to raise the entry qualifications of kindergarten teachers and to increase the subsidies for kindergartens employing qualified kindergarten teachers — by a drastic rate of over 50%. The Government has also pledged that before the end of 2005, arrangements will be made for all kindergarten and nursery principals to attend certificate courses on early childhood education. As for secondary and primary education, several hundred schools are in need of improvement, and the works are still in progress. The Government has also pledged that in 2007-08, all primary school students in Hong Kong will be able to attend whole-day schools. The Government has also pledged that more resources will be expended on encouraging teachers to pursue continuous studies and on upgrading the qualifications of primary school teachers. Besides, as from 2005, all graduates of The Hong Kong Institute of Education will be required to hold a degree, extra funding will be allocated to primary schools, student counselling will be enhanced, the number of Curriculum Officers will be increased in phases to cope with curriculum reforms, and every primary school will be provided with a native English teacher to hold more extracurricular activities on English. Moreover, all students in publicly-funded secondary schools will be offered a place in Secondary Four, Secondary Five or vocational education institutes, so the number of such places will be increased drastically.

All these measures are not meant to make what is good still better; rather, they are all meant to change what is basically a relatively backward situation. They are measures that must be introduced. In a way, one can say that we now

have to repay a debt long since overdue. Our school premises have seen no improvements at all over the past several decades; there are some newly constructed ones now, but still there are several hundred old school premises in dire need of improvement, which is why we must go ahead with the works. Some of the pledges mentioned by me have already been fulfilled, but for most others, the work required is still in progress, and in some cases, new resources will have to be expended in the next few years. For example, as announced by the Government, to increase the number of senior secondary and vocational education places mentioned just now, it will have to incur an additional recurrent expenditure of some \$700 million per annum by the 2007-08 academic year. All I have been mentioning is just about the work already underway. I have not mentioned the academic structure reform. There will be six years of secondary schooling and four years of university education. In total, all secondary and primary schools will lead to an annual recurrent expenditure of several billion dollars. And, some of the school improvement projects mentioned by me just now have not been launched, so if they are implemented, several hundred billion dollars will have to be spent.

Bearing in mind that we have to pay up all these debts in the next few years, we simply wonder how our funding for education can still be slashed. When we say there should be equal treatment, what do we actually mean? Have we considered the background, considered whether the Government has invested enough in education?

Therefore, Madam President, I must say that "funding for education is not an expense, but an investment" is not merely an academic proposition, but also something of immense practical significance to the development of education in future.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Council will now be suspended for 10 minutes. Public officers will speak when Council resumes.

7.07 pm

Meeting suspended.

7.20 pm

Council then resumed.

**PRESIDENT** (in Cantonese): Council now resumes to continue with the third debate session. Two public officers will speak in this session. They have up to 45 minutes in total for their speeches, but the first officer to speak may not speak for more than 30 minutes.

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, having listened carefully, I would like to thank Honourable Members for their views on education in relation to the policy address. I find it necessary for me to explain more to Members as I note that the criticisms made by a number of Members are biased.

To start with, education resources are a matter of great concern to all of us. The Chief Executive has reiterated in the policy address that education spending is an investment in Hong Kong's long-term development. The commitment of the SAR Government to education is indisputable. Recurrent expenditure on education amounted to \$33.8 billion in 1996-97, and rose 46% to \$49.3 billion in 2003-04. The increase will even reach 61% if non-recurrent expenditure is included. Indisputably, the Government is now confronted with a huge fiscal deficit. According to the goal set by the Financial Secretary for eliminating the deficit, the Government has to balance its books by 2008-09. With education spending accounting for nearly one quarter of government expenditure, we naturally have to share the responsibility of eliminating the deficit. The sector funded through the University Grants Committee (UGC) is no exception. As the funding cycle for the sector is calculated on a triennial basis, the Government has not requested the relevant institutions to follow the majority of other subvented organizations in achieving the target of enhancing effectiveness in order to save resources in the 2003-04 fiscal year. As for the 2004-05 academic year, the UGC and various universities have agreed to save 10% in spending

through enhancing efficiency. We certainly appreciate the hardship faced by the higher education sector. To this end, a \$1 billion fund has been set up to provide institutions having raised funds through private donation a matching grant. It is anticipated that the higher education sector will save approximately \$1.1 billion through enhancing effectiveness in the 2004-05 academic year. I believe the Matching Grant Scheme, raising the total amount of resources received by institutions to \$2 billion, can cushion the impact of funding cuts to a certain extent.

We are thus extremely disappointed that the Government's funding proposal for the 2004-05 academic year, on which a consensus has been reached by the sector, was vetoed by the Finance Committee last month. Given the need for institutions to start planning for the 2005-08 year, we will certainly continue to discuss the relevant resource arrangements with the UGC and institutions in the hope of minimizing the impact on the institutions.

On the other hand, the drop in Hong Kong's student population has enabled us to reduce education spending without affecting the normal operation of schools in general. It is indisputable that a rise in education spending is considered natural when there is a rise in the student population. By the same token, it is only natural for the number of classes to be reduced when there is a drop in the student population.

Some Members consider the drop in student population an excellent opportunity for the introduction of small-class teaching. While I share that small-class teaching has its merits, we must not blindly reduce the class size unconditionally and without regard to the objective reality. In order to fully capitalize on the strengths of small-class teaching, changes have to be made to curricula and methods of teaching. Researches have shown that the majority of teachers in California, the United States, where small-class teaching is implemented in a broad-brush manner, have not changed their methods of teaching because of reduced class sizes. On the contrary, a large number of untrained teachers have to be recruited because of the reduction in class sizes. Consequently, the desired results have not been achieved although a substantial amount of resources has been used. With the tight budget constraint confronting Hong Kong at the moment, and the need to further upgrade the professional standards of teachers, it is not timely for small-class teaching to be fully implemented at this stage. Yet, the plan will not be put on hold completely. We will start by conducting a pilot study and training seed teams before considering expanding it in a progressive manner.

Education investment stresses returns and cost-effectiveness. We cannot tolerate any abuse of education resources. Moreover, we have to keep pace with the times by introducing a modern mode of management to raise social participation and transparency, enhance accountability, reduce central supervision and make use of the market force, in order to upgrade the quality of education. It has been proved that the provision of diversified choices and creation of additional places to enable the market force to take effect have practically injected the education sector with running water and made educational workers more proactive.

Here, perhaps I should make a special reference to Direct Subsidy Scheme (DSS) schools, about which some people from the education sector feel strongly lately. At present, these schools account for a very low ratio, or a mere 3.5%, of all primary and secondary school places in Hong Kong. This proportion of peers to be disproportionate to the attention of such schools have attracted, perhaps due to their good reception among parents. Actually, DSS schools have to enter into service agreements with the Education and Manpower Bureau to ensure compliance of the indicators set out in their school plans and the relevant requirements in respect of teacher qualifications. As government funding is based on the number of students, part of the income from tuition fees has to be set aside as scholarship fund. Such being the case, DSS schools do not enjoy an absolute advantage in terms of operation. While new DSS schools can definitely provide momentum to education reforms, the conversion of subsidized secondary schools into DSS schools, particularly by way of linking up with their feeder private schools so as to provide parents with more options, is also welcome.

We can see that education reforms have produced encouraging results over the past three years. However, reform is an ongoing process. Whatever the economic situation, we have to insist on carrying out education reforms, including our emphasis on moral education. Even though we are under financial pressure to conduct another review of various expenditure items, expenditure that will directly impact on teaching in the classrooms has to be retained. What is more, active efforts have to be made to upgrade the professionalism of teachers and the leadership and management standard of principals.

A matter of the greatest concern to us in the course of implementing education reforms is the workload of teachers and its consequential effect on

students. School principals and school management committees are obliged to gain a clear understanding of the concepts, specific measures and anticipated effects of education reforms before they can, in the light of the students' needs, co-ordinate and arrange school activities, set priorities, make proper arrangements for teachers' duties, and balance the interest of students and teachers with the personal growth of students and the professional development of teachers as their prime consideration.

A development blueprint for higher education has been unveiled by the UGC to clearly define the mission of various institutions with the objective of promoting co-operation among institutions and encouraging institutions to develop their individual areas of excellence. Various institutions should cherish and make the best use of the autonomy enjoyed by them, strive to make self-improvement, and fight for social recognition and resource support. Universities can no longer rely entirely on government funding; nor can they do without public monitoring.

Education systems in all parts of the world have to be reformed in the light of the social environment in the 21st century. Reforms are bound to give rise to anxieties and disturbances, and unavoidably grievances. In the years to come, the Education and Manpower Bureau will make continued efforts to enhance communication with various sectors in the community. In particular, it has to explain more clearly to parents the concepts and objectives behind its policies and listen to views from various parties. I hope Honourable Members can help the Government to explain to the electors in their constituencies the territory's education development. If necessary, Bureau staff can be dispatched to directly explain to their electors. I firmly believe education reforms and the relevant measures are on the right track in the sense that they are in the overall interest of the territory. In the course of reform, the interest of some people will inevitably be reduced. However, we can definitely not refrain from carrying out reforms for fear of a possible risk. It is hoped that Members can, for the sake of the community at large, consider the matter in the interest of the students.

In the year to come, discussions on reforming the academic structure will become vitally important. The benefits of reforming the academic structure are evident. I believe the implementation and timetable of the reform are the greatest concerns of Members at the moment. Actually, all conditions must be in place before the reform can be planned and implemented. They include new curricula, new examination and assessment systems, reforming the university



admission mechanism, teacher training, teaching material development, construction of new premises and restructuring of classes, and so on. Not only is the process complicated and time-consuming, the amount of resources required will be huge too. A practicable solution is thus warranted. It is definitely not our wish to give up a long-term investment purely because of resources. Even though there are signs of government finances improving, support and participation by various sectors in the community will still be needed before the reform can be implemented.

For these reasons, we will consult the community on the three-year academic structure for senior secondary education and four-year undergraduate programmes, including the conditions, financing, and development of support measures this year. We will seriously examine all feasible options for financing the new academic structure and discuss with all sectors in the community. We hope we can solicit more views during the consultation period concerning whether parents are willing and able to afford more spending on education. We must not neglect one of the fundamentals of education policies and, that is, students should not be denied opportunities to receive education because of a lack of means. Under no circumstances will this principle be abandoned.

Since the announcement by the Chief Executive in this year's policy address of the consultation and the four-year preparation, we have heard a number of people proposing expeditiously implementing the consultation and shortening the preparation period. We will carefully consider the possibility of shortening the preparation period. However, it will take time to examine and formulate various support measures, and extensive consultation is indispensable. Due to the far-reaching impact of the ensuing preparatory work, an orderly and progressive approach is called for to enable schools, teachers, parents and textbook publishers to make complementary efforts. We hope people from various sectors and Members of this Council can enlighten us with constructive views.

In order to foster an environment conducive to lifelong learning, and to raise manpower quality persistently for the purpose of coping with the challenges brought about by globalization and seizing the opportunities brought about by Hong Kong's economic restructuring, in addition to reforming education and the academic structure, we propose to set up a qualifications framework and an associated quality assurance mechanism in order to provide people from all strata

with opportunities to strengthen their strength and confidence through continuing education, thus helping them to cope with changes easily.

By such means as clearly defining the desired goals of different qualifications, ensuring the quality of such qualifications, and setting out the interface between qualifications of different levels, members of the public will be able to formulate their own blueprints to establish their goals and directions to enhance their own skills and knowledge. The development of relevant educational and training programmes can also be promoted to enable them to respond to the needs of the industries and the relevant resources, including the efforts made by the public in training and the time thus spent, be optimized.

Likewise, we propose to implement the qualifications framework and the associated quality assurance mechanism in an orderly and progressive manner. At the same time, we are prepared to launch a phased programme to set up widely-represented industry advisory committees for interested and qualified industries for the purpose of formulating training requirements, with a view to ensuring future vocational education and training programmes can better cope with the needs and tie in with the development of the industries. We will work closely with the Hong Kong Council for Academic Accreditation and help it to put in place the relevant quality assurance mechanism.

I have to emphasize once again that the qualifications framework is not a mandatory arrangement, and will not affect the employment of serving workers. The public may choose to acquire the relevant qualifications through the recognized mechanism set up under the qualifications framework or enroll in quality-assured programmes. The setting up of the qualifications framework is a long-term and complex task. As such, we must seize the opportunity to commence the task. We will endeavour to co-operate sincerely with people from various sectors, listen to their views, and make joint efforts for the enhancement of the growth and development of manpower in the territory, and for the future of Hong Kong.

Thank you, Madam President.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): To start with, Madam President, I would like to thank Honourable Members for their concern for our

work in a number of areas, including culture, sports, district administration and human rights. In today's debate, Members have made a lot of constructive suggestions and criticisms. We will surely study them carefully for future reference, in order to facilitate improving the work of the Home Affairs Bureau.

I will respond to the issues raised by Members *seriatim*.

Concern has been expressed by Mr IP Kwok-him and Mr Henry WU for the public consultation on heritage conservation. Our existing policy on heritage conservation is to support and advocate the conservation of Hong Kong's heritage. Last year, a comprehensive and systematic review on antiquities and monuments was launched in order to examine how heritage conservation could be carried out effectively. We find that the existing policy on built heritage conservation faces the following problems:

- (1) public consensus and community support for heritage conservation needs to be enhanced further;
- (2) there is no comprehensive approach to systematically assess and select built heritage for conservation;
- (3) the Antiquities and Monuments Ordinance is rather inflexible in that it provides only one form of conservation (that is, to declare buildings as monuments);
- (4) it is difficult to conserve a whole area when some buildings within it do not meet the stringent requirements for declaration for the purpose of preserving the special characteristics of the area;
- (5) high land price makes the built heritage conservation extremely difficult; and
- (6) financial incentives are insufficient.

Thus we find it necessary to formulate a holistic approach that will enable Hong Kong to take a comprehensive view on what and how many heritage items are to be conserved, as well as to see through the whole conservation process from identification of heritage items for conservation to adaptive re-use and management. As the review involves complicated issues like public interest, private property rights and community building, we need social consensus and

community support. Accordingly, we will conduct public consultations in stages. We have commenced the first stage consultation which focuses on broad policy concepts and core issues. Following the conclusion of the first stage consultation, we will consolidate the views collected for further consideration, in order to formulate a built heritage conservation policy for implementation. Having formulated detailed implementation measures, we will launch the second stage public consultation.

Mr Timothy FOK mentioned that the West Kowloon Cultural District (WKCD) development project might provide momentum to Hong Kong's creative industries. Actually, it had been clearly pointed out when the concept plan competition was launched in 2001 that the WKCD development project carries three prime cultural objectives as follows:

- (1) to enhance diversified cultural development;
- (2) to encourage private organizations to participate in and provide cultural services; and
- (3) to introduce international talents and professionals.

In principle, the WKCD development project will put the principles of "people-oriented", "partnership" and "community-driven" into implementation. Particular attention will be paid to the integration of different facilities in the WKCD, the interface between facilities in the WKCD and elsewhere in Hong Kong, and the long-term challenges facing cultural software and the cultural development of Hong Kong.

The WKCD is a huge and complex development project. It can enhance integration, interaction and partnership at four levels:

- (1) to enhance partnership between the Government and private organizations;
- (2) to enhance partnership between the business and cultural sectors;
- (3) to combine the mutually-complementary relationship between hardware and software; and
- (4) to enhance the relationship between fine arts and popular culture.

We have met with the cultural sector more than a dozen times since September 2003. We will continue to solicit views from all sectors (particularly the cultural sector) in the community for our reference in carrying out evaluation. Following the preliminary evaluation of the development plan in general, we will discuss with the Town Planning Board and this Council before submitting our proposal to the Chief Executive in Council for consideration.

Both Mr IP Kwok-him and Mr Timothy FOK have mentioned the preparatory work for Hong Kong's bid to host the East Asian Games in 2009. Hong Kong has successfully won the rights to host the fifth East Asian Games in 2009. In order to stage the most successful East Asian Games, we have to, besides working in collaboration with the Sports Federation and Olympic Committee of Hong Kong, pool the strengths of the sporting sector, business sector and people from various sectors in the community for the commencement of the preparatory work in the near future. We will, seizing this precious opportunity of hosting the East Asian Games, promote the development of local sports, upgrade the standard of sporting facilities, encourage active participation by the public, and strengthen cohesion in the community. I firmly believe that, with the support from all sectors, the hosting of the East Asian Games in 2009 will be a success.

Mr IP Kwok-him has also raised the issue of building management. One of the missions of the Home Affairs Bureau is to strengthen communication between the Government and the public, and to promote the development of district administration. At the district level, active participation of owners in building management is an important link in community building. At present, the Secretary for Home Affairs is the competent authority of the Building Management Ordinance (BMO) which serves to provide a legal framework for the establishment of corporations by owners to manage their own buildings. The Home Affairs Department (HAD), being the executive arm of the Home Affairs Bureau, is responsible for building management, including providing assistance to the establishment and operation of Owners' Corporations (OCs) under the BMO by organizing a series of educational and promotional activities, and providing owners with support through the District Building Management Liaison Teams and the Building Management Resource Centre.

A consultation was conducted by the HAD from May to July 2003 to solicit public views on the proposed amendments to the BMO. We plan to table the relevant amendment bills to this Council in the 2004-05 Legislative Session for scrutiny.

I note that Mr Andrew CHENG, Mr WONG Sing-chi and Dr TANG Siu-tong are greatly concerned about issues related to gambling. The Government's long-standing gambling policy is to restrict gambling opportunities to a limited number of authorized and regulated outlets. This policy will continue to be implemented.

The objective of authorizing individual betting activities is to combat illegal gambling. To this end, a suitable system will be put in place to regulate legal gambling to ensure legal betting activities are, relative to illegal operators, competitive. Meanwhile, we will strive to minimize the negative impact of gambling on the community. This year, we will strengthen communication with licensees involved in horse racing, football betting and Mark Six Lottery, for the sake of implementing the Government's gambling policies more effectively.

This year, we will continue to work closely with the Football Betting and Lotteries Commission to authorize and regulate football betting and lotteries activities.

We have recently consulted the Commission on the code of practice under football betting and lottery licences, and the first code of practice was issued earlier. We will report to the Legislative Council Panel on Home Affairs within this month.

Problems related to gambling have existed for a long time. In order to prevent and alleviate these problems, a Ping Wo Fund was set up last year to finance measures for preventing or alleviating problems relating to gambling. A Ping Wo Fund Advisory Committee was also established at the same time to advise on the application of the Fund.

A number of civic education programmes have been launched to remind the public of not to indulge in excessive gambling and to enable them to gain a better understanding of problem and pathological gambling. These programmes include TV Announcement of Public Interest (API) and radio API, situational TV dramas, publicity posters, and so on. Public education programmes will continue to be launched this year.

The participation in football betting by young people has aroused much concern in the community. We are greatly concerned about this too. In this

connection, we have requested the licensee to strengthen measures to prevent underage persons from entering betting centres and placing bets. We will continue to take forward educational programmes targeting at young people to enable them to gain a better understanding of the nature and potential risks of gambling, so as to prevent them from taking part and becoming addicted to gambling. We will also appeal to parents and adults through education and publicity not to help underage persons to take part in football betting.

We have also commissioned the Hong Kong Education City to launch a two-year programme entitled "Say No to Gambling Action", an educational programme on gambling. The objectives of the programme are to enable young people, parents and teachers to gain a better understanding of gambling *per se*, and to strengthen students' and youngsters' ability to exercise self-control, with a view to helping them to resist all kinds of temptation and prevent them from becoming addicted to gambling activities. The programme mainly comprises a website and a variety of activities including seminars, talks, debate competitions, and so on.

Besides, two counselling and treatment centres for problem and pathological gamblers, operated by Caritas and the Tung Wah Group of Hospitals respectively, have started operation since October 2003. We have planned to commission a university to study the effectiveness of the services provided by the two centres. The study is expected to commence in early 2004. We hope to, based on the findings of the study and actual experience, conduct a review in future to examine whether the relevant resources are adequate to cope with the demands for service at present or in future.

The authorization of football betting was introduced not long ago. It may therefore be premature to evaluate its effectiveness in combating illegal gambling and impact on the community. We have planned to invite an independent body early this year to carry out track surveys on the impact of participation in gambling, and the prevalence of problem and pathological gambling in Hong Kong, with a view to grasping the relevant data for our reference in formulating policies and taking measures to prevent and ameliorate gambling-related problems in future.

Earlier on in the debate, both Ms Cyd HO and Mr James TO talked about human rights issues in Hong Kong. Human rights in Hong Kong are founded on the spirit of the rule of law, an independent Judiciary, the Bill of Rights

Ordinance (BORO), a comprehensive legal aid system, and the protection rendered by Article 39 of the Basic Law for the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Moreover, full protection is provided by the Office of The Ombudsman, the Equal Opportunities Commission, the Office of the Privacy Commissioner for Personal Data, and the legislature. The operation of the Government of the Hong Kong Special Administrative Region will continue to be monitored by the press as well as local and international non-governmental organizations. These mechanisms have provided a sound framework for protecting and improving human rights, and this framework has proven to be effective. As such, we consider it more appropriate to retain the existing framework, rather than setting up a brand new system for human rights affairs with extensive and poorly-defined terms of reference. Notwithstanding this, we will continue to keep watch on the situation to determine whether there are any changes and whether it is necessary for us to reconsider our present position.

The Government announced in June 2003 its decision to introduce legislation against acts of racial discrimination, and drafting instructions for the bill for this purpose have been prepared and forwarded to the Judiciary for follow-up. At the same time, we have started preparing a document to consult the public on detailed legislative proposals. The consultation exercise is expected to complete in 2004. If everything proceeds smoothly, the bill will be tabled to this Council in the 2004-05 Legislative Session.

I would like to express my sincere gratitude to Dr TANG Siu-tong for the proposals he made in relation to his criticisms against the collection of public opinions by the Home Affairs Bureau.

The underlying principle of the Home Affairs Bureau and the HAD in collecting public opinions is to achieve this goal. The Bureau and the HAD will redouble their efforts in reinforcing and making full use of the community networks set up by various District Offices to fully complement the policy objectives put forward by the Chief Executive, in order to collect opinions in a more extensive manner.

The Government will consult the public widely and get in touch with people from various strata in the districts as well as members of the public, particularly the middle class, by different means and through different channels, in order to gain a better understanding of their intents. The means that will be



adopted include giving the existing community networks greater coverage and depth, strengthening district liaison work, encouraging more people to take part in public affairs, identifying more people of different backgrounds for appointment to advisory and statutory bodies, and setting up focus groups.

Madam President, the foregoing remarks are my response to the issues raised by Members in relation to home affairs. Thank you, Madam President.

**PRESIDENT** (in Cantonese): The third debate session now ends.

**PRESIDENT** (in Cantonese): We will now move on to the fourth debate session. The policy areas for this session are "housing, planning, lands and works, environmental affairs and transport".

**MR LAU KONG-WAH** (in Cantonese): Madam President, looking back on 2003, it seems that government policies on transport have stopped. There has been little progress in many policies. To put it simply, the policies have been delayed, slowed down and deferred. The result is that many important matters are left unaccounted for.

With respect to delays, the best example is in the fare adjustment mechanism which allows increases as well as decreases in fares.

The public has been paying expensive transport fares for a long time. From 2001 to the present, that is, 2004, the DAB has been talking about and fighting for this issue, very much like a Marathon race, but the Government is not making any move and remains indifferent to public opinion aside. Despite the fact that a few public transport operators have offered some travel concessions, for example, the "Ride 10 Get One Free" scheme, bus fare discounts, and so on, it is obvious that these concessions are limited. All these concessions will expire on 30 September. Frankly, these public transport operators are not sincere about reducing the fares. What the people have been expecting all along are flat reductions, instead of the myriad of concessions with plenty of limitations. It is only when fares are truly reduced that the burden on the people can be eased.

I recall that the Secretary when she assumed office in 2002, made the comment that transport fares in Hong Kong were too expensive and undertook that she would follow the matter up. Now transport fares are still very expensive, but as I pointed out in last year's policy debate, the Secretary has to do something concrete. In August 2003, the Secretary finally formulated a preliminary plan for a fare adjustment mechanism which allows for fare increases and decreases. Some people thought that this had come as a bit of a pleasant surprise. It is unfortunate that this pleasant surprise has been around for six whole months and now the pleasant feeling is gradually fading. Not only is the implementation date of the new fare adjustment mechanism remains an uncertainty, but that Members do not see any possibility of holding a second meeting in the panel with the officials. Could the Secretary do something to respond to our aspirations? Could the related work start as soon as possible so that at least Members and the public will know the progress to date?

Another example is the fare discount for transfers between the two railways. Despite talks about it in the community for a long time, there are no signs of it becoming a reality. The only thing we saw was that when the West Rail was commissioned last year and in a bid to encourage residents of New Territories West to ride on the West Rail to Kowloon, the West Rail and the Mass Transit Railway Corporation Limited (MTRCL) launched a transfer discount at the Nan Cheong and Mei Foo stations. But this kind of gimmick would only last till the end of March and commuters will have to pay the normal fares for the two railways if they want to make a transfer. From this it can be seen that it is not at all impossible for the two railway corporations to launch some joint discount initiatives. Since the Government always says that it will tide over the difficulties with the public and as the Government is a member of the Board of Directors of the Kowloon-Canton Railway Corporation (KCRC) and a major shareholder of the MTRCL, why is it so difficult to ask the two corporations to offer some transfer discounts? The problem is whether or not the Government has done its best to persuade these two corporations. The DAB thinks that with respect to the issue of fare reduction, the Government has neglected the urgency felt by the people and it has not taken any positive action. I hope that the Secretary will not forget her pledge, and honour it as soon as possible.

What I have said about slowing things down can be seen in the Sha Tin to Central Link. The rail link was originally planned to run from Sha Tin to Central, but even to date the public does not know whether it would run from Sha Tin to Central or from Sha Tin to Hung Hom.

The fourth cross-harbour tunnel is an important rail artery with which people from the New Territories can go to Hong Kong Island. Ever since it was announced in June 2002 that the KCRC had been granted the right to operate the rail link, progress has been very slow. Now the Government even says that the decision to use the East Rail as the fourth cross-harbour link will require reconsideration. That is in fact a huge deviation from the original planning of the Sha Tin to Central Link. For the original intention was to facilitate commuters on the Ma On Shan extension to go to Hong Kong Island direct. This is also the pledge made by the authorities to the public and members of the Finance Committee when it sought an appropriation of \$8.5 billion from the Finance Committee to enable the KCRC to finance the construction of the Ma On Shan extension. This is also the reason why the KCRC had an edge over the MTRCL when the two corporations bidded for the franchise of the Sha Tin to Central Link.

From this it can be seen that the co-ordination of the two railway corporations is crucial to the financial viability of the Ma On Shan extension. That is why the Government must make a prudent decision with regard to the overall cost-effectiveness of the KCRC network and the impact of the change on the residents of Ma On Shan and Southeast Kowloon.

As for the recent Sha Tin to Hung Hom Link proposed by the KCRC, it is very likely that, due to the lack of cost-effectiveness, the Ma On Shan Link will be turned into another big white elephant. Just imagine if residents along the Ma On Shan extension will want to go to Central, they should have been able to go there direct by the Ma On Shan extension, but when plans are changed to build the Sha Tin to Hung Hom Link, then when they go to the Tai Wai Station for a transfer, they have to ride the packed train together with commuters from other stations along the East Rail. Then they might as well go to the University Station by some other modes of transport and ride the KCRC train direct to Central. The time spent would be quite similar, but the ride will be much more comfortable. In that case, then the Ma On Shan extension which is built at a cost of some \$8.5 billion will be victimized by the Sha Tin to Hung Hom Link. The dismal business of the West Rail will appear again when the Ma On Shan extension is commissioned.

As the Ma On Shan extension will be commissioned within this year, the Tai Wai Station will become an interchange station for both the Ma On Shan extension and the East Rail. The authorities should therefore speed up the works project for the Sha Tin to Central Link in order to alleviate the crowded

situation in the Tai Wan Station. That is why there can be no more delays and slowing downs in the Sha Tin to Central Link. The authorities should finalize the plan for the Sha Tin to Central Link and commence with the works projects at the soonest.

With respect to deferment, the latest example is the incessant deferments in tackling traffic problems in Tuen Mun and Yuen Long after the commissioning of the Shenzhen Western Corridor.

In the meeting of the Transport Panel last week, when discussing the impact of the Shenzhen Western Corridor on traffic in Tuen Mun, members expressed their great concern about how the great increase in traffic volume to be tackled when the Western Corridor would be commissioned the following year. The problem had in fact been discussed in as early as end 2002 and many Members urged the Government to negotiate with the Route 3 company on reducing the tolls. But with one year passed, the authorities still say that more time is needed. Now that the Western Corridor is about to be commissioned, members still said in the meeting that the results would be studied into half a year later and nothing was said about how the problem would be tackled.

Last year, the Panel discussed the construction of an eastern extension linking up Route 3. The Government also presented more than 10 proposals and we hoped that one proposal would be chosen among them. Unfortunately even to date, the matter seems to have been forgotten. With the abortion of Route 10, and in the face of the increased traffic volume coming from western Shenzhen, the plan is to use the existing Route 3 to divert traffic. But if that compromise proposal of building an eastern extension falls through, what can be done to relieve the traffic flow from western Shenzhen? The traffic congestion suffered by residents of Tuen Mun and Yuen Long may reach unbearable levels. For how long will the Government continue to drag on the matter?

Madam President, though today is already the 15th of the first month of the lunar calendar, I still have a New Year's wish. I wish the authorities would stop making delays and they can be quick in implementing things. This year is the Year of the Monkey, and as the President has said, monkeys are clever and agile. May the Secretary learn from monkeys and stop making delays, slowing downs and deferments.

Thank you, Madam President.

**MR HOWARD YOUNG** (in Cantonese): Madam President, I am going to speak on housing issues. The Liberal Party has all along supported the implementation of measures by the Government to stabilize the property market. To break the vicious cycle of deflation, and to curb the surge of unemployment rate, the Government must take radical actions to set the property market on a trend of healthy growth. Only in this way can the burden of negative equity property owners be alleviated as soon as possible.

As early as in 1998, the Liberal Party was the first political party to express concern about the issue of negative equity assets. We had initiated an anti-negative equity assets march to express the discontent of the middle class about the issue; and we also urged the Government to show its determination in implementing measures to stabilize the property market. However, it was not until the end of the year before last that the Government introduced measures, the "SUEN's nine strokes", to stabilize the property market. And it was only in mid-October last year that consolidating measures to stabilize the property market were introduced. All these, together with the measures taken by the Central Authorities in support of Hong Kong, such as the signing of CEPA and the introduction of individual visits to Hong Kong, help to revive the property market.

According to the latest figures announced by the Hong Kong Monetary Authority (HKMA), as at the end of last year, the number of negative equity properties dropped to 67 000, representing a decrease of over 30%. This indicates that people have come to terms with the withdrawal of the Government from the property market, starting to restore confidence in the property market. Property prices started to rise modestly from the lower end, enabling the burden of some negative equity assets owners to be lifted.

The Liberal Party is, therefore, of the view that the policy address delivered last month, making no direct mention of any measures to boost the property market, is desirable, for not introducing any measures may sometimes be preferred. The market does hope that the Government will not introduce any more hasty measures that may jeopardize the stability of the property market just established. From the end of the Lunar Year to the Chinese New Year period, property sales of the primary and secondary property markets appeared to be encouraging. The Government has made the right move at last.

However, as stated in many analyses, the negative equity property statistics disclosed by the HKMA Chief Executive Joseph YAM may not truly reflect the seriousness of the problem. Figures disclosed by the HKMA do not include cases of second mortgage secured from developers, sandwich class housing and Home Ownership Scheme (HOS) flats. Besides, the official statistics on negative equity assets presently have just fallen back to the level of the pre-SARS period. Therefore, despite the glimpse of joy on the market revival, we have to remind the people of Hong Kong that it is only the first step towards a recovery of the property market. The community's confidence in the property market has not been fully restored. We should be careful with every step we take, watching out for uncertainties that may affect the property market and dampen the restoration of confidence in the market that has not come easy.

Therefore, the Liberal Party urges that, later when the Application List is formally reopened for application, the authorities should pay close attention to the supply of the property market at the time. Whenever any lot of land is open for application, stability of the property market should be the prime concern. If unreasonable prices are offered in application, the Government should hold fast to its stance. It definitely should not, for the sake of reducing the fiscal deficit, dispose of land by slashing prices or attempt to increase supply. Otherwise, the property market, showing the early sign of pick-up, will come under unnecessary intervention and be dealt another blow, thus worsening again the negative assets problem.

Moreover, the Liberal Party supports the Government to continue to suspend the sales of the some 20 000 vacant HOS flats on the market. We hope the Government will consider converting these HOS flats into public rental housing units in phases, for this may alleviate the financial pressure on the Housing Authority and enable the early allocation of public housing flats to applicants on the Waiting List.

The Liberal Party does not oppose the proposal of converting some HOS flats into hostels, which will offer diversity of choice in accommodation for travellers. However, before the implementation of the proposal, the Government should assess the demands of the market. At present, it is estimated that about 12 000 new hotel rooms will be completed in 2006, providing over 50 000 rooms in total in the market. In addition, many requests have been made recently to convert vacant industrial buildings into hotels. To

avoid on oversupply of hotel rooms, which may result in the Government competing for profits with the private sector, the Government should consult the trade before introducing the plan and regularly review the market demand. To ensure the safety of travellers, the standard of all hostels converted from HOS flats should be brought on par with that applicable to hostels and hotels currently.

The Year of the Monkey has just begun, we hope the performance of the property market will be as energetic and vibrant as monkeys. This certainly has to rely on the Government's determination to insist on policies to stabilize the property market. Only with this can we bolster the public's confidence in the property market rapidly, providing an opportunity for negative equity property owners to turn the corner.

Madam President, I so submit. Thank you.

**MR ALBERT CHAN** (in Cantonese): Madam President, everyone knows that ever since the reunification, the SAR Government under the leadership of TUNG Chee-hwa has been favouring the giant conglomerates. Despite repeated assurances from the Government that the supply of flats will be kept at an equilibrium, it does not have any impact on the giant developers which possess huge land reserves, for these developers can build large numbers of private residential flats by changing the land use. Over the past 15 years, two thirds of the supply of private residential properties are provided through the redevelopment of old buildings and changing the land use. Even though there is a moratorium on land sales in recent years, many large developers have managed to produce a great number of flats by paying land premium to the Government to change the land use.

This kind of indulgence with the large developers and conniving at their profit-making through land use modification and property development will never solve the problem of negative equity properties. The fact that the problem has persisted is precisely because the Government is favouring these giant developers and being indulgent with them.

Another example of conniving at these giant conglomerates is that no pressure is exerted to make the public utilities reduce their tariffs. As TUNG Chee-hwa says, Hong Kong has been confronted with the problem of deflation for five years, which is unprecedented. However, as salaries and prices fall

drastically, and at a time when even the CSSA payments are slashed, those public utilities, including the East and West Rails, the Light Rail, the bus companies, the power companies, the gas company, and Route 3 and the tunnels all charge high tariffs and tolls. Not only have these operators not reduced their tariffs and tolls, some have even increased them despite the incessant calls from the public for reduction. These operators simply turn a blind eye on public demand. At times of an economic downturn, these conglomerates are still making huge profits and the Government just put up the excuse that public utilities are protected by their franchises and they cannot be forced to reduce their tariffs. The Government has deliberately made the public overlook a fact, and that is, it is a large shareholder in some of these utilities. The West Rail, for example, is wholly owned by the Government. So it has the power to make these operators reduce their tariffs to ease the hardship of the people. But unfortunately, the Government has not done so and so the public is still leading a life of great misery.

In many of his policy addresses in the past, TUNG Chee-hwa claimed that he would make great efforts to launch many large-scale infrastructure and other projects to create employment and revive the economy. From what we have seen, though it is true that many large-scale infrastructure projects have been proposed with all the trumpets blown, they are cancelled not with a bang but a whimper. The most spectacular is the holding off of the \$4.7 billion plan to build the government headquarters indefinitely. Another example is the \$3 billion project to build the southeast Kowloon sports complex which remains on paper to date, though I do not agree to its construction. This, coupled with the suspension of the production of HOS flats, the land sales moratorium and the slashing of many large-scale road works, has led to a drastic cut in public expenditure and loss of jobs. The result is further deterioration of the increasingly serious problem of unemployment.

The most notorious event in the governance of TUNG Chee-hwa over the past six years or so is his creation of the problem of negative equity properties. His 85 000 flats production target plus the financial turmoil caused property prices to plummet. As the problem of negative equity properties emerged, countless families became burdened by huge debts and some even had to go bankrupt. Unfortunately, TUNG Chee-hwa and the SAR Government had never done anything concrete to assist these owners of negative equity properties. Instead, they had said time and again that property prices would stop falling and rebound in no time, leading groups after groups of people to purchase properties



because of their faith in the Government. And so they joined the ranks of owners of negative equity properties. In this year's policy address, not a single word is mentioned of negative equity properties. This proves that the Government is pretending that the problem does not exist and shirking off its responsibilities.

Madam President, with regard to the people's hardship, the problem of negative equity properties has led to the emergence of the problem of bankruptcies. Starting from 2002, the monthly number of bankruptcy cases averages as many as 2 000. This has never been seen in Hong Kong before. The problem of negative equity properties and bankruptcies can be considered directly related to the inept governance of TUNG Chee-hwa. Despite the recent improvements in our economy, the number of bankruptcy cases is still in the thousands. In the face of this grave problem of bankruptcies, the SAR Government led by TUNG Chee-hwa has not offered any measures in this year's policy address to assist people on the brink of bankruptcy, to bring them out of their predicament.

When a Chief Executive is deaf to public opinion, not honouring his words, tramples democracy, neglects the livelihood of the people, divides society and produces poverty, he should bear the responsibility for his blunders. And this topic has been raised many times in this Chamber, that is, he should step down. Though he is clear that he does not have any credibility, TUNG Chee-hwa often puts up the pretext that it is easier to leave than to stay and he refuses to bear the responsibility for his policy blunders. He goes against the will of the people and stays in office as the Chief Executive. It is because he is cocksure that the people of Hong Kong cannot make him go. The only one who can is the Central Government, but it will not resort to this to destroy the "one country, two systems" set-up. So he knows perfectly well that though he is abandoned and forsaken, his office is secure. He needs not worry about impeachment, being overthrown or forced into exile. He is not afraid of being assassinated, like many political leaders in South America. He still loves to stay in power and in so doing brings year after year of misery to the people of Hong Kong until they are all thrown into the deep abyss of despair.

For close to seven years the people of Hong Kong have been suffering from the bad consequences of the inept governance of TUNG Chee-hwa. The grassroots and owners of negative equity properties are leading a miserable life beyond description. But the policy address this year and the many in the past

have failed to deliver the people from their sufferings. Many important issues are left unattended to. This inept governance by TUNG Chee-hwa has eroded all the credibility of the SAR Government. It is only panting for the last gasp on the support from the Central Government, like a prodigal son who lives on the credibility and money of his father. And TUNG has tarnished the reputation of the Central Government and squandered all the grace and support from the Central Government. His impotence is the cause of the increasing meddling by the Central Government in Hong Kong affairs. The principle of "one country, two systems" is being damaged gradually. All that remains in the Hong Kong SAR Government under the rule of TUNG Chee-hwa is a name in tatters. I am convinced that only with TUNG Chee-hwa's resignation can there be a way to salvage the lost confidence in governance in Hong Kong.

**MS MIRIAM LAU** (in Cantonese): Madam President, in view of the growing economic integration of Hong Kong with the Pearl River Delta and the strengthening of Hong Kong's position as a regional logistics hub, we have in the past few years developed the transport infrastructure linking up with the peripheral cities. These projects include the Lok Ma Chau Spur Line, the new bridge to connect Lok Ma Chau and Huanggang and the Shenzhen Western Corridor which will be commissioned next year. In the long term, there is the Hong Kong-Zhuhai-Macao Bridge. However, granting there are good transport links with our neighbours, if the transport infrastructure within Hong Kong does not match with these developments to divert the increased volume of traffic, the domestic traffic will only worsen. In the end, it will only affect our external traffic.

For example, now the transport infrastructure linking up Hong Kong with the Mainland focuses on the western part of Shenzhen to the neglect of the eastern part of Shenzhen. If this goes on, we may lose the opportunities offered by the eastern part of Shenzhen and fail to tie in with the developments in eastern Shenzhen, Weizhou and Shantou. Although the Government has plans to build a new bridge at the Sha Tau Kok boundary crossing to increase the capacity and improve the traffic flow, as I have said, if there is no matching transport infrastructure in Hong Kong linking up Sha Tau Kok, even if the traffic flow at the boundary crossing is improved, vehicles may not be able to travel to the crossing, and even if vehicles can pass the crossing, they may encounter traffic congestion once they are in the territory. Then all our hard work may not pay off at all.

With respect to the transport infrastructure linking Hong Kong with Sha Tau Kok, there may well be some time for us to effect the improvements. But we can afford to waste no time on the domestic transport infrastructure connecting Hong Kong with the Shenzhen Western Corridor, for the trunk will be commissioned in end 2005. It is anticipated that at the initial stages, the traffic flow along Tuen Mun Road will be increased by at least 6 000 vehicles daily and it will add to the traffic congestion on Tuen Mun Road. In particular, the congestion in Tuen Mun town centre will worsen. In order that the pressure on Tuen Mun Road can be lessened, when the Government applied for funding to construct the Western Corridor, it pledged to build an east-bound road link connecting Route 3 with the Deep Bay Link section of the Western Corridor. The purpose of this road link is to stream traffic. Unfortunately, this pledge by the Government has now become a non-event, having disappeared. Now the Environment, Transport and Works Bureau has made out another cheque, saying that the planning for traffic and transport infrastructure for Northwest New Territories will be completed during the first half of this year and that details on the progress of the franchise negotiations on Route 3 and solutions to the congestion at Tuen Mun Road will be given by that time and that the public only has to wait for a further six months before an answer is given. So let us wait for six more months to see what will come out of this!

I would hope that the cheque issued by the Government, that is, improving the traffic situation in Northwest New Territories, will indeed be honoured by that time. However, I am gravely concerned that this will be another dishonoured cheque. Over the past couple of years or so, the Environment, Transport and Works Bureau has made out many cheques to the Panel on Transport, including an effective utilization of the cross-harbour tunnel, the open adjustment mechanism for transport fares (as mentioned by Mr LAU Kong-wah earlier), Route 7, the Sha Tin to Central Link, and so on. But it appears that these cheques have never been honoured as scheduled. Some of these cheques are revised midway. For example, the Sha Tin to Central Link which has almost been finalized, now may become the Sha Tin to Hung Hom Link. There is news that there will be an explanation, but no one is sure about it. Now the Sha Tin to Central Link seems to have definitely been scrapped. Some time ago, there was news that Route 7 would be constructed. But now things may change and Route 7 may be considered together with the South Hong Kong Island Line. And in the end, it could be that only the South Hong Kong Island Line will be constructed. But no one knows exactly whether the railway will be constructed.

Maybe both the South Hong Kong Island Line and Route 7 will fall through. In addition, most members from the vehicle repairs and maintenance trade support the launch of a mandatory registration scheme for car mechanics. The Government has been discussing with the trade on this scheme and the trade is led to believe that the scheme would definitely be put into practice. But when the policy is made public, officials say that this scheme is only voluntary, which is vastly different from a mandatory scheme. So the trade is very much disappointed.

The Chief Executive says that he will not be slow and out of tune with the times. I would certainly hope that his ruling team will not be slow and unresponsive and that it will take serious steps to improve the efficiency of administration. All those post-dated cheques should be honoured expeditiously and even if they cannot, I hope that the Government will not drag its feet indefinitely. At least a timetable should be devised to let the public know exactly what should be done. That will prevent the public from being disappointed time and again, and that it will not give us the impression that some of the undertakings made by the Government are put off indefinitely.

So while the Government seeks to improve its efficiency in administration, it must make sure that its governance is people-based and that it keeps tabs on the public pulse. It must be noted that, to keep correct tabs on the public pulse, the Government must listen to the views expressed by people from all walks of life. With respect to the cheques made out by the Environment, Transport and Works Bureau to the Transport Panel, most of them need some matching actions on the part of the relevant sectors. If the sectors are consulted to see if matching actions are forthcoming before these issues are brought up for public discussion, then I think that these cheques would be more likely to be honoured.

But the way the Government is handling views from the trade is apparently putting the cart before the horse. I would not cite some ancient examples, but a recent one is the merger between the two railway corporations. There are reports that the top echelons of the Government have reached a consensus on the merger and the Environment, Transport and Works Bureau and the Financial Services and the Treasury Bureau are tasked with the responsibility of drafting the details of the consultation document on the merger. As the merger requires matching actions on the part of the two railway corporations, so the Government should reach some common understanding with the railway corporations on the merits and demerits of the proposed merger before consulting the public on these

views. If this can be done, the Government will stand greater chances of cashing the advantages of merger as a result of matching actions taken and hence prevent the emergence of another scenario where the Government depicts ambitious plans but the trade is unable to put these into practice, thus making the Government losing its credibility. However and unfortunately, according to the reports, it seems that the Government does not intend to do this. What the Government plans to do is to draft a consultation paper by itself for public consultation, and then discuss it with the two railway corporations. By that time, a lot of expectations would have been formed, that is, the public would have formed a lot of expectations, but then could the two corporations meet them? If this cannot be done and nothing is delivered by the Government, would this lead to disputes? I hope very much that the Government will think hard on this and rectify such an approach. The Government must adopt a positive and sincere attitude in talking with the trade and discussing the new plans with it.

Apart from keeping a closer tab on the public pulse and listening more to the views of people from all walks of life, a government which is people-based should make immediate response to the views it has heard. But during the past year, the performance of the Government has been really disappointing.

Last year, in the policy debate, I raise the issue of motor vehicle insurance. Now that one year has lapsed and the Government still refuses to intervene in this matter for commercial reasons. The transport sector would like to make an appointment to meet with officials from the relevant bureaux, that is, the Financial Services and the Treasury Bureau and the Environment, Transport and Works Bureau. But officials from these two Bureaux refuse to meet the sector representatives, and pass the buck among themselves, each saying that the matter does not fall into their relevant portfolio. So the sector simply does not know which Bureau it should look to. The third party insurance for taxis, for example, saw a drastic premium increase last year. The premium for the coming year will rise substantially by 30% to 50%. I must stress that it is because of the laws that employers are required to take out employment insurance; car owners are required to take out third party insurance; owners of pleasure boats, launches and ferries are required to take out third party insurance, and so on. So the Government cannot regard the taking out of insurance policies as purely a commercial act and stand clear away from it. In other words, as the sector must take out insurance policies, so how can this be regarded as purely a commercial act? The Government cannot shirk its responsibility in this matter for it must see to it that this problem is solved. The

increase of policy premiums by such a large margin with its impact on the transport sector should be addressed. Studies should be made on a mechanism to effect proper supervision on the insurance companies and to examine if transport policies can be adjusted to ease the hardship faced by the transport sector. Otherwise, the transport sector would find it hard to sustain the drastic rise in operation costs in the long term.

In addition, I also mentioned in last year's policy debate that when the Government was to expand the railway network, it should not overlook the survival of other public modes of transport. But, one year down the line, I still fail to see any signs that the Government has addressed the problem. There is still the same kind of piecemeal attempt to address the problem on the surface but never at its roots. After the commissioning of the West Rail, there have been a lot of grievances from the taxi, minibuses and residents' bus operators. The situation is a replica of the situation after the commissioning of the Tseung Kwan O extension of the MTR. I believe the same thing will happen when the Ma On Shan extension is commissioned.

As growth in the population of Hong Kong is slower than the forecast made a few years ago, demand for public transport is not growing as fast and large as previously projected. Under such circumstances, the building of one more railway will reduce the room of survival of other modes of public transport. When the survival of these modes of public transport is threatened, there will be vicious competition among them and conflicts will arise. This situation has already emerged. I am sure the Secretary knows it very well. I also hope that the Secretary can squarely address this problem which none of us would want to see. To ensure the survival of all modes of public transport, I suggest that the Government should make a fresh review of the development of railways and make efforts proactive to co-ordinate various modes of public transport and forge co-operation among them. Different modes of public transport should be encouraged to give play to their respective functions and roles.

If people-based governance is not simply a slogan but truly a concept of governance, and that the Government is determined to translate this concept into action, then I earnestly hope that the Government can make a prompt response to this issue.

Madam President, I so submit.

**DR TANG SIU-TONG** (in Cantonese): Madam President, the topic for this debate session is "environmentally responsible development", which is closely related to the living of the people. Having said little about this area, the policy address has merely indicated that efforts will be doubled to protect the environment, and the community will be encouraged to discuss and participate in a number of feasible options of urban renewal.

In late 2003, the stage three public consultation on "Hong Kong 2030: Planning Vision and Strategy" was launched with the aim of proposing two patterns of development, namely the low-density decentralization pattern and the high-density consolidation pattern, for public discussion. Being a "concrete jungle", Hong Kong's dense population is clustered in the urban areas in Hong Kong and Kowloon, as well as the hearts of a few new towns. People have no alternative but to accept the crowded living conditions, and huge pressure on their daily lives is thus built up. In my opinion, to upgrade the standard of living in Hong Kong as an international cosmopolis, its development should switch from its previous high-density consolidation pattern to a low-density decentralization pattern whereby more living space will be provided. By the decentralization pattern, I mean more than the density of housing. The Government should divert more economic activities from the hearts of Hong Kong Island and Kowloon to the New Territories, initially to new towns where transport networks are well-developed, and then further by expanding the space available in new towns for dwelling and other activities. This will help bridge the boundary distinction between the urban areas of Hong Kong and Kowloon and the New Territories. In my opinion, the renewal and redevelopment of the original urban Hong Kong and Kowloon should be kept in line with the decentralization pattern by setting the same goal of reducing density and expanding living space.

Over the past many years, reclamation has been used as the only means to increase the precious land resources in urban Hong Kong. Yet, we must optimize and protect Victoria Harbour for it is a valuable natural asset of Hong Kong. Under the low-density decentralization pattern, harbour reclamation for the sake of enhancing the utilization of urban land should be scaled down substantially. In doing so, the beautiful Victoria Harbour can be preserved as far as possible for the public. The current situation in which the harbourfront is largely inaccessible can then be improved. For these reasons, I am of the view that, while protecting Victoria Harbour and optimizing the precious resources endowed by Mother Nature, we can still commence studies on highly-essential

reclamation projects, or those which are helpful to improving the environment of the harbour. However, the basic principle of minimizing unnecessary reclamation must be observed.

Another issue which has a close bearing on our living standard and the quality of the environment is transport. Over the past two decades, Hong Kong has developed a number of transport infrastructure, including the development of a number of Mass Transit Railway routes, electrification of the East Rail, provision of a light rail system in West New Territories, and construction of a number of expressways linking the urban areas and the New Territories. Even the West Rail commenced operation last year. However, residents living in West New Territories still enjoy less convenience in terms of transport than those living in urban areas. The newly completed West Rail can be described as "falling between two stools", for while its southbound route is not linked to the business centres, commuters going northward to the Mainland have to transfer to buses in order to cross the boundary at Lok Ma Chau, or transfer to the East Rail to join the extremely heavy flow of cross-boundary East Rail commuters. Even if the Sheung Shui to Lok Ma Chau Spur Line is completed in 2007 as scheduled, West New Territories residents will still have to rely on the East Rail. In the event of the East Rail having any problems, not only will the West New Territories residents encounter difficulties in crossing the boundary, major boundary crossings linking Hong Kong and the Mainland will also be paralyzed. For these reasons, I would like to urge the Government once again to expeditiously construct the Northern Link. This is because only in doing so can a streaming of eastbound and westbound traffic be achieved and the deadlock of "having only one railway for boundary crossing" be broken.

In the short run, transport from West New Territories to Lok Ma Chau should be increased in terms of types and quantities.

The Shenzhen Western Corridor is scheduled to complete next year. The Government has originally planned to discuss with the developer of Route 3 for a fare reduction, but it seems that this is not going to materialize in the near future. I hope the Government can expeditiously seek a consensus, or come up with other solutions.

Madam President, I so submit.



**MS AUDREY EU** (in Cantonese): Madam President, the air pollution problem has existed in Hong Kong for a long time. In recent years, the Government has launched a number of initiatives, including the replacement of diesel taxis with liquefied petroleum gas ones and increasing the penalties for vehicles emitting excessive black smoke, and so on. However, the air quality has not shown marked improvement. Last year, the ordinary air quality monitoring stations recorded more than 100 occasions on which the air pollution had exceeded the stipulated level, representing an increase of 8% over 1999.

As highlighted by the Government, the root of the problem was the deteriorating air quality in the Pearl River Delta Region. So the ultimate solution therefore hinges upon the co-operation between Guangdong and Hong Kong. However, what the people long to see is not just negotiation or some studies, but rather some quick and practical actions. In fact, apart from affecting the health of the people, the poor air quality is also undermining the competitiveness of Hong Kong. For many years, the economic loss suffered Hong Kong as a result of air pollution is indeed inestimable. I hope the Government can speed up its work in this regard, such as implementing the emissions trading scheme, thereby giving the people, especially those suffering from respiratory illnesses, a ray of hope.

Madam President, it is worth mentioning that a recent verdict passed by the Court of Final Appeal on the Wan Chai Reclamation Project has re-affirmed the significance of the harbour, and it has also made more people understand the significance of protecting the harbour. However, the awareness of Hong Kong people of environmental protection is still insufficient. For example, it was discovered earlier that boulders had been excavated illegally from Tung Chung Stream for the purpose of building the artificial lake of the Disneyland. Another incident happened in Lam Tsuen, Tai Po, in which a 10-acre agricultural lot has been used for dumping debris and wastes. These reflect that the natural environment and ecology of Hong Kong are not afforded adequate protection. In this regard, apart from stepping up civic education in Hong Kong, I strongly hope that the Secretary for the Environment, Transport and Works can review the existing laws to examine if they are adequate and whether they can protect the land and the environment in the rural areas. Thank you, Madam President.

**MR ALBERT HO** (in Cantonese): Madam President, on behalf of the Democratic Party, I would like to speak on the housing policy of the SAR Government and the right of housing of Hong Kong residents.

First of all, I would talk about the disposal of the remaining Home Ownership Scheme (HOS) flats by the Government. The Democratic Party thinks that if the government policy on the moratorium on the production of HOS flats is a short-term or medium-term measure, we hold no strong opposition to. However, we have long been of the view that the Government should leave some leeway for future review according to changes in the circumstances, instead of announcing a permanent cessation of production of HOS flats now. The problem that we are facing today is how to deal with an overhang of HOS units.

According to the figures provided by the Government, we have 20 000-odd units which the Government has not able to dispose of in time. I think that this amounts to serious maladministration, leading to wastage of public money. Why would I say so? It is because out of these 26 000-odd units, 6 000 units are actually the remaining units of some public housing estates already put up for sale, or some repurchased units, meaning that they are repurchased under the agreement between the Government and some HOS buyers. As I said earlier, these housing estates have actually commenced their intake. There is no reason why the Government should not continue to sell the remaining units of these estates. On the surface of it, the Government said that this was meant to stabilize the market. However, I do not see the complete cessation of sale of these several thousand units would actually have any effect on the market. Instead, I see that this move will amount to serious wastage of public money.

We can see that to manage these 26 000 units in total, the Government has to send staff to do the inspection, repairs and maintenance work. Besides, a lot of electrical appliances have been installed in the units, including air-conditioners, stoves, refrigerators, and so on, which were supposed to be provided free to the prospective buyers of the units. I believe if the sale is suspended until 2006 and when the Government sells these units again in future, it may have to reinstall new electrical appliances. According to our estimation, the expenses incurred during this period until 2006 may reach \$100 million. Should we really have to spend so much money?

What is most infuriating to us is that there is such a situation in Hong Kong today: On one hand, there are vacant units, but on the other, even though a lot of people do not so much have no dwelling place, they do not have enough living space. We see that there are a lot of overcrowded households for which the area per capita is about 5.5 sq m to 6 sq m, and they are adults. Indeed, it is necessary to transfer them to more spacious units. The Secretary is aware that in many newly built public housing estates, the area per capita has already reached 7.5 sq m. In some public housing estates in the New Territories, the area per capita may even reach 10 sq m.

Therefore, why should we not convert these HOS units, especially those 20 000 completed but unoccupied units, into rental units to meet the transfer requests of these overcrowded households? Why could we not consider changing these units (if not allocated to overcrowded households) into rental housing units to further shorten the waiting time for public housing? Or why do we not alter the usage of some units into hostels or guesthouses, or even into quarters for civil servants? In fact, we have long been hearing about these options which the Government said it would explore. But to date, the Government is still stalling on the decision, and this makes us very disappointed.

I know that the answer from the Secretary later will be that the Government has already done its level best and hope that it can be completed soon. And I trust the Secretary will not have any new message to tell us, such as when the plan will be implemented or the solution may be to change the usage of units. Anyway, suffice it to say that we will continue to see the wastage of public money and these 26 000 units being left vacant.

The second point is that in regard to the sale of public housing units programme, we are discontented because we feel that the Government is employing some delaying tactics. In fact, the Government has earlier undertaken that phases 6A and 6B of public housing would be scheduled for sale. However, due to some unknown reasons, after the outbreak of SARS, the Government said that some pipes had to be repaired before launching the sale programme. Nevertheless, to date, a timetable is nowhere to be seen, although a lot of Members have already urged the Government not to procrastinate.

Besides, the whole sale of public housing units programme is, in fact, well supported by a lot of public housing residents. We fail to see why the Government has to totally withdraw the whole policy in one go (perhaps with the exception of phases 6A and 6B). The Government has been saying that public housing is imposing a very heavy burden on the Hong Kong Housing Authority (HA), because the rental income received by the Government from the tenants of public housing is not enough to meet the recurrent expenditure on repair works. Under the circumstances, why does the Government not continue to let these tenants purchase their own flats? Not only can this reduce the burden on the HA at the same time, but also take us closer to realizing the plan mentioned by the Chief Executive, that 70% of the people among us could purchase their own homes.

Although this policy may have vanished and no one will mention it anymore, it can at least afford people more opportunities of home ownership, which is one of the three major objectives of the Chief Executive back then. Has it been totally abandoned now? This sale programme itself could facilitate the residents to make a choice on home ownership. Why should this policy be abandoned? Is the Government being pressurized by the real estate developers to do everything to satisfy their needs, so that they feel they have the priority to sell their property, while the Government will complement by all means, leading to a cessation of sale of public housing and HOS flats? Is this advisable? Has the Government really taken public interest and meeting the people's housing need as the objective, on which consideration for government policies is based?

Madam President, the third point that I have to raise is about the rental policy on public housing. This has totally not been touched upon in the policy address or the other policy agenda of the Government. However, in the comparison between the existing rental median and income median of households, the figure that I recently got has already surpassed 10% as stipulated by law, now standing at 14.2%. In fact, the Government should seriously review the rental policy as soon as possible.

The policy address has not mentioned rental subsidy, loan schemes, and so on. As we all know, the plan of constructing 50 000 housing units as always mentioned by the Government has now become 50 000 subsidy opportunities. After calculation, I still do not see how these 50 000 subsidy opportunities can be realized. From constructing public housing units to providing any loans, can the target of 50 000 be attained? How is that calculated? Is it because the

Government does not mention it anymore, it thus no longer exists? I very much hope that the Secretary can clearly explain the policies concerned, or tell the public clearly that it does not exist anymore.

For the fourth point, I would like to talk about land supply. What we would like to discuss is that, in the interest of stabilizing the property market, the Government, through the Secretary, has announced some policies. In addition to a complete cessation of sale of HOS flats, it has basically delayed the progress of property development on station superstructures of the two railway corporations. As we all know, by 2007, the Application List will be suspended for a period of time. Although the Application List has been flexibly revived recently, I see that the overall policy of the Government is to stabilize the property market through land supply. In regard to this policy, the Democratic Party originally held no strong opposition, as the Government felt that a controlled land supply could be useful to a certain extent in stabilizing the market. However, what we find it unfair — this has also been mentioned many times in the panel meetings — that the Government has stopped selling public housing units, HOS flats and the development plans of the two railway corporations.

At present, a lot of real estate developers are hoarding a large land reserve. The Government, through land use modification and charging regrant premium, continues to supply land to the market. But this supply is only enjoyed by the real estate developers who possess a large land reserve, thus giving them absolute advantages. However, in terms of land supply, the Government does not have any policy, nor does it intend to map out any policy or adopt any measure to curb this situation. In fact, the Government can delay or terminate any land supply application through policies. The Government has such a power. Nevertheless, on the one hand, the Government has called a halt to some of its own land development plans or property sale programmes which have implications on public money, while large developers which have agricultural land in reserve can continue to enjoy land supply of their own on the other. This has given rise to unfair competition.

Madam President, apart from the policy mentioned by me just now, we are also concerned about two policies which will be introduced this year. The scrutiny of the amendments to the legislation concerning landlords and tenants will be completed. I estimate it is likely that they will get certain support and be passed in the Legislative Council. However, what we feel somewhat

dissatisfied is that during the consultation on this Bill, the public has not been able to fully understand some issues of significance in relation to this Bill. One example is that apart from an across-the-board deregulation of rental control, another effect in law is that those who used to enjoy protection by rental control, after deregulation in future, may not be able to enjoy the compensation on resumption of property for redevelopment otherwise entitled under previous legislation. We are worried that with the passage of the legislation, some landlords may seek early resumption of the buildings which are about to be redeveloped in order to save the compensations. We can see that this will help the Urban Renewal Council, in terms of its future development, to save a lot of expenses. However, to many residents being affected, with the passage of the Bill, the rights and interests to which they are otherwise entitled under the existing legislation will be lost. The Government did not do any consultation in this respect. In our opinion, perhaps the public did not have the opportunity to air their views at that time, and thus they were unable to have a full picture of the consequences of passing the legislation. In this regard, I hope that the Government can be fairer and more comprehensive in its future consultation exercise.

The foregoing are the views of the Democratic Party on housing and land. Thank you, Madam President.

**MR TAM YIU-CHUNG** (in Cantonese): Madam President, at the beginning of the Lunar New Year, people are full of expectations. Being able to live and work in peace and contentment is one of the wishes of the public, and that is also the goal of the DAB.

I would like to speak on three areas: strengthening community planning and development of support facilities, environmental improvement and reduction in transport fares.

*Strengthening community planning and development of support facilities*

In the past, the planning and development of new towns in Hong Kong only placed emphasis on hardware facilities, while support facilities in the community would be lacking. As a result, new towns are devoid of various cultural and recreational venues, community support network and even medical

care systems. In the '90s, juvenile delinquency was serious in Tuen Mun and family tragedies were common. These are the consequences derived from this mode of new town planning and development. However, the Government had not learnt from these lessons. It repeated the same mistakes in developing Tin Shui Wai and Tung Chung. At present, the crime rate in Tin Shui Wai is the highest in Hong Kong, while the situation of family poverty is also common. This certainly is not unrelated to improper planning by the Government.

The policy address proposed the construction of a new container terminal, the speeding up of boundary-crossing network and the construction of a Value-Added Logistics Park. These hardware facilities will directly affect the development of Tung Chung and the living of the residents. Although we support laying down an early foundation for future economic growth, we rather would hope that the development of support facilities in the community can be strengthened. With the ever-increasing population, the situation of insufficient community facilities in Tung Chung and Tin Shui Wai is worsening. The residents earnestly request the early provision of an indoor sports complex, a library, a community hall and some more open space. They also hope that a community hospital can be established to ensure that residents have access to timely and proper medical services. These basic needs of living should be taken into consideration by the Government in the early stage of planning development.

### *Environmental improvement*

During the course of planning development, environmental protection is another important issue. In New Territories West, the environmental problem most acutely felt by the residents is noise nuisance. Although the West Rail has already come into operation, the noise problem has yet to be solved to date. The train operation of the West Rail — especially the noise generated by trains pulling into and out of the stations — constitutes a serious noise nuisance to the residents. In spite of some noise mitigation measures employed for the West Rail, our office in the district has still received a lot of complaints from residents concerning noise nuisance from the West Rail. They include train operation giving rise to noise of friction on railway tracks, noise from exhaust emissions, and so on, which seriously affect their tranquil living environment and their rest. Residents of buildings along Ma Wang Road near Long Ping Station, as well as Tin Yiu Estate and Tin Shing Court near Tin Shui Wai Station are especially affected.

In fact, the above situation does not only appear on the newly commissioned West Rail. The Caribbean Coast of Tung Chung also has the same situation, only that the creator of noise is the MTR Corporation Limited instead. In addition to the noise created by two railways, the noise generated by vehicles on the existing trunk roads also has great influence. For example, Route 5 is one of the newly built routes. Therefore, residents of Discovery Park of Tsuen Wan and residents of the estates along the alignment are very worried. They hope that facilities like acoustic barriers or acoustic baffle covers could be built. Unfortunately, the Government is not willing to consider the views of the residents. Sometimes the Government said that it would increase the cost or that it was not very effective, but this is not at all convincing to the public. I hope that Secretary Dr Sarah LIAO can pay enough attention to the quality of living environment and the physical and mental health of the residents. Besides, she also has to urge the authorities concerned to find ways to improve the situation, to really put forward a solution, a proposal, instead of saying that "the relevant noise standard is within the requirement of the law". This kind of excuses will not be acceptable to the residents.

### *Reduction in transport fares*

As the Legislative Council Member elected in New Territories West, in my contact with residents in the district, I find that most of their views are, or their major view, their biggest reaction, their strongest reaction is: the transport fares are exorbitant indeed.

As one of the policy agenda, Secretary Dr Sarah LIAO has made an undertaking to continue promoting the implementation of a transport fare adjustment mechanism under which the fares can be adjusted upwards or downwards. However, it seems that this may not be able to really lessen the burden of the public in transport fares. Although a number of bus companies have introduced some concessions on fares since October last year, they are a far cry from the demand of the public for an across-the-board reduction of fares by 10%. Indeed, an across-the-board reduction by 10% is the most minimum demand. A lot of people demand much more than 10%, but 20%, 30% or even a higher percentage. To a lot of residents in New Territories West, these measures basically do not help them much in their present situation. I would like to illustrate this with some examples. For the buses running from Kwai Tsing District or Tsuen Wan District to Kowloon, Yuen Long, Tuen Mun or



New Territories East, the fares are less than \$10. The residents, therefore, do not enjoy any concession. Thus, they have no access to such.

In Tin Shui Wai, the social problems caused by exorbitant transport fares are also very serious. Tin Shui Wai has a population of 270 000. Apart from 40 000 residents in private buildings, there are 46 000 residents in Home Ownership Scheme flats and also 184 000 public housing residents. Since the employment opportunities offered in New Territories West are fairly limited, Tin Shui Wai residents have to look for employment opportunities in urban Hong Kong and Kowloon. We can calculate that for an ordinary job in the service industry with \$5,000-odd a month, after setting aside at least \$1,000 for transport expenses and deducting the breakfast and lunch expenses, there is only \$3,000-odd for household expenses. They are only living from hand to mouth. The unemployment problem is thus very serious. Even those who have a job cannot make ends meet. Therefore, among the 180 000 public housing residents, nearly a quarter of them have to live on Comprehensive Social Security Assistance. For this reason, this situation is not difficult to understand.

The West Rail, commissioned since the end of last year, fails to realize its social function of promoting a reduction in transport expenses. We originally hoped that if the fare level of West Rail could be lowered as much as possible, it would at least lead to a reduction of bus fares. But unfortunately, this is not feasible. Thus, from the number of passengers of West Rail, we can see that the ridership is only 120 000 daily, which seems to be too far off from the original target of 200 000.

According to newspaper reports, the preparatory work for a merger of the two railway corporations is about to start. Some academics think or even query that this measure is unable to trigger a downward adjustment of transport fares, and because of lack of competition, the fares may even increase. I hope that the speculation of these academics is wrong. I also hope that Secretary Dr Sarah LIAO can consider the major objective of the merger of the two railway corporations is to enable a review of train fares and a downward adjustment of the same, which may also lead to a reduction in bus fares. It is because I think that bus fares can definitely be reduced by a certain margin. I believe the Secretary has clearer data than I do in this respect. In the short term, I think that the Government should take reference from the mode of travel allowance scheme for local domestic helpers. It should provide fare concessions to the lower-income group so that the target can be met earlier. By this I mean

reducing the transport expenses of the public and increasing job opportunities for the poor, thereby relieving the discontent of the residents and stabilizing the community.

Thank you, Madam President.

**DR LAW CHI-KWONG** (in Cantonese): Madam President, first of all, I would like to talk about the review of rental policy. However, I am not talking about the rental policy concerning residents, but the rental policy concerning social welfare organizations.

Let me quote a very simple example. Recently, due to the fiscal deficits, the Government has cut some subsidies. However, those efficiency savings have not exempted the part of rentals. Thus, the Social Welfare Department (SWD) does not have any reduction in rental and rates. This will give rise to two situations. For subvented organizations, if the subsidy is cut by 2%, since there is no rental reduction, the reduction in other areas will be more than 2%. If the subsidy is cut by 10%, the reduction in other areas will be more than 10%, as the rental has not been reduced.

The situation of those non-subvented organizations is even worse. The services provided by these organizations are self-financing, and some of the self-financing services are only granted rental subsidy by the SWD. However, due to shortage of resources, the SWD has to cut the subsidy. Under the circumstances, the self-financing services cannot be maintained anymore and the organizations have to charge the users for the services. For example, some homes for the elderly eventually have to charge the elderly for the services provided, but these elderly people are recipients of Comprehensive Social Security Assistance (CSSA). However, CSSA will also be reduced by 11%. Although it is not to be reduced in one go, 6% has already been cut in the first stage and the other 5% will be cut in the later stage. On the one hand, the elderly have to face the 11% reduction in CSSA, and on the other, those organizations have to increase hostel fees to make up for the difference as there is no rental reduction. Consequently, these elderly can no longer live in the self-financing homes.

Therefore, I hope that the Secretary can think about the situation. When the overall rental level in Hong Kong has been adjusted downwards, the SWD is the only institution that stands firm in charging high rents. Can the Government

consider that when it is cutting subsidy on the one hand while not making any adjustment on the other, some social service organizations will actually be very difficult to sustain. Should the Government not also make corresponding adjustments according to the market situation and the result of comparisons? Is this not more reasonable? Sometimes I think that these organizations may better operate in factory buildings. However, it is a pity that such buildings are not suitable for the provision of residential services, and thus this method is not feasible. If they can operate in factory buildings, the rental level will definitely be lower than that of the SWD of the Government. But the problem is such places are not suitable to them. Thus, can the Government consider how the upward and downward adjustment mechanism of social welfare rental policy operates? How can it be co-ordinated with the market or the government policy?

The second issue concerns planning and environment. The latest policy address mentions the Lantau Economic and Infrastructural Development Co-ordination Task Force under the chairmanship of the Financial Secretary. It is, of course, desirable that these projects be followed up by higher-level officials. Nevertheless, we are worried that sometimes, environmental impact assessment (EIA) will only be conducted to study the environmental problems when the concept of such project has reached a much too matured state. In this case, the risk will be very high. For example, Secretary Michael SUEN answered a question raised by Miss CHOY So-yuk on the development of the river loop yesterday. We will also conduct an in-depth discussion on this topic next week. However, I would like to point out that any idea of development is always merely a concept. It is often after the concept has reached maturity that other issues will be studied, including EIA. I very much hope that such planning can factor in consideration of environmental protection at an earlier stage. It would be better that environmental protection can be taken into consideration when the concept is formed. Otherwise, if it is only considered at the very late stage, a lot of time will be wasted. Or it will be too late when it is eventually found out that the EIA actually does not allow the development to go ahead. And this is also not beneficial to the overall economic development. Therefore, the Government has to realize how best EIA — although this should not be called EIA, but the entire idea of environmental protection — should be factored into the whole process.

I guess that Secretary Dr Sarah LIAO would also have participation in the Lantau Economic and Infrastructural Development Co-ordination Task Force. Thus, I do not worry too much about these projects. But sometimes, some

projects may not have incorporated the element of environmental protection, and I would worry that it will be too late then. I believe that in formulating some planning or policies, environmental protection projects should be incorporated much earlier into the process. We can imagine that in the past, the environmental protection awareness of the public might be very low. But nowadays, the requirement on environmental protection from the public is far higher than it was the case four or five years ago. Therefore, the elements of the whole planning process can be rearranged, and consideration has to be given to whether the EIA procedures can be adjusted. In this connection, I hope that the Government can effect more co-ordination between planning and environmental protection issues, instead of being caught in panic at the last stage when development has to be taken forward. The Long Valley incident, for example, is very unfortunate indeed. The Government should consider how best to interfere at an early stage to make things better.

Ms Audrey EU mentioned the issue of Tung Chung Stream a moment ago, which I would also like to talk about. In terms of environmental protection, I hope the Government can consider Tung Chung Stream as an example. A few years ago, the Legislative Council also faced a problem. The Government insisted on dredging away the whole river bed of a river and then build a U-shaped concrete river bed to speed up the water flow. I understood that the water flow could really be faster after concrete was laid on the river bed. But the problem was that the whole environment would be ruined. In fact, the Government can think of sparing Members of this. Anyway, the Protection of the Harbour Ordinance was also deliberated by Members. Can the Government consider enacting legislation on the protection of rivers, and consider whether the existing policy is sufficient to protect the rivers, especially those not located in country parks or in protected areas? At present, rivers are basically protected by some legislation. I am not saying that there is no law to protect them. However, if there is a specific ordinance for the protection of rivers, we can look at the situation from the perspective of a river. We actually have to seriously consider that this has very significant impact on the entire habitat and the ecological environment. Therefore, should there be an ordinance for the protection of rivers? I believe a lot of Members may be interested in this. However, I hope that the Government can take the initiative to consider this proposal.

Besides, in this policy address, the coverage on environmental protection is actually very, very small. This is only mentioned in paragraph 32.

Environmental protection, education, recreational and cultural facilities, these are very important to the living environment and living conditions of Hong Kong..... (*The buzzer sounded*)

Thank you, Madam President.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, during the first debate session, I mentioned that the unemployment rate of the architectural industry had once reached as high as 20%, which was a few times higher than that of the general unemployment rate. People in the industry and I have urged the Government many times to take forward more public works projects. Realizing that the Government is caught in fiscal deficits, we propose the mode of private public partnership (PPP), which can help to reduce public expenditure while enable works projects to go ahead, to improve the unemployment situation of the local architectural industry.

Whenever we make a request to speed up the progress of public works projects, the Government will list out the major works projects under planning, and there is no exception to the policy address this year. The Chief Executive mentioned that in the next five years, an average of \$29 billion would be used in capital works projects every year, higher than the \$27 billion in each of the past five years. However, can the public works expenditure of the Government create employment opportunities in the market? The former Financial Secretary had pointed out that the economy of Hong Kong was externally oriented, and thus the expenditure on public works projects would have a lower multiplier effect on local economy. Therefore, on the priority of public works projects to be carried out, the Government has to choose wisely and carefully those projects that can create more local employment opportunities.

Over the past year, there was the outbreak of atypical pneumonia. We were all concerned that the dilapidated buildings in the urban area, due to lack of repairs and maintenance, might become the breeding ground of viruses, thus posing a threat to environmental hygiene. Therefore, Team Clean led by the Chief Secretary for Administration was formed by the Government to commence work. A number of professional bodies in the construction industry have all along supported the Government in introducing mandatory inspection of buildings in order to improve the dilapidated condition of buildings. I had also proposed a relevant motion debate in this Council. Unfortunately, due to the respective considerations of different political parties, the motion did not obtain

sufficient support eventually. It is not out of private interest but for public interest that the professional bodies have proposed mandatory inspection of buildings. In simple terms, building maintenance is a kind of manual work. The promotion of mandatory building inspection will, first of all, create a lot of non-professional job positions. Second, when the buildings are refurbished regularly, their lifespan will be extended and the overall appearance of the city will become more decent. Third, accidents due to dilapidated buildings can be reduced and there will be more protection for public safety. Therefore, those who oppose mandatory inspection of buildings actually owe the public an explanation.

In addition to giving priority to launching some projects that can create more job positions, we also suggest to divide the projects into smaller parts so that more small- and medium-sized companies can participate in the bidding, and thus enjoy the benefits brought by public works projects. The Chief Executive said in the policy address, and I quote, "In awarding various tenders and consultancy contracts, the Government will try its best to minimize obstacles to the participation of local small- and medium-sized professional organizations." End of quote. However, when the Government introduces some projects of enormous public attention, such as the West Kowloon Cultural District development project — Here, Madam President, I have to declare interest that the company that I am now working for will participate in providing surveying services for one of the bidders of this project — the Government has done the opposite by awarding this project as a single package. As a result, some medium-sized developers have publicly grumbled that they could not meet the qualifications, and a lot of professional bodies have also criticized that this is not an advisable approach.

Besides, the approach adopted by the Government in promoting some public works projects is rather controversial. Madam President, in preparing for the annual debates on the policy address and the Budget, I will invite the industry to participate in this kind of seminars. Last year, a senior architect said he was concerned that the project of the new government headquarters which was then underway would abort. During the debate, I also reflected such worries of the industry. I said, ".....in the architectural industry for which I represent, there are already concerns that the government headquarters and the new Legislative Council Building that the Government plans to build at the Tamar Site may ultimately abort due to financial considerations. I wish to remind the Government that the continued existence of uncertainties would not do any good to the architectural sector and to society as a whole." End of quote.

Unfortunately, the prophecy of this senior architect has become reality. The project of the government headquarters has really aborted!

This senior member also participated in the seminar arranged by me this year. He pointed out that when the Government promoted any public works project, it would always make a fanfare of it. In order to bid for such large-scale projects, private enterprises would have to recruit sufficient manpower, and expand the office and equipment in preparation. If private enterprises failed in the bidding, they of course could not do anything. However, if there was a change in government policies, no matter it was a "stop and go" or slackening in the works progress, the business planning of the private enterprises would be disturbed and great losses would be incurred. In this incident concerning the government headquarters, we can see clearly that the five pre-selected contractors have suffered certain losses. I have to declare that my company back then also engaged in the work of one of the contractors participating in the bid. Therefore, to the company which has to lay off some staff after recruiting more manpower, the impact is very great.

In order to bypass the bureaucratic procedures, the industry has recently suggested to the Government to actively consider adopting the PPP mode mentioned by me earlier in carrying out public works projects. Take the government headquarters as an example, the Government can invite tenders from developers for the construction and then lease the place from the developers on long-term contracts. This can solve the fiscal deficit problem as the Government does not have to pay the construction costs in one go. Apart from the government headquarters, as some of the 100-odd projects left behind by the former Municipal Councils also possess commercial value, I believe private consortia may be interested in the construction projects. The industry is willing to form a task force with the Government to examine these 100-odd projects in detail, and determine which projects can be implemented earlier under the PPP mode.

Madam President, I would like to change the subject to environmental planning. In this regard, there can be no greater controversy than the judicial review on the Central Reclamation Phase III Project and the Wan Chai North Reclamation Project last year. At present, the Court of Final Appeal has already made a judgement on the interpretation of the Protection of the Harbour Ordinance. That is, irreversible reclamation works can only be carried out unless there is an "overriding need". However, is the argument completely

settled? The situation obviously is otherwise. Leaving aside future arguments, some landscaping works may also not be carried out. In paragraph 47 of the judgement, the Judge has clearly pointed out in English, and I quote, "A compelling and present need goes far beyond something which is 'nice to have', desirable, preferable or beneficial. But on the other hand, it would be going much too far to describe it as something in the nature of the last resort, or something which the public cannot do without." End of quote. In between, if the Government wants to carry out landscaping works or to build passive recreational facilities, such as a promenade, it has to spend more time to conduct public consultation in order to obtain a greater social consensus.

In order to attain social consensus, the views of professional bodies and experts are very important. Professional bodies have long been very concerned about society. They reflect their views to the Government on a lot of community affairs, legislation being drafted, and so on. Besides, professional bodies will invariably form some special groups to study government proposals in detail, and the process is also highly transparent. The Government should seriously listen to and take on board the views of these professional bodies.

The Chief Executive mentioned in the policy address that the functions of advisory and statutory bodies had to be strengthened. I reckon that in order to strengthen the functions of advisory and statutory bodies, representatives of professional bodies should be incorporated into these bodies. Since these representatives are nominated by their respective professional bodies, they are duty-bound to relay the topics discussed by the advisory and statutory bodies to their professional bodies for consultation. Not only can this increase the transparency of the topics discussed, but also enhance the credibility of the views obtained. Recently, the Government has introduced the Town Planning (Amendment) Bill and the Construction Industry Council Bill, which are related to the statutory bodies — the Town Planning Board and the Construction Industry Council which is about to set up. I hope that the Government will enable representatives nominated by professional bodies to join these two bodies. Madam President, I so submit.

**DR RAYMOND HO:** Madam President, the Chief Executive said in his spring reception held at the Government House last Wednesday that our economy had entered a blossoming new season of spring. He went on to add that Hong Kong would see a bumper year ahead.



In spite of the recent improvement in retail businesses and more people are willing to spend, I dare not share the same level of optimism as that of Mr TUNG. The reason is quite simple. The construction industry, in which many of my constituents are working or used to be working, is still experiencing a very high unemployment rate of over 20%.

In the area of public works, I am quite disappointed that despite the numerous approaches I made to Mr TUNG and the present and former Financial Secretaries, the Government still fails to come up with positive actions to produce an upward economic spiral. Capitalizing on the very low tender prices, the Government ought to increase the volume of infrastructural projects to boost the economy and to create employment.

Earmarking \$29 billion per year for capital works projects, although 10% more than the previous years, the amount of which is in fact what I pressed the former Financial Secretary to commit in his last Budget, is far from being enough to make up for the dwindling volume of work in the private sector, the railway projects and the severely reduced workload in the public housing programme. As one of the major pillars of local economy, the construction industry in such a depressed state is actually dragging down the whole economy. The Government should do something to spur the industry which will in turn help uplift the economy as a whole through the economic multiplier.

Having said that, I must commend the Chief Executive for his response to my letters addressed to him in the past few months, and the previous comments on the decreasing number of Category B and Category C works being carried out by the Government. He mentioned in his policy address that apart from providing funding for the feasibility studies of infrastructural projects, the Government has also secured recurrent funding for their operation. My constituents welcome this but they are still concerned if the Government will actually keep to this commitment. I do sincerely hope that it is about time the Government will prove to the community and the world that it means what it says.

I understand that the growing fiscal deficit of the Government may have precluded it from investing more in infrastructural development projects. However, as I have said many many times on different occasions, these projects can either be financed by issuing bonds or in the form of Private Finance

Initiatives (PFI), capitalizing on the over \$3,000 billion financial resources in the private sector. Here, I refer to projects to be initiated by the investors in the private sector — the projects otherwise not being included in the Government's plans. Here, I also would add that I would not support the Government's move of actually privatizing the existing facilities which could actually be undertaken by the internal staff in the Civil Service. Also, the implementation of the PFI must be supervised by government staff of the appropriate departments to secure quality deliveries. The Government must be very cautious in reducing technical staff in the Civil Service. Otherwise, it will not have sufficient experienced technical people to ensure that the public can obtain what they deserve.

On the other hand, I have been urging the Government to improve cross-boundary infrastructure so as to accommodate the ever-growing volume in both passenger and goods traffic. I am glad that the Government is actually doing something now. A new bridge at the Sha Tau Kok crossing will be built to increase capacity and improve traffic flow. The much debated Hong Kong-Zhuhai-Macao Bridge has finally been brought onto the agenda of a Co-ordination Group, while the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou is among the ongoing initiatives. Considering the increasing volume of cross-boundary traffic due to our growing economic integration with the Pearl River Delta, the Government must give priority to these two projects and give serious consideration to incorporating a railway line into the Hong Kong-Zhuhai-Macao Bridge. Indeed, the Administration should lose no time in planning ahead to meet the future requirements. Otherwise, our cross-boundary infrastructural facilities will always lag behind the actual requirements.

In the area of environmental affairs, according to the policy agenda of this year, the Government is continuing to implement the "polluter pays" principle which I support, and plans for the introduction of a disposal charging scheme for construction and demolition waste in 2004. However, I do not see the reason why the Government is still subsidizing the chemical waste producers in disposing theirs. Chemical waste, including waste from sea-going vessels, is treated at the Chemical Waste Treatment Centre on Tsing Yi Island, the main treatment facility for chemical waste. Waste producers using its services are required to pay only part of the treatment cost while the remaining bill of about \$400 million to \$500 million annually has to be footed by the taxpayers. I wonder why the "polluter pays" principle does not apply here.

Instead of subsidizing the waste producers, the Government should provide incentives to promote the development of the recycling industry. This is exactly the kind of measure which may help improve business environment but not the other way round. Besides, a healthy development of the recycling industry is totally in line with the environmental protection requirement. More than that, eliminating subsidies to waste producers will definitely be consistent with the Government's efforts in reducing fiscal deficit.

Madam President, with these remarks, I so submit. Thank you.

**MR ANDREW CHENG** (in Cantonese): Madam President, on behalf of the Democratic Party, I would like to speak on the traffic and transport policies.

Madam President, an open and transparent government should always give a clear account of its principles and progress of administration to the public. It should, particularly on the occasion of announcing the policy address, frankly and sincerely state its various policies so that the public can understand them better. Unfortunately, looking at the policy addresses of the Government over recent years, especially the policy agenda this year, the location and coverage on traffic and transport policies are put under the areas of "Vibrant Economy", "Caring and Just Society" and "Environmentally Responsible Development". We opine that there are a few nice policies which the Government should have accounted to the public. But it seems that the Government has failed to explain them precisely and clearly to the public. In this regard, we think that it owes the public an opportunity to recognize and understand the policies concerned.

However, when transport policies are placed under the category of "Caring and Just", I wonder if it is because the Government also thinks that the existing fare adjustment mechanism of public transport operators is uncaring and unjust, and thus transport policies are placed under the so-called "Caring and Just" category. In any case, I hope that Secretary Dr Sarah LIAO, as a Secretary who will strive for her ideals, can pluck up her courage and try to reach a consensus with various transport operators as soon as possible on the fare adjustment mechanism under which fares can be adjusted upwards or downwards, no matter whether the Secretary and the Government think that the existing mechanism is unjust or not. Success or failure, the Government has to give an account to the public as early as possible.

Madam President, when the Panel on Transport discussed this year's policy address, Secretary Dr Sarah LIAO said that the fare adjustment procedures should be implemented across the board in various transport operators. However, I deem that it is extremely difficult to achieve this. In fact, the fare adjustment procedures presently proposed by the Government are only a general framework. Before implementation, the Government has to consider the actual situation of each operator and fine-tune the data concerned. Therefore, especially when there is a great discrepancy between bus companies and railway corporations, an across-the-board implementation at the same time in various organizations may not be necessary indeed. Since the Kowloon-Canton Railway Corporation (KCRC) is presently wholly owned by the Government, it can be the first trial point for the mechanism. When the Government takes the lead in implementing a fare adjustment mechanism in which the fares can be adjusted upwards or downwards, the Government can then observe its effectiveness, make any improvement where necessary and take this as a launching pad for promoting it to other public transport operators. I believe this move is most caring and just, and can be taken as the realization of a policy direction.

Madam President, the mechanism proposed by the Government can indeed help various public transport operators improve their operational efficiency and share their profits together with passengers. Of course, some operators are more resistant to the new mechanism. For example, the bus companies only want to pocket all the profits themselves. If the new mechanism proves to be beneficial to both the operators and passengers while these operators remain resistant, the Government has to work on the bus franchise. When the franchise expires, the Government can add a condition requiring these companies to implement the fare adjustment mechanism.

Madam President, the Democratic Party considers that, apart from formulating a mechanism to regulate transport fares, there is a lot of room for reform in the entire bus fare structure. During this Legislative Session, on behalf of the Democratic Party, I moved a motion to improve the existing fare structure, whereby the fare levels for the whole trip and for each section of the bus route would be determined on basis of distance. This approach could render the fare structure more transparent, reasonable and fair, and every passenger could pay a largely fair rate of bus fare. When I put forward this proposal, there was public support. It is a pity that bus companies resisted to reforming the fare mechanism on technical grounds. They insist on charging

certain passengers full fare for the journey and continue to charge the unreasonable cross-harbour toll. We are very disappointed that the bus companies have given up striving for a fare regime which is more equitable and reasonable. In order to promote a caring and just society, I hope that the Secretary will follow this direction of formulating the pricing criteria and system on the basis of distance, and continue to influence the bus companies in altering the existing approach.

In regard to the direction of reform to the bus fare regime, we have a set of detailed proposals. In simple terms, we think that except for the airport and overnight bus routes which can have another set of charging criteria, we can consider dividing the major bus routes of Hong Kong into cross-harbour routes and non-cross-harbour routes. When passengers pay the fares with Octopus cards, they can be charged on the basis of 4 km per section. Considering that the minimum charge for a short trip is around \$3, we suggest that the minimum charge for a bus trip section be set at \$3. However, the pricing for cross-harbour routes should be different from that of non-cross-harbour routes, with the range of sectional charge for the latter being smaller. We hope that the future bus fare regime can really use distance as the basis. This can avoid some passengers having to pay full fare for only taking a short ride of one or two stops.

Madam President, a few days ago, it was reported in the media that the merger of the two railway corporations had already got the "green light" from the Government. And we believe the Financial Secretary will probably explain this in the Budget to be released next month. One and a half years ago when the merger of the two railway corporations was brewing, we expressed concern for any monopolization induced by the merger. At present, given the absence of any new information, I still have such a worry. Indeed, the merger of the two railway corporations will render the new railway corporation the biggest public transport operator in the market. However, big size may not necessarily be good. We are afraid that when the new railway corporation assumes control of the franchise of all rail operation, the operational efficiency will fall instead of rise. Besides, since railway is made a predominant mode of transport, the Government will invariably restrain other modes of public transport from competing directly with trains. Therefore, we are also concerned whether there are any chances of the new corporation lowering the fare level. Of course.....

**PRESIDENT** (in Cantonese): Mr CHENG, your time is up.

**MR ANDREW CHENG** (in Cantonese): Madam President, I have seen the chart on the speaking time of Members. Am I supposed to have 12-odd minutes to speak?

**PRESIDENT** (in Cantonese): Do you have 12-odd minutes? Let me have a check.

**MR ANDREW CHENG** (in Cantonese): I should have 12-odd minutes.

**PRESIDENT** (in Cantonese): Mr Andrew CHENG, you only have seven minutes four seconds.

**MR ANDREW CHENG** (in Cantonese): Really?

**PRESIDENT** (in Cantonese): Perhaps you have mistakenly seen the speaking time of another Member.

**MR ANDREW CHENG** (in Cantonese): Then I have already used 12-odd minutes to speak. I am sorry, Madam President. I was actually coming to the end. For the merger of the two railway corporations, I hope that the Government can further consider.....

**PRESIDENT** (in Cantonese): Mr Andrew CHENG, please be seated.

**MR ANDREW CHENG** (in Cantonese): Thank you.

**MR IP KWOK-HIM** (in Cantonese): Madam President, the twin problems of negative equity properties and bankruptcy have troubled Hong Kong people in recent years. They are the most acute pains suffered Hong Kong people. Figures from the Hong Kong Monetary Authority show that the number of negative equity property cases has dropped substantially to some 67 000, the

lowest since 2001. I hope these twin problems will soon become history. To stabilize the property market is a consensus reached in the community. I do not wish to see a great number of flats suddenly flooding the market, nor do I wish to see artificial attempts to prop up the market, causing another crazy surge of property prices. The DAB does not think that the existing vacant Home Ownership Scheme (HOS) flats will sound the doleful dirge for the property market. I hope the Government can come to a brisk and resolute decision to solve the problem of 25 000 vacant HOS flats.

As a member of the Housing Authority, I witnessed the transition from the days where people did not have flats to live to days where flats do not have any people to live. I see blocks after blocks of HOS flats built, but all through the year only a couple of lights are lit and these blocks remain empty. This is certainly a strange phenomenon. These unoccupied flats, if left unattended, will incur enormous maintenance fees when they are open for occupation in future.

To tackle this problem of vacant HOS flats, I met with the staff unions of four disciplined forces last August and they expressed a willingness to accept the proposal to turn some of these HOS flats into quarters. During the past six months, I have expressed this view to four different Directors of Bureaux and they have not objected to it. However, the fact remains that these HOS flats stand tall and desolate as public money is flowing down the drains. In the past year, these 25 000 HOS flats remained not put to proper use. So I wish to make use of the opportunity today to urge the Government again to decide on the future of these flats at the soonest.

Recently there has been a clear message from the Government, that it is determined to withdraw from the private property market. In general, the trend will be progressing in the direction of "big market, small government", and that public services will be outsourced gradually. A recent survey conducted by Oxfam has sounded an alarm in me, that in the process of outsourcing, the Government may have become an accomplice to unscrupulous employers out of sheer inadvertence. Findings by Oxfam show that 65% of the cleaning workers on Housing Department contracts only get a monthly salary of \$2,500 to \$5,000, or 15% to 40% less than the salary stated in their employment contracts. For some of these workers, they do not have any holiday all through the year. I hope that in vetting the tenders, the Housing Department and also the Leisure and Cultural Services Department which has a lot of outsourcing, will consider

the authenticity of the terms and conditions. I do not wish to see part of the high wages stipulated in the tenders being pocketed by the contractors after they are awarded the tender. In the end it is the Government which will suffer as a result of the acts of these unscrupulous contractors.

Madam President, the SARS pandemic has served to enhance our awareness of the hygiene of our living environment and a renewed concern about the problems caused by the ageing of buildings. As people who live in old urban areas are not too well-off, if they are required all of a sudden to pay a huge sum of money to repair and maintain their buildings, it could be very difficult for them.

Now there are about 11 000 private residential buildings in Hong Kong which do not have an owners' incorporation or a management company. These buildings are in dire need of government assistance. The DAB hopes that the Government, when contemplating a mandatory building inspection programme, will conduct initial visual inspections for these 11 000-odd buildings without an owners' incorporation or management company. If problems are detected, then the residents should pay out of their pockets to hire an Authorized Person to conduct a more detailed inspection of their buildings so that the present unsatisfactory conditions can be improved.

The DAB opposes the idea of the Government spending huge sums of money from the public coffers indiscriminately, for so doing will deplete its fiscal reserves. But if the appearance and the hygiene of our city can be improved, then it is something worth lending our support to. Madam President, I so submit.

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

**MISS CHOY SO-YUK** (in Cantonese): Madam President, in the annual policy debate, I will always focus my discussion on the policies on environmental protection, and this year is no exception. In this year's policy address, we can see that the Government has mapped out some beautiful grand plans. But I cannot help worrying about the Government, insofar as environmental protection is concerned, again slipping into its past practice of bragging about its grand plans and then "doing little but thinking that has been done". It gives the



impression that the Government seems not having the power to do what it wishes to do. After the new Secretary has taken office, I notice that she does wish to make right the directions of environmental protection in her work over the past year. But my general impression is that the Secretary has the will but not the power, whereas the officials have the power but not the will. In fact, under a system which features lots of red tape, coupled with some officials having the habit of never admitting mistakes, the work of the Government in environmental protection gives the impression that the Government would do something or make one step forward only when it is given a kick, and that the Government is always doing little but playing up its achievements.

I wish to cite some examples here, and I hope the Government will seriously consider the validity of my criticisms. First, let us look at indoor air quality management. The Government published a consultation document on indoor air quality management four years ago and proposed six recommendations. It also said that owners would be invited to participate in an indoor air quality certification scheme in 2000 and that a comprehensive review would be conducted last year, that is, in 2003. However, nothing had since been done. Nothing was done between 2000 and 2003, and it was not until October last year when I was to move a motion for debate that the Government started work in the preceding month. But now, more than six months after the motion debate, we still have not seen any action taken by the Government. Not even a single word about this is mentioned in the policy address. This gives the impression that the Government had done something only to pre-empt the motion debate, so that it could say that work was already started a month ago. But six months have lapsed, and I do not feel that anything whatsoever is in progress.

Besides, there is the problem of methane gas at landfills. The Legislative Council has urged government officials time and again to negotiate with the gas company on the disposal of methane gas at landfills, so that such gas at landfills can be taken by the gas company for use without having to be burnt on site. This can avoid on the one hand a waste of natural resources and on the other extensive air pollution as a result of incineration. Government officials have invariably replied that work is in progress. It is only recently that I learn of a deal made between landfill operators and the gas company a year or so ago, under which the gas company is willing to invest at its own cost without any financial commitment from the Government. In addition, the gas company, after drawing the methane gas, is also willing to offer gas users a rebate in respect of each BTU and will allocate a part of its profit to the Government.

But this has not been realized over the past year or so. Is it because of bureaucracy, or is there any reason behind the Government that makes the Government tell us that work is in progress, although nothing has ever been done in reality?

There are many things that the Government does have the power to do, only that it does not wish to. Let me cite another example: the disposal of pig manure. This will have a bearing on the problems of influenza and Severe Acute Respiratory Syndrome which are of great concern to us now. 500 tonnes of pig manure are produced each day, of which only 200 tonnes can be handled at Sha Ling, whereas the rest of the pig manure in several hundreds tonnes will be dumped at landfills. This will affect the service life of landfills, and more importantly, arouse concern about the foot and mouth disease in pigs and other problems concerning environmental hygiene. What the Government can do is very simple, so long as it wishes to. All it has to do is to encourage the use of more pig manure for composting purposes, and there are many other ways to achieve this, such as anaerobic digestion. There will not be any cost implication to the Government, but this can obtain more resources and create wealth for the Government.

The protection of old trees is another example. I hope Members will not think that I am only rehashing an old issue. But it really is a case in point. In the past, trees could be felled as long as they were not among the 27 protected species. It was only until a few years ago when we urged for the protection of trees and when we were to draw up a Member's Bill that the Government proposed the setting up of a working group to look into these trees in order that trees would not be felled so easily. It is true that the working group has been established. But what has really happened? We still have to urge and to make "noises" every time. There must still be "noises" from the public or "noises" from the press before trees originally approved to be felled can be saved. The working group exists purely in form, and is set up only to show that the Government is doing something. But in reality, it is not doing anything at all. The Government will carry out work only when there are "noises" from the people. I doubt if we do not continue to champion for the making of legislation on the protection of old trees, will the Government, after some time, continue to fell trees, or make one step forward only when being given a kick?

Next, waste reduction is another case in point. Certainly, I know that the Government does wish to do something in this regard, but the progress is very

slow. For instance, the Government proposed a year or so ago the Dry and Wet Waste Separation Programme. Had it been implemented on a territory-wide basis, a large number of employment opportunities could have been created and this would then increase the income of many scavengers. But one year has lapsed, and I have not seen anything yet. The Secretary has said that she would like to extend the programme, but still we cannot see any sincerity on the part of the Government to promote its territory-wide implementation. To give effect to these measures and if the Government is sincere about it, the Government needs not spend one single cent, and wealth can be created without incurring any resources. But the Government has not done so. It gives us the impression that it is doing something only to show us that it has done something and to tell us that work is in progress.

Then, there is greening, the case of which is just the same. The Government has presented many figures to tell us that 15 000 trees have been planted in 2003-04 and 10 000 trees will be planted in 2004-05. But while trees are planted on the one hand, trees are being felled on the other. Trees are given no effective protection. Many trees have been burned down by hillfires, and many others have died due to exposure to wind, termites, and so on. There is no protection whatsoever for trees.

Furthermore, other examples include the country parks, and even the Chinese white dolphins, or horseshoe crabs, a species of crabs which, according to the Government, will be studied with plenty of funds to be injected by the Government. If the Government wishes to protect them, it is actually very easy to do so. All it has to do is to extend the boundaries of country parks. Certainly, some people may say that fishermen will be up in arms against extending the boundary of country parks, for the fishermen will then be denied fishing there. In fact, what needs to be done policy-wise is simple. Many fishermen do not wish to fish only along the shorelines, just that the Government has no policy or has not provided them with assistance to enable them to engage in offshore fishing. Indeed, many fishermen have been asking for government assistance to help them engage in offshore fishing. I know that this is not within the ambit of the Secretary, but an area under the responsibility of the Agriculture, Fisheries and Conservation Department. However, if a package of policies can be formulated to provide low-interest loans to facilitate offshore fishing by fishermen, then the boundaries of our marine parks can be extended and our rich marine resources can be protected.

Angling is just the same. Anglers hope that the Government can issue licences to permit their angling activities. Angling in marine parks does not constitute any problem, and the Government can even impose a charge on such activities. The Government can open up marine parks for anglers. It can borrow the practice of New Zealand or Australia by charging a licence fee on a daily basis to allow anglers to fish there. But it should be stipulated that anglers can take no more than two fishes on each occasion. In that case, the environment will not be affected, but anglers can be allowed to fish there and the coastal areas can be protected. If the Government can implement its policies properly, and with the formulation of corresponding policies and directions, the environment can be protected even better.

Madam President, I wish to turn to green industries. In fact, all the experts are saying that green industries will assume a leading role in the 21st century worldwide. Just take a look at the robust development of the green industries in the Mainland and we will see that they are growing at a rate of over 15% per annum. If my memory has not failed me, according to a survey conducted by the Hong Kong Productivity Council on the green industries in the Mainland, the potentials of the green industries in the Mainland alone reach over \$200 billion in one year. A small fraction of it will enable Hong Kong to make much headway in the economy as a whole and in employment. Furthermore, insofar as green industries are concerned, Hong Kong, like many other places, has just made a start and we are therefore no inferior to others. Besides, inventions by some local small industrialists have shown good performance in exports, but on the contrary, there is little room for them to develop or operate in Hong Kong. The Government only has to formulate policies to help identifying sites for them or offer them rental concessions or even depart from some rigid policies and it can already assist the green industries to achieve better development locally. For example, during the policy debate last year, I already proposed the recycling of waste oil into usable oil. But no progress has since been made. The Customs and Excise Department still imposes a duty of some 300% on waste oil as if it is imported oil. How can this encourage us to follow others in recycling a large amount of waste oil, something that the Government has to spend money on its incineration and disposal, and hence create wealth? All that the Government needs to do is to be less rigid in its policies and to make the Customs and Excise Department not to impose such a hefty duty, and this can already encourage the operation of more recycling industries. There are actually many similar cases that can be cited as examples.

I have only cited some examples here, and I hope that the Secretary, being an accountable Secretary, can make the other officials truly work with both the will and power. If she continues to have only the will but not the power, even if she stays in her office for another two years, then, two years later, we might turn out to be hurling criticisms at the Secretary. So, I hope the Government can increase the strength of its work in environmental protection and I hope the Secretary will spend more time on the work of environmental protection. Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, Council will now be suspended for 10 minutes. Public officers will speak when Council resumes.

9.45 pm

Meeting suspended.

9.55 pm

Council then resumed.

**PRESIDENT** (in Cantonese): Two public officers will speak in the fourth debate session. They have up to 45 minutes in total for their speeches.

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I would like to recapitulate to Members the work objectives and policy strategies of the Housing, Planning and Lands Bureau in the next three and a half years.

Firstly, regarding our strategies in respect of planning and land administration, in order to encourage discussions among all sectors of the community on building neglect, an issue of immediate concern to the public, and in order to identify a comprehensive and long-term solution, we conducted public consultation on building management and maintenance last year. The consultation document seeks to establish a consensus on owners' responsibilities, that is, the fundamental principle that owners should ensure that their buildings are in good repairs and to shoulder the necessary financial commitment. Besides, it also consults the public on two policy proposals, namely, integrating maintenance and management and encouraging the provision of one-stop services to cater for the needs of owners.

We hope that through this consultation and discussions, a consensus can be reached in the community on how to solve the problem of building neglect, so that we can further look into the implementation details.

Moreover, we will also launch the review of the Urban Renewal Strategy. The Urban Renewal Authority (URA) has all along played a vitally important role in solving the problem of urban decay, responsible for redeveloping the urban area by adopting a holistic and integrated approach. However, a sole reliance on redevelopment of buildings cannot catch up with the speed of urban decay. Besides, should we rely on public resources to fund the enormous financial commitment involved? Furthermore, not all the old buildings will have to be pulled down, as most of them can be repaired and renovated. Therefore, it has been our established policy to comprehensively address the problem of urban decay and redevelop the community as a whole through redevelopment, rehabilitation, revitalization of old urban area and preservation of valuable buildings.

The Government has injected considerable resources into urban renewal initiatives, including setting aside \$10 billion for equity injection into the URA. As at the end of last year, the URA has launched a total of 13 redevelopment projects and five revitalization projects. The pilot rehabilitation scheme of the URA has also been extended to cover more than 80 buildings.

Our future work in respect of urban renewal is set to face lots of challenges. Urban renewal involves relatively high risks, and in view of the existing situation of the property market, developers may not be interested in taking part in renewal programmes. Given the Government's budgetary constraints, if

greater resource injection by the Government is required, it will be necessary to carefully consider the long-term impact on the local financial situation. Therefore, it is necessary for us to review the policy on urban renewal in order to cope with the ever changing needs of society. In the review of the Urban Renewal Strategy in the coming year, we will study various viable options to expedite the renewal process. Our study will cover measures to encourage owners to repair and maintain their buildings, the proportions of the various urban renewal initiatives of the URA, the roles played by different sectors of the community in the process of urban renewal and ways to promote participation of the industry, and how the Government can provide support in terms of policy. We will extensively consult the public on these proposals.

On the housing front, the Government has formulated a set of clear, comprehensive, consistent and highly transparent policies. We will continue to co-ordinate the supply of land and housing in the light of demands in the market, in order to maintain a fair and stable environment for the property market to sustain healthy development.

In respect of the public housing policy, our main areas of work include:

1. providing functional and cost-effective public rental housing (PRH) units for low-income families which do not have the means to rent flats in the private sector;
2. developing a rolling housing development programme to be adjusted yearly with a view to maintaining the average waiting time for PRH units at three years, and
3. reviewing the rental policy for public housing with a view to putting in place a practicable and reasonable rent determination mechanism which allows rents to be adjusted upwards or downwards.

Now I wish to focus on the rental review.

The provisions in the existing Housing Ordinance restricting rental adjustment of PRH units and the judicial review concerning public housing rents have subjected the overall operation of the Housing Authority (HA) to unprecedented difficulties. The Government and the HA have stated clearly that the provision on the median rent-to-income ratio (MRIR) under section

16(1A) of the Housing Ordinance has not only seriously restricted the flexibility of rental adjustment, but also distorted the rationality and sustainability of the overall rental policy. It is not easy to fully understand the operation of the provision and its impact on the overall public housing policy. It does not only involve the interpretation of legal provisions and the rationale behind the rental policy, but also requires certain knowledge of the statistical concept of "median".

First of all, I wish to clarify the misconceptions of some people in respect of the MRIR. The general MRIR does not necessarily equal to the rent-to-income ratio (RIR) of individual public housing tenants. If we arrange the RIRs of individual tenants in a top-down sequence, the figure in the middle of the sequence is the median or the MRIR. Therefore, the RIRs of about half of the tenants are above the MRIR, whereas the RIRs of the other half are below the MRIR. Under the Housing Ordinance, it is provided that in determining the rate of rental adjustment, the general MRIR after adjustment cannot be higher than 10%, but this does not mean that the RIR of each tenant cannot exceed 10%. In other words, it is not provided in the Ordinance that the rent payable by each tenant cannot exceed 10% of their income.

More importantly, we must seriously review the reasons for the substantial increase in the MRIR in recent years. In fact, the HA has not effected any rental adjustment since 1998. The continued increase in the MRIR is due mainly to a range of complicated and interrelated factors. But since there has not been any rental adjustment, the most significant factor is certainly a drop in the income of tenants. That said, I cannot ignore several other factors which may not be generally known to the public but are equally or even more important. They include the following:

1. As the supply of larger PRH units increases, the living space per person in PRH has considerably increased from 9.8 sq m in 1998 to 11.4 sq m at present. Tenants who choose to move into larger units certainly have to pay a higher rent. At a rough estimate, the significant improvement made in respect of the living space has caused the MRIR to increase by 2% over the past five years.
2. Under the general redevelopment programme, old housing estates have been demolished one after another and replaced by new housing estates where facilities are obviously better, the size of units is bigger but the rent will be relatively higher. Therefore, as old



housing estates continue to be demolished and new housing estates are completed one after another, it is inevitable that the general MRIR will rise beyond 10%. The redevelopment of old housing estates has pushed up the MRIR by about 1% over the past five years.

3. The percentage of PRH tenants applying for Comprehensive Social Security Assistance (CSSA) among all PRH tenants has drastically increased from 12.4% in 1998 to 19.3% at present. Although the rental of households receiving CSSA is generally paid in full by the Government and they therefore do not carry any burden of rent payment, the rental value of their units and the CSSA received by them are nevertheless factored into the calculation of the MRIR. If the implication of CSSA recipient families on the RIR is excluded from the calculation of the MRIR, the MRIR of PRH tenants in the second quarter of 2003 would have been adjusted downwards by about 2%.
4. The more well-off tenants have moved out of public housing through various home ownership schemes, whereas the proportion of elderly tenants and small households in the low-income group living in PRH has continued to rise. These are also reasons leading to a continued rise in the MRIR.

This shows that the increase in the MRIR is, to a large extent, due to factors which are not related to public housing rentals or tenants' income and so, it cannot be considered as an indicator that can accurately reflect tenants' affordability. As I have said earlier, the public housing rentals have not seen any adjustment over the last few years. The existing legal provision on adjustment only focuses on the tenants' income, which is only one of the factors that may lead to a rise in the MRIR. But most importantly, Members have not been able to envisage that the MRIR will also be affected by the other external factors as explained above. The development of public housing over the last few years has brought about certain changes, and much improvement has been made to the living environment and the living space of tenants. Such being the case, it is indeed necessary for us to carefully consider whether PRH tenants should make appropriate financial commitments for the improvement made to the quality of their living and for the increase in their living space over the years, rather than asking the HA to shoulder everything on its own.

When making rental adjustments in the past, the HA, apart from considering tenants' affordability, would also consider other relevant factors, such as inflation or deflation, wage movements, expenditure on management and maintenance, the financial position of the HA, and so on, in order to maintain a reasonable rent system and ensure sustainable development of public housing programmes. But after the legislative amendments in 1997, the MRIR became the only decisive factor determining whether or not and to what extent the level of rent should be adjusted.

We understand that over the past few years, the Hong Kong economy has been in a rather difficult position and the income of the tenants has generally dropped. The tenants' aspiration for a rental reduction is fully understandable. In fact, the Government and the HA do hope that public housing rentals can be reasonably adjusted downwards in order to alleviate the plights of the tenants. Nevertheless, given limitations under the Ordinance, we are in no position to effect a reasonable and more targeted rental adjustment on the ground of a reduction in the income of tenants. Specifically, if we have to effect an across-the-board rental reduction in order to reduce the MRIR to a level not more than 10%, it means that the rate of reduction will have to take into account a reduction in tenants' income as well as the impact of various other external factors explained by me earlier. If the MRIR is to be reduced to not more than 10%, we would have to immediately reduce the rentals by over 30%. Hardly is this affordable to the HA, judging from its present financial position.

Furthermore, in the longer term, if we continue to consider the various factors leading to a surge in the MRIR in the same way, we will have to continuously reduce the rental substantially in order to meet the statutory requirement of maintaining the 10% cap on the MRIR. Over time, we can imagine that the HA would only face even greater financial difficulties. Under the present economic conditions and the Government's financial position, can we make such enormous financial commitments? And, is this fair to the community as a whole?

To thoroughly resolve the current plights, the HA has set up an Ad Hoc Committee to comprehensively review the rental policy for public housing, with a view to putting in place a practicable and reasonable rent determination mechanism that can reflect tenants' affordability, in order to ensure the sustained development of public housing programmes. Regarding rental adjustment for public housing, we are initially thinking about setting an indicator which enables

the rentals to be increased or decreased by making reference to the consumer price index or income of PRH tenants. I expect the Ad Hoc Committee to put forward a concrete proposal for public consultation later this year. Recently, I have had a preliminary exchange of views on public housing rentals with organizations which are concerned about the grassroots, and I have listened to tenants' views on the legislative amendments that may be involved in the review. I am confident that on the basis of mutual trust, we will be able to reach a consensus with all sectors of the community, and we will be able to come up with a "win-win-win" option which is acceptable to the Government, the Legislative Council and PRH tenants.

Earlier on in the debate, a number of Members mentioned surplus flats under the Home Ownership Scheme (HOS). Perhaps let me briefly respond to this point. In fact, as we have said many times, we are now exploring a number of options for the disposal of these surplus HOS flats. There are two types of surplus HOS flats. One is unsold or returned HOS flats, and there are about 10 000-odd of them. Given lease constraints, these flats can only be sold as HOS flats. As we said in October last year when introducing the more in-depth housing measures, these flats will not be offered for sale before the end of 2006. Besides, for HOS flats which are completed or under construction but have never been offered for sale, we are actively considering converting them for other uses.

In fact, 21 000 of these flats were already converted for use as PRH units last year. We are actively considering a number of options. Some of these options have been mentioned by Members, including converting some 4 000 flats into quarters for the disciplined forces. We are discussing this with the relevant departments and bureaux of the Government, and we hope to see an outcome in the near future. We will also convert 3 000 of these flats into PRH units later. So, it is not the case that "there are flats in which no one lives" as described by Members earlier. It is because we have plans to convert these flats for other appropriate uses as soon as possible.

Mr Albert HO asked us about the Tenants Purchase Scheme (TPS). Under the TPS there are about 40 000-odd flats which have not been put up for sale. It is true that the HA has inspected the drainage systems over the past few months, and the inspection work is close to completion. We will, in the near future, suggest to the Subsidized Housing Committee under the HA the resumption of the sale of the 20 000-odd flats under Phase 6A. The first housing estate is expected to be offered for sale in May. The other three

housing estates will be offered for sale at a later time after the first housing estate has been successfully put up for sale.

To conclude, our work in the future will focus on how the valuable housing and land resources can be flexibly and effectively utilized to cope with the changes of Hong Kong society. We will not underestimate the difficulties involved, but we sincerely hope that Members can discuss this issue of common concern rationally. We will continue to take heed of public views and seek support from the Legislative Council in order to facilitate the implementation of policies.

Thank you, Madam President.

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, today, I am very glad that Honourable Members have put forward many valuable views on various aspects of the environment, transport and public works.

As I already explained our measures to panels of this Council in mid-January, I will not repeat them here. Today, I would like to respond to the issues and questions raised by Members.

Over the past year, we in the Bureau can see that all sectors of the community, including Members and the public, have strongly stated the case that Hong Kong must work for regional co-operation before our economic hinterland can be expanded and our greater integrated advantages can be brought into play. We should work hard to this end. That is why the policy address has also recognized the importance of regional co-operation. Let me start with transport infrastructure. Insofar as regional development is concerned, we have spent plenty of time on it. For example, as also mentioned by Members, we will build a new bridge at the Sha Tau Kok boundary crossing, and we are also actively conducting studies with the Shenzhen Municipality of Guangdong Province and other parties concerned on how we can further facilitate traffic movement between the two places in terms of the cross-boundary vehicle quota. Certainly, we will be very careful in our consideration, in order not to affect traffic in the region. So, as we need to take account of various factors, our consideration will take a longer time. Therefore, I hope Members can be more patient, because the work that needs to be done is actually rather difficult.

As for the new bridge to connect Lok Ma Chau and Huanggang, we will expedite the works and the project should be completed by the end of 2004. As a mainland contractor has been commissioned to undertake the project, this has drawn much criticism from Members who think that this should be undertaken by local labour instead. But when we looked at it from the perspective of greater economic development, in the hope that the project could be completed earlier and so, we maintained the decision to award the contract to a mainland company. I hope Members can look at it from the broader interest of Hong Kong and will not mind that we have not been able to engage local workers in this project.

The construction works of the Shenzhen Western Corridor and the Deep Bay Link are underway. We are under immense pressure because as Members may know, insofar as this bridge is concerned, each side is responsible for a part of the project. The Shenzhen side has already embarked on the construction works, and on our side, we have also been actively carrying out works. So, works carried out by the two sides require co-ordination, and this is also a very pressing and tight project. If the project could be completed by end-2005, Members may be very concerned about whether traffic congestion in Northwest New Territories would be worsened as a result of insufficient preparation. We have discussed this at a number of meetings, and many Members hope that we can build an east-bound road link. In each of these discussions, my colleagues had made many transport models which presented a general picture of the entire planning. In order for the east-bound link to serve its purpose, vehicles must be willing to use Route 3, or else the construction of more roads would be pointless. I think the Government also has no reason to spend over \$1 billion on building a road link, without first resolving the difference between Tuen Mun Road and Route 3, that is, a toll is charged for one road but not for the other. So, during the past year, we had many discussions with the management company of Route 3 and they finally agreed to reduce, on a trial basis, the toll payable by tractors from \$40 to \$25. It is an established fact that after the toll is reduced, business in this category has increased and so, this is actually a win-win situation. In other words, ongoing efforts will be made along this line. I hope that the traffic at Route 3 can be improved after a toll reduction and the tunnel company can subsequently increase its business turnover. It is because this is a proven fact. But how can this be extended to other types of vehicles? For only this can enable the east-bound road link serve its purpose.

On railway development, many Members are concerned about whether there has been delay in the planning and construction of railway. Some Members consider that there have been delays and some are worried that if the railway development is taken forward too rapidly, it may lead to vicious competition. Some Members are also worried about how the other modes of transport can survive if so many railways are built. So, Members have actually very clearly presented the transport problem. Precisely because we must consider a great many aspects, the implication of each aspect cannot be considered in isolation. The Sha Tin to Central Link seems to be the most controversial, because it seems that there has not yet been a definite plan since the contract of this rail link was awarded to the Kowloon-Canton Railway Corporation (KCRC). As this railway is a major link, we do not wish to see any problem cropping up after its completion. Therefore, we have invited the KCRC to study the feasibility of locating stations at places with large population along the Sha Tin to Central Link alignment. They have looked into such places as Whampoa, Tsz Wan Shan and Hin Keng. We hope that the final scheme will provide the public with the most cost-effective transport facilities.

On the Sha Tin to Hung Hom Link or the Sha Tin to Central Link, I was not involved in the tendering process as I had not joined the Bureau at the time. But I understand that as the two railway corporations were competing for the project, there would certainly be limitations insofar as alignment is concerned. Subsequently, as our engineers examined them more closely, be it the Sha Tin to Hung Hom Link or the Sha Tin to Central Link, it must be a cross-harbour link anyway, and the question was which rail link would be convenient to most people. To the Kowloon area, a rail link which runs from east to west is very important. Now, the East Rail which runs from south to north is also a very busy link and so, we must be very careful in considering this proposal. I hope that a proposal can be submitted to the Legislative Council in the near future for a decision. Regarding the merger of the two railway corporations, some Members said that we have been talking about this for a long time but a decision has not yet been reached. I hope that there will be news to be made public soon.

As for Members' concern about monopolization or the merged railway corporation enjoying a dominant position in the market, certainly, as a member of the Government, I do not wish to see that the merger would turn out to be a big mess or there would be things beyond my control or we would be in a state where it is impossible for us to do anything. So, in our consideration, we need

to discuss with all sides and conduct studies with them over each and every issue. Some Members, quoting comments in newspapers, said that the Government had actually decided everything and then the two railway corporations were only made to accept its decision. This is absolutely not true. We will certainly consult the industry, and it is impossible for us to make so many commercial decisions for them about how they can increase the operating efficiency to the benefit of the public. We only hope that they will consider how they can do it.

As regards environmental protection, earlier in the debate many Members agreed that the air in Hong Kong is definitely affected by all activities conducted in the entire Pearl River Delta (PRD). That is why we have been actively co-operating with Guangdong Province in this respect. In fact, Hong Kong has adopted a series of measures, such as the LPG taxi scheme. I do not wish to go into details, because we do see its effects as we can tell from readings at roadside stations. From the roadside stations, we can see that the air pollution control facilities or methods being implemented are effective. That said, the general air pollution is still very serious, particularly in 2003 as I saw that in Hong Kong and especially in certain weather, say, in times of mild northeasterlies or northerlies, the situation was particularly serious because the pollutants in the PRD would be blown to and stay in Hong Kong. So, the general situation of pollution in Hong Kong this year has been more serious. To our north there are the PRD, Shenzhen, Guangzhou, Dongguan, and so on, and their economies are growing at a faster speed. Their demands for energy have therefore surged and their industrial activities have also become busier. Recently, I have gone northward to further discuss this issue with them and see in what areas measures have been taken by them to address the problem at root. I hope we can see the results of their measures in the middle of next year. What will have a direct bearing on us is the installation of desulphurization systems at a number of power plants in Humen, and as a very large power plant is scheduled for completion in the middle of the year, they have been very anxious too, hoping that such systems will be effective; and both sides have been closely monitoring this. Speaking of monitoring, both governments have jointly set up many monitoring stations, and my colleagues in Hong Kong have also been sent to Guangdong to set up these stations with them together, and all the stations are up to international standards and are recognized. Even with the concerted efforts of both sides, the implementation of measures to reduce emission and for preventive purposes will take several years, similar to the air pollution problem in all cities which is impossible to be tackled within a short time. However, we have set the

indication for the year 2011. I believe this, as part of our whole package of measures, should be able to attain the target. Judging from the present situation, we hope that the measures already completed can catch up with the economic growth. It is because environmental pollution and economic growth are always engaged in a tug-of-war, in that while the measures have reduced the level of emissions, the economic needs will nevertheless increase the emission of pollutants.

On waste disposal, we have recently submitted the Waste Disposal (Amendment) (No. 2) Bill 2003 to the Legislative Council. We feel that many Members are supportive of the principle of polluter pays. Besides, I have on many different occasions put forward this proposal and it is supported by people from many sectors. We will also introduce a charging system for sorting facilities and public fill reception facilities. The charging system will provide a financial incentive for waste producers to reduce waste and to carry out sorting.

With regard to the recycling of waste, some Members suggested that we should develop green industries. I think recycling of waste is a viable industry. But insofar as the relevant facilities are concerned, such as the demands for facilities relating to sites and piers, we are currently discussing with the Trade and Industry Department, and we will directly provide assistance to people who are interested. An industry which is also very viable is the recycling of tyres. Not only can the recovered tyres be shipped to the Mainland for disposal. They can also be recycled here to become reusable materials, and only in this way can it be considered part of the value-added industries. It is because the recovery process itself is labour-intensive, involving low-cost labour. In developing green industries, we hope to create jobs with greater value-addedness.

As for the two kinds of waste mentioned by Miss CHOY So-yuk, they can be said as "by-products". One is landfill gas. In fact, concerning the landfill gas in Shuen Wan, five years before I took office as the Secretary, the gas company already arranged for the landfill gas at Shuen Wan to be transported to its plants, using it as the fuel to produce naphtha, which can be used for generating gas. At present, the gas company is actively exploring the possibility of drawing landfill gas from other landfills. As the first comer will enjoy concessions, the gas company can therefore draw the landfill gas for its use for free. I think since the landfills are all publicly funded, the Financial Services and the Treasury Bureau, which is much smarter than me in fiscal



management, has been working on a fee-charging scheme. In other words, the company using the landfill gas will be required to subsidize the cost of the landfill with a certain proportion of the profit generated from the use of landfill gas. Only in this way can it be considered fair. So, it has taken us some time to work out the charging scheme and formula, and perhaps this is why Miss CHOY has the impression of bureaucracy on our part. But red tape aside, we still cannot rush things through because once the level of fees is determined, we may on the contrary sustain a loss in future and so, I must be very careful with this. Regarding the fees and charges in the public sector, we must make everything clear at the outset because once a contract is signed, we must respect the contract. So, I think it is worthwhile to spend a little more time on this in order to carefully check things out and to ascertain whether the return to be generated can benefit the people and reduce government expenditure.

Moreover, pig manure is also a relatively complicated problem. It is because every year, the Government — In the first two years, and I think it was about 10 years ago, pig farmers had very strong views about the recovery of pig manure. At that time, the Government would spend about \$10 million each year to recover pig manure for them. This practice of collecting pig manure for them has persisted for 10 years, and we hope that the waste collector can collect the pig manure for composting purposes. There are two kinds of pig manure, raw and processed, and compost made from processed manure can be bacteria-free. However, there is no more agricultural industry in Hong Kong and the quantity of compost used for horticultural purposes is also very small, as only 20 tonnes are used against 500 tonnes being recovered each day. So, 20 tonnes only constitute a tiny share. In the case of Sha Ling, it is not because of a lack of facilities. Rather, the problem is that nobody is collecting the pig manure for recycling. As I have said several times, we have been studying with the Mainland on how this useful waste can be shipped to the Mainland, but there is very stringent control on waste materials in the Mainland. I think Members can imagine that in a third-world society, waste must not be imported casually, or else it could court great dangers. It is impossible to allow everything to be imported regardless of whether it is toxic or harmful. So, insofar as our discussion is concerned, construction waste, compost, and so on, are also covered, and it is also necessary to solve problems in respect of hygiene. But it does not mean that we have the will but not the power, only that our "strength" is limited, and we may need to do some "weightlifting" and do more. These are actually topics under discussion with the Mainland, which may have to take some time.

In Hong Kong, we have tried to separate dry and wet waste on a trial basis. The implementation of the separation scheme may provide an opportunity for us to identify a cost-effective approach. At present, in the pilot schemes implemented in four housing estates in Hong Kong East, only about 20% of the residents have participated. I hope we can do better in education and the promotion of this scheme. Meanwhile, we have also asked some estates to do better in their management in order to assist us in the implementation of the schemes. Their assistance is very important particularly in respect of the costs of waste recovery.

With regard to country parks which have to do with nature conservation, Miss CHOY has expressed her views on the protection of rivers and trees. But can we resolve everything solely by planning? In fact, after planning, we still need to carefully take care of them. If Members have visited country parks, they will find that our colleagues have replanted trees that have been damaged, and the hiking trails also need regular maintenance. Now, more and more people visit the country parks more frequently, and they also love the country parks very much. I hope that when proper planning can be realized in the future and when the people can spontaneously protect our country parks, then it would mean great success for our endeavours. Recently, I have been to Tai Long Sai Wan and met "friends of Tai Long Sai Wan". Each one of them who went there for hiking was really carrying a bag, so that they could put into it rubbish that they picked up along the trail. So, no rubbish could be found there, and even for a few plastic bottles and some paper-packed dairy products, they would clear them all. At first, I thought they were hired by us to clear the rubbish and when I asked them if they were hired to do the job, they said that they were doing it voluntarily for they considered the place their own garden.

As regards marine parks, there are even more problems. We have to use ships in our work given controls in the waters of marine parks. Many mainland fishermen have come to steal from our marine parks corals, seahorses, marine grass, and so on. Therefore, the control of marine parks is a very big headache. In order to protect the living things in our marine parks, education cannot be conducted only within the territory and so, this will involve greater difficulties. I always invite friends or government officials from the Mainland to visit our marine parks and country parks, hoping that they will understand why we have attached so much importance to them.

Earlier in the debate, Members have mentioned co-operation between the public sector and the private sector in taking forward large-scale public works projects. We do hope to fully capitalize on the resources and technical knowhow of the public and private sectors, and to invite participation from the private sector in infrastructure investments. This, according to our experience, can expedite the progress of works and enable the Government to utilize resources more effectively. This will at the same time facilitate economic development and bring about more employment opportunities. Disregarding which approach is adopted, co-operation has been fostered among the three policy branches within the Bureau, namely, environment, transport and works, insofar as public works projects are concerned. As for cases of damages to the environment as often seen by Members, such as the Tung Chung Stream incident and the felling of trees, or cases which have been brought to Members' attention about works projects that need to be revised, I think these cases are actually a minority. I hope Members can rest assured that much improvement has been made to our control over a majority of the projects, because our internal procedures and guidelines have been reformed in many aspects, and there has also been significant improvement in our work of nature conservation and greening. As for areas which still have room for improvement, I am very glad that Members have pointed them out, so that we can make improvement accordingly.

Thank you, Madam President.

## **SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): The fourth debate session ends here. I now suspend the meeting until 2.30 pm tomorrow.

*Suspended accordingly at twenty minutes to Eleven o'clock.*