

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 25 February 2004**

**The Council met at half-past Two o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

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

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

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

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

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.

**MEMBER ABSENT:**

THE HONOURABLE TIMOTHY FOK TSUN-TING, S.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 ELSIE LEUNG OI-SIE, G.B.M., J.P.  
THE SECRETARY FOR JUSTICE

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

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.  
SECRETARY FOR CONSTITUTIONAL AFFAIRS

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.  
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

**CLERKS IN ATTENDANCE:**

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

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

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

**TABLING OF PAPERS**

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

- No. 60 — Employees' Compensation Insurance Levies Management Board  
Annual Report 2002/2003
- No. 61 — Occupational Deafness Compensation Board  
Annual Report 2002-2003
- No. 62 — Pneumoconiosis Compensation Fund Board  
Annual Report 2002
- No. 63 — Audited Statement of Accounts together with the Director of Audit's Report and Trustee's Report on the Administration of the Education Scholarships Fund for the year ending 31 August 2003
- No. 64 — Li Po Chun Charitable Trust Fund  
Annual Report for the period  
from 1 September 2002 to 31 August 2003
- No. 65 — Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2003 and the Results of Value for Money Audits (Report No. 41)  
(February 2004 - P.A.C. Report No. 41)

**ADDRESSES**

**PRESIDENT** (in Cantonese): Address. Dr Eric LI, Chairman of the Public Accounts Committee, will address the Council on the Committee's Report on the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2003 and Report No. 41 on the Results of Value for Money Audits.

**Report of the Public Accounts Committee on the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2003 and the Results of Value for Money Audits (Report No. 41)**

**DR ERIC LI:** Madam President, on behalf of the Public Accounts Committee (PAC), I have the honour to table our Report No. 41 today.

The Report corresponds with the Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2003 and his Report No. 41 on the results of value for money audits, which were submitted to you on 30 October 2003 and tabled in the Legislative Council on 26 November 2003.

The PAC's Report contains three main parts:

- (a) the PAC's assessment of the actions taken by the Administration in response to our recommendations made in the PAC's previous Reports Nos. 38 and 39;
- (b) our observations on the Report of the Director of Audit on the Accounts of the Government for the year ended 31 March 2003; and
- (c) the conclusions reached by the PAC on the Director of Audit's Report No. 41.

As in previous years, the PAC has selected for detailed examination only those chapters in the Director of Audit's Report which, in our view, referred to more serious irregularities or shortcomings. Our Report covers deliberations on five of the six subjects selected. To allow more time to consider the various issues involved and the additional information provided by the witnesses, we have decided to defer a full report on the subject of "The acquisition and clearance of shipyard sites". We will endeavour to finalize our report to the Council at the earliest opportunity.

The PAC's consideration of the actions taken by the Administration in response to the recommendations made in our previous reports is an integral part of our work. We have documented in this Report our concerns about the Administration's actions in response to our Reports Nos. 38 and 39 and the Administration's response.

I should like to mention the PAC's views on the Administration's handling of the subject of "Relocation of the General Post Office (GPO)", which was first examined in our Report No. 31 published in February 1999.

In that Report, the PAC expressed dismay that although the Government Property Agency was fully aware of the fact that the GPO was occupying a prime site worth billions of dollars and had been operating for a long time at a high opportunity cost, the relocation of the GPO had not been given priority. The PAC recommended that the Administration should accord a higher priority to the redevelopment of the GPO site. In view of the repeated delays in the release of the GPO site, the PAC also recommended that the Property Strategy Group, chaired by the then Secretary for the Treasury, should take a proactive approach to ensure that the latest relocation exercise at that time would be completed as scheduled.

Since the publication of Report No. 31, the PAC has kept on pursuing the progress of the project for relocating the GPO. However, the Administration informed the PAC, in the Government Minute of May 2003, that it had abandoned the project. The reason was that in 2000, the land use planning of the Central District was comprehensively reviewed. As a result, the GPO site was included as part of a Comprehensive Development Area and subject to a height restriction of 50 m above principle datum on the approved Central District (Extension) Outline Zoning Plan. The new planning criteria drastically reduced the plot ratio of the site from 15 to about 3.6 only (representing a substantial reduction of 76%). In the meantime, the property market continued to fall. Having conducted the costs and benefits analysis for the relocation project in October 2002, the Administration decided to abandon the project because there was no economic case to proceed further. It considered that even if the property market would rebound in future, the land sale proceeds might not cover the reprovisioning costs, given that the plot ratio had been reduced by 76%.

The PAC is disappointed that the relocation project has subsequently been abandoned due to the changes in circumstances, rendering it no longer economically viable. The PAC considers that if the Administration had promptly carried out the relocation exercise in early 1999 as recommended by the PAC, the GPO site might have been released for redevelopment while it still had high capital value.



We hope that the Administration will learn a lesson from this case and take expeditious actions to conclude without delay other issues which have been outstanding for quite some time.

I now turn to the PAC's conclusions on the subjects covered in the Director of Audit's Report No. 41.

On the subject of "Public markets managed by the Food and Environmental Hygiene Department (FEHD)", the PAC is dismayed that the FEHD has not given a full and frank account of the operating conditions of public markets, including the real demand for the markets and the total amount of tangible and hidden government subsidies, such as the use of government land and buildings. The PAC considers that these are all important factors which decision makers take into account in assessing the viability of each of the public markets *vis-a-vis* the private ones.

The PAC is seriously dismayed that the FEHD had attempted to conceal the true market stall vacancy rate (MSVR) of public markets by different means. It changed the target overall market stall occupancy rate of 85%, which was set in January 2000, to 84% in January 2001. As a result, the overall MSVR which should not be exceeded was revised from 15% to 16%. The FEHD deducted the number of purposely frozen market stalls from the calculation of the overall MSVR, thereby reducing the MSVR for its markets from 22.7% to 11.8%. The latter figure thus compared more favourably with the overall vacancy rate of 10.7% for private commercial premises used for retail business. Moreover, the FEHD only issued verbal or written warnings to stall lessees for cessation of stall business in excess of the permitted non-trading period, instead of terminating the tenancy agreement. The existence of many non-trading market stalls has distorted the true vacancy position of market stalls.

The PAC notes that the Director of Food and Environmental Hygiene has apologized for the misunderstanding caused by the FEHD's approach of expressing the MSVR based on available space, that is, excluding those market stalls which had been frozen. We also note that he will review how best to express the MSVR and present a full picture.

I now turn to the subject of "Provision of noise barriers for mitigating road traffic noise". When considering the provision of noise barriers for planned

residential developments in Pak Shek Kok (PSK), the PAC is seriously concerned that although there were indications at the time of the award of the Tolo Highway widening works contract that the planned land uses in PSK would not take place for a few years after the completion of the contract, and that changes to the planning parameters of the land uses might be expected, the Territory Development Department and the Highways Department did not use an incremental approach to provide the noise barriers for PSK. As a result, the Government had to pay the contractor \$13 million for deleting the noise barrier works for PSK from the contract. The PAC also rejects the Director of Highways' assertion that by paying \$13 million for deleting the works, which would have cost more than \$50 million, the Government had made a saving of nearly \$40 million which would otherwise have been spent on the works.

Regarding the provision of noise barriers for planned developments in Tai Po Area 39, the PAC is seriously dismayed that the Highways Department had not allowed sufficient time in the implementation plan of the Tolo Highway widening works contract to complete the procedures relating to a variation of the environmental permit (EP) for deferring the noise barrier works. In addition, as a result of the removal and trimming down of the installed noise barriers for the planned developments in Tai Po Area 39, about \$13 million had been wasted. The Government had also incurred an unnecessary cost of \$24 million for prolonging the contract.

The PAC notes that the Highways Department will adopt an incremental approach to provide noise barriers for new roads, so that the installation works can tie in with the programme of the planned developments.

In examining the subject of "Buildings Department (BD)'s efforts to tackle the unauthorized building works problem", the PAC notes that the BD was allocated \$167 million in 2001-02 and \$205 million annually from 2002-03 onwards for implementing the comprehensive strategy for building safety and timely maintenance. The PAC considers that the BD was expected to implement the strategy as a matter of urgency to protect life and property when it was allocated the funds. However, as pointed out by the Secretary for Housing, Planning and Lands, the BD's performance in enforcing the removal of unauthorized building works has been unsatisfactory. The PAC concurs with the Secretary's comment, particularly taking into account the large amount of additional funding allocated to the BD for this purpose.

The PAC is seriously dismayed that the BD had failed to put to use the Buildings Condition Information System (BCIS), which was introduced at a cost of \$20 million. This has contributed to a backlog of outstanding section 24 orders. We are also seriously concerned about the large number of long outstanding section 24 orders and the delays in taking action to ensure that all such orders are complied with. Moreover, follow-up action in some complaint cases had not been promptly taken or duly recorded.

The PAC notes that the BD has put in place a procedure to monitor the progress of follow-up action at both operational and management levels. It has also set up a dedicated Backlog Team to clear the backlog of outstanding section 24 orders issued before 1996.

Regarding the BD's prosecution policy and practice, the PAC is seriously dismayed that, despite the large number of outstanding section 24 orders, the BD had only instigated 476 prosecutions in 2002. This figure falls far short of the Director of Buildings' pledge of 2 000 prosecutions a year. There has still been reluctance on the part of BD staff to initiate prosecution action.

We note that the Director of Buildings has undertaken to deploy additional resources with a view to instigating 1 000 prosecutions in 2004 and meeting the pledge of 2 000 prosecutions in 2005.

Turning to the subject of "Planning and provision of public secondary school places", the PAC is concerned that there were 145 vacant classrooms in public secondary schools as at September 2002. We note the Permanent Secretary for Education and Manpower's comment that the 145 vacant classrooms amount to only 1.4% of all classrooms available in the public secondary schools, and that the situation of vacant classrooms is not serious. However, the Secretary for Education and Manpower agrees that the persistent under-utilization of classrooms needs to be tackled.

On the issue of unfilled places in public secondary schools, the PAC is concerned that many eligible students could not be admitted to Secondary Six due to the limited number of places, yet many of those admitted chose not to study in Secondary Seven. Moreover, while there were some 20 300 unfilled places in public secondary schools, the Government had spent some \$246 million on buying 7 300 school places from caput schools in the 2002-03 school year.

The PAC notes that the Secretary for Education and Manpower has undertaken to critically review the demand for caput schools in different districts. He will consider reducing the number of places bought from the caput schools which have a substantial number of unfilled places.

Regarding "Funding of tertiary education", the PAC is concerned that the higher-education institutions were not given clear and full information on how funds were distributed to them by the University Grants Committee (UGC). We are also concerned about the lack of objective criteria agreed among the institutions for the allocation of funds by the UGC. Also, the funding methodology adopted by the UGC is not well understood by the public.

The PAC is concerned about the views of the Secretary for Education and Manpower and the Secretary-General of the UGC that there is a possible danger of misinterpretation or misuse of data if the full results of the Research Assessment Exercise are disclosed to the public.

The PAC notes the institutions' view that the UGC's funding methodology should be made more transparent. We also note that the Secretary-General of the UGC will implement the Audit Commission's recommendations on enhancing the transparency of the funding methodology.

Madam President, as always, in performing our duty, the PAC is mindful of our role in safeguarding the public's interests by continuing to prod for the delivery of high quality public services in an efficient and cost-effective manner.

I wish to record my appreciation of the contributions made by members of the PAC. Our gratitude also goes to the representatives of the Administration and the UGC who have attended before the PAC. We are grateful to the Director of Audit and his colleagues, as well as the staff of the Legislative Council Secretariat for their unfailing support and hard work.

Thank you.

## **ORAL ANSWERS TO QUESTIONS**

**PRESIDENT** (in Cantonese): Questions. First question.

**United States' Total Ban on Sale of Dietary Supplements Containing Ephedra**

1. **MR FRED LI** (in Cantonese): *Madam President, on the 6th of this month, the United States Food and Drug Administration (FDA) imposed a total ban on the sale of dietary supplements containing ephedra. In this connection, will the Government inform this Council:*

- (a) *whether it has studied the reasons for the United States authority's banning the sale of such dietary supplements; if it has, of the conclusions of the study;*
- (b) *which of the health foods currently on sale in Hong Kong contain ephedra; and*
- (c) *whether it plans to ban the sale of health foods containing ephedra in Hong Kong; if so, of the details of the plan; if not, the reasons for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):  
Madam President,

- (a) On 30 December 2003, the FDA issued a consumer alert on the safety of dietary supplements containing ephedra or alkaloids of ephedra. The FDA notified manufacturers that it intended to publish a final rule to ban the sale of these dietary supplements. The FDA subsequently issued the final rule on 6 February 2004. The rule, subject to Congress review, will become effective on 5 April 2004.

In the United States, the concern is related to recent years' promotion of dietary supplements containing ephedra for weight reduction, enhancing sports performance and increasing energy. The FDA found little evidence for such effectiveness other than short-term weight loss. Instead, studies showed that ephedra use is linked to adverse health effects like raised blood pressure, heart problems and strokes. Cases of adverse effects were usually related to high dosage or long-term or concomitant use with other

drugs such as caffeine. The FDA's proposed ban targets on dietary supplements only and will not be applicable to traditional Chinese herbal medicines.

- (b) In Hong Kong, any product which contains ephedra or alkaloids of ephedra is regulated as drug through either the Chinese Medicine Ordinance (CMO) (Cap. 549) or the Pharmacy and Poisons Ordinance (PPO) (Cap. 138). Specifically, products containing ephedra and other Chinese medicines as active ingredients are considered as proprietary Chinese medicines (PCM); otherwise, products containing ephedra or alkaloids of ephedra are classified as pharmaceutical products subject to the control of the PPO.

As a Chinese herbal medicine, ephedra is included in Schedule 2 of the CMO. It is a common ingredient in Chinese medicines for the treatment of cold and cough. It is considered safe if taken under proper instruction and at the correct dosage.

The registration system for PCM commenced on 19 December 2003 and traders are required to submit their applications for registration before 30 June 2004. According to a market survey conducted by the Department of Health (DH) at retail premises of PCM in January 2004, 30 products containing ephedra were found. The DH also visited physical fitness centres in the same month, but no product containing ephedra was detected.

For the protection of public health, any product containing ephedra or alkaloids of ephedra which is not regulated under the CMO is required to be registered with the Pharmacy and Poisons Board (PPB), a statutory body established under the PPO, before it can be manufactured or sold in Hong Kong. At present, there are about 800 pharmaceutical products registered in Hong Kong as containing alkaloids of ephedra, most of which are indicated for the relief of common cold, nasal congestion, chronic rhinitis and hay fever. In addition to this requirement on pre-market registration, pharmaceutical products containing alkaloids of ephedra, being Part I poisons, can only be sold by authorized sellers of poisons under the supervision of a pharmacist.

- (c) The Government and the drug regulatory bodies in Hong Kong have reviewed the control of ephedra in the light of recent developments overseas. In this regard, the Chinese Medicines Board (CMB) under the Chinese Medicine Council (CMC) has recommended that:
- (i) Chinese medicinal products containing ephedra are considered as PCM and registration of such products is required;
  - (ii) any PCM containing ephedra indicated for prolonged use must submit acute and long-term toxicity studies in support of its safety; and
  - (iii) all PCM containing ephedra must be labelled with advisory wordings to caution consumers against long-term use of the products.

The PPB has also reviewed the situation. While the existing control provided under the PPO on pharmaceutical products containing alkaloids of ephedra is considered adequate, robust enforcement actions such as inspections and test purchases will continue to be undertaken to ensure that only registered pharmaceutical products which fulfil efficacy, safety and quality requirements are sold by authorized sellers of poisons under the supervision of a pharmacist.

**MR FRED LI** (in Cantonese): *Madam President, according to the information provided by some medical practitioners, in Hong Kong, anyone can still buy dietary supplements containing ephedra for weight reduction which carry no clear indication of their ingredients. May I ask how the Government will regulate these weight reduction products, so as to prevent the public from taking them casually and considering that they are effective?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in Hong Kong, there is no specific regulation on health foods. For that reason, ephedra is regulated as a Chinese medicine, or as a Western

medicine subject to the control of the PPB. Under the regulatory framework, any product which contains ephedra or alkaloids of ephedra is considered as medicine, and it is either regulated as drug through the CMO, or classified as pharmaceutical products subject to the control of the PPB. As far as I know, some of the weight reduction products currently available on the market would be registered in pursuance of the CMO. We know that individual products containing ephedra would be regulated under the Chinese medicine regulatory framework, others would be subject to the control of the poisons regulatory framework. That is to say, it is covered by the existing legislation of Hong Kong, regardless of its name. No matter it is food, health food or whatever, anything which is not regulated under the Chinese medicine regulatory framework would be subject to the control of the Western medicine regulatory framework.

**DR LO WING-LOK** (in Cantonese): *Madam President, ephedra is a useful drug, but the problem is abuse, which includes weight reduction and unnecessary long-term use. The Secretary explained in part (c) of the main reply that Chinese medicine or PCM containing ephedra should meet three requirements. May I ask the Secretary whether the three requirements similarly apply to Western medicines, and whether all medicines containing ephedra will be required to carry cautions against long-term use and weight-reduction purpose?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I cited the recommendations of the CMB specifically because the registration system for PCM has just commenced and the entire system has just been implemented, therefore we have these new recommendations. With regard to Western medicines, a comprehensive system is already in place, for example, Western medicines containing ephedra are subject to the control of existing regulations while safety and efficacy are the key concerns. Besides, labelling requirements are also in place. For that reason, as far as Western medicines are concerned, the PPB has already set down such requirements.

**MR FRED LI** (in Cantonese): *Madam President, the dietary supplements containing ephedra, which will be banned from sale in the United States shortly,*



*are neither medicines nor food, this is why they are called dietary supplements. Will the Government inform this Council if such products are on sale in Hong Kong? If so, how could the Government regulate them in the same manner as the United States' banning the sale of such dietary supplements?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):

Madam President, the problem arises precisely because the United States has laid down the definition of dietary supplements. Legislation in Hong Kong is very clear: Any product which contains ephedra or alkaloids of ephedra, regardless of its name and as long as it contains ephedra, is regulated as drug either through the relevant ordinances which regulate Chinese medicine or western medicines respectively. As to the demarcation of existing regulation, if any product contains other Chinese medicine ingredients, it will be regulated under the CMO. Since ephedra is derived from a herb, therefore both Western and Chinese medicine would use it. At present, if a product contains no Chinese medicine as active ingredient, it would be regulated as Western medicine. For that reason, our regulation of ephedra is more comprehensive than that of the United States. However, regardless the products are called dietary supplements or whatever names, under our legislation, they are medicines.

**PRESIDENT** (in Cantonese): Second question.

**Suicide Cases**

2. **DR DAVID CHU** (in Cantonese): *Madam President, it has been reported that the number of suicide cases in Hong Kong has increased in recent years. In this connection, will the Government inform this Council:*

- (a) *of its measures to curb the suicide trend; and*
- (b) *if the Government has any plans to enhance assistance and counselling services for the families, relatives and friends concerned; if so, of the details of such plans; if not, the reasons for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):  
Madam President,

- (a) To ensure a more co-ordinated and effective approach in tackling suicide, a multi-disciplinary Working Group comprising experts from the health, education and welfare sectors was set up in 2001. Contributions from other relevant experts, for example, the police and the educational institutions, have also been sought. Since its establishment, the Working Group has mapped out a strategy to tackle the suicide problem. The following four-pronged approach was adopted:
- (i) To enhance our understanding of the suicide problem by strengthening data collection, improving statistical analysis, undertaking local research and reviewing overseas experience;
  - (ii) To provide a range of preventive, supportive and remedial services, with a view to mitigating the risk factors and strengthening the protective factors, and providing timely intervention and assistance;
  - (iii) To strengthen public education and publicity programmes for the community to enhance their understanding and alertness; and
  - (iv) To strengthen training for front-line professionals to enhance their knowledge and skills.

Working closely through the Working Group, Policy Bureaux, departments and the Hospital Authority (HA) have taken new initiatives, on top of the services provided, to address the rising number of suicide. Special services which focus on the prevailing needs of individuals and groups were provided. The new initiatives include, for example,

- designated services to provide crisis support to vulnerable individuals and families in distress;

- debt counselling for people in financial difficulties;
- designated services for early detection and treatment of depression in elders and fast-track clinics providing intensive follow-up services;
- special programmes to screen young people and students for social and emotional problem;
- designated publicity and educational programmes;
- training for front-line social workers and professionals; and
- undertaking researches on suicide to better understand the problem.

I should point out that the media also plays an important role in suicide prevention and imparting positive life messages to members to our community.

- (b) A wide range of services, including bereavement counselling and tangible support, are available to provide assistance and counselling to those families, relatives and friends concerned.

At the medical and welfare setting, medical social workers at the HA's hospitals and social workers of Family Service Centres and Integrated Family Service Centres of the Social Welfare Department (SWD) outreach to families of persons who attempted or committed suicide to provide counselling and other services they need. Bereavement counselling, burial grants, child care services, and so on, will be arranged as appropriate. For suicide cases with a particular impact on the community, debriefing sessions by clinical psychologists and other professionals are arranged.

At the school setting, in collaboration with school development officers of the Regional Education Offices, education psychologists of the Education and Manpower Bureau render on-site aftermath service to schools facing an incident of suicide, including rendering emotional first-aid support to students and staff affected by the

traumatic event; rendering appropriate support to parents; and advising schools on the formulation of intervention plan and follow-up support, for example, the management of student and staff at risk.

We will continue to keep our services under review and seek improvements as and when necessary.

**DR DAVID CHU** (in Cantonese): *Madam President, the number of suicide cases has increased from over 700 in 1995 to the estimated 1 200 in 2003. Under such circumstances, will the Government consider allocating resources for life education? In Taiwan, life education has already become part of the regular curriculum in secondary and primary schools and universities.*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I think the Government is also very much concerned about the rising suicide rates, especially in recent years. Several years ago, we took some initiatives to counter the suicide rate of the elderly and some improvement had been seen. Accordingly, the suicide rate in this group dropped. However, in recent years, the suicide rate of the middle-aged has been increasing in comparison. We are now focusing on this situation to find out the best way to deal with it. It certainly includes the preventive initiatives and educational programmes mentioned by Dr David CHU, which we also have to review. I know that the Education and Manpower Bureau is now taking such initiatives at schools, but I have to examine if there is any area or initiative we need to strengthen or adjust. In fact, I had a meeting with colleagues of the SWD only yesterday to discuss the suicide problem. I believe Hong Kong may really need to carry out a more thorough study to find out which plans adopted by foreign countries are effective, which plans may be used for reference and which plans should be further studied. There are some short-term initiatives which may be more effective, and some long-term initiatives such as life education. In any case, we will examine both short-term and long-term initiatives.

**PRESIDENT** (in Cantonese): There are altogether 10 Members waiting to ask supplementary questions. May I ask Members to make their questions as

concise as possible and the Secretary to make his reply as concise as possible so that more Members may ask supplementary questions?

**DR ERIC LI** (in Cantonese): *Madam President, this problem has long existed. In the mid-1990s, I, in my capacity as Chairman of the Commission on Youth, participated in some groups like an expert group at that time. Upon the termination of a group, another group was then established. In fact, the Secretary has already replied substantially to the supplementary question I initially intended to ask. Yet I would like to look at the actual figures. In the beginning, the suicide rate of young people seemed to be the highest, but then it became the adults, and now the middle-aged. May I ask the Secretary if he has ever done any analysis on these different figures. In part (a) of his main reply, the Secretary mentioned that the statistical analysis had been improved. Is it possible to release such information? Moreover, are there any changes in respect of service providers? At present, the suicide rate of adults is the highest. What are the causes? Financial reasons or other reasons? Can they be made public?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in fact, it is rather difficult to identify the causes of suicide since there are two groups of people, one being those who attempted suicide and the other the actual suicides. Generally speaking, you may ask those persons who have attempted suicides to find out the causes once the incidents are over. As regards those suicides, it is very difficult to find out the background. Hence, there are some risk factors — we generally refer to the risk factors — and the real causes are sometimes very difficult to identify.

Of course, there are some incidents, such as sudden loss of employment, which may also be causes. However, there are still other risk factors. For example, there are some cases in foreign countries where the persons who committed suicide suffered from depression, which is exactly a risk factor. In the case of elderly persons, this is even a major cause. Therefore, we then understood that it would be of some help to some elderly persons living alone to accept community support. In foreign countries, some young people are generally copycats, that is, people who imitate the others. If somebody at school commits suicide, other students will follow suit. Media reports may also be influential. Young people are vulnerable to influence. Furthermore, in

foreign countries, the young people are generally addicted to drugs or alcohol, and these are also some of the reasons leading to their suicides.

In comparison, the problem of the middle-aged is more complicated. Recently, in respect of the suicide cases concerning the middle-aged, we have joined hands with a university research centre to do some research, so as to better understand them. They are now doing some suicide autopsy, that is, trying to find the families or friends of the person who committed suicide to understand his background and other personal factors once the suicide case is reported. The study in this regard is still ongoing, so there is conclusion yet.

**DR ERIC LI** (in Cantonese): *I hope the Secretary will release some information so that both the service providers and us can make use of it. I hope he will do it later. This is what my supplementary question initially intended to ask.*

**PRESIDENT** (in Cantonese): Dr Eric LI, is your supplementary question actually about "strengthening data collection, improving statistical analysis" as mentioned by the Secretary in part (a) of his main reply? Do you want to know the figures obtained in statistical analysis?

**DR ERIC LI** (in Cantonese): *Exactly, and how will the information be released?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Yes. Madam President, the statistical analysis of suicide cases is normally done by the Census and Statistics Department. At present, we release the information on a regular basis, that is, every six months. This is open to the public, so everyone can access that information.

**MR LAU WONG-FAT** (in Cantonese): *Madam President, some members of the community have long considered that the exaggerated reports by the media on suicide cases may lead to an increase in suicide cases. Will the Government inform this Council whether it will employ some experts to study if extensive reportage by the media is related to the rising number of suicide cases? If yes,*

*can they devise a countermeasure? If not, is it necessary to clear the bad name of the media?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in fact, we have read some relevant studies. Moreover, the World Health Organization (WHO) also has some instructions pointing out that the way in which the media reports a suicide case and portrays the suicide has influence on suicide cases. We have such information. At that time, the Director of Social Welfare (it was Mrs LAM then) and I also met with the representatives of the media. We introduced and explained to them their roles, and showed them the WHO's document so that they can understand their responsibilities. I remember that they did discuss this point and the media also accepted it at that time. Since that meeting, the media has changed its reporting style, which is not as explicit as before. Moreover, they have also realized that their style does have influence, especially on certain young people.

**MR AMBROSE LAU** (in Cantonese): *Madam President, in part (a) of the main reply, the Government mentioned that one of the tasks of the Working Group is to strengthen public education and publicity programmes for the community. Can the Secretary tell us what those publicity programmes are mainly? In particular, are any such publicity programmes conducted through electronic media? If yes, does the Government have resources to do it? Or how many times have such messages been released through electronic media?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I am aware that we have launched many publicity programmes, but I do not have such details on hand. Perhaps I may give a written reply to Mr Ambrose LAU. (Appendix I) I know that in general the programmes do not discuss the suicide problem, but teach the people how to face difficulties, and call on them to note the importance of life. I can give a written reply to Mr Ambrose LAU later on.

**DR LAW CHI-KWONG** (in Cantonese): *According to many studies, before committing suicide, people will contact professionals. In many cases, they did*

*contact professionals, many of them being medical personnel. One of the four strategies mentioned by the Secretary in his main reply is to strengthen training for front-line professionals. However, when he later talked about the initiatives, he just did not mention medical personnel. May I ask the Secretary if there is anything we can do to help medical personnel, as a kind of front-line professionals, enhance their alertness so as to ameliorate the suicide problem.*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):

Madam President, I did not state all relevant initiatives in my main reply, but only mentioned some of the initiatives included. As regards health care workers, we have initiatives to teach them about, among others, depression. Depression is a major risk factor. According to many studies, almost 70% of the persons who committed suicide had suffered from depression. However, sometimes it is not so easy to identify a depression. As far as I can remember, I once requested the medical sector to devise some training schemes for doctors to observe the symptoms of depression, so that they can more easily make their diagnosis. Perhaps I can enquire about their progress afterwards, and then give a written reply to Dr LAW Chi-kwong. (Appendix II)

**MS LI FUNG-YING** (in Cantonese): *Madam President, a four-pronged approach has been adopted since 2001, but the suicide trend has still not been curbed. May I ask the Secretary whether any evaluation has been done in respect of the four-pronged approach to examine if it suits the remedy to the problem? What is its effectiveness?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese):

Madam President, in fact, I also asked the Director the same question yesterday. I think it is not that easy to arrest the rising number of suicide cases. Recently, we have also reviewed how other regions tackle the suicide problem, but some of the initiatives may not necessarily be suitable for us. To reduce the suicide rate of the whole region, a consistent strategy must be adopted. Moreover, few regions can easily reduce the suicide rate of the whole country or region. Nevertheless, there are some simpler and effective initiatives — I think the work in this area is comparatively difficult, and effective initiatives are not that easy to come by.



As regards evaluation, I share Ms LI Fung-ying's view. That is, we have to evaluate our initiatives. Recently, I have also discussed each initiative and evaluate its effectiveness. Moreover, we have also considered whether it is necessary to review the overall strategy and how we should devise a new strategy. We are now following up this matter.

**PRESIDENT** (in Cantonese): We have spent over 16 minutes on this question. Last supplementary question.

**MR YEUNG YIU-CHUNG** (in Cantonese): *Madam President, may I ask the Secretary of the actual number of counselling agencies we now have to provide preventive services against suicide? How is their effectiveness evaluated? What are the results of evaluation?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I mentioned in my earlier reply that we have a range of preventive services. Besides counselling, we also seek to mitigate the risk factors and to strengthen the protective factors. It is because, in many cases, the difficulties of handling suicide cases are not what to do when they want to commit suicide, but to do something beforehand, which is a more effective way to tackle the problem. Moreover, it is also important to adopt an overall strategy. We have many counselling programmes, but not necessarily designed for suicides. Some people may attempt suicide, while some may encounter difficulties in life. If we can provide early counselling, the problem may be well tackled because they may not even think of committing or attempting suicide. For this reason, in our social welfare sector, counselling services are generally provided in many centres. In respect of the hospital system, many counselling services are mainly provided as social welfare services and hospital services. There are some people who have not yet reached the stage of attempting suicide, but only have such intention due to financial difficulties or difficulties at work or emotional problems. Therefore, there is a lot of work we have to do beforehand.

**MR YEUNG YIU-CHUNG** (in Cantonese): *May I ask the Secretary of the actual number of counselling agencies designated for the prevention of suicide?*

*There are certainly many agencies providing counselling services, but how many of them are designated to tackle such problem?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, if we are talking about specialized services, I think the family service centres of the social welfare sector will also provide such services. However, they will subsequently refer the cases to some experts for follow-up. If Mr YEUNG Yiu-chung is interested, I can give a written reply afterwards. (Appendix III)

**PRESIDENT** (in Cantonese): Third question.

### **Substantial Vacancy Level of Factory Buildings**

3. **MR HUI CHEUNG-CHING** (in Cantonese): *Madam President, regarding the substantial amount of vacant units in factory buildings in Hong Kong and the use of some of these units for illegal occupation or other purposes, will the Government inform this Council:*

- (a) *of the respective numbers and areas of factory building units owned by the Government and private sector in Hong Kong at present; their respective utilization rates in 2002 and 2003, and the number of cases in which such units were used for residential purposes;*
- (b) *whether the authorities have assessed if the implementation of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) can improve the vacancy level of local factory buildings; if they have, of the results; if they have not, the reasons for that; and*
- (c) *whether the authorities have studied how to improve the vacancy level and the misuse of factory building units, and whether they have explored the relaxation of user restrictions on factory buildings; if they have, of the results; if they have not, the reasons for that?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese):  
Madam President, my replies to the three parts of the question are as follows:

- (a) As at 2003, the Housing Authority manages 11 government factory estates with a total of 13 265 units and a total area of about 320 000 sq m. As five of the estates will be cleared in the near future, no letting will be made. Hence, their occupancy rates were relatively low, vacancies being 45% in 2002 and 50% in 2003. The vacancies for the remaining six estates were 4% and 6% for 2002 and 2003 respectively. As at end-2002, the total stock of private flatted factories and storage was about 21 million sq m, with a vacancy of about 10%. The figures for end-2003 are not yet available.

In 2002, the Housing Department (HD) did not receive any complaints about government factory estate units being used for residential purpose and no survey was conducted in this respect. In 2003, a survey was conducted by the HD on government factory estates and 21 cases of units being used for residential purpose were detected. For private industrial units, 14 and 30 cases of similar misuses were found in 2002 and 2003 respectively. Relevant departments have taken follow-up action on these cases.

- (b) The conclusion and implementation of CEPA will bring about many opportunities to Hong Kong business, trade and service sectors, and greatly enhance economic co-operation and integration between the Mainland and Hong Kong. We anticipate that CEPA will help promote Hong Kong's existing and emerging industries, facilitate our economic restructuring and create job opportunities.

For the trade in goods, the zero import tariff preference will render Hong Kong products more competitive in terms of price *vis-a-vis* those produced by other economies when entering the mainland market. We believe this will prompt some brand-name products to move their production lines to Hong Kong, or attract manufacturing processes with high value-added content or substantial intellectual property input, thereby promoting the restructuring and diversification of industries in Hong Kong towards the high value-added and high technology mode.

We believe the above development would have a positive impact, both directly or indirectly, on the occupancy rate of local industrial premises. However, the actual impact will depend on how the local and overseas trades (particularly the manufacturing sector) will leverage on the CEPA benefits, as well as on the business development and production strategies of individual enterprise.

- (c) To facilitate industrial restructuring and to allow greater flexibility in the use of industrial premises, the scope of uses permitted in industrial buildings has been reviewed regularly and expanded over the years by the Government and the Town Planning Board (TPB). Major efforts include the introduction of the "Other Specified Uses" annotated "Business" ("OU(B)") zone in October 2000 to allow maximum flexibility in the use of existing industrial and industrial-office buildings as well as in the development of new buildings for both commercial and clean industrial uses. About 196 hectares of industrial land has been rezoned from "Industrial" ("I") to "OU(B)" since then.

For the remaining land under the "I" zoning, the uses always permitted were expanded in July 2001 to permit information technology (IT) and telecommunications industries, office related to industrial use, research, design and development centres. In September 2001, provisions were further made to facilitate application for planning approval for conversion of a whole industrial building to places of public entertainment, educational institutions and other compatible uses under the "I" zoning.

As such, owners of industrial buildings may change their industrial buildings into other permissible uses as cited above through modification of land leases or application for temporary waivers. The Lands Department (LD) has also introduced a simplified procedure for granting temporary waivers to facilitate owners of industrial buildings to convert their premises for other uses.

The above measures will help improve the utilization of industrial buildings. The Government will continue to monitor the situation and further review the scope of uses permitted in the "I" and "OU(B)" zones when necessary.

To address the issue of misuse of industrial units, the HD conducts regular inspection on government factory estates. The Buildings Department (BD) and the LD take immediate follow-up action upon receiving complaints or referrals from other government departments. The HD issues letters to tenants advising them not to misuse their units, while the BD also publicizes its advice to building owners not to make unauthorized alterations to their premises.

**MR HUI CHEUNG-CHING** (in Cantonese): *Madam President, in part (c) of the main reply, the Secretary said that the uses of land under "I" zoning were expanded to permit office related to industrial use, research, design and development centres. May I ask the Secretary whether those industries with factories set up in the Mainland and the logistic support being carried out in Hong Kong (for example, the offices or showrooms are set up in Hong Kong) will be allowed to operate independently in the factory estates on land under "I" zoning?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, we do not have too many restrictions on where the manufacturing process takes place. As long as some activities are carried out in the factory estates of Hong Kong, while those activities carried out in Hong Kong are relevant, that is, they are the promotional activities mentioned by me just now, then they will be allowed.

**MR LEUNG FU-WAH** (in Cantonese): *Madam President, the main question of Mr HUI Cheung-Ching is about the utilization rate, but I notice that the reply of the Secretary only mentions the vacancy rate. I opine that the vacancy rate is not equal to the non-utilization rate. When we walk past the government factory estates, we often find that they are very quiet. We have no idea what activities are being carried out when the doors are closed. In the last paragraph of part (c) of the main reply, the Secretary said that the HD would conduct regular inspections to address the problem of misuse of industrial units. But will it conduct inspections to see whether there is anyone not using the unit concerned, that is, anyone who only pays the rent but is not using the unit, which is actually laying the unit to waste?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I think most Members will agree that since we have so many factory estate units, if we are to inspect each and every unit every month, a lot of manpower will be required. Therefore, what we can do is that, suppose a unit has been rented and regular rental payment for it is received, we will consider that the user has already paid a price and there is no default on rental payment. In regard to those units for which rental payment is not received, we, of course, will consider that the users are in default of rental payment, or that the units have not been rented, and these are the vacant units that I just referred to. However, I agree that there is no direct relationship between utilization rate and vacancy rate. We also have to consider those units for which rental payment is made but where no activities are actually being carried out. Nevertheless, we think that there should not be a large number of such cases. As I said earlier, during inspection, if HD staff find that certain units are not engaged in any kind of operation, they will record them. If the situation persists, we will consider conducting follow-up investigations.

**MR KENNETH TING** (in Cantonese): *Madam President, according to part (c) of the main reply by the Secretary, I find that the Government has already made some improvement in terms of usage, flexibility, and so on, in October 2000 and 2001. Since the Secretary has mentioned that it will "further review.....when necessary", may I ask the Government whether it is the proper moment now? Does the Government have a plan or a concrete plan to deal with the uses of vacant factory estate units in the district or the whole territory?*

**PRESIDENT** (in Cantonese): Which Secretary will answer this supplementary?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, maybe I shall try to answer first. In the course of consideration, we actually have to consider that the process of transformation must be market-led, while we only facilitate it in terms of policy. In other words, if there is any situational change in the market, we will not create any obstacles policy-wise. Therefore, in terms of principle, firstly, it has to be market-led. Because it is only through the adjustment of market economy that the investment can achieve the most effective allocation of resources. Our duty

in this respect is to maintain a business environment which is highly transparent, fair and impartial. As I said earlier, our role in this regard is to provide guidance and facilitation. Concerning some success examples discernible to us now — there are actually a few conspicuous examples. Taikoo Place in Quarry Bay is one of the success examples of transformation, and there are also similar examples in other areas. However, such work will take some time and we cannot expect the transformation will be successful in a couple of years. For any transformation to be successful, the Government will invariably have to take some matching measures in facilitation, such as widening of roads, making certain environmental improvements, and so on. All these have to be done. Therefore, we will closely monitor this situation. However, if we really have to review the existing direction as a whole, or have to move one step forward, I believe we have to look at the actual situation before coming to any decision.

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, may I ask the Secretary whether he would consider applications for transforming these factory estates into homes for the elderly? It is because homes for the elderly are now in serious shortage of space. Besides, when the economy gradually improves in future, many commercial premises will cease to be rented to homes for the elderly. Will the Government consider this?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, we will certainly consider this suggestion. However, we have to bear in mind the fire safety consideration of homes for the elderly and other social welfare facilities. Since the fire protection requirements of industrial buildings are not meant for residential units, nor do they cater for the needs of the elderly with mobility difficulties or persons with disabilities, or other persons who need special care, we have to consider these factors. At present, we do not disallow such applications, but there must be a buffer zone — this is the minimum requirement — for instance, there must be some buffer floors in the building which will not serve any use other than for buffer purpose, in order to cater for the special need of fire protection. The lower floors of these particular buildings must be specially designed in order to comply with our special requirements. The number of such buildings which meet our requirements and have these facilities is limited. Generally speaking, an application should be filed first before we verify whether the building concerned

meets our requirements. After verification, if it is considered appropriate, we will then consider the application. Otherwise, we normally will not consider it.

**MR HOWARD YOUNG** (in Cantonese): *Madam President, in the second paragraph of part (a) of the main reply, the Secretary mentioned that in 2003, some cases of private industrial units being used for residential purpose were detected. What is the nature of this kind of violation of usage? For the so-called residential purpose, does it refer to the entire unit being converted into a residential unit? Or does it refer to those factories where watchmen are needed to stay overnight and guard the goods or machinery, which then are regarded as being converted illegally into residential units?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, both situations do occur. The situation with watchmen certainly exists. However, if it is really of this nature without basically altering the building structure, we normally will not take any action. Nevertheless, the so-called conversion into residential units now is genuinely converting a unit for residential purpose. When the purpose of the unit is altered, for example in sanitary facilities, pipes especially for washing hands are additionally installed, the basic usage and structure of the building will be changed. In that case, the building structure will be in breach of the requirements under the Buildings Ordinance. The change of usage is subject to approval. But normally, either no application is filed for approval or the works concerned are not in compliance with the approved requirements. We are very much concerned about these problems and will combat them vigorously.

**PRESIDENT** (in Cantonese): We have spent more than 17 minutes on this question. Last supplementary question.

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, through you, I would like to ask the Secretary about the fourth paragraph of part (c) of the main reply. He said, "The above measures will help improve the utilization of industrial buildings. The Government will continue to monitor the situation and further review the scope of uses permitted in the 'I' and 'OU(B)' zones when*



*necessary." In other words, in answering this question, the Secretary said that the Government was prepared to be more liberal, including in the development process of CEPA. In this connection, I would like to tell the Secretary that the industrial sector actually has put forward a lot of views in regard to industrial buildings. But according to the Secretary, the situation seems to be rather passive — the Secretary will be informed when necessary. Can the Government study together with the industry — especially the small and medium enterprises (SMEs)? In regard to CEPA, if SMEs would like to set up creative zones in government industrial buildings, will the Secretary approve their applications? Instead of waiting, should the Government not lead the market and negotiate with the SMEs concerned? Does the Secretary have such an intention?*

**PRESIDENT** (in Cantonese): Which Secretary will answer this supplementary?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Maybe I will answer this supplementary first, Madam President. This is related to planning. Indeed, as I already explained in the main reply, whether it is "OU(B)" zone or "I" zone, there are certain units in which various kinds of uses are permitted without having to apply to the TPB. For instance, in buildings of the "OU(B)" zone — maybe I should have explained it more clearly in the main reply — the units can be used as offices, design and media production centres, retail shops, exhibition and convention halls, and so on. All these are permitted as the area has already been rezoned to "OU(B)". In regard to the "I" zone which has not been rezoned to "OU(B)", the uses are not so flexible. However, the whole building can also be converted into other related retail or private club premises, that is, of related and compatible uses. Of course, I cannot furnish a general answer to this. But we have already given this flexibility. For the further review that I mentioned earlier, it means that when the progress comes to a certain stage, for example, when the transformation of an area is nearly accomplished, we can review whether further relaxation is possible and the extent we can allow. If an industrial area has already transformed, it basically is no longer a major industrial area, and further relaxation will be allowed. Therefore, we will consider how this can be done at that stage.

**PRESIDENT** (in Cantonese): Fourth question.

**Promotion of Basic Law**

4. **MR AMBROSE LAU** (in Cantonese): *Madam President, over the past two years, almost 100 promotional activities on the Basic Law were organized or sponsored by government departments, non-governmental organizations and district bodies. However, according to the survey findings published by the Census and Statistics Department (C&SD) in December last year on the topic of "Understanding of the Basic Law", only 48.3% of Hong Kong people aged 15 and above said that they had some or good knowledge of the Basic Law, while as many as 40.4% of students studying at Primary Four and above claimed that they did not have any idea of the contents of the Basic Law. In this connection, will the Government inform this Council of:*

- (a) the number of the above promotional activities which were organized by government departments;*
- (b) the means by which the authorities promoted the Basic Law over the past two years and the total expenditure involved; and*
- (c) the plans the authorities have for promoting understanding of the Basic Law among the public?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President,

- (a) Amongst the some 100 activities organized or sponsored by the Government of the Hong Kong Special Administrative Region (SAR), non-governmental bodies and district organizations to promote the Basic Law in the years 2002-03 and 2003-04, about 40 were organized by the Government itself and over 50 were co-organized or sponsored by various government departments.
- (b) To further promote the Basic Law and to enhance the public awareness of the "one country, two systems" concept after the reunification, the Government established in 1988 the Basic Law Promotion Steering Committee, with the Chief Secretary for Administration as the Chairman. The Steering Committee provides the necessary steer on the overall programme and strategy

for promoting the Basic Law and facilitates the co-ordination and co-operation between governmental and non-governmental bodies in their promotion efforts. The four working groups set up under the Steering Committee organized a wide range of activities to promote the Basic Law among four different target groups, namely, the local community, teachers and students, civil servants and the overseas community. Such activities include various publicity programmes, production of teaching materials, promotional materials and television specials, seminars, experience-sharing sessions and homepages.

Besides, the SAR Government has also set up in the Hong Kong Central Library the Basic Law Reference Collection, which comprises more than 4 600 items. Over 31 000 people made use of the Reference Collection in 2003.

The SAR Government has also set up the Basic Law Homepage, which contains the full text of the Basic Law, as well as related information and promotional materials. In 2003, the total number of page views of the Homepage amounted to 2.01 million.

Over the past years, the SAR Government produced more than 70 items of promotional materials, teaching materials and publications on the Basic Law, including 15 television Announcements of Public Interest (API) produced by the Constitutional Affairs Bureau on provisions of the Basic Law. These APIs have been telecast for over 10 000 times in the past two years.

In his question, Mr LAU refers specifically to the understanding of the Basic Law by students. To promote a better understanding of the Basic Law amongst young people, the SAR Government has already introduced a number of Basic Law elements into the curriculum for primary and secondary students. At present, Basic Law elements feature in various primary and secondary school subjects (such as General Studies, Civic Education, Social Studies, Liberal Studies, Economic and Public Affairs). These elements include the background to the drafting of the Basic Law, the general principles of the Basic Law, the importance of the Basic Law to Hong Kong, the principle of "one country, two systems", the

relationship between the Central Government and the SAR, as well as the rights and obligations of SAR residents. On top of the formal curriculum, a variety of promotional activities are organized. Basic Law elements are also incorporated into teachers' training programmes and teaching materials, for example, the *Knowing the Basic Law* resource teaching kit prepared by the Curriculum Development Institute, and the 10-hour intensive course on Basic Law education for both primary and secondary teachers. On the university front, Basic Law promotional activities for tertiary students are organized by tertiary institutions and community organizations through the Basic Law Promotion Funding Scheme.

For the years 2002-03 and 2003-04, a provision of \$8,920,000 has been made for Basic Law promotional activities. The total allocation set aside for this purpose since 1998 amounts to \$28,500,000.

- (c) The SAR Government is committed to promoting the Basic Law, and has targeted its efforts at enhancing people's interest in and understanding of the Basic Law. Achievements have been made. Results of public opinion surveys conducted in 2000 and 2002 reveal that the percentage of respondents among the general public who claimed that they had heard of the Basic Law has increased from 80% in 2000 to 90% in 2002. Those who perceived that they had some or a good knowledge of the Basic Law has nearly doubled from 25% to 48%. For students, those who considered that they had some or a good knowledge of the Basic Law has increased from 32% in 2000 to 57% to 2002. These show that public awareness of the Basic Law has been on the increase.

The Basic Law Promotion Steering Committee at its meeting this February deliberated on the future promotion strategy. Building on the increasing public awareness of the Basic Law, the Steering Committee will strengthen its co-operation with community organizations to further enhance public awareness of the Basic Law, and to ensure that members of the public will gain comprehensive and in-depth knowledge of the Basic Law as well as the concept of "one country, two systems". The SAR Government will review the allocation of resources required in the coming year for the

promotion of the Basic Law with a view to supporting the new strategies and promotion programmes devised by the Steering Committee.

**MR AMBROSE LAU** (in Cantonese): *Madam President, part (b) of the main reply refers specifically to student's understanding of the Basic Law. It is said that a number of Basic Law elements have been included in the curriculum for Primary One to Secondary Seven by the SAR Government. I would like to know whether or not subjects covering these Basic Law elements are compulsory. In other words, are they elective subjects for individual schools to decide whether they should be taught? If these are compulsory subjects, how can the Government explain that there are still 40.4% of students at Primary Four or above claiming that they have no knowledge of the Basic Law?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, I have to thank Mr LAU for his supplementary question. According to the information I have on hand, which is provided by colleagues of the Education and Manpower Bureau, this element is included in a number of subjects under different circumstances. As I see it, a majority of these subjects is compulsory. At least, it appears that most of the subjects in the primary and the Secondary One to Secondary Three curriculum are compulsory. For example, in the General Studies subject for Primary Five and Primary Six, reference is made to the structures and roles of the executive, legislature and Judiciary of the SAR Government, the role of the Chief Executive, the Sino-British Joint Declaration and "one country, two systems". The Civic Education subject for Secondary One and Secondary Two introduces the relationship between the Central Authorities and the SAR, the significance of the regional flag and the regional emblem, the method for selecting the Chief Executive and his authority, and the political system of the Hong Kong Special Administrative Region. The Social Studies subject for Secondary Three mentions the governance of the SAR, and the roles played by the Chief Executive, the Executive Council, the Legislative Council, the executive and district organizations. I have extracted this information from subjects studied by primary and Secondary One to Secondary Three students. As for Secondary Four to Secondary Seven, I think subjects like Government and Public Affairs are elective subjects, depending on whether the students have selected those subjects for their Hong Kong Certificate of Education Examination (HKCEE) or

Hong Kong Advanced Level Examination (HKALE). Topics covered in the Secondary Four to Secondary Seven syllabus of Government and Public Affairs include China resumes its exercise of sovereignty over Hong Kong, the "one country, two systems" concept, the Sino-British Joint Declaration, the Basic Law, election and various channels for communication with the public.

Mr LAU's supplementary question in fact carries a second part. That is, with the wide coverage of the "one country, two systems" concept and the Basic Law in compulsory and elective subjects, why did 40% of the students responding to the C&SD survey still state that they had no knowledge of the Basic Law? I can only say that, as it was a survey, could it be possible that some students who knew the subjects well, which I believe they had studied hard, failed to associate their knowledge to the Basic Law when they were questioned in the telephone interview? I can hardly ascertain this. However, I have to point out, it is important that the public's awareness in this respect has to be built up and fostered progressively. We will continue to work hard on this. We will not only focus our work on students at school, but also on the community and other sectors.

**MR HENRY WU** (in Cantonese): *Madam President, in part (b) and part (c) of the Secretary's main reply, it was stated respectively that the Government had spent almost \$30 million in the past few years to promote the Basic Law and considered that achievements had been made. But, actually, the figures are rather alarming. Only 90% of the respondents claimed that they had heard of the Basic Law. I think though the percentage of respondents who had heard of the Basic Law may not be 100%, it should at least be 99%. As for the percentage of respondents who perceived that they had some or a good knowledge of the Basic Law, it was only 48% in 2002, not even a pass. The percentage for students was only 57%, a bare pass. Has the Secretary ever conducted any review to identify the reasons why only a limited number of people have some or a good knowledge of the Basic Law? What action will the Government take in response to this? What is the difference between "have some knowledge" and "have a good knowledge"? What are the definitions for "have some knowledge" and "have a good knowledge"?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, I have to thank Mr WU for his supplementary question. Regarding

the definitions for "have some knowledge" and "have a good knowledge", I think it is for the respondents to make their own judgement. As we are referring only to a questionnaire survey, respondents, in replying the C&SD questions, would make their own judgement on how much they knew about the Basic Law and how confident they were. I must say, however, it is imperative that their awareness and knowledge in this respect will be enhanced progressively.

I think, as we went through the '80s and the several years of transition before 1997, our community and the public at large have already established their understanding and knowledge about such concepts as "one country, two systems", "Hong Kong people ruling Hong Kong" and "high degree of autonomy" in the Basic Law. They also realize that these are long-term principles and policies offering a solution to the historical problems of Hong Kong. This is the understanding of the vast majority of Hong Kong people. However, insofar as the Basic Law is regarded as a constitutional document, the general public may not be well-versed in the details or provisions of a more complicated nature stated in it. But, generally speaking, I believe the public understands the general principles, and that the Basic Law and the "one country, two systems" concept have helped Hong Kong overcome many serious problems and set our future direction. However, we will work hard to continue to enhance the public's awareness and knowledge from different aspects.

**MR HENRY WU** (in Cantonese): *The Secretary has not answered whether or not reviews have been conducted to find out why the public is not familiar with the Basic law, and how the situation can be improved to make known to more people the Basic Law.*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, every year, we strengthen our effort in relevant promotion activities. For example, we are now considering the series of work to be launched in the coming year. This year, that is 2004, being the 15th anniversary of the promulgation of the Basic Law, seminars and other commemorative activities will be organized in April during the commemorative period. The Constitutional Affairs Bureau and the Committee on the Promotion of Civic Education will join hands to stage a speech competition on the Basic Law. In the inter-school quiz competition organized by the Hong Kong Youth Cultural

and Arts Competition, we will sponsor an additional Basic Law trophy. We will also organize roving exhibitions on the Basic Law in different districts, and sponsor seminars organized by the Joint Committee for the Promotion of the Basic Law of Hong Kong. We will consider producing new APIs, and review whether it is necessary to foster the concept of "one country". Pamphlets relating to the implementation of the "one country, two systems" concept will also be produced. We will pursue these series of work, as well as broadening the horizons of our promotion work.

To enhance the interest and understanding of the education sector and students of the Basic Law, we are planning a special activity lately, that is, the Basic Law Promotion Day — a proposal design competition open to secondary students. The theme of the competition is to promote the implementation of "one country, two systems" since the reunification, hoping to increase the knowledge of secondary students of the Basic Law and the concept of "one country, two systems". We plan to arrange for students and teachers of the winning schools to join a delegation to visit Beijing during the summer vacation. Activities of this visit aim to help students trace the origins of the Basic Law, such as visiting the relevant departments involved in the drafting of the Basic Law. In autumn, we will sponsor the winning schools to implement their proposals on promoting the Basic Law in their own schools.

I have cited these examples to illustrate to Mr WU that we believe promotion on the Basic Law requires a persistent effort. We will consider conducting more public opinion surveys to identify which types of publicity and activities can facilitate the exposure of students and the community to the Basic Law. According to a couple of surveys conducted in the past, television is basically the most convenient channel for the public to familiarize themselves with the promotional materials. Other activities are also effective, in particular those staged in schools or local community which allow direct participation of the public and students, in fostering their understanding of the Basic Law in the long run.

**PRESIDENT** (in Cantonese): This Council has spent more than 18 minutes on this question. But other than the Member who raised the main question, we only have time to take one supplementary question from Members, so I have to extend the time limit of this question.



**DR RAYMOND HO** (in Cantonese): *Madam President, though the Secretary has just given a rather long reply that seems to be a very detailed reply to Mr Henry WU's supplementary, he has not answered the first part of Mr WU's question seriously. With reference to part (c) of the main reply, Mr WU asked of the percentages of people who "have some knowledge" and those who "have a good knowledge", and the difference in percentage between these two categories. I think the percentage of those who really know the Basic Law may be close to zero. If that is the case, could it be attributed to the limited resources expended by the Government on this aspect, which was only \$4 million or so in each of the past six years? Is it because it has not done its best? Or is it because the promotion method adopted is inappropriate? Will the Secretary explain what improvement will be made in the future?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, I have to thank Dr HO for his question. We all know it very well that promoting public understanding of a constitutional document is a long-term task that demands a persistent effort.

I think the understanding of the Basic Law and the "one country, two systems" concept can be viewed at different levels. As I said earlier, I believe Hong Kong people and the community at large know that the Basic Law, implemented since 1 July 1997, has helped address the historical problems of Hong Kong and led Hong Kong into a new era. This important and basic understanding has been widely known. However, to foster the knowledge and deepen the understanding of the public of the Basic Law, we definitely have to put in more efforts. Take the recent discussion related to constitutional development as an example. The domains of discussion in the community have been broadened. Different levels of understanding are involved in inviting views on the principles stated in the Basic Law on political system and the legislative process involved in amending the Basic Law. I believe, in other countries, when it comes to the community's understanding of the constitution, there are also different levels. Academics and research students studying politics and law certainly have profound knowledge in this field. People participating in public affairs, such as government officials and Members, will have a better understanding of it. We will continue to make an effort to enhance our promotion work at the community level.

As to whether adequate resources have been put into this work, it is purely a matter of opinion. However, we all see that the amount of resources we have put in so far prove to be effective. We will continue to work hard and put in more resources as the need arises in the coming year.

**MR MICHAEL MAK** (in Cantonese): *Madam President, the Secretary just said that arrangements would be made for some secondary students to visit Beijing to trace the origins during this summer vocation. In fact, in this Chamber, many arguments in relation to the Basic Law have arisen. The requirement under Article 100 stating the conditions of service of civil servants should be no less favourable than before is only one of the examples, not to mention the row over Article 23 and Article 45! I do not know if it is because many Members do not know the Basic Law, or because there are some grave problems with their interpretation. Should the Secretary consider organizing more seminars or activities of this kind for Members? Will the Secretary organize more activities of this kind for Members, such as seminars or visits leading all 60 Members of this Council to Beijing to trace the origins?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, in the recent public discussion on the principles and legislative process related to political system as stated in the Basic Law, we have invited independent Members, different political parties and groups, as well as people from various sectors to express their views on these important issues, for discussions. These issues have also been extensively discussed in the community lately. Regarding the issue of civil service pay mentioned by Mr MAK, in fact, every time when issues related to the Basic Law are discussed in this Chamber, Members always have a chance to discuss them. As to the arrangement of sending a few groups of students and teachers on a origin-tracing visit to Beijing during this summer vocation, this is our planning on the education front. However, we do not have any plan to arrange for Members of the Legislative Council to visit Beijing at the moment.

**PRESIDENT** (in Cantonese): We have spent almost 24 minutes on this question. Last supplementary question.

**MR LEUNG FU-WAH** (in Cantonese): *Madam President, this April will be the 15th anniversary of the promulgation of the Basic Law. However, we can tell from the Secretary's main reply that obviously many people still do not know the Basic Law. Otherwise, the recent row over the issues of "one country being the premise" and "patriots" should not have emerged. May I ask the Secretary whether APIs produced recently will include some new topics of a negative nature, such as featuring people visiting overseas countries appealing for sanctions against China, or receiving money secretly for deeds damaging the interest of Hong Kong and the State? Will materials of a negative nature be featured in APIs to promote the Basic Law?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): *Madam President, I believe materials of a positive perspective will be more effective in promoting the Basic Law. In the past few years, we did adopt an easy to understand approach in the production of APIs. Thus, subject matter close to the daily life of the public are featured in those APIs, such as the freedom the public may come into contact daily, their freedom of movement, and that Hong Kong can has it own currency. The general concept is to enable the public to learn about the Basic Law from daily life, and to appreciate that the Basic Law is related to it. To answer Mr LEUNG's question in short, the Government will consider including the concept of "one country" in the production of new APIs to let people know more about the origins of the Basic Law.*

**PRESIDENT** (in Cantonese): Last question.

### **Full-time Overseas University Students**

5. **DR RAYMOND HO** (in Cantonese): *Madam President, regarding the quotas of full-time overseas students set by local universities and the tuition fees of such students, will the Government inform this Council whether:*

- (a) *it knows if universities in the Mainland, the United Kingdom, Canada, the United States and Australia have set quotas on the admission of full-time overseas students; if they have, how such quotas compare to those set by universities in Hong Kong other than The Open University of Hong Kong;*

- (b) *the authorities have plans to increase the above quotas; if so, of the details; if not, the reasons for that; and*
- (c) *the authorities have plans to increase the tuition fees payable by such students and have assessed the merits and demerits of increasing the tuition fees; if they have, of the details of the plan and the assessment results?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese):  
Madam President,

- (a) According to our understanding, universities on the Mainland and in other countries generally do not set quotas for the admission of full-time non-local students. This is because the tuition fees that their non-local students pay are usually higher than those paid by their local students, or have to cover the full costs of the student places. This is completely different from the situation in Hong Kong. Non-local students in Hong Kong currently pay the same tuition fees as local students do. Therefore, we have to strike a balance between attracting more non-local students to Hong Kong, and limiting their impact on the learning opportunities of local students.

At present, the quota for non-local students at undergraduate and taught postgraduate programmes of the University Grants Committee (UGC)-funded institutions is 4% of the publicly-funded places. The quota for research postgraduate programmes has been removed since the 2003-04 academic year.

- (b) The Administration constantly reviews the admission quota for non-local students. While we agree that institutions recruiting more non-local students will promote cultural exchange and bring educational benefits, we also have to be aware that significantly increasing non-local student places may affect the learning opportunities of our local students. Striking a balance between these two, the Administration accepted the UGC's recommendation to double the quota for non-local students at undergraduate and taught postgraduate programmes with effect from the 2005-06

academic year (that is, the current 4% of publicly-funded places plus the same number of privately-funded places).

- (c) Our policy allows institutions to determine the tuition fee levels for non-local students. In this connection, the UGC's specific recommendation is that, as a general rule, institutions should charge non-local students recruited for non-publicly-funded places beginning from the 2005-06 cohort a tuition fee level which is at least sufficient to recover all additional direct costs for these places, and that the tuition fees should in no circumstances be lower than the indicative fee level applicable to local students. To recognize the differences in costs for programmes of different disciplines, institutions are free to charge different fees for different programmes. In order to avoid invidious comparison between the 4% non-local students within approved student number targets and those without, we will encourage institutions to charge non-local students studying the same discipline at the same institution (regardless of whether their student places are publicly-funded or not) the same tuition fee, which is higher than that for local students. The Administration has accepted this recommendation.

The major advantages of the above recommendation are to minimize the impact on the learning opportunities of local students, and to avoid the dilution of public resources for higher education. In addition, as institutions are allowed to retain the extra tuition fee income, the recommendation will at the same time increase the resources of the institutions.

To ensure that our institutions remain attractive to non-local students, the UGC has emphasized to the institutions that the higher tuition fees for non-local students should not lead to fewer non-local students being able and willing to come to Hong Kong to study. The UGC has also asked the institutions to consider offering scholarships to eligible non-local students having regard to their academic merits.

**DR RAYMOND HO** (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary mentions that universities on the Mainland and in other*

*countries generally do not set quotas for the admission of overseas students, and will charge such students higher tuition fees than those paid by their local students. Why does Hong Kong still set its quota at 4%, or even if it has been considered to raise the admission quota to 8%? In fact, if universities are allowed to charge overseas students higher tuition fees, they may get additional resources. This is a way of opening up new sources of income. As the Government is planning to cut university funding substantially, will universities be allowed to offer admission to more overseas students? If so, will the resource problem be resolved?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese):

Madam President, the situation in Hong Kong is different from those in other countries. Universities in Hong Kong are 82% funded by the Government from public coffers, that is, over 80% of the tuition fees are funded by the Government. For universities in other countries, the support given by the governments in subsidizing the tuition fees is far lower than this figure. Therefore, if we relax the restrictions and allow all non-local students to come to Hong Kong to study in our universities, the learning opportunities of local students will be affected; and should this happen, we shall in effect be using public fund to subsidize non-local students. We feel that we shall face some difficulties in this regard. However, we also agree that, if non-local students can come here to study in our universities, they will bring certain benefits to our universities, and also to the future of Hong Kong society. Therefore, we encourage universities to offered admission to more non-local students. In the past, we only offered admission to non-local students on a "2 + 2" basis, that is 2% plus 2%, meaning that 2% are publicly-funded, and another 2% are privately-funded. At present, we have increased such places to "4 + 4", that is, 4% are publicly-funded, and another 4% privately-funded. Regarding these two types of situations, we feel it may involve some unfairness to the students in that some students coming to Hong Kong to study certain disciplines may pay a lower tuition fee if their places are publicly-funded, and they may have to pay higher tuition fees if their places are not publicly-funded. Therefore, we have proposed and also accepted the UGC recommendation that all non-local students studying the same discipline at the same institution, regardless of whether their places are publicly-funded or not, will pay the same tuition fee, which is higher than that for local students. However, the amounts of tuition fees shall be designed by the institutions on their own. The tuition fee indicator we provide to the institutions is no less than \$60,000 annually.

**MR CHAN KWOK-KEUNG** (in Cantonese): *Madam President, universities in Australia offer a very high percentage of their student places to non-local students, with overseas students accounting for 15% of their intake. At present, Hong Kong has opened up the admission to non-local students, and now the tuition fees have also been raised. Can we now follow the example of Australia, that is, if local students reach the required standards and are willing to pay the same tuition fees for overseas students, will they be offered priority admission? Will this be implemented?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, I have just said that the public subsidies provided by Australia are less than that provided by the Hong Kong Government. Therefore, the problems said to be faced by Hong Kong do not exist there. If we use our public fund — money of the taxpayers — to subsidize the tuition fees of non-local students, I believe some people will be very dissatisfied. So, we must strike a balance in this regard. On the one hand, we are very keen to attract more non-local students to come to Hong Kong for studies. We have the need to do this, and we have been changing the set-up gradually from "2 + 2" to the present "4 + 4". At present, 8% non-local students may come to Hong Kong, but we still have not filled up the quota yet. When we have reached or are approaching this quota, I believe the UGC will make some other considerations in this regard.

**MR CHAN KWOK-KEUNG** (in Cantonese): *Madam President, I believe the Secretary has misunderstood my point. What I meant to say is that: The tuition fees have been raised for overseas students, such as the tuition fee is pegged to the costs. Suppose all conditions are equal for the two kinds of students, as universities are ready to offer admission to an overseas student who is willing to pay the at-cost tuition fee, will a Hong Kong student be offered a place with priority if he is willing to pay the at-cost tuition fee (parents of the students are willing to pay the full fee) and he meets the minimum requirement? Or the overseas student will still be offered the place with priority?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, I believe universities do not base their decisions in offering places to students on their willingness to pay the tuition fees. At present, all

eligible students will have the opportunity to study in universities in Hong Kong. The critical issue is whether they reach the required level. I believe as long as they reach the level, the institutions would accept them as students, regardless whether they will charge such students the tuition fees.

**DR LUI MING-WAH** (in Cantonese): *Madam President, universities in the Western countries are very keen to come to Hong Kong to recruit students here. To them, this is actually a source of income, instead of really nurturing students for the host regions. To Hong Kong, we want to attract elite students to come to Hong Kong to study and have exchanges with local students on the one hand, and we also want to develop the market in order to boost the revenue of the universities on the other. I do not know why the Government cannot offer a large number of places to overseas students while charging them the full tuition fees, that is, on full cost recovery without requiring the Government to provide any subsidies. By doing so, the marginal revenue will increase substantially. I hope that the Government can really adopt an open mind, and offer as far as possible places to all students from countries with the means.*

**PRESIDENT** (in Cantonese): Dr LUI, you have already raised your supplementary question, so it is not necessary to add your opinion.

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, universities in Hong Kong have to shoulder an average annual expenditure of about \$230,000 per student. We believe this is a substantial expenditure. To the parents, the annual tuition fee payable is \$230,000. If we really have to recover the full tuition fee of \$230,000 each year, we think there may not be many students who will be willing to come here for studies. That explains why we set the tuition fee at \$60,000 for the time being, that is, about a quarter of the costs. We now have to see what will happen with this amount of tuition fee. If the response is good, we may increase the tuition fees.

**MR MICHAEL MAK** (in Cantonese): *Madam President, at present some non-local full-time students are subsidized by public funds. When the universities*



*examine admission applications, will they have higher requirements for such students, and will the academic performance of such students be assessed?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): For the time being, non-local students coming to Hong Kong are mostly recipients of scholarships. They all have excellent academic achievement. So they do not have any problem with their admission applications. One or two batches of such non-local students have already graduated, and they also do not have any problem in finding jobs.

**DR RAYMOND HO** (in Cantonese): *Madam President, as far as I understand it, some British universities accept a large number of non-local students, accounting for 80% to 90% of their total intake. And the tuition fees they charge such non-local students are as high as 10 to 20 times of those paid by local students. Will Hong Kong consider making similar arrangements to recover the full costs from non-local students? In fact, overseas countries have never worried that the learning opportunities of local students would be affected by non-local students. Such a problem has already been solved by overseas countries. Hong Kong can do so as well. Can we draw reference from the case in overseas countries?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, in this regard, we will certainly draw reference from the case in overseas countries. For the time being, Hong Kong has just started offering admission to non-local students. As the initial intake of non-local students are all sponsored by scholarships in paying the tuition fees, we must make people feel that it is worthwhile after this process is completed. And we need to launch some promotion in this aspect. The quality of all universities in Hong Kong is very high. I am confident that we can surely recruit non-local students from the Mainland and other places. By then, if the response is enthusiastic, I believe we can certainly raise the tuition fees.

**PRESIDENT** (in Cantonese): Question time ends here.

**WRITTEN ANSWERS TO QUESTIONS****Reciprocal Notification Mechanism Between Mainland and Hong Kong**

6. **MR CHAN KAM-LAM** (in Chinese): *Madam President, according to the reciprocal notification mechanism which commenced operation in January 2001, the relevant authorities in the Mainland and the Hong Kong Special Administrative Region will notify each other of the criminal prosecutions of, or the imposition of criminal compulsory measures on, residents from the other side for alleged offences, and the unnatural deaths of such residents. In this connection, will the Government inform this Council:*

- (a) *of the number of notifications received by the Hong Kong police through the above notification mechanism regarding the detention of Hong Kong residents in the Mainland, and the number of those cases which involved commercial disputes; and*
- (b) *whether it has reviewed the operation of the notification mechanism; if it has, of the outcome of the review?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in the absence of Secretary for Security) (in Chinese): Madam President,

- (a) From the commencement of the notification mechanism until 31 January 2004, the Mainland Notification Unit had made a total of 2 039 notifications involving 1 594<sup>Note</sup> Hong Kong residents to the Hong Kong Notification Unit. Among them, 1 481 persons were subject to criminal compulsory measures and the remaining 113 involved Hong Kong residents unfortunately deceased in the Mainland.

The Hong Kong police does not have information on the number of notified cases relating to commercial disputes. Under existing arrangements, the scope of notified cases extends only to those where Hong Kong residents are subject to criminal compulsory measures in accordance with mainland laws. As reflected by the

<sup>Note</sup> In some cases, the mainland authorities had made more than one notification to the Hong Kong police upon change of the compulsory measures taken against the Hong Kong resident concerned, such as from detention to arrest or putting on bail, and so on.

information received by the Hong Kong police, crimes such as fraud, smuggling and dangerous drugs offences are involved in many of these cases.

- (b) Since its commencement on 1 January 2001, the notification mechanism has been running for more than three years and has been working well. The Hong Kong Special Administrative Region Government and mainland authorities exchange views from time to time on its operation. As a result of these exchanges, the coverage of the notification mechanism was expanded on 1 June 2003 to also include cases where criminal compulsory measures have been imposed by the People's Procuratorates and the Ministry of State Security.

### **Hospital Authority's Granting of Performance Incentive Award**

7. **DR LO WING-LOK** (in Chinese): *Madam President, regarding the Hospital Authority's (HA) granting of performance incentive award (PIA) to its Chief Executive, Cluster Chief Executives (CCEs) and Hospital Chief Executives (HCEs), will the Government inform this Council whether:*

- (a) *it knows, in regard to each of the past five years, the total amount of PIA granted by the HA and, in respect of each of the above post-holders, the annual PIA received, expressed as a percentage in relation to the sum of the annual basic salary and cash allowance of each post-holder, and how the percentage compares to the percentage ceiling stipulated in the relevant employment contract; and*
- (b) *the Government will request the HA to delete the grant of PIA from the terms of the new contracts for the above posts; if not, the reasons for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Chinese):  
Madam President,

- (a) In the design and determination of the total remuneration package of the Chief Executive of the HA (CE/HA), CCEs and HCEs, an

annual PIA was incorporated. The PIA is intended to provide a management tool for continuous improvements in hospital services. It is an amount excised from the total remuneration package of CE/HA, CCEs and HCEs, and the granting of the PIA in each year is subject to an annual performance assessment. The total amounts of PIA made by the HA to the CE/HA, CCEs and HCEs in each of the past five years are as follows:

<i>Year</i>	<i>Total Amount of PIA (\$ million)</i>
1998-99	15.1
1999-2000	15.4
2000-01	13.3
2001-02	13.7
2002-03	12.6

The ceiling of PIA stipulated in CE/HA's contract was 30% of basic salary and cash allowance and that in CCEs' and HCEs' contract 15%. In view of the tight financial situation faced by the HA, the CE/HA, CCEs and HCEs voluntarily reduced those ceilings on a permanent basis to 24% and 10% respectively in late 2002. On top of the lowering of the award ceilings, CE/HA, CCEs and HCEs consented to two reductions in their basic salary and cash allowance that took effect in October 2002 and January 2004 respectively, which resulted in consequential reductions in the amount of PIA. Over the past five years, there were a total of 13 occasions where a senior executive did not receive the full amount of the PIA. The relevant details of those cases are as follows:

<i>Year</i>	<i>Number of senior staff who did not receive the PIA in full</i>	<i>PIA received as % of basic salary and cash allowance</i>	<i>PIA Ceiling stipulated in employment contract</i>
1998-99	5 HCEs	7.5%	15%
1999-2000	4 HCEs	7.5%	15%
2000-01	4 HCEs	7.5%	15%
2001-02	0	-	-
2002-03	0	-	-

- (b) The HA is a statutory body vested with the power to employ such persons as it thinks fit to carry out hospital services or any other matter relating to the performance of its functions or the exercise of its powers. The question of whether the PIA should be retained in the new contracts of its senior executives is a matter within the HA Board's prerogative. The HA's view is that the PIA is a valuable management tool for encouraging continuous improvements in hospital management and that the PIA has improved the transparency of the assessment process and provided an effective mechanism for monitoring the performance of its senior executives. The Government has asked the HA to review the merit of retaining the PIA as a component of the remuneration packages for its senior executives. In this connection, the HA is planning to conduct an overall review of the remuneration packages of its senior executives in the near future. Changes to the remuneration packages will be made, where necessary, taking into account various factors, including modern human resources management practices and overall consideration of remuneration packages in the organization.

### **Drainage Ambassador Scheme**

8. **MR ALBERT HO** (in Chinese): *Madam President, a "drainage ambassador" scheme was launched by the Housing Department in May last year whereby staff were sent to carry out door-to-door inspection of the indoor drainage facilities of public housing units. Immediate repairs would be carried out if damage was found during the proactive inspection. It has been reported that the scheme has been launched in two phases. Phase I of the scheme was completed in September last year, and Phase II commenced in October last year. The entire scheme is expected to complete in May this year. Furthermore, some tenants of public housing units sharing communal drainage pipes with adjacent units have found that after they flush the toilets, the sewage would flow into the adjacent units, thereby causing serious hygiene problems. In this connection, will the Government inform this Council:*

- (a) *of the public housing estates which are currently using the above communal drainage pipes to discharge sewage, and the number of units involved;*

- (b) *of the details of each of the phases in the scheme, including the public housing estates involved, the number of units, the maintenance items and expenditure, as well as whether the drainage problem mentioned in item (a) above has been followed up; if so, of the details; if not, the reasons for that; and*
- (c) *whether it will consider extending the areas of inspection covered by the "drainage ambassador" scheme to ensure proper operation of the drainage systems in more public housing units; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese):  
Madam President, my reply to the three-part question is as follows:

- (a) The design of communal drainage pipes shared by two adjacent flats is mainly used in public housing blocks completed before 1991. This design is in use in 442 buildings of 70 public housing estates involving 250 000 flats. Details are set out at the Annex.
- (b) The Drainage Ambassador Scheme was launched in late May 2003. Phase I of the Scheme, completed in September 2003, covered about 140 000 flats in 35 estates which are relatively aged or have more elderly tenants. Phase II covers the remaining 113 public housing estates with some 420 000 flats. It commenced in September 2003 and is expected to complete by May this year.

"Drainage ambassadors" carry out door-to-door inspection and maintenance of indoor drainage pipes. Major maintenance items include repairing damaged or leaking pipelines, replacing pipe brackets, and repairing or replacing water traps and flushing cisterns. As at mid-February 2004, "drainage ambassadors" have conducted inspections and taken follow-up action in more than 320 000 flats in 141 estates. The estimated maintenance cost is about \$13 million.

If sewage crossflow problem involving the pedestal toilets of adjacent flats is identified by the "drainage ambassadors" during inspection, appropriate improvement works will be arranged.

Depending on the situation of individual affected flats, improvement works such as improving the gradient of horizontal drain pipes, elevating the floor level of pedestal toilets or modifying the sewerage devices to divert sewage flow will be carried out. As at mid-January 2004, a total of 1 420 crossflow reports have been received by the Housing Department. Of these, 1 292 cases (about 91 %) have been successfully rectified. As for the remaining cases, we are making arrangements with the tenants for a convenient time to carry out the improvement works.

- (c) The Drainage Ambassador Scheme covers all the 148 rental housing estates in Hong Kong and will be extended to five Interim Housing estates. The scope of inspection is sufficiently comprehensive. There is no need for further extension.

## Annex

Public housing estates using the design of  
communal drainage pipes shared by two adjacent flats

<i>Estate</i>	<i>No. of Block</i>	<i>No. of Units</i>	<i>Estate</i>	<i>No. of Block</i>	<i>No. of Units</i>
Ap Lei Chau	8	4 453	Ngau Tau Kok Lower (2)	7	5 407
Butterfly	6	5 405	Oi Man	12	6 289
Chak On	4	1 905	On Ting	6	5 049
Cheung Ching	8	4 905	Pak Tin	8	3 521
Cheung Hong	11	6 996	Ping Shek	2	274
Cheung Shan	3	1 621	Sai Wan	5	638
Choi Hung	11	7 572	Sam Shing	3	1 834
Choi Wan (1)	16	5 922	Sau Mau Ping (1)	1	731
Choi Wan (2)	5	2 967	Sha Kok	7	6 424
Cho Yuen	6	5 077	Shek Kip Mei	9	3 040
Chuk Yuen (South)	8	6 655	Shek Lei (1)	6	2 997
Chun Shek	4	2 191	Shek Wai Kok	8	6 502
Fu Shan	3	1 583	Shui Pin Wai	6	2 135
Fuk Loi	9	3 129	Shun Lee	7	4 450
Hing Man	3	1 999	Shun On	1	228
Hing Wah (2)	7	3 579	Shun Tin	8	5 952

<i>Estate</i>	<i>No. of Block</i>	<i>No. of Units</i>	<i>Estate</i>	<i>No. of Block</i>	<i>No. of Units</i>
Kai Yip	6	4 300	So Uk	5	2 002
Kwai Fong	1	547	Sun Chui	8	6 698
Kwai Shing (West)	10	5 257	Sun Tin Wai	7	3 293
Kwong Fuk	6	4 567	Tai Hang Tung	1	624
Lai King	7	4 212	Tai Hing	1	277
Lai Kok	8	3 068	Tai Wo Hau	8	3 816
Lai Yiu	4	2 404	Tai Yuen	7	4 878
Lei Muk Shue (2)	9	3 410	Tung Tau	1	374
Lek Yuen	7	3 214	Wah Fu (1)	12	4 795
Lok Fu	6	1 527	Wah Fu (2)	6	4 355
Lok Wah (North)	8	2 972	Wan Tsui	10	3 493
Lok Wah (South)	6	7 008	Wang Tau Hom	1	480
Lung Hang	6	4 384	Wo Che	12	6 071
Lung Tin	1	116	Wo Lok	11	1 942
Ma Tau Wai	5	2 075	Wong Chuk Hang	9	5 485
Mei Lam	4	4 162	Wong Tai Sin Lower (2)	8	3 621
Mei Tung	2	665	Wu King	6	4 386
Model Housing	2	422	Yau Oi	11	9 153
Nam Shan	8	2 848	Yue Wan	4	2 179
			Total	442	246 510

### Indecent Assault Cases on Public Transport

9. **MR ANDREW CHENG** (in Chinese): *Madam President, regarding indecent assault cases on public transport, will the Government inform this Council:*

- (a) *whether it knows the number of such cases which occurred on various modes of public transport in each of the past three years;*
- (b) *whether it knows if various public transport operators have issued guidelines to their staff on how to handle complaints about indecent assault; if not, whether the authorities will encourage these operators to expeditiously draw up such guidelines; and*



- (c) *to prevent the occurrence of indecent assault incidents, whether the authorities will encourage various public transport operators to display, in the compartments of their vehicles and advertising lightboxes, posters aimed at deterring indecent assault as well as notices informing the public that their staff on duty will provide assistance to indecent assault victims?*

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

(in Chinese): Madam President, in the past three years, the police received the following reports of indecent assault in different public transport modes:

<i>Public Transport Mode</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Bus	73	79	81
Public Light Bus	15	10	14
Mass Transit Railway	57	57	24
Kowloon-Canton Railway	3	9	4
Light Rail	10	4	9
Other modes	10	13	13
Total	168	172	145

All major public transport operators including the MTR Corporation Limited, the Kowloon-Canton Railway Corporation, franchised bus companies and the major ferry companies have issued guidelines or training materials to their staff on how to handle complaints or reports on indecent assault. The Hongkong Tramways Limited and the Peak Tramways Company Limited do not have such specific guidelines but their staff have been instructed to report complaints about indecent assault to the police. We will encourage them to draw up written guidelines for their staff.

The police provide general advice on prevention of crime from time to time. The details of individual measures for specific premises, however, will necessarily have to be worked out by the managers or operators of these premises having regard to the nature of the crime, the location and the practicalities involved. Where necessary, the police will liaise with public transport operators, amongst others, and advise them on the effective measures in deterring crimes including indecent assault.

### Professional Training for Kindergarten Teachers

10. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, in 2000, the Education Commission put forward reform proposals for the education system in Hong Kong, including enhancing professional training for teachers of kindergartens (KGs) and child care centres (CCCs). In addition to the existing requirement that serving KG/CCC teachers should receive recognized KG teacher training, the Commission proposed that serving KG teachers be encouraged to enhance their professional level through continuing learning. Moreover, the Commission also proposed that a long-term target be laid down, whereby the entry qualification requirement of KG/CCC teachers will gradually be raised to sub-degree level or above. In this connection, will the Government inform this Council:*

- (a) *of the avenues of professional training, the number of and the supply and demand of places for the relevant training programmes provided for the workforce in pre-primary education from the 2001-02 to 2004-05 school years;*
- (b) *of the expected number of and places for training programmes mentioned in (a) for the 2005-06 to 2007-08 school years; and*
- (c) *if the number of and places for the training programmes mentioned in (b) are higher or lower than those in (a), of the rationale for that?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Chinese): Madam President,

- (a) Details of the avenues of professional training and the number of relevant training programmes provided for the workforce in pre-primary education are as follows:

<i>Professional training avenues</i>	1. The Hong Kong Institute of Education
	2. The Hong Kong Polytechnic University
	3. Hong Kong Baptist University (School of Continuing Education)
	4. Hong Kong Institute of Vocational Education (Lee Wai Lee)

<i>Relevant training programmes provided</i>	1. In-service Qualified Kindergarten Teacher (QKT) Education Course
	2. Pre-service Qualified Kindergarten Teacher Education Course
	3. In-service Certificate in Kindergarten Education (C(ECE)) Course
	4. Pre-service Certificate in Kindergarten Education Course
	5. In-service Bachelor Degree Course on Early Childhood Education

The supply of training places from 2001-02 to 2004-05 is listed as follows:

	<i>Number of training places provided</i>			<i>Planned number of training places</i>
	<i>2001-02 school year</i>	<i>2002-03 school year</i>	<i>2003-04 school year</i>	<i>2004-05 school year</i>
(i) In-service QKT Course	910	724	563	274
(ii) Pre-service QKT Course	799	536	230	250
(iii) In-service C(ECE) Course	754	941	894	864
(iv) Pre-service C(ECE) Course	95	104	198	180
(v) In-service Bachelor Degree Course on Early Childhood Education	59	108	139	175
(vi) Total	2 617	2 413	2 024	1 743

As to the demand, we have not collected information regarding the number of applications to these courses. Nonetheless, according to the statistics in the 2003-04 school year, already 86% of all teachers in KGs (including principals) are qualified KG teachers; and the percentage exceeds 100% if based on the required teaching establishment with a teacher to pupil ratio of 1:15.

- (b) The actual number of training places to be provided then is not yet available as the University Grants Committee is still finalizing the triennial planning exercise for 2005-06 to 2007-08.
- (c) As the University Grants Committee is still finalizing the triennial planning exercise for 2005-06 to 2007-08, it is at this stage not feasible to make comparison on the number of training programmes and places. There are overall sufficient qualified KG teachers including principals serving in schools now, and the demand arising from natural wastage can still be met with the provision of training places in the coming years adjusted downwards. The targets the Government has set, with a view to promoting quality education in the KG sector, to upgrade the qualification of KG teachers and principals through enhancement of professional training, can be achieved as planned.

### **Food Safety of Eggs for Human Consumption**

11. **MR FRED LI** (in Chinese): *Madam President, regarding the food safety of eggs for human consumption, will the Government inform this Council:*

- (a) *whether existing legislation has set out the hygiene standards to be met by such eggs when they are imported and put up for sale; if so, of the details of the provisions; if not, the reasons for that;*
- (b) *whether it conducts laboratory sample tests on the bacterial contents of imported eggs (including the surface of the egg shells); if so, of the number of eggs tested each year, and the number of samples which have been found to contain the H5N1 avian influenza virus so far this year; if not, the reasons for that; and*
- (c) *given that it has imposed import control on meat and poultry, which requires an importer to obtain official certificates issued by the competent authority of the country of origin before importing meat or poultry, why it has not imposed the same control on eggs for human consumption; whether it will consider imposing import control on such eggs; if it will, of the implementation timetable; if not, the reasons for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Chinese):  
Madam President,

- (a) Currently, there is no specific legislation governing the import of eggs because they are not considered as a high risk food item when compared with others such as game meat, dairy products, and so on. However, the sale of eggs in the local market has to comply with the relevant provisions of the Public Health and Municipal Services Ordinance (Cap. 132) and its subsidiary legislation that they are hygienic and safe for human consumption.
- (b) The Food and Environmental Hygiene Department tested 348 egg samples for bacteria from 2000 to 2003. All test results are found satisfactory. According to the World Health Organization, there is no epidemiological information to suggest that H5N1 avian influenza has been transmitted to human by eggs and egg products. As the risk of eggs being infected by the H5N1 virus is very low, tests for this virus have not been included in the regular testing programme. Nevertheless we will further study the potential risk, taking reference to research findings and understanding of the potential problem, and will consider conducting studies on the virus of H5N1 avian influenza in eggs in the context of the current outbreak.
- (c) The existing legislation does not require an importer to obtain official health certificates for the import of eggs as in the case of meat or poultry. Nevertheless, the sale of eggs and egg products in Hong Kong is governed by the relevant food safety legislation. We will consider if it is necessary to amend the relevant subsidiary legislation requiring health certificates to be issued by the competent authority of the place of origin.

### **Pre-paid Telephone Cards**

12. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, the Office of the Telecommunications Authority (OFTA) issued a list of invalid pre-paid telephone cards last November, listing the invalid pre-paid telephone cards reported to or identified by the Authority. However, the list did not include all invalid pre-*

*paid telephone cards. In this connection, will the Government inform this Council:*

- (a) whether it will review the mechanism for issuing pre-paid telephone cards so as to prevent some card issuing companies from issuing pre-paid telephone cards after the expiry of their licences, printing on pre-paid telephone cards access numbers that are no longer valid, or offering numbers other than those specified under the numbering plan in their provision of service to consumers, which are detrimental to the interests of consumers; if it will, of the details;*
- (b) how the authorities enhance the accuracy and transparency of the charges concerning pre-paid telephone cards, so as to safeguard the interests of consumers; and*
- (c) whether the authorities will set up an enquiry system for consumers to have access to information about the names of all valid telephone cards available in the market, their issuing companies, valid periods of their licences, access numbers, methods of calculating call charges and the network operators offering such service, and so on?*

**SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY** (in Chinese): Madam President,

- (a) The OFTA has been monitoring the sales of pre-paid calling cards in the market. It would follow up suspected cases upon receipt of consumer enquiries or complaints. If telecommunications licensees still issue pre-paid calling cards after expiry of their licences, it is a violation of section 8(1) of the Telecommunications Ordinance which prohibits any person not properly licensed from establishing or maintaining any means of telecommunications, and the OFTA will prosecute the relevant licensees accordingly. If telecommunications licensees print invalid access numbers on their pre-paid calling cards or provide services by means of numbers not specified by the numbering plan, they are in breach of the relevant licence conditions. The OFTA will take appropriate regulatory action against these licensees, which may include issuing directions to immediately stop the use of the undue access numbers as well as levying financial penalties.

If the pre-paid calling card issuing companies only resell the services of other telecommunications licensees without operating any telecommunications facilities, they are currently not required to obtain any licence. The OFTA plans to issue a consultation paper in due course for consultation with the industry and the public on how these companies should be regulated.

- (b) We are highly concerned about the accuracy and transparency of charges of telecommunications services. Section 7M of the Telecommunications Ordinance prohibits telecommunications licensees from engaging in any misleading or deceptive conduct. In the "Guidelines on Misleading or Deceptive Conduct in the HK Telecommunications Markets" issued by the Telecommunications Authority (TA) on 21 May 2003, paragraph 3.3 expressly requires that telecommunications licensees should always ensure that the full cost of the product or service is clearly stated or easily ascertainable. With regard to charges of calling cards, the TA specifically issued circular memoranda to all licensees providing external telecommunications services on 6 June and 29 July 2003. The memoranda reiterated and explained in detail the requirement that the full cost of the product or service should be clearly stated or easily ascertainable.

The OFTA has all along kept a close watch on whether the telecommunications licensees have observed the abovementioned provisions and guidelines by listing clearly the charges of the calling cards. If the OFTA receives complaints or identifies suspected cases, thorough investigation will be initiated. It will impose appropriate penalty if a breach of section 7M of the Telecommunications Ordinance is established. Such penalty may include written warning or financial penalty. Details of completed cases and cases under investigation are all published in the OFTA's website.

Besides, we are committed to enhancing consumer education. In October 2003, the OFTA issued the General Guide to Consumers to urge the consumers to read the tariff plans carefully before purchasing or using the pre-paid IDD calling cards.

- (c) The Society of Hong Kong External Telecom Service Provider (the ETS Society), a representative industry body, released in November 2003 the Code of Practice in Relation to Pre-paid International Phone Card Services. Members of the industry are encouraged to observe the regulations relating to pre-paid international calling card services in the Code. The regulations include, *inter alia*, printing of various kinds of information on the calling card and the tariff plan such as licensee's name, type of licence, licence number, card-issuer's name, access number, customer service hotline, valid period of the calling card and charging arrangement. Members of the ETS Society can print the logo of the ETS Society on their cards for identification should their calling cards conform to the Code. If the telecommunications licensee complies with the regulations, the licensee's name, type of licence and licence number, card name and valid period of the phone card will also be published in the ETS Society's website (<www.hkets.org>). The OFTA will strengthen co-operation with the ETS Society and continue to offer them suggestions on ways to improve the operation of the Code.

In addition, the OFTA will continue to update the List of Invalid Pre-paid Telephone Cards which it published in its website in November 2003 to remind consumers not to purchase calling cards in the list to avoid financial loss.

As the above measures undertaken by the industry and the OFTA should help assist consumers to select the appropriate pre-paid calling cards, the Government has no plan at this stage to set up the kind of enquiry system as described in the question.

### **Use of UnionPay Card and Withdrawal of Cash in Hong Kong Dollars**

13. **MISS CHOY SO-YUK** (in Chinese): *Madam President, it has been reported that starting from mid-January this year, mainland visitors can use the Renminbi credit card "UnionPay Card" in Hong Kong for purchase and payment as well as withdrawal of cash in Hong Kong dollars from local automatic teller machines (ATMs). In this connection, will the Government inform this Council whether it knows the total amount of spending by mainland visitors using such*



*cards in Hong Kong so far, the average amount of card spending of such card holders and the total amount of cash withdrawn from local ATMs?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): Madam President, according to the statistics provided by China UnionPay, the total amount of UnionPay card spending by mainland visitors in Hong Kong had reached HK\$54 million on 7 February 2004 since Hong Kong shops began to accept payments by UnionPay Card on 18 January 2004. The average spending of each transaction was HK\$3,125. During the same period, there were 13 639 ATM transactions involving the withdrawal of cash by UnionPay cards in Hong Kong, with a total amount of HK\$19 million.

### **Livelihood of Fishermen**

14. **MR ALBERT CHAN** (in Chinese): *Madam President, many fishermen have told me that owing to financial difficulties, they had to sell their fishing vessels to maintain their livelihood, thus causing the local fishing industry to dwindle. In this connection, will the Government inform this Council:*

- (a) of the current number of fishing vessels and how it compares with that 10 years ago;*
- (b) of the total number of fishing vessels at the end of each of the past three years, together with a breakdown by their types;*
- (c) whether it has studied the causes of the large number of fishermen selling their fishing vessels in recent years; if it has, of the findings, and*
- (d) of the measures in place to help revive the fishing industry and improve the livelihood of the fishermen?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Chinese): Madam President,

- (a) As at the end of 2003, the number of fishing vessels was estimated to be around 4 630, about 170 fewer than that in 1994, which stood at 4 800.

- (b) The total number of fishing vessels at the end of each of the past three years, with a breakdown by type is as follows:

<i>Types of Vessels</i>	<i>Estimated No.</i>		
	<i>2001</i>	<i>2002</i>	<i>2003</i>
Trawlers	1 480	1 420	1 440
Liners	330	310	320
Gill-netters	350	330	300
Purse-seiners	90	90	100
Others (for example, cage-trappers)	100	90	80
Sampans	2 750	2 530	2 390
Total	5 100	4 770	4 630

- (c) The figures listed under (b) show that, except for sampans, there has been little change in the number of fishing vessels in Hong Kong in the past three years. As far as we are aware, some of the fishermen who have sold their vessels may wish to pursue careers or employments in other fields. At the same time, it is noted that there are newcomers to the industry who are willing to invest in the purchase or construction of fishing vessels.
- (d) It has always been the Government's policy to promote the sustainable development of the fishing industry and to facilitate local fishermen to develop their fishing business and enhance their productivity and competitiveness. In this connection, the Government is firmly committed to the provision of a series of assistance and services that include:
- technical support services in vessel design and construction and use of fishing equipment;
  - training courses and study tours for fishermen;
  - low-interest loans through four fishing loan funds for development and production purposes;
  - orderly marine fish wholesale distribution service and facilities through the Fish Marketing Organization, and the ploughing back of revenue generated therefrom to support the development of local fisheries;

- assisting in the development of offshore fishing through the provision of technical support, liaison services and credit facilities;
- implementation of the existing fishery laws to combat destructive fishing activities and protect local fisheries resources;
- planning and implementing fisheries management and conservation measures, including the placement of artificial reefs, fish fry release trial scheme and the proposed implementation of a fishing licence system, designation of fisheries protection areas and annual closed season for fishing.

### **Growing Disparity in Household Income**

15. **MS EMILY LAU** (in Chinese): *Madam President, according to the findings of Population Censuses, the Gini Coefficients (Income) for Hong Kong in 1991, 1996 and 2001 were 0.476, 0.518 and 0.525 respectively, reflecting a growing disparity in household income during the period. In this connection, will the executive authorities inform this Council whether:*

- (a) *they have assessed if the above trend has continued after 2001; if so, of the assessment results; if not, the reasons for that;*
- (b) *they plan to compute and publish the Gini Coefficient (Income) more frequently or adopt other indicators, so as to enable an accurate grasp of the trend of disparity in household income; if not, of the reasons for that;*
- (c) *they have assessed the effectiveness of the current tax policy in alleviating the disparity in after-tax household income; if so, of the assessment results; if not, the reasons for that; and*
- (d) *to narrow the disparity in after-tax household income, they have any plan to abolish the standard rate for salaries tax and increase the progressivity for direct taxes; if so, of the details of the plan; if not, the reasons for that and other alternative measures in place?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): Madam President, my reply to the question is as follows:

- (a) The Gini Coefficients for Hong Kong in 1991, 1996 and 2001 are compiled on the basis of the data collected from the Population Census/Population By-census in the respective years. As such, the coefficient cannot be updated until the next round of the Population By-census to be conducted in 2006. This notwithstanding, we can still assess in broad terms the income disparity situation in Hong Kong in the past two years, based on the household income data collected from the General Household Survey.

The statistics show that the median monthly household income for all domestic households in Hong Kong continued to decline, from \$18,000 in 2001 to \$15,500 in 2003, or by 13.9% over this two-year period. When these households are classified into 10 different decile groups according to their monthly household income, it is observed that households in the top three decile groups and in the lowest decile group both recorded a 5% to 6% reduction in median monthly household income between 2001 and 2003. Households in the second and third lowest decile groups, as well as those in the fourth to seventh decile groups however experienced larger decreases in median monthly household income, by 15% to 17% and 11% to 12% respectively.

Thus households at the lower to middle segments of the household income distribution generally had a larger reduction in household income, amidst the economic downturn over the past couple of years.

For households in the lowest decile group, a relatively larger proportion of them received financial assistance under the Comprehensive Social Security Assistance (CSSA) Scheme. Furthermore, the majority of the household members in these households were economically inactive (for example, older persons and retirees), and their monthly income was thus little affected by the slack labour market conditions. For these reasons, the monthly household income for this particular decile group exhibited a lesser decline between 2001 and 2003.

As to households in the lowest second and third decile groups, a relatively greater proportion of the household members comprised unskilled workers and those with lower secondary education or below. Their household income generally registered the largest decrease over the past two years.

Relatively speaking, households in the fourth to seventh decile groups had a larger proportion of persons engaged in middle-ranking jobs and with educational attainment up to the upper secondary level. Their household income likewise fell noticeably over the past two years. Thus, as a general observation, persons engaged in unskilled and semi-skilled work and with secondary education or below had been harder hit by the recent economic downturn. As a result, these people generally had a larger reduction in income.

As regards households in the eighth to tenth decile groups, their household income showed a smaller decrease. This could be due to the fact that more members in these households comprised persons engaged in management or professional jobs and with post-secondary or tertiary education.

Generally speaking, income disparity between workers at the lower and upper segments of the occupational hierarchy should have widened between 2001 and 2003. This had much to do with the recent restructuring of the Hong Kong economy more towards higher value-added and knowledge-based activities, which in turn led to a further shift in labour demand in favour of better educated and higher-skill workers. Under such circumstances, the lesser educated and lower-skill workers found greater difficulty in seeking or changing jobs. They would be in a worse plight, if the economy happened to be in a downturn, bringing about more corporate downsizing, layoffs and salary cuts. This is what happened in the second and third quarters of 2003. Fortunately the situation has turned for the better since then.

- (b) The Gini Coefficient is a statistical indicator commonly used for measuring the degree of income disparity. As this indicator is heavily affected by the distributive pattern of the highest and lowest

income households, its compilation has to be based on the Population Census/By-census, which has a much larger sample size, for ensuring better accuracy.

The Population Census/By-census is conducted at five-year intervals. Accordingly, the Gini Coefficient is compiled in the same frequency. This notwithstanding, we can still carry out a broad and more frequent assessment of the changes in household income disparity, by reference to other statistical indicators. Amongst them, the median monthly household income by decile group and percentage distribution of monthly household income by decile group are the more commonly used indicators. They can be compiled from the data collected through the continuous General Household Survey, for regular assessment purpose.

(c) and (d)

At present, the tax revenue of Hong Kong is mainly contributed by people with higher income and enterprises with profits. Government revenue from profits tax and salaries tax accounts for 40% of the overall revenue, or nearly half (48%) of the recurrent revenue. These two kinds of taxes together meet some 37% of the Government's recurrent expenditure, including expenditure on education, health and social welfare services, and so on. Compared with other places in the world, Hong Kong relies very heavily on direct tax.

Of the some 3.2 million working population in Hong Kong, only 38% (about 1.2 million) need to pay salaries tax at the moment. A great majority of low-income earners do not come into the tax net. This is because our salaries tax system provides many allowances which are set at a high level. As a result, over 60% of our salary earners do not need to pay salaries tax. Even after the implementation of the two phases of adjustments proposed in the Budget last March, our major allowances such as basic allowance (\$100,000 each year), married person's allowance (\$200,000 each year), child allowance (\$30,000 per child each year) and dependent parent allowance under our salaries tax system remain at a very high level. Take a married person with one child and one dependent

parent living with him as an example, he has to earn more than \$290,000 a year (or more than \$24,167 a month) before he needs to pay salaries tax. As for taxpayers with annual incomes of \$200,000 to \$300,000 (that is, monthly incomes of \$16,667 to \$25,000), the average effective tax rate is merely 3.4%. Take personal allowance (that is, the basic allowance in Hong Kong) as an example, the level of personal allowance of Hong Kong is obviously higher than that of the following places in the world: Japan (personal allowance is ¥380,000, that is, about HK\$28,000), Singapore (personal allowance is S\$20,000, that is, about HK\$92,000), the United Kingdom (personal allowance is £4,615, that is, about HK\$68,000) and the United States (personal allowance is US\$4,750, that is, about HK\$37,000).

For profits tax, as few as 500 corporations, that is, only about 1% of the total number of profit-making corporations, contribute 60% of the profits tax. Most of the small and medium enterprises only pay a small amount of tax or pay no tax at all.

Hong Kong has been pursuing a simple and low tax policy. Our salaries tax rates (be they marginal tax rates or standard rate) and profits tax rates are in general lower than those of many other places in the world. This is conducive to attracting investors to invest in Hong Kong, which in turn enables our economy to thrive and raises the income level of the community as a whole.

The above information shows that our direct tax system is in fact very progressive. A substantial share of the taxes is borne by people with higher incomes or profit-earning enterprises. We do not consider it appropriate to make fundamental changes to this well-established simple and low tax regime.

### **Different Designs for Banknotes of Same Denomination**

16. **MR LAU KONG-WAH** (in Chinese): *Madam President, at present, the three note-issuing banks separately design and issue their respective banknotes of various denominations, resulting in banknotes of the same denomination bearing different designs, which may cause confusion to tourists. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints about the lack of uniformity in banknote designs received by the authorities concerned in each of the past five years;*
- (b) *whether it is aware of other economies in which the competent authorities concurrently issue banknotes of the same denomination with different designs; and*
- (c) *whether it will consider standardizing the designs of banknotes; if not, of the reasons for that?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): Madam President,

- (a) In the past five years, the Hong Kong Monetary Authority (HKMA) has not received any complaints from the public or tourists regarding the non-standardized designs of banknotes in Hong Kong. During the period, the HKMA received some suggestions concerning the standardization of banknote designs from three members of the public.
- (b) To the best of the HKMA's knowledge, Macao, Northern Ireland and Scotland each have two to three note-issuing banks in their respective jurisdiction. The designs of the banknotes of the same denomination in each of these jurisdictions are also non-standardized.
- (c) Traditionally, the banknotes in Hong Kong have been issued by commercial banks (Standard Chartered Bank and The Hongkong and Shanghai Banking Corporation Limited began to issue banknotes in 1862 and 1865 respectively, while the Bank of China (Hong Kong) Limited began to issue banknotes in 1994). The three note-issuing banks are also responsible for the designs of banknotes and related distribution arrangements. To facilitate recognition of banknotes by the public, the HKMA has standardized the security features and colour schemes of the new series banknotes issued since 2003.



The three note-issuing banks have acquired extensive experience in note-issuing and their actual note-issuing operations are considered satisfactory. The designs of the banknotes are also found to be acceptable by the general public. The HKMA has no intention to change the current arrangements as they are operating effectively.

### **Committee on Trust Fund for SARS**

17. **MR AMBROSE LAU** (in Chinese): *Madam President, it is reported that the processing of applications by the Committee on Trust Fund for Severe Acute Respiratory Syndrome (SARS) is slow. In this connection, will the Government inform this Council:*

- (a) *of the number of applications which have been approved by the above Committee so far, and the percentage of these applications in the total number of applications for the Trust Fund;*
- (b) *of the highest and lowest amounts of assistance among the above approved applications; and*
- (c) *whether it has assessed the speed in processing applications by the Committee; if the assessment result shows that the process is slow, of the reasons for that and whether the authorities will streamline the application and processing procedure so as to expedite the process?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Chinese):  
Madam President,

- (a) Up to 24 February 2004, a total of 754 applications, which include 302 cases from families with deceased SARS patients and 452 cases from recovered and "suspected" SARS patients treated with steroids, have been made to the Trustee of the Trust Fund for SARS. A total of 357 applications, amongst which 217 were made in respect of the deceased and 140 the recovered, have been approved. The cases processed represent about 52% (78% in respect of the deceased and 34% the recovered) of the total number of applications

received (including the 33 applications processed, which have not been approved).

- (b) The levels of payments for applicants of different categories have been set out in the Finance Committee Agenda Item (FCai) for establishing the Trust Fund. Special *ex gratia* relief payments for successful applications in respect of the deceased would range from \$100,000 to \$500,000 for each eligible family member or family, where appropriate. As regards eligible recovered SARS patients or "suspected" SARS patients treated with steroids, special *ex gratia* financial assistance per patient is determined on a need basis and subject to a cap of \$500,000.

A deceased patient may have more than one eligible surviving family member. So far, the highest total amount of payment made to a whole family in respect of the deceased is \$1.7 million, while the lowest amount is \$100,000. As for recovered patients, the highest amount of monthly financial assistance approved so far is over \$30,000 per month and the lowest amount is around \$200 per month. The needs and amounts of assistance are subject to review every six months or when circumstances change (for example, reported change in employment income). In addition to the monthly financial assistance, the applicants may also be granted amounts to cover medical expenditure, where appropriate.

- (c) The Committee on Trust Fund for SARS has met eight times since its establishment on 8 November 2003 to consider the applications received. To expedite the process, straightforward applications are dealt with by circulation. The time taken to process the cases varies, depending on the complexity of the applications, and whether information provided by the applicants is adequate, and so on. From experience, the shortest time required was two weeks from application to approval. On average, it takes about eight to 10 weeks, again depending on the circumstances of individual cases concerned.

It should be noted that the medical and financial needs of recovered SARS patients and "suspected" SARS patients treated with steroids need to be assessed according to the eligibility criteria set out in the

relevant FCai. Hence, processing of these applications may take longer than that for deceased cases. To expedite processing of applications from this group, the Committee has already streamlined the process to keep the procedures to the minimum, for example, setting out simple guidelines to enable the Social Welfare Department to process the applications efficiently.

Moreover, payments for successful cases for recovered SARS patients and "suspected" SARS patients treated with steroids would generally begin to count from the date of application, rather than date of approval. This arrangement would minimize the impact of the processing time on the amounts of assistance provided to the successful applicants.

We will continue to work closely with the Committee on Trust Fund for SARS to ensure that applications are processed as quickly as possible.

### **Ozone Concentration Level in Air**

18. **DR RAYMOND HO** (in Chinese): *Madam President, regarding the level of ozone concentration in the air exceeding the prescribed standard and the impact of chemical substances containing ozone on human health, will the Government inform this Council:*

- (a) *of the numbers of days in the past year on which the ozone concentration in the air in various districts of Hong Kong exceeded the standard in the air quality objectives;*
- (b) *whether it has measures to control the level of ozone concentration in the outdoor and indoor air; if so, of the details; if not, whether the authorities will formulate measures in this regard; and*
- (c) *whether it has made publicity efforts to alert the public to the impact of ozone on human health, so that they will cautiously use chemical substances containing ozone; if not, whether it will strengthen the relevant publicity efforts?*

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

(in Chinese): Madam President,

- (a) There are 11 general air quality monitoring stations in Hong Kong. These stations that are located in different areas monitor the concentrations of air pollutants (including ozone). Over the past year, only the monitoring stations at Tap Mun and Tung Chung had records of incidents of ozone concentrations exceeding the Air Quality Objective (AQO): the ozone concentrations recorded at the Tap Mun station and the Tung Chung station exceeded the AQO in 13 hours and 26 hours respectively.
- (b) Ozone in the ambient air is not directly emitted from any source but is formed under photochemical reaction between nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOC) under sunlight. When a temperature inversion is formed in the Pearl River Delta (PRD) Region, or when a weak northerly or northwesterly wind prevails, ambient air pollutants (including NO<sub>x</sub> and VOC) in the region will be trapped easily in the lower atmosphere and cannot be dispersed effectively. The above factors, if coupled with strong sunlight, will favour the building up of ozone concentrations. To control ozone concentrations, we have to reduce the emissions of NO<sub>x</sub> and VOC in the whole of the PRD Region. In this connection, the Hong Kong Special Administrative Region (SAR) Government and the Guangdong Provincial Government have jointly drawn up a "Regional Air Quality Management Plan" to reduce the emissions of four major air pollutants, including NO<sub>x</sub> and VOC that are to be reduced by 20% and 55% respectively. When the targets are achieved, the ambient ozone concentrations in Hong Kong and in the whole of the PRD Region will fall significantly and air quality will also improve. Under the Regional Air Quality Management Plan, the two Governments will implement enhanced air pollution control measures, including those for reducing NO<sub>x</sub> and VOC emissions. The details of those measures are set out at the Annex.

Office equipment, such as photocopying machines, laser printers, fax machines, computer terminals, air purifiers operating on electrostatic precipitation and ultraviolet equipment, are the main sources of indoor ozone. Since ozone is highly reactive, its concentration will only build up near the sources. Generally

speaking, ozone will not affect indoor air quality as long as good ventilation is maintained. At present, the Occupational Safety and Health Ordinance enforced by the Labour Department requires employers to ensure the safety and health of their employees by providing or maintaining a working environment that is safe and free of health hazards. The Labour Department has published the "Code of Practice on Control of Air Impurities (Chemical Substances) in the Workplace" and "A Simple Guide to Health Risk Assessment — Office Environment Series" that set out recommendations for employers on how to control ozone concentrations and the ozone concentration standards for the workplace. Moreover, the Environmental Protection Department (EPD) has compiled "Guidance Notes for the Management of Indoor Air Quality in Offices and Public Places" to guide members of the public on how to improve the indoor air quality in those premises, including how to select office equipment with low ozone emission and how to lower indoor ozone concentrations.

- (c) The EPD disseminates information on the health impacts of major air pollutants through its website, Air Pollution Index Hotline, annual reports and pamphlets. To educate the public about the importance of good indoor air quality, the Department has also published a series of pamphlets and booklets, set up an Indoor Air Quality Information Centre and a related website, and organized exhibitions and educational activities on environmental protection. By publicizing and providing relevant information through different channels, the EPD endeavours to reduce the negative impact of ozone and other air pollutants on indoor air quality and public health.

Annex

#### Enhanced Control Measures of the Hong Kong SAR

<i>Measure</i>	<i>Implementation Programme</i>
Encourage the replacement of diesel light buses with light buses using cleaner fuels	Programme has started since the third quarter of 2002 to provide incentives to encourage early replacement of diesel light buses with ones that are run on liquefied petroleum gas (LPG) or electricity.

<i>Measure</i>	<i>Implementation Programme</i>
Require the retrofitting of particulate removal devices on pre-Euro diesel vehicles	Programme providing financial assistance to retrofit pre-Euro light diesel vehicles with particulate removal devices has been completed and the installation has been made mandatory for those vehicles. Programme providing financial assistance to retrofit pre-Euro heavy diesel vehicles is going on and is expected to complete by end-2004 following which the installation will be made mandatory for those vehicles.
Enhance the vapour recovery systems at petrol filling stations	To introduce proposed legislation into the Legislative Council in 2004 to require the recovery of petrol vapour emitted during vehicle refueling at petrol filling stations.
Tighten the motor fuel standards	To tighten the motor petrol standard to Euro IV by 2005 in parallel with European Union (the motor diesel standard has already been tightened to Euro IV since 2002).
Tighten vehicle emission standards	To tighten the motor vehicle emission standard for newly registered vehicles to Euro IV by 2006 in parallel with the European Union.
Reduce the emission of VOC from printing operations, paints and consumer products	To introduce proposed legislation into the Legislative Council in 2004-05 to require the labelling of products with VOC contents.
	To introduce proposed legislation into the Legislative Council to reduce the use of products with a high VOC content and to develop VOC emission standards for printing operations.
Reduce emissions from power stations	Set up an effective and flexible mechanism (which may include emissions trading) to control the total emissions of SO <sub>2</sub> , NO <sub>x</sub> and RSP from power stations to achieve their respective reduction targets by 2010.

## Enhanced Control Measures of Guangdong Province

<i>Measure</i>	<i>Implementation Programme</i>
Use cleaner energy	To achieve by 2005 the energy consumption rate of 0.85 tonne standard coal per 10 000 yuan of GDP. To construct by 2010 an energy production and supply system that is safe, stable, economical, efficient and clean.
	To construct an LNG trunk pipeline and carry out the associated works. To complete in 2005 Phase I that will have a capacity of 3 million tonnes/year. To complete Phase II in 2009 that has a capacity of 3 million tonnes/year and to finish construction of a number of LNG power plants.
	To upgrade by 2005 the 500 kV dual circuit annular core transmission grid to cater for the transmission of electricity from western provinces.
Control the sulphur contents of fuels	To restrict use of high sulphur fuels. To limit the sulphur content of the fuel oil and coal used in the acid rain control zone to below 0.8% by 2005.
Reduce emissions from coal-fired and oil-fired power stations	To close down small power generation units. After implementation of this measure, the power generation units of capacity above 300 MW will make up more than 70% of the total installed generation capacity of the Region by 2005 — an increase by 35% as compared with 2000.
	To finalize by 2005 plans for installing flue gas desulphurization systems at power plants in Shajiao, Huangpu, Taishan and Zhuhai.
	To require all oil-fired and coal-fired power generation units of capacity above 125 MW to be equipped with flue-gas desulphurization systems by 2007.
Control emissions from industrial boilers and industrial processes	To phase out coal-fired boilers of capacity less than 2 tonnes/hour in the urban areas of cities. By 2005, to prohibit the use of coal-fired boilers of capacity below 2 tonnes/hour in the built-up areas of major cities, and to require all large and medium-size

<i>Measure</i>	<i>Implementation Programme</i>
	industrial boilers to install desulphurization systems or adopt clean combustion technologies to reduce emissions.
	To continue to phase out various production technologies or installations that cause serious pollution by emitting sulphur dioxide, smoke and particulates.
Reduce the emission of VOC from paints	To replace paints using VOCs like Xylene as solvents.
Reduce exhaust emissions from motor vehicles	To commence the construction of a regional rapid light-rail system by 2005. To construct expressways in major cities, such as the district expressway in Southern Guangzhou and the Shenzhen-Changping Express Trunk Road.
	To develop green transport by implementing clean vehicle action programmes in major cities within the region. To encourage the use of clean fuels, develop electric vehicles and actively promote the use of advanced clean fuel motor vehicles.
	To require all new motor vehicles to meet emission standards. To step up annual inspection and on-road spot checks of in-use vehicles. To strengthen the control of in-use vehicles with the objective of ensuring that over 90% of motor vehicles in the cities within the region will meet emission standards by 2005.

### Senior Officials' Acceptance of Honorary Degrees

19. **MS EMILY LAU** (in Chinese): *Madam President, there are criticisms that the Secretary for Education and Manpower, being the top policy-making official for education matters, had a conflict of interest in accepting a degree of Doctor of Laws, honoris causa, conferred by a publicly-funded university in December last year. In this connection, will the executive authorities inform this Council whether:*



- (a) *to avoid conflict of interest, Policy Secretaries and Directorate officers are required to obtain approval before accepting honorary degrees conferred by publicly-funded tertiary institutions; if so, of the respective numbers of applications received and rejected in the past five years, as well as the reasons for rejecting the applications concerned; if not, the reasons for that; and*
- (b) *they have issued guidelines to Policy Secretaries and Directorate officers on how to avoid conflict of interest arising from the acceptance of honorary degrees conferred by publicly-funded tertiary institutions; if so, of the details of such guidelines; if not, the reasons for that and whether they will consider drawing up such guidelines?*

**SECRETARY FOR THE CIVIL SERVICE** (in Chinese): Madam President, the Administration's reply to parts (a) and (b) of the question is set out hereunder.

Principal Officials under the Accountability System are not required to obtain approval before accepting honorary degrees conferred by publicly-funded tertiary institutions. There are no specific guidelines in this regard for Principal Officials under the Accountability System. However, the Code for Principal Officials under the Accountability System (the Code) provides guidance for Principal Officials on matters of principle, and stipulates that Principal Officials are required:

- (i) to ensure that no actual or potential conflict arises between their public duties and their private interests [Clause 1.2(7) of the Code];
- (ii) to avoid putting themselves in a position where they might arouse any suspicion of dishonesty, unfairness or conflict of interest [Clause 5.1 of the Code]; and
- (iii) to refrain from handling cases with actual or potential conflict of interest [Clause 5.3 of the Code].

The Code does not specify every type of potential act or behaviour expected of Principal Officials. Rather, it provides rules and principles for

appropriate conduct under certain circumstances. Where the circumstances are not prescribed, it is the responsibility of Principal Officials to judge in accordance with the principles set out in the Code, how best to act in order to uphold the highest standards. In case of doubt, Principal Officials shall seek the advice of the Chief Executive [Clause 1.3 of the Code].

For civil servants, there is also no requirement for them to seek permission before accepting honorary degrees conferred by publicly-funded tertiary institutions. However, civil servants are required to comply with the guidelines issued by the Administration on conflict of interest. In this regard, we have in place clear rules which require and remind all civil servants to be vigilant at all times against any actual or potential conflict of interest situation that may arise or has arisen between their official duties and their private interests. Civil servants should take steps to avoid or declare conflict of interest situations as and when any such situation comes to light. In case of doubt, an officer should seek the advice of his supervisor. Failure to take appropriate action to avoid or declare a conflict of interest constitutes misconduct and renders them liable to disciplinary action.

The circular on conflict of interest also outlines some of the common areas in which a conflict of interest may arise between an officer's official duties and his private interests. In circumstances not specifically covered in the circular, officers are required to act with vigilance in accordance with the principles prescribed in the circular. These principles include:

- (i) civil servants must be honest, impartial and objective in carrying out their duties and maintain a high standard of probity;
- (ii) they must not subordinate their official duties to their private interests, nor put themselves in a position where their official duties and private interests conflict;
- (iii) they must not allow the pursuit of their private interests to interfere with the proper discharge of their official duties, such as engaging in an occupation or undertaking which might conflict with the interests of the department he works in;
- (iv) they should refrain from taking part in the deliberation, decision-making, investigation or enforcement process in connection with any official dealings in which they have a private interest.

Apart from giving guidelines on avoiding or reporting conflict of interest, the circular also sets out the role of supervisors in managing conflict of interest and provides guidance in this respect. Supervisors at all levels are required to watch out for any possibility of their staff being exposed to conflict of interest situations. When a supervisor becomes aware of or receives a report of conflict of interest, he should examine the facts of the case to determine whether there is any conflict. He should consider the relevant information and factors (for example, the relationship between the officer and the person or persons with whom he has official dealings), and decide on the course of action to be taken, such as relieving the officer of his involvement in the task which may give rise to a conflict of interest. The management actions and guidelines outlined above have been prescribed to maintain a high standard of integrity in the Civil Service.

### **Installation of Satellite Master Antenna Television Systems in Public Housing Estates**

20. **MR LAU KONG-WAH** (in Chinese): *Madam President, will the Government inform this Council whether it knows if the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) have plans to install satellite master antenna television systems in their public housing estates so that their tenants can receive satellite television programmes; if so, of the details of the plans; if not, the reasons for that?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese): Madam President, the HA adopts a liberal policy in supporting interested operators to provide wider choices of television programmes to public housing tenants. The HA has opened up the Communal Aerial Broadcast Distribution Systems of its buildings to different service providers, such as operators of cable television, fixed telecommunications network services and wireless fixed telecommunications network services, and so on. Public housing tenants can enjoy diversified services provided by these operators in accordance with the user-pays principle. Similarly, satellite subscription television programmes can also make use of the Communal Aerial Broadcast Distribution Systems to reach public housing tenants. Arrangements are being made to facilitate the provision of such services by interested operators in public housing estates.

As regards the HS, satellite master antenna television systems have been installed in most of its rental estates. A small number of estates do not have such facility due to reasons such as impending redevelopment of old estates and poor response from tenants in some estates. The HS will continue to keep the situation in view. Similar to the HA, the HS has opened up its estate communal aerial networks to different operators to facilitate their provision of subscription television services to tenants. Currently, the HS is also making arrangements with interested operators for the provision of satellite subscription television services to tenants.

## **MOTIONS**

**PRESIDENT** (in Cantonese): Motion. Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Electoral Affairs Commission (Financial Assistance for Legislative Council Elections) (Application and Payment Procedure) Regulation.

## **PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, I move that the Electoral Affairs Commission (Financial Assistance for Legislative Council Elections) (Application and Payment Procedure) Regulation be amended as set out on the Agenda.

This Regulation was made by the Electoral Affairs Commission (EAC). Its purpose is to set out detailed procedures for implementing the financial assistance scheme (the scheme) for candidates and lists of candidates standing in the Legislative Council elections, in accordance with the new Part VIA of the Legislative Council (Amendment) Ordinance 2003. Under the Ordinance, candidates or lists of candidates who get elected or who have received 5% of valid votes or more in the Legislative Council elections will be given financial assistance to offset part of their election expenses.

The aim of this scheme is to encourage more public-spirited persons to participate in the Legislative Council elections. Financial assistance will be

provided to candidates in the spirit that their election expenses are to be jointly borne by the Government and candidates.

The Regulation was laid on the table of the Legislative Council on 7 January 2004, and was subsequently scrutinized by the Subcommittee. The Subcommittee has now completed the task of scrutiny.

At the Subcommittee meeting on 30 January, we proposed to amend sections 4, 7 and 10 of the Regulation to allow election agents to submit claim forms, notices of withdrawal and notices of variation on behalf of candidates or lists of candidates. The purpose is to provide candidates with more convenience and flexibility in the application process. When scrutinizing the Regulation, the Subcommittee proposed that, apart from election agents, these application documents may also be submitted by any person representing the candidates or lists of candidates.

Furthermore, although the time limit for submitting the claim form has already been clearly specified in the new Part VIA of the Legislative Council (Amendment) Ordinance 2003, the Subcommittee considered that the time limit should also be specified in this Regulation for the public's easy reference.

The Administration and the EAC agreed to the above two suggestions made by the Subcommittee. Amendments to the relevant provisions are now proposed.

When scrutinizing the Regulation, the Subcommittee made a number of suggestions regarding the Scheme. As this is a new scheme, we consider that it would be more appropriate to study the need to revise its details and arrangements after its implementation in this year's Legislative Council elections. Comments put forward by the Subcommittee will be carefully considered at the time.

All the proposed amendments set out in the Agenda have been endorsed by the Subcommittee. I would like to sincerely thank the Honourable HUI Cheung-ching, the Subcommittee Chairman, and other members of the Subcommittee for their valuable comments made during the scrutiny process.

Thank you, Madam President.

**The Secretary for Constitutional Affairs moved the following motion:**

"RESOLVED that the Electoral Affairs Commission (Financial Assistance for Legislative Council Elections) (Application and Payment Procedure) Regulation, published in the Gazette as Legal Notice No. 269 of 2003 and laid on the table of the Legislative Council on 7 January 2004, be amended -

(a) in section 4 -

(i) in subsection (1) -

(A) in paragraph (a), by adding "or his agent" after "form";

(B) in paragraph (b), by adding "or the agent of one of the candidates" after "form";

(ii) by adding -

"(3) The claim form must be presented within the period or extended period provided for in section 37 of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554) for lodging an election return.";

(b) in section 7(4) -

(i) in paragraph (a), by adding "or his agent" after "notice";

(ii) in paragraph (b), by adding "or the agent of one of the candidates" after "notice";

(c) in section 10(3), by adding "or the agent of one of the candidates" after "form".

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

**MR HUI CHEUNG-CHING** (in Cantonese): Madam President, I rise to speak in my capacity as Chairman of the Subcommittee on subsidiary legislation relating to 2004 Legislative Council elections (the Subcommittee).

The Subcommittee supports the Electoral Affairs Commission (Financial Assistance for Legislative Council Elections) (Application and Payment Procedure) Regulation (the Regulation) and the two amendments proposed by the Administration. I am not going to repeat them as the Secretary has explained the amendments just now.

Madam President, in the course of deliberation of the Subcommittee, some members requested the Administration to conduct a review on the Financial Assistance Scheme (the Scheme) in due course, taking into consideration the policies and principles which underpinned the Scheme. Some members expressed views on various respects of the Scheme and requested the Administration to make corresponding amendments. The Administration explained that any changes would require amendments to the relevant principal legislation since the concerns of members were outside the scope of the Regulation. I shall now report on the major concerns of the Subcommittee.

#### *Auditor's report*

The Regulation requires that the claim form must be accompanied by an election return (including the accounts of declared election expenses and the declared election donations) and an auditor's report. The auditor's report should confirm whether the election return comply with the requirements under section 37(1) and (2)(b) of the Elections (Corrupt and Illegal Conduct) Ordinance (ECICO) in all material respects.

Some members have expressed concern that the requirement for an auditor's report will impose additional financial burden on candidates. Some other members considered that as the auditing fee would be an expense incidental to the election, it should be regarded as an election expense. Some members considered an auditor's report unnecessary. Some others considered that the auditing fee might be out of proportion to the payment received under the Scheme and the aim of the Scheme would be defeated if candidates were discouraged from claiming financial assistance because of the high fee of the auditor's report.

The Administration explained that the requirement of an auditor's report was stipulated in the Legislative Council Ordinance (LCO) and the Regulation merely set out the implementation procedures for the Scheme.

### *Loans and interest*

In response to the request of members of the Subcommittee, the Administration clarified whether a loan obtained by a candidate from different sources to finance his campaigning activities and the waived interest would be regarded as an election expense or an election donation under various scenarios. The Administration explained that the definitions of "election expense" and "election donation" had been stipulated in the ECICO and they were outside the scope of the Regulation.

### *Calculation of financial assistance*

Under the LCO, financial assistance is not payable if the declared election donations of a candidate or list of candidates equal or exceed the declared election expenses of the candidate or list of candidates. Some members pointed out that while political parties would provide financial sponsorship to candidates, they would also try to maximize chances of candidates claiming financial assistance under the Scheme. Members requested the Administration to clarify whether a candidate would be allowed to receive any financial benefit from a political party in respect of his election expenses after receiving payment of financial assistance under the Scheme, without affecting such payment.

The Administration advised that any financial benefit given by a political party (or, for that matter, any organization or individual) to a candidate for the purpose of meeting his election expenses should be declared as an election donation. In case a candidate accepted financial benefit from a political party to meet his election expenses after he had filed his election return, he should apply to the Court for permission to correct his election return. If the receipt of financial benefit from a political party would affect the amount of entitlement, the candidate would be required to repay the amount overpaid.

Some members considered that the Scheme might fail to achieve its intended objective, that is, its implementation would be conducive to the development of political parties and political groups in Hong Kong. These members were of the view that a balance should be struck between disbursement



of public funds and provision of financial assistance to candidates standing in Legislative Council elections.

The Administration agreed to conduct a review of the Scheme, in the light of the experience of the 2004 Legislative Council elections and taking into account the views made by members of the Subcommittee. The Administration will report the outcome of the review to the Panel on Constitutional Affairs in due course.

Madam President, I so submit. Thank you, Madam President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Secretary for Constitutional Affairs, do you wish to reply?

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, I thank Mr HUI Cheung-ching for his speech and his detailed report on the deliberations of the Subcommittee on subsidiary legislation relating to 2004 Legislative Council elections (the Subcommittee). I wish to reiterate two points and explain the position of the Government.

The first issue is that the auditing fee is perhaps in proportion to the financial assistance the relevant candidates receive, thus they may not necessarily benefit substantially from the Financial Assistance Scheme (the Scheme). Some members even queried whether the requirement for an auditor's report was necessary. In fact, the purpose of requiring the candidate to submit an auditor's report is to enhance the transparency and accountability of the relevant procedure, whilst consideration is also given to the allocation of public money to finance certain public activities by bureaux and government departments. We have contacted the Hong Kong Society of Accountants. After gauging their views, we have learnt that the auditing fee may range from several thousand dollars to \$20,000 or \$30,000, and the exact fee charged will depend on the complexity of individual election returns. Meanwhile, it is possible that accounting firms of a

smaller scale may provide the service at a lower cost. On the whole, let us take the data of the 2000 Legislative Council Election as an example in the calculation, as far as the majority of qualified candidates who would probably be granted the financial assistance (provided that the Scheme were in place at that time) were concerned, the auditing fees paid by them would only account for a small amount of the financial assistance.

The second issue is whether a candidate should be allowed to receive both the funding support from its affiliation, such as a political party, and financial assistance from the Government concurrently, with a view to easing his financial burden. Actually, Madam President, we had carefully considered the Scheme last year when we scrutinized the Legislative Council (Amendment) Bill 2003. The spirit of the Scheme is to enable the Government to share the election expenses with the candidate and his affiliation, and to encourage the participation of more public-spirited candidates. If a candidate has already received a donation to offset part of his election expenses, and the Government provides him the financial assistance on that count, then it is tantamount to receiving financial assistance twice. This is neither the original intent of the Scheme, nor the way we should spend taxpayers' money. Nevertheless, a number of members opined at the meeting of the Subcommittee that the new Scheme should be reviewed in detail in order to find out whether or not the Scheme has achieved its intended objective. We are willing to examine the experience of the Scheme's implementation for the first time after this year's Legislative Council elections, and then join Members and members of the Subcommittee to study how the Scheme should be implemented in future.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Constitutional Affairs be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Will relevant workers please examine what kind of strange noise it is and have it dealt with.

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

(No hands raised)

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

## **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee on the speaking time of Members. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Drawing up the blueprint for Hong Kong's social welfare policies for the next decade.

## **DRAWING UP THE BLUEPRINT FOR HONG KONG'S SOCIAL WELFARE POLICIES FOR THE NEXT DECADE**

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, in the last 10 years, the globalization of world economy has led to an aggravation in the problems of poverty and unemployment all over the world, and Hong Kong is no exception. Since the '80s, it has been beset by a trend of globalization. The northwards relocation of Hong Kong industries, the decrease in the number of job vacancies, and the restructuring of the economy have all posed problems that society and individuals have difficulty adapting to. At the same time, after the financial turmoil in 1997, the hollowness of the Hong Kong economy was fully exposed. Problems such as the rising unemployment rate, declining wages and a trend for jobs on offer to be casual ones have emerged, rendering the disadvantaged in society even more disadvantaged.

In the face of chronic internal problems and external blows, the disadvantaged groups in society are in desperate need of a helping hand from the community and the Government. However, given the attitude adopted by the Government towards social welfare, the rights of disadvantaged groups in

society can hardly be safeguarded. In fact, since the Government's publication of the "White Paper on Social Welfare into the 1990s and Beyond" in 1991, outlining the overall direction of development for social welfare, 13 years have passed and all the social and economic circumstances nowadays are completely different. It is only reasonable that another blueprint for social welfare development should be drawn up.

For this reason, further to the debate in 2000, I now initiated this debate calling on the Government to draw up a blueprint for Hong Kong's social welfare policies for the next decade because apart from the circumstances mentioned by me, we can also see that no welfare blueprint for the longer term has been formulated out of extensive participation since 1991. The "White Paper on Social Welfare into the 1990s and Beyond" compiled 13 years ago is now outdated. Meanwhile the most recent biannual review of the Five Year Plan for Social Welfare Development has also been cancelled.

I think officials of the Health, Welfare and Food Bureau may argue that the authorities will present policy objectives to the Hong Kong Council of Social Service (HKCSS) and some members of the social welfare sector every year. However, Secretary, my friends in the social welfare sector told me that the consultations carried out by the Government were often very hasty, making it impossible to have any in-depth discussion and to consult the views of service users.

Similarly, in responding to the motion debate initiated by me in 2000, the authorities said the following, ".....medium-term plans on specific programme areas will be formulated in regular consultation with all stakeholders, including the non-governmental organizations (NGOs), staff representatives and user groups. These plans.....will cover a period of three to five years.....". Madam President, but how did things turn out? In recent years, a number of social welfare reforms have invariably — and I stress "invariably" — aroused strong discontent among service providers, their employees and service users. One of the examples is the reorganization of family service centres, which has made some co-workers in the social welfare sector regret the lack of consultation in carrying out the reorganization.

Another example is the closure of five single parent centres. The Social Welfare Department (SWD) has not conducted any study or assessment on the effectiveness of single parent centres, nor has it consulted service users. This

policy decision lacked transparency and justification, and consequently aroused the strong discontent of the Legislative Council and users of single parent centres.

In view of this, the social welfare sector has constantly advocated the formulation of a blueprint for welfare policy and the compilation of a white paper. The HKCSS also established a Standing Committee to promote improvement to the existing framework for policy-making and planning on social welfare. As far as I know, the HKCSS has made requests to the Policy Bureau concerned a number of times and expressed its views to the Chief Executive. However, the issue has remained unresolved eventually. Obviously, the Government has seriously overlooked the demands in society and the views of its partners. In fact, there are many criticisms and demands in society concerning social welfare, however, there is not any open platform to channel views from the lower levels to the top so that various sectors in society, the Government, the business sector and users can communicate with and understand each other. On the contrary, the SWD has been continually and hastily introducing the so-called reforms, which are as a matter of course opposed by the community since there has been no consultation in the process. Madam President, a group of people whom I know took part in the march on 1 July. They were the complainants who had approached the Panel on Welfare Services of the Legislative Council. They took part in the march on 1 July because they felt that the Government had not consulted them when introducing general reforms. I hope the Government will take these voices of discontent seriously.

Madam President, I can see that the social welfare sector and NGOs fully understand the resource constraints and fiscal deficit faced by the Government, as well as the challenges posed by economic and social changes to social welfare planning. However, the tighter the resources, the more necessary it will be to allow the public to have extensive discussions on the rapid and drastic social changes, the assessment of service needs, the quest for resources and a strategy on service provision, so that resources can be allocated in a more reasonable way and the services can cater to public needs more closely, rather than reducing resources and cutting services all the time.

Madam President, the social phenomena and trends that have emerged in recent years are related mainly to poverty and unemployment. The unemployment rate has been hovering above 7% for a long time, and the lowest

rate of late still stands at 7.3%. I reckon this trend will continue and the problem of impoverishment will be more serious than it was in 2000.

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

According to the information on per capita monthly domestic household income provided by the Census and Statistics Department, the per capita monthly domestic household income of the poorest decile group of households fell from \$1,500 in 2001 to \$1,400 in 2003, whereas that of the next decile group of the poorest households also fell from \$2,500 in 2003 to \$2,400. If the poverty line is set at half the median monthly domestic household income, then the number of households with a per capita monthly domestic household income of less than \$5,000 rose from 900 000 in 2001 to 1.05 million last year, that is, nearly half of the households in Hong Kong earned a per capita monthly domestic household income of less than \$5,000. This situation warrants our concern.

Children in poverty constitute an even more far-reaching problem. At present, about 350 000 children are living below the poverty line, accounting for a quarter of the children in Hong Kong. Of them, close to 150 000 have to receive Comprehensive Social Security Assistance (CSSA) because of family misfortune or the low income of their parents. However, the Government still cannot come up with any counter-measure. This will further impede impoverished children from extricating themselves from poverty and even stifle their prospects in growth.

Is the Government fully prepared to solve the problems of poverty and unemployment? Does it have any long-term planning? Has the SWD examined how it can offer opportunities, support and assistance to poor people so that they can become self-reliant and break the vicious circle of poverty? Has it done anything in this respect? Madam Deputy, the answers are in the negative.

According to the results of the 2001 Population Census, the Gini Coefficient of household incomes in Hong Kong was 0.53, which was higher than the figures of 0.48 and 0.52 in 1991 and 1996 respectively, indicating that the disparity in income had widened. The impoverishment in society is also reflected in the number of CSSA cases. Although the SWD recently announced that the number of applications for CSSA had seen a drop for the first time in three years, the cases of individuals and single-parent families on low income

applying for CSSA have increased 0.7% and 0.4% respectively. The increase in the number of low-income families reflects the falling wages in the market and the aggravation of the problem of working poverty.

What strategy has the Government put in place for the problem of working poverty? Will it consider setting a poverty line? Is it possible for the Government to set minimum wages for its outsourced work? Has it considered putting in place systems to provide maintenance grants and subsistence allowance and the like to low-income families so as to relieve them of their difficulties? The answers are also in the negative.

On the other hand, the population in Hong Kong is ageing. In particular, after 2015, the proportion of elderly people in the population will increase from 11.2% to 11.9% in 2006 and it is estimated that it will further increase to 21% in 2026. In recent years, the problem of impoverishment of elderly persons is a very serious problem. According to the information from the General Household Survey conducted by the Census and Statistics Department in the third quarter of 2003, there were 45 300 elderly households with a monthly income of less than \$2,000, involving a total of 61 000 elderly persons, higher than the 21 900 households and 29 000 elderly persons in the same period in 1996.

Similarly, the SWD has to explore how the elderly can lead a positive and healthy life. At the same time, it has to map out the arrangements for long-term care services and sort out issues such as the sources of funding by, for example, following the practice of other countries in setting up a council for the elderly and let the council make decisions concerning the needs of the elderly and the services for them. Is it possible to do so? On the solutions to the problem of poverty experienced by the elderly, in recent years, many groups in society have constantly advocated some solutions, including an old age retirement scheme that has been advocated by the Hong Kong Federation of Trade Unions since the '80s, in which contributions are to be made by three parties. This scheme provides extensive coverage and is a retirement protection system that can truly provide protection to every retired elderly person. It can also cope with the needs arising from the drastic increase in the elderly population in the future. The SWD should respond to the demands of society by examining and formulating a relevant plan forthwith. After so many years of discussion, nothing has been implemented yet. How can elderly people truly live with "a sense of security, a sense of belonging and a feeling of health and worthiness"? I hope the SAR Government will reflect on this.

Madam Deputy, families in Hong Kong are facing the immense pressure and challenges brought on by economic restructuring, high unemployment rate, long working hours and low wages. Over the past 10 years, the number of marriages has decreased 40% whereas that of divorces has risen 70%. Furthermore, the SWD has earlier on released figures on spouse abuse and sexual violence cases. There were a total of 2 564 cases of spouse abuse from January to September last year. Although the cases still predominantly involved the abuse of women, which made up more than 2 200 cases, there is also a rising trend in cases involving the abuse of men, which accounted for 288 cases, representing a substantial increase of 60% over the 179 cases for the full year of 2001. In recent years, the number of child abuse cases each year ranged between 500 to 600 cases. In fact, these figures are merely the tip of the iceberg. As families become increasingly impoverished, it is expected that the number of problems, such as those of family violence and a lack of care for children will surely rise.

Madam Deputy, in recent years, it is increasingly common for Hong Kong residents to go back and work on the Mainland. With the implementation of CEPA and the opening up of the economy on the Mainland, it will also be increasingly common for Hong Kong people to choose to live on the Mainland and get married across the border. In addition, the Government has been encouraging the elderly to live on the Mainland. Has the Government put in place adequate matching services to provide support to people in dealing with various types of problems, for example, to young professionals in adapting to life and marriage on the Mainland, to elderly people in coping with health care in living on the Mainland, to children of Hong Kong people in living and even receiving education on the Mainland? Will the SWD examine the effects of increased cross-boundary activities on society and plan accordingly? Has the SWD considered assisting local NGOs in providing services to Hong Kong people on the Mainland?

All these issues reflect the fact that the social and economic circumstances in Hong Kong society are starkly different from those in 1991, when the "White Paper on Social Welfare into the 1990s and Beyond" was compiled. I hope the Government will pay serious attention to these realistic circumstances. Madam Deputy, because of the time constraint, it is not possible for me to go on naming all the problems. For example, I have not yet mentioned the youth problem, the problems facing women, the problem of suicides, and so on, but I will not dwell on them anymore. I believe we are all familiar with these problems.



Therefore, in view of the problems cited by me, I again suggest that the Government join hands with the NGOs, their employees and service users in drawing up the blueprint for Hong Kong's social welfare policies for the next decade. I also want to summarize the contents of the last consultation paper (and I have already cited several points) for the purpose of conducting a review of the direction, targets and development strategies for social welfare policy in Hong Kong in the coming years:

- (1) to conduct an analysis on the existing political, economic and social conditions in Hong Kong;
- (2) to re-determine the philosophy, mission, role and targets for the long-term development of social welfare;
- (3) to formulate an affordable and sustainable social welfare policy, to work out the principles for reference in determining the priorities and modes of financing;
- (4) to enhance the participation of NGOs and members of the public in formulating social welfare policies; and
- (5) to determine the relationships in the co-operation between the Government, the business sector and the third sector and the roles of all parties, including the family and the individual, in providing social welfare.

Madam Deputy, reference can be made to the process adopted in compiling the "White Paper on Social Welfare into the 1990s and Beyond" in 1991 as well as its contents. Different working parties addressing different service needs can be established for drawing up the development blueprint.

With these remarks, Madam Deputy, I hope Honourable colleagues will support my motion and Dr LAW Chi-kwong's amendment, since his amendment and my motion share the common aim of raising an issue of common concern. I so submit. Thank you.

**Miss CHAN Yuen-han moved the following motion: (Translation)**

"That this Council urges the Government to draw up the blueprint for the development of Hong Kong's social welfare policies for the next decade,

so as to tie in with the economic and social changes in the territory and formulate social welfare policies that meet the needs of the public."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Miss CHAN Yuen-han be passed.

**DEPUTY PRESIDENT** (in Cantonese): Dr LAW Chi-kwong will move an amendment to this motion, as printed on the Agenda. The motion and the amendment will now be debated together in a joint debate.

I now call upon Dr LAW Chi-kwong to speak and move his amendment.

**DR LAW CHI-KWONG** (in Cantonese): Madam Deputy, I move that Miss CHAN Yuen-han's motion be amended as printed on the Agenda.

Madam Deputy, I have proposed this amendment mainly because of my conviction that the process of drawing up a blueprint is at least as important as, if not more important than, the blueprint actually worked out in the end. First of all, I wish to discuss with Members what a blueprint should be all about. We used to publish White Papers, but can a change of colour from white to blue solve all the problems? I wish to share with Members my views on White Papers. I think the system of White Papers is already outdated. The first reason is that society is changing much more rapidly than ever before, and the speed of changes is ever increasing. As a result, when it comes to any 10-year planning, a White Paper on what should be done on a yearly basis will be of very limited practical use only, because society is really changing very rapidly.

The second important point is that as society changes, it is getting more and more demanding over the speed at which the Government responds to social demands. In other words, the Government is now required to respond very quickly to actual changes in society or changing social demands. Therefore, in general, a blueprint must give more treatment to strategic issues than to the actual planning and arrangements for specific projects.

Third, there is another reason why we should discard White Papers. In the past, when Hong Kong was under British administration, there used to be a

system of policy formulation whereby a Green Paper was published before a White Paper. The purpose of a Green Paper was to consult the community at large on the position of the Government. However, by now, society's requirements on consultation have changed completely. It no longer wants the Government to consult the public only after working out a whole series of ideas. Society now wants to participate right at the beginning of policy formulation. Therefore, the Government is no longer expected to publish a Green Paper for discussion by the public and then publish a White Paper afterwards. Rather, people now want to take part right at the start of overall strategic planning. Green Papers, White Papers, and so on, thus serve little use now, because the expectations of society have changed completely.

And, the last point must be that the Government now allocates resources every year very differently from how it did 10 or 20 years ago. Society now expects more and more flexibility in this regard, which in a way reflects the changing expectation of society on how the Government should respond to social aspirations. As a result, given the changing mode of resource allocation, we should abandon the planning mindset of the past.

As I have already explained, a blueprint should actually be some sort of an outline which is not supposed to contain too many particulars or detailed discussions on each and every issue — the number of additional housing units, centres and social workers, for example. A blueprint is not supposed to deal with all this. What we ask for is a strategic direction on how to attain some specific strategic objectives. That is why, as was also mentioned by Miss CHAN Yuen-han just now, it is most important that during our discussions on a blueprint, we should ask ourselves, "What are our missions? What are our objectives? What do we want to achieve in the long run? How can we attain these objectives?" All these questions can point to the very crux of a blueprint.

However, as I pointed out at the beginning of my speech, the process of formulating a blueprint may well be more important than the actual outcome. Very often, our formulation of strategies and directions is aimed at inducing society to rethink, review and discuss the fundamental philosophy of social welfare provision. How is social welfare being looked at in society nowadays? What do we think should be the philosophy underlining the general development of social welfare provision, given the demands and views of society nowadays? What should be the rationale? What are the values involved? All these questions warrant discussions.

Admittedly, as some may argue, all discussions may well end up in some mere changes in diction and packaging. But I must still say that what counts should be the process of formulation, should be the ways in which all of us seek a consensus, should be the concept of "ownership" — that is, whether we regard a blueprint for social welfare development as belonging to the entire society. The process of formulation is thus very important, which is why my amendment seeks to add "with full participation of social service agencies, their employees, service users, the industrial and commercial sectors and the public".

Members may well think that public participation is already good enough and may thus wonder why the industrial and commercial sectors should come into the picture. I am convinced that the development of society as a whole, whether in terms of health care, social welfare or education, must necessarily involve the Government, the industrial and commercial sectors and the service providers, commonly referred to as the three sectors. The combined efforts of these three sectors must be required before the task can be satisfactorily accomplished. We must not rely on service providers alone, nor should we depend solely on government resources. And, what should be the role of the industrial and commercial sectors? How are they going to serve as a "corporate citizen"? What should we in society do? The participation of the industrial and commercial sectors is very important. That is why their participation is given special reference in my amendment. The process of reaching a consensus and the work of bringing forth a common ownership of social welfare development must require the efforts of various sectors.

I now wish to discuss a number of core elements in the formulation of a blueprint. Under our existing social welfare system, the first and most important core element must naturally be the Health, Welfare and Food Bureau. The second should be the Social Welfare Department (SWD), which is responsible for policy enforcement. The third should be the Hong Kong Council of Social Service (HKCSS) and other relevant organizations.

Obviously, the Bureau has the responsibility of overall co-ordination, and I suppose the Bureau is in a proper position to foster the participation of the industrial and commercial sectors and members of the public. In the 13 districts (that is, the 13 districts designated by the SWD), there are district planning manpower and material resources, which have recently been enhanced, and, most importantly, there is also a network (covering all 13 districts under the SWD). How can we secure community participation? In this regard, the role

of the SWD is very important. As for the HKCSS, it is composed of nearly 300 NGOs, employing almost 40 000 workers and serving hundreds of thousand service users. That is why the HKCSS can play a very significant role in fostering the participation of social service providers, staff and users. I therefore venture to propose that the Government should consider the establishment of a steering committee comprising members from the Bureau, the Department (that is, the SWD), the HKCSS, staff, service users and the industrial and commercial sectors. A steering committee with such a composition can then steer and take charge of formulating a blueprint.

The formulation of a blueprint will inevitably involve a related problem that must be discussed. This is the problem of actual planning, which was also mentioned by Miss CHAN Yuen-han earlier on. I shall first discuss our worry now. There used to be a review on development projects every five years. The last review was conducted in 1996, and the results were released in 1998. Eight years have passed since 1996, but no comprehensive review of these projects has since been conducted. The situation with rehabilitation service is a little bit better, but still, there has been no review for four years.

What is our worry? The provision of many services will require specific or specially-designed service units. The greatest difficulty now is caused by financial arrangements. In the past, once a service unit was completed, resources would be provided immediately for its operation. In other words, as soon as the construction of a service unit started to be considered, resources had to be earmarked for its operation. I think there is a great problem here because resource allocation nowadays is no longer as stable as it used to be. Government officials are now rather hesitant to reserve resources for these service units because this is the same as making a commitment to allocating resources which will not be available until three or four years later, and no one knows how much money there will be in the envelope by then. This is a problem that must be addressed, or else there will be a shortage of units specially designed for the provision of elderly service, elderly home service, and so on. The problem with rehabilitation service is particularly obvious.

These issues involve planning, and I do not think that they should be discussed in the course of blueprint formulation. I think there should be separate treatment. We should first formulate a strategy and direction and then work out the specific planning for individual policy areas. One problem that

must be handled urgently is the long-term planning for rehabilitation service. Anyway, it is only logical to formulate a strategy before drawing up any planning. It all boils down to the question of priority though this may differ slightly from what Miss CHAN Yuen-han has described. But this is just a question of priority, and I tend to think that actual planning should be worked out step by step after the formulation of a blueprint.

Thank you, Madam Deputy.

**Dr LAW Chi-kwong moved the following amendment: (Translation)**

"To add ", with full participation of social service agencies, their employees, service users, the industrial and commercial sectors and the public" after "for the next decade".

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr LAW Chi-kwong to Miss CHAN Yuen-han's motion, be passed.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam Deputy, someone has recently compared Hong Kong people to "dogs over-fed with dog biscuits" in a bid to illustrate his point that Hong Kong people have lost their spirit of struggle because their welfare benefits have been much too good, much too satisfactory, in recent years. Madam Deputy, we of course cannot agree with his statement. I mean, we do not think that we should compare Hong Kong people to dogs and the welfare benefits provided by the Hong Kong Government to dog biscuits. Even less do I agree that the existing welfare benefits are much too good, much too satisfactory. Quite the contrary, as we can all see, the welfare benefits provided by the Government simply cannot keep pace with social changes and actual demand. And, the crux of the problem lies in the absence of an integrated social welfare planning blueprint in recent years. That is why, as we can all see, the Government now considers only one factor in the provision of social welfare — the fiscal deficit. This is not appropriate at all.

It has been 13 years since the Government last announced a welfare policy plan of any sizeable scale. A "White Paper on Social Welfare into the 1990s and Beyond" was then published. But now the 1990s are well behind us, and

we have already entered the 21st century. It is a pity that the Government has so far failed to put forward an integrated strategy on addressing the social problems to be encountered by Hong Kong in the 21st century; it has even failed to work out any approach to consulting the various social sectors. The Government may well argue that given the current circumstances, it is very difficult to draw up any planning and we can thus only make do with what is available. Why? Because we have run into a fiscal deficit. But I must say that precisely because of the fiscal deficit, we should draw up an integrated plan instead of adopting any piecemeal approach, trying to tackle problems only when they emerge. It is entirely an inappropriate approach.

The greatest problem with this approach of the Government is that there will be no integrated plan, and this will make it impossible to implement various measures satisfactorily. Madam Deputy, I can cite an example, the issue of assisting the poor which we discussed for a long time last week. In particular, when we discussed the allocation of funding to retain the temporary posts, I made it a point to tell the Government that those whose contracts were renewed or extended would only receive very low salaries, about \$5,000 or \$6,000 a month only, but they were still willing to accept employment. However, the Government has still so mercilessly cancelled all the 7 000 or so temporary posts. What are all these people going to do? They will probably apply for CSSA. And, if they do so, how much can they get? Well, together with other allowances, a family of four will be given \$9,000 or so, close to \$10,000. This is a far bigger sum than the salaries offered by a government temporary post. In terms of effectiveness, the extension of government temporary posts can actually kill two birds with one stone — reducing government expenditure and enhancing social services at the same time. Why does the Government not do so? It is precisely because there is no co-ordination among government departments, no integrated planning on this problem. This explains such a consequence. What good can this approach do? What good can this do to the people concerned, to society, to the Government and to the fiscal deficit?

Madam Deputy, as pointed out in the motion, it is most important that social welfare policies must tie in with the economic and social changes and meet the needs of society and the public. Regrettably, the existing social welfare policies can only meet the needs of the fiscal deficit. Critics may well argue that the Government's welfare spending has been on constant increase over the past few years. They may point out that the estimated recurrent expenditure on social welfare in 2003-04 is 26.1% higher than that in 1998-99, thus indicating that the Government is by no means a miser. But the point is precisely that the

overall conditions in society have changed completely. Over the past six years, the overall conditions in society have worsened, particularly in respect of the economy and employment. Let me just cite two simple examples. The unemployment rate, for example, though having dropped from 8.7% to 7.3%, is still 1.6 times of that in 1998 and 3.3 times of that in 1997. Another figure depicts a much more acute problem, and this is the number of low-income earners. Currently, the number of low-income earners with an income of less than \$5,000 a month is 58.6% higher than that in 1998. All these statistics can show fully that the current social welfare spending of the Government has fallen far short of meeting the actual needs of society, which explains why some children of CSSA families have to help support their families by scavenging cardboard. Preoccupied with the fiscal deficit, the Government has simply failed to draw up any integrated planning for its social welfare policies. Therefore, how can we expect the Government to keep pace with the needs and changes of the times and society?

Besides, out of financial considerations, the Government has turned its target to all the welfare agencies which provide 90% of all social services and introduced the mechanisms of lump sum grant and service bidding. Many people have pointed out that these practices and measures have seriously jeopardized service quality in addition to affecting job security and staff morale. In order to bid for service contracts, welfare agencies all try to lower their costs, thus leading to vicious competition. How can we expect such measures to do any good to service quality? On the other hand, although the tender system may have reduced the overall expenditure of the Government, the deterioration of service quality may nonetheless lead to other additional costs. That is why I think that the Government should consider the issue holistically instead of looking at it in isolation.

Some may criticize us for trying to increase welfare benefits under the pretext of welfare planning, and they may also dismiss our approach as being populist. Madam Deputy, we must stress that, as pointed out a moment ago, we hope that the Government can deploy resources effectively and address the issue from the perspective of holistic and integrated planning instead of tackling it in isolation. Attempts to consider the issue in isolation and from one single perspective will only do more harm to society and lead to more wastage. I hope that the Government can refrain from working behind closed doors and precluding the participation, discussions and consultation of members of the public.



Madam Deputy, finally, I hope that we can draw up a satisfactory social welfare system, and that the Government can formulate an integrated plan instead of trying to dominate the whole process of decision-making. I also hope that the social welfare policy worked out eventually will allow wider participation, so that it can cater for and keep abreast of the needs of society and the times.

Madam Deputy, I so submit.

**MR TAM YIU-CHUNG** (in Cantonese): Madam Deputy, elderly service is an important segment of Hong Kong's social welfare policy. In terms of resource investment, 50% of the \$30 billion social welfare expenditure in this financial year is to be used for the provision of elderly service and social security for senior citizens. How best to improve the planning and implementation of elderly service is indeed a very significant issue to be considered in the formulation of Hong Kong's social welfare development blueprint for the next decade.

The population of Hong Kong is ageing more and more rapidly. As at the end of last year, those aged 65 or above already accounted for 11.7% of the total population. It is expected that by 2016, the elderly population will increase to 13.3% of the total population. On the other hand, the birth rate of Hong Kong has been declining continuously. The drop in new births will further increase the dependency ratio. According to general social welfare theories, the burden of society will become increasingly heavy. The SAR Government has indeed made a more comprehensive commitment to improving elderly welfare service since its establishment, and it has also done its utmost to improve such service, but it must be pointed out that the rapid ageing of our population has also brought about unprecedented impacts on society. For this reason, we must conduct a more comprehensive assessment of the demand for elderly service and formulate a more long-term plan, so as to upgrade the quality of life of the elderly. Naturally, the formulation of a blueprint for future development must require the understanding and support of the public. That is why the various sectors must be widely consulted in the process.

I have recently visited some senior citizens living in such old districts as Sham Shui Po and Tai Kok Tsui. These old people possess their own properties, but the tenement buildings in which they live are all dilapidated. In some cases,

there is simply no lighting at night, and the buildings are in a state of disrepair and plagued with the serious problem of illegal structures. These old people do not have any income, but they have to pay the rates, government rent and management fees every month. In case their buildings need any repairs, or if the Director of Buildings orders the demolition of illegal structures, their savings of several ten thousand dollars will soon be used up. That is why they are in financial straits. Another great problem is that they are old and find it very difficult to go up and down the stairs, but even if they want to dispose of their properties and apply for public housing, it will be impossible to sell these properties because of their dilapidated conditions. That is why they very much hope that the Government can work out a new scheme that can help them improve their living conditions. As our population ages, this kind of new problems will keep on emerging and pose more and more new challenges to the existing social welfare system.

Another important factor affecting Hong Kong in the future is the emigration of Hong Kong people to the Mainland. The Government has never conducted any studies or formulated any policies on this. According to statistics, 180 000 Hong Kong people now own properties in the Mainland; the General Household Survey of the Census and Statistics Department also indicates that as many as 41 300 Hong Kong residents are now living in the Mainland, and 20% of these people are aged 60 or above. As a result of the Mainland's rapid social progress and comparatively low standards of living, and as the social facilities there become more and more satisfactory, the emigration of Hong Kong people to the Mainland after retirement will become a trend. Therefore, the co-operation and mutual assistance of the two places in terms of social service and also the transferability or otherwise of Hong Kong residents' welfare benefits to the Mainland are all very important topics that merit our studies.

In regard to retirement protection, the various sectors of society do realize that the Mandatory Provident Fund System alone cannot cater for the needs of retirees. But how can the social security system be further improved? The Government has so far made no progress in formulating any appropriate policy. In 1999, the Harvard Team proposed in its report on Hong Kong's health care reforms to set up a Health Security Plan, and the then Health and Welfare Bureau subsequently proposed to establish a system of Health Protection Accounts. But the studies on all this seem to have ended up in nothing at all. Should we wait until the CSSA Scheme goes "bankrupt" before considering other alternatives?

An ageing population may not necessarily impose a heavy burden on society. The practical problem now is that the social conditions and systems in Hong Kong cannot cope with the rapid changes in population structure, thus rendering the elderly unable to give full play to their abilities. According to the surveys and analyses of academics, the quality of Hong Kong's elderly population is upgraded by one level every five years on average in terms of education, savings, income, consumption, leisurely pursuits, health and housing. In fact, most elderly people are healthy, independent, positive, experienced and skilled. Therefore, they are both able and willing to continue to make contribution to society. For this reason, the Government must not unilaterally regard them as a social welfare burden. Instead, it should pay heed to the needs and opinions of elderly people and improve the various public policies, so as to create a social environment that is free of any age constraints and caters for both young and old, one under which elderly people can continue to give full play to their abilities at the individual, social and economic levels.

The formulation of a social welfare blueprint for the next decade should tie in with the trends of social development, so that the provision of different services can be prioritized.

Social welfare policies should no longer be limited to remedial measures in terms of financial security and assistance. They should instead focus on "developmental" and "preventive" services. I personally very much agree that there should be long-term planning for social welfare, and that the plans drawn up should be reviewed from time to time. The purpose of reviews should be to improve and enhance existing services, so as to maximize their effectiveness for the greatest benefit of their users and for meeting the needs of the people and social development.

With these remarks, I support the motion.

**MS LI FUNG-YING** (in Cantonese): Madam Deputy, the social welfare policies of Hong Kong have always been impromptu and piecemeal in nature. Currently, social welfare policies have even been turned into a tool of dealing with the fiscal deficit, thus making them even more piecemeal in nature. Given all the changes in society, I think there is an urgent need for the Government, the business sector and the people to join hands to conduct some comprehensive studies on formulating an objective for Hong Kong's future social welfare policies — a blueprint, in other words, as mentioned in the motion.

I wish to put forward my views from two perspectives, namely, the population and the economy. In regard to population structure, like all other developed economies, Hong Kong is facing a declining birth rate but a constantly lengthening average lifespan. The only difference is that Hong Kong does not have to adopt any policies to encourage its people to have children — for example, in Singapore, there is an infant allowance; Japan is considering the enactment of legislation to reform its welfare system and the work environment to meet the needs of parents; and Taiwan is even considering the imposition of a tax on singles aged 45 or above.

According to the paper submitted by the Government to the Legislative Council on the implications of the population policy to the provision of social welfare, Hong Kong can rely on immigrants (mostly those coming to settle in Hong Kong on One-way Exit Permits) to tackle the problems of population decrease and ageing. This should have been a blessing for Hong Kong, because the Government need not make any special efforts to encourage people to have more children while not knowing whether the spending of huge resources can achieve the desired result. Unfortunately, we have failed to value such a blessing. We have never based our allocation of social resources on this, and knowingly or unknowingly, the Government has, in the course of policy formulation and implementation, induced people to regard those arrivals on One-way Exit Permits as a burden of Hong Kong society.

A lot more can actually be said about Hong Kong's future social welfare policies from the perspective of population structure. For example, the life of the elderly after retirement is a very large topic. But if we are to formulate a social welfare blueprint for the next decade, we must review our policies on assisting new immigrants and remove our misconceptions about them, so that the new arrivals can settle down quickly without having to endure too many man-made hardships. If not, what should have been a blessing for Hong Kong will be turned into a misfortune.

On the economic front, the restructuring of our economy has brought about job insecurity. The knowledge-based economy and technologies are undergoing constant and rapid changes. We are no longer simply talking about the inability of middle-aged and old workers to catch the train of knowledge-based economy. Even those who are now on board may be thrown out of the train at any time due to fierce competition. CSSA should not and cannot be

relied upon as a means of livelihood for the unemployed. In this legislature, I have repeatedly asked for the formulation of a policy on unemployment. This is a problem that the Government cannot evade.

Besides, the salaries of employees have also become increasingly polarized. On the one hand, there is a very small number of "super employees" earning huge salaries, but on the other, there are also countless many workers living on the margin of poverty. The distribution of wealth is in a serious imbalance. The Chief Executive has raised this problem in his policy address, but no solution or relief measures are proposed. In society, over the past decade or so, people have never stopped advancing proposals to deal with the problematic social welfare policies and social security system, some examples being the introduction of a poverty line, minimum wages and subsistence wages. The Government should not turn a deaf ear to all this any more.

Madam Deputy, mankind is set to enter a new era in this century. By this, I do not only mean the changes in our life brought about by globalization and the almighty computer and information technology; I also mean that for the first time in history, the age structure of mankind will change in such a way that elderly people aged 65 or above will outnumber young people aged 15 or below. The expending pattern of social resources may thus witness very significant changes, with a higher proportion of resources going to old people rather than youngsters. This is something entirely new to human societies. To ready itself for the challenges in the new era, Hong Kong should not confine itself to reducing the fiscal deficit and patching up the existing social welfare policies, thinking that all this can solve the problems. What we need is comprehensive and long-term planning.

I so submit. Thank you.

**MISS CHOY SO-YUK** (in Cantonese): Madam Deputy, a blueprint for society as a whole, especially a blueprint for social welfare policies, is very important. For this reason, I must thank Miss CHAN Yuen-han for proposing this motion today. Actually, once we have formulated a blueprint, there will be a goal, a timetable, for society as a whole. That way, we can unite together and progress according to the timetable and towards that goal in our attempt to seek a consensus. Today, I wish to put forward my views in a number of respects.

First, it is the mindset of the Government. Perhaps because we have not seen the blueprint, perhaps we do not yet know what it is all about, we are now rather passive and resigned in attitude. Whether enough has been done, whether existing welfare services are adequate, whether the job has been done well enough — in brief, all looks so fragmented and changeable, even piecemeal. What we see today is the lack of any progress. Such feelings of ours are caused by our inability to see how an overall blueprint can be put in place. Therefore, the formulation of a longer-term blueprint is of the utmost importance.

Second, I wish to say that the notions upheld in society are equally significant. What kind of society do we want to build Hong Kong into? When it comes to this question, all of us will certainly raise no objection to the saying that we need a caring society marked by concern, mutual assistance and equality. These qualities are all very important. But just to what extent have we put all these notions into action? How much importance has the Government attached to them? I have so far failed to see any clear answers to all these questions. As a matter of fact, I do sense that society is a bit divided on the issue of social welfare. This is usually how people look at this matter: Those who are not CSSA recipients invariably think that many CSSA recipients are reluctant to work, and we frequently hear talks about how CSSA nurtures lazy bones. But then, when we say that we need a caring society, a society with equality and concern, that we must look after the vulnerable, everyone will agree. The only thing is that once it comes to CSSA, people's opinions seem to differ again. CSSA recipients' confidence is often seriously injured, and this sometimes even hinders their search for jobs. Such a phenomenon makes people feel that the Government is caught in a dilemma — reduction or not, there are bound to be problems. Reduction? Some will say no. No reduction? Some others will also say no. In brief, it cannot please people on both sides. I suppose this is largely due to the lack of an overall blueprint in society. In this connection, I would think that social education is very important. Social education is always required on the kind of society we wish to build up and on how we should look after the vulnerable. I hope that more education efforts can be made in this respect.

Third, I wish to talk about keeping abreast of the times. I think many of our social welfare policies are unable to keep abreast of the times. As we all know, globalization has brought about many drastic changes worldwide. After

the reunification, following the implementation of the Basic Law, since our reunion with the Motherland, especially after so many years of separation or even detachment from the Motherland, the integration of the two places in terms of the flow of people has brought about great changes. In view of our changing population structure, I suppose we must make some major adjustments if we want our social welfare policies to keep abreast of the times. For example, as pointed out in the Legislative Council many times before, and as mentioned by Mr TAM Yiu-chung just now, 180 000 Hong Kong residents now own properties in the Mainland, and many senior citizens are prepared to take up permanent residence there. But the Portable Comprehensive Social Security Assistance Scheme for Elderly Persons Retiring to Guangdong is not yet extended to places outside Guangdong. Besides, there is still an absence limit of 180 days for the Old Age Allowance. I hope that the Government can keep abreast of the times and make more efforts in these respects. And, many changes have also occurred to our population structure as a result of the constant evolution of society as a whole. One example is the emergence of many more vulnerable members in our society, such as new immigrants and ethnic minorities from South Asia. The emergence of these new vulnerable groups has posed new challenges to our work in social welfare. The Government really needs to regularly review the overall planning for these services, so as to tie in with the changes and formulate policies that can keep abreast of the times. I therefore hope that the Government can, as advocated in the motion today, formulate an integrated and longer-term blueprint as soon as possible.

Madam Deputy, I so submit.

**MR CHAN KWOK-KEUNG** (in Cantonese): Madam Deputy, in regard to policy analysis, many theories have been advanced in the discipline of public administration. One of such theories is "incrementalism", which aptly describes the case of welfare policies in Hong Kong. Many Policy Bureaux would only mend the shortcomings of individual policies, instead of examining their areas of responsibilities in a comprehensive and open manner. This has been the case with welfare matters, the same with manpower matters and even with labour matters. Of the various policy areas, the area of welfare policies has been most stagnant — instead of seeing any improvement to the services, we have seen even signs of retrogression in terms of expenditure reduction regardless of the feeling of assistance beneficiaries in recent years.

The Government is only willing to patch up the existing framework, hoping that the public and the Legislative Council will not come up with new requests in regard to the people's livelihood. If some individual organizations do present some more innovative and progressive welfare measures, then all the Government could do would be to close its ears and refuse to listen to public opinions. An obvious example is the suggestion on the introduction of some sort of measure similar to that of an unemployment relief, in the light of the high unemployment rate in recent years. We in the Hong Kong Federation of Trade Unions (FTU) have also proposed a "Re-employment Support Scheme", which includes the provision of unemployment relief for a period of up to three months. However, the Government would only tell the people to apply for Comprehensive Social Security Assistance (CSSA), saying that unemployed persons could get support of their living through the safety net of CSSA. In fact, this shows its reluctance to extend the area of protection because, as long as the Social Welfare Department could play the role of a diligent gatekeeper in approving CSSA applications, many of those on the brink of the safety net could be rejected, or many unemployed persons who are already covered by the protection net could be kicked out of it. As a result, the Promoting Self-reliance Scheme was created, under which CSSA recipients are subject to discriminatory treatment. The authorities aim at forcing some of the recipients to give up the assistance voluntarily, and then the officials could save much of their efforts when there are less cases to handle.

Today, the motion moved by Miss CHAN Yuen-han on drawing up the welfare blueprint is pragmatic and urgent. In the future, the great wealth gap between the rich and the poor may become more severe, and it is inevitable that problems like unemployment and the ageing population will exert pressure on society. If we just maintain our existing mechanism, our future welfare policies will definitely be unable to cope with the needs of society, and eventually it would only lead to "a fatal car crash", as described by someone many years ago. However, it will not be the Government, which is as gigantic as an aircraft carrier, that will be killed, but those in need of assistance. In that event, all that the Government has to do is to close all the entrances and exits of the aircraft carrier and leave all the help seekers to the mercy of Poseidon.

Prevention is better than cure. We must plan anew our welfare engineering, and we must make forecasts on the unemployment trend, the numbers of single parents and elderly people in the future, so as to draw up a set of contingency measures and to plan for a series of rescue methods, such as the



allocation of funds for various charitable activities, the ratio of the Government's annual expenditure to the Gross Domestic Product (GDP), donations from commercial organizations, and so on. If we can plan properly in advance, we shall still be able to cope adequately even if predicted poverty or upheavals should unfortunately occur in society in future. Even if we should be proved to have been over pessimistic by what happens in the future, our forward planning will still enable the SAR Government to lead an easier life in the future as we will have substantial resources at our flexible disposal.

Unemployment is the top enemy in our future social policies. The Government cannot consider its work done simply with the implementation of CSSA. The existing policies in respect of unemployment can only have some short-term effects in tackling it. We request the Government to develop the strategy of "providing work as a relief measure". The Government should grasp the trend of the labour force in advance, deliberately balancing the demand and supply in the employment market, so that it can have a couple of remedies up its sleeves: On the one hand, the Government should identify sources which may have demand for backup labour force; if they are not readily available, the Government should take the initiative to develop such sources, so as to guarantee that sufficient work processes are in place to absorb unemployed people. For example, environmental protection projects are a source which the Government may strive to develop so as to absorb surplus labour. However, the Government still holds onto "incrementalism" and many of the top government officials still believe in the philosophy of "doing more will lead to more mistakes, and doing less will lead to less mistakes."

Miss CHAN Yuen-han's proposal of requesting the Government to examine the relationship between welfare policies and economic policies reflects that she understands the relationship among the three factors, namely, the economy, unemployment and welfare. If the *laissez-faire* policy is still the underlying decision-making rationale, it will only aggravate the problems to the extreme. The above proposal of planning for jobs requires the co-ordination of many different departments before it can succeed, and it also requires the Government to seek advice from the academic and commercial sectors. Welfare is part of the whole programme, and it is the core. The Government must implement the strategy of "providing work as a relief measure" for those unfortunate unemployed people, thus providing a long-term solution to them. Short-term relief measures, though essential, are not the ultimate solution in the long run.

Recently, a front-page press story has reported that even welfare organizations have to run businesses, and social workers have to act as brokers to promote products of their own organizations in order to raise money to support the continued existence of the such organizations. This reflects that Hong Kong is moving backwards. Though Hong Kong is never a welfare society, efforts should still be made to strive to safeguard the vitality of welfare organizations. Unfortunately, the thinking of the Government has been geared towards "privatization", "lump sums", and so on, so much so that even welfare organizations have to be profit-making. Otherwise, their existence will be meaningless. What kind of society is it?

Finally, I would like to urge the Government once again to ensure the stability of the mode and system of government subvention, and to hold discussions with the sector on their future partnership.

Madam Deputy, I so submit.

**MR WONG SING-CHI** (in Cantonese): Madam Deputy, the Democratic Party hopes that the Government can expeditiously draw up the blueprint for the development of long-term social welfare policies in order to respond to the changes and needs in society. However, in the process, the Government should by no means dream up all the proposals behind closed doors when it proceeds with its long-term planning for social services. Instead, it should listen to the views of people from different sectors of society, particularly the service providers and their staff, as well as members of the public using these services, so as to ensure that the blueprint drawn up can serve specifically the actual needs.

Madam Deputy, the present social welfare policies and objectives are based mainly on the "White Paper on Social Welfare into the 1990s and Beyond" published in 1991. However, great changes have taken place since then: the people have changed, and the time and age have also changed. Drastic changes have taken place in the past decade in Hong Kong society. In 1992, Hong Kong had an unemployment rate of only 2%. At that time, who would think that the unemployment rate of 7.3% could ever occur in Hong Kong as now? The worsening economy and the surging unemployment rate have given rise to many social and family problems. None of us could have foreseen these problems a

decade ago. Besides, in 1992, there were only some 5 000 divorce applications in the territory. Came 2002, that is 10 years afterwards, the number of divorce applications had surged drastically to nearly 13 000. The increase in divorce cases has led to the rising number of single-parent families. During the past decade, Hong Kong society has been changing, changing and changing. We may well ask, "How can a development blueprint formulated some 10 years ago could still serve the needs of society?"

New problems will arise in a new era, and they call for some new solutions. Unfortunately, the Government has failed to act in response to changes in society in prioritizing the services over the years. Nor has it co-ordinated the resources involved in the light of such priorities. As a result, social resources have not been utilized most effectively.

At the time when the overall social welfare policy was being formulated in 1990, the relevant review covered various services, including the services for the elderly, the youths, the children and the families, as well as the various spheres of social security. Such policies had gone through extensive consultation and discussion, and finally the service priorities were decided only after a consensus had been reached. However, in recent years, the Government has not drawn up any blueprint for social services. All that the Government does is just making decision according to the will of the senior officials. The efforts of restructuring social services in recent years made by the Government are mostly some reforms made to individual spheres of services. However, the Government has overlooked one fact, and that is, our society is a complete entity, which cannot be split up. It is advisable for the Government to come up with a comprehensive draft development plan, so that it could proceed with its planning on a comprehensive scale.

In recent years, the economy of Hong Kong has plummeted to such a low level that it is troubled by fiscal deficit. The Government has attached great significance to the elimination of deficit and the reduction in expenditure. As a result, many services have been slashed. Starting from 2000, the Government has slashed social service expenditure by more than 20% on a great many pretexts, such as the Enhanced Productivity Programme, lump sum grant arrangement, adjustment of salaries as well as streamlining many different services. As a result, the arbitrary reduction in expenditure has sacrificed the interests of the most needy in society, making many necessary services face the

fate of discontinuation. As stated in an earlier motion put forward by the Democratic Party, at a time of economic depression, the demand for social services is even greater than before. Therefore, the Government should not adopt a short-sighted approach and make the reduction of expenditure as its objective. Now, the Government should expeditiously draw up the blueprint for the development of social services, so as to cope with demographic changes, social and economic development and to draw up suitable social policies. In the process of drawing up the blueprint, the Government should consult the different sectors of society extensively with a view to drawing up a blueprint that is both reasonable and capable of meeting the actual needs of society.

Having drawn up the blueprint, the Government should review it from time to time, so as to ensure that the social services can keep abreast of the times, and where necessary, incorporate new services into it and remove outdated and unnecessary, in the interest of putting resources to the best use.

With these remarks, Madam Deputy, I support the amendment.

**MR ABRAHAM SHEK:** Madam Deputy, if our social welfare system is to carry out its mission to help the poor and the needy, we need to have better planning and clearer directives. The Honourable CHAN Yuen-han's call for developing a 10-year, long-term plan should be applauded. But within the sector, there are many uncertainties over the next few years which need to be taken into account. They range from the fast, drastically changing economic situation to the Government's determination to defuse the budget's "fiscal deficit bomb" on schedule. In the light of these variables, I feel perhaps that it is even more important that the Government should work with the sector to devise short to mid-term strategic plans to maintain service continuity and the current level of quality.

In developing such plans, the Government must realize that social welfare is not just another item on the balance book. It is something which promotes social harmony and cohesion, which is crucial for any society to foster economic prosperity and make community development sustainable. In this sense, regarding social welfare spending as simply a social burden which drains away public resources is inappropriate and wrong. Instead, it should be regarded as a long-term social investment. The return is a more harmonious community environment, which is like a glue which holds different social sectors together.

Ultimately, our social welfare policies should seek to assist those who are the most vulnerable so that they can have better access to opportunities, and will not be socially excluded, marginalized or labelled. This is especially important because of a growing, ageing population in Hong Kong. It is imperative that we find a way to embrace and enlist the experience and energy of our senior citizens, so that they can continue to contribute to society for our benefit and theirs. To this end, policy makers need to ensure the financial security of the elderly — as well as the other vulnerable groups — and help to expand their social network and skills too. Along with our immigration and education policies, social welfare programmes should help to improve the overall quality of everyone in Hong Kong.

Currently, many non-governmental organizations (NGOs) have organized individual programmes aimed at social empowerment. But these efforts are often district-based, limited in scope and lack comprehensive co-ordination. In the long term, the Social Welfare Department needs to play a more proactive role in community development.

In addition to becoming more effective and responsive to social changes, the welfare system should also strive to be sustainable. Social welfare spending has quadrupled in the past decade. Demographic changes and economic restructuring will continue to boost demand for, and spending on, welfare benefits. Besides the elderly, more mainland immigrants and low-skilled workers are expected to turn to the social safety net for help. The challenge for the sector remains that of providing better services with fewer resources, regardless of whether a short or long-term development plan will be drawn up.

At present, as much as 70% of our welfare spending is being taken up by social security handouts, mainly through the Comprehensive Social Security Assistance (CSSA). I feel resources in this area must not be cut, since they are absolutely essential for the survival of the poorest in our community. However, more should be done to eliminate any wastage and overlapping in services, and reduce bureaucracy.

The sector has warned that it cannot absorb any more funding cuts internally, and has resorted increasingly to reducing services. Among the many in the sector, there is now a mood of deepening pessimism over the future. Clearly, the present funding arrangements need to be readjusted to better achieve the goal of streamlining and greater efficiency. I feel it is imperative that the

Government sits down with those in the sector to discuss the pace and scope of funding cuts.

Furthermore, there is a need to clearly define the concept of "poverty", and what the basic minimum requirements are for a person to meet his or her basic needs. The CSSA has been criticized for lacking an effective, transparent adjustment mechanism which takes into consideration changes in economic condition. This has been a constant source of tension and disagreements among the Government, recipients and the NGOs which help them. Whenever the Government plans an adjustment — even if it is an upward one in payment — the NGOs would counter with figures of their own. Very often, the results are like comparing apples to oranges, with the two parties taking different reference points. Without a fair mechanism, future adjustment exercises would only continue to trigger disputes and undermine social harmony.

A third issue which is crucial to the development of the sector is how to better tap into community resources. Many community-oriented companies are already encouraging their staff to give back to society by promoting the idea of volunteerism and participation in social services. Indeed, the private sector can contribute in many other ways, such as making donation and sharing their management experiences. Like education and culture, the welfare sector needs to form long-term partnership with those in the private sector. The business sector does care and want to have a harmonious society, and the business sector does believe in sharing.

Thank you, Madam Deputy.

**MRS SOPHIE LEUNG** (in Cantonese): Madam Deputy, last year, the Administration announced the latest population policy. According to a forecast made with reference to certain information, elderly people aged 65 or above who can no longer take part in economic activities will increase substantially from the present 10%-odd to 25% in 2031. If those who have yet to acquire working abilities are also included, about 60% of the population then will have to live on the support of others. In other words, each person of the working population has to shoulder the living expenses of one and a half recipients of assistance. If he also counts himself in, a working person has to shoulder the living expenses of two and a half persons. If we still do not handle such problems properly, our society will definitely face the threat of a highly formidable and destructive time bomb.

Besides, Hong Kong has in recent years undergone great changes in various aspects such as the social environment, the economy, the demographic distribution, and so on. In addition to such changes, the globalization and the development of knowledge-based economy have rendered many people, who used to be capable of looking after themselves, jobless and reliant on the support of social welfare. This has not just created all kinds of problems in society, but more importantly, also brought a very large time bomb to the social welfare sector — further depleting social welfare resources. As a result, the expenditure of the Government keeps on rising, whereas its revenue has shrunk considerably, thereby incurring heavy fiscal deficits.

In fact, the Government's expenditure on CSSA has been rising during the past few years, from \$9.4 billion in 1997-98 to \$17 billion in 2003-04. In the short span of six years, the increase is close to 100%. Besides, the overall recurrent expenditure on social welfare has also surged from \$20.3 billion in 1997 to the estimated amount of about \$32.8 billion in this year, which accounts for about 15% of the public expenditure. However, among the 3 million people in the workforce, only 1 million-odd people have to pay tax. So the burden has obviously fallen on the shoulders of the middle-class people. Honourable colleagues in this Chamber have made remarks to the effect of striving hard to speak for the middle-class people. However, the grievances of the middle-class people have been inflating all the time.

The Liberal Party has always thought that it is only natural for a just and caring society to actively offer assistance to the underprivileged and provide them with a safety net. However, a more thorough approach of is, on the one hand, to open new sources of income and to stimulate economic development, that is, the so-called "making a bigger pie", so as to provide more job opportunities that can cope with the demographic changes in society, especially for those with lower academic qualifications. This would provide them with the opportunities of participating in economic production, encourage them to give play to their potentials and foster the culture of self-reliance, thereby reducing their reliance on public resources. On the other hand, we should make use of our limited resources to help people who can least take care of themselves and those who need our assistance most. With such a two-pronged approach, we can achieve harmony for all the people, and everyone can live with dignity.

In regard to requests made from time to time in society for increasing the amounts of CSSA, or even for the provision of additional living subsidies to low-income groups, the Liberal Party thinks that this issue must be examined very carefully lest it will bring an extra burden onto the shoulders of the middle class or it will knock society out of balance as the present CSSA Scheme has already taken their needs into account. In other words, as long as a CSSA recipient can find a job, he will enjoy an exemption of up to \$2,500 from the calculation of the monthly income. This would mean that he can enjoy a life better than just receiving the CSSA. If further relaxation is granted or if the amount of the allowance is further increased, are we not allowing them to enjoy double benefit? This will pose a major obstacle to enabling a restoration of confidence.

What is more, as of end of last year, the total number of CSSA recipients hit a record high of 520 000. Using a workforce of 1 million-odd persons who have to pay tax for calculation, we can see that, roughly speaking, every two tax-paying employee will have to bear one CSSA recipient on their shoulders. From this, we can see how heavy the burden is indeed. Most important of all, are we all willing to make an unlimited undertaking for an unlimited social welfare expenditure?

As for the post-retirement life of the elderly, it is indeed an issue which must be addressed properly. As the MPF schemes have just started, it will take some time before their help can be realized. Therefore, more elderly people, who do not have any savings or who are leading a hard life or who for other reasons require our assistance, will emerge in society in the future. However, we oppose the introduction of a new contributory retirement system. For example, Miss CHAN Yuen-han had repeatedly mentioned in the past and has mentioned again now in this debate that an old age pension scheme should be established with contributions from employees, employers and the Government, with the intention of further extorting money from employers. As this scheme will add an extra burden on both employers and employees who are already making MPF contributions now, so apart from incurring an extra business cost, such additional contribution will further deter the spending sentiments of the people. In the end, everyone will suffer and capital will eventually flow out of Hong Kong.



Madam Deputy, there is an ancient Chinese proverb, "Having an elderly at home is like having a knowledgeable adviser at home." As such, apart from proposing an additional contribution, if we can strengthen the promotion of the traditional Chinese virtue of loving, respecting and taking care of the elderly, complemented with some tax concessions, and so on, we should be able to substantially reduce the pressure of increasing social welfare expenditure induced by the ageing population.

We feel that, as far as today's motion is concerned, there is no broad-brush solution to the problems. We also hope that the Government will not delay any more. We certainly do not wish to see the recurrence of what happened four years ago, that is, after holding a debate on the same subject, the Government still fails to present a blueprint for the development of future social welfare policies. We hope the Government can be more focused in taking into consideration other aspects such as the overall economic direction and the future development in society, so as to draw up a blueprint for social welfare. In particular, the Government should consider how to complement the blueprint by opening new sources of income and cutting expenditure and, in the light of the pillar industries of our economy, how we can "make a bigger pie." I hope the Government can really act with such an enlightened mindset. As for the amendment of Dr LAW Chi-kwong which proposes that the Government should consult the public including the industrial and commercial sectors, I would like to thank Dr LAW on behalf of the industrial and commercial sectors for remembering us, instead of considering us as the exploiters. We support such an open and tolerant way of conducting dialogues.

I so submit. Thank you, Madam Deputy.

**MR FREDERICK FUNG** (in Cantonese): Madam Deputy, both the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I think that the social welfare system is the cornerstone of the long-term development of Hong Kong. It protects not just the basic livelihood of the needy, it also puts the minds of the people at ease. In particular, as we are under the influence of economic downturn and globalization, the aspiration for social welfare by people of the middle and lower classes is even keener. Therefore, a government with vision must expeditiously pool the strengths of the various industries and non-government organizations in drawing up the blueprint for future social welfare

policies and formulating clear and specific guidelines for Hong Kong's welfare policies, principles and directions.

First of all, the ADPL and I think that the most serious problem now is undoubtedly the problem of the worsening wealth gap in Hong Kong. In this connection, the Chief Executive has only said in his policy address released earlier on that the Government will further examine how to help poor people upgrade themselves, and to improve their lot through enabling them to share the opportunities that arise from social development. The ADPL and I think that this sort of response is inadequate because as the wealth gap widens, it will not only impact directly on the basic living of the low-income group and the elderly, but also have far-reaching implications on the mobility and stability of society as a whole. Therefore, the authorities must address the situation squarely.

In fact, from four groups of social development data, we can see the severity of the wealth gap problem in Hong Kong. The first one is the poverty rate. With the poverty line set at half of the median household income, the poverty rate has risen from 11% in 1986 to 18.5% in 2001. The increase is as high as 50%. The second one is the number of families with a monthly income of less than \$4,000, which has increased from 84 000 families in 1997 to 203 000 families in 2003. It was more than a twofold increase. The third is the 10-decile distribution between the highest and lowest income groups. In 1986, the difference was 22 times, but it has risen to 46 times in 2001. The fourth is the Gini Coefficient, which has risen from 0.48 in 1991 to 0.53 in 2001. From all this, we can see that, when the Government draws up the blueprint for the development of Hong Kong's social welfare policies for the future in conjunction with the various sectors of society, it must make the provision of assistance to the poor or the elimination of poverty as its priority task, with a view to expeditiously formulating and implementing specific proposals to solve the problem of poverty, thereby safeguarding the people's right to a basic living.

On the other hand, both the ADPL and I think that an employment policy is an indispensable part of social welfare policies in Hong Kong, especially in the two aspects of job creation and working poverty. First, though our economy is now showing signs of recovery, it is still a long way, and will take a long time, to a full recovery. In addition, the pressure created by the economic restructuring persists, and a large number of wage earners are still awaiting employment. And it is especially important for us to render assistance to the "double-low"

(means workers with low skills and low education) middle-aged and non-engaged young people. Therefore, in formulating social welfare policies for the future, the Government must strive to create more job opportunities suitable for them. As for the Economic and Employment Council established yesterday, I think it should conduct a study on the workers who are currently unemployed. It should study in particular the backgrounds and strengthens of these two types of workers, so as to facilitate their retraining, and subsequently provide some sorts of links with jobs created as a result of CEPA or the improvement of the economy. In other words, efforts should be made to provide a bridge, through retraining, between the strengthens of these two types of workers and the newly created jobs, so that they can land jobs because of CEPA or the improvement of the economy. Therefore, some people have also suggested that the Government should consider formulating new policies for industrial land to encourage businessmen to establish labour-intensive factories in Hong Kong with such incentives as low land premium and low tax rates or concessionary tax rates. In this way, the number of factories will increase and low-skilled workers will be able to get jobs in Hong Kong, thereby increasing job opportunities. I also hope that the Government can consider these proposals.

All along, the problem of working poverty has existed in Hong Kong. In particular, some employers have in recent years suppressed the wages of workers and increased their working hours on the pretext of the economic downturn. As a result, the wage earners make less money and suffer from increased working pressure. Both the ADPL and I urge the Government to propose corresponding specific measures to protect the basic living of the working people when it formulates its future employment policies, such as enacting regulations to provide for minimum wages and maximum working hours. Only in this way can the working class be assured of "having the food while having a job".

In a word, as social welfare services cover a very extensive scope, there are large quantities of service users, so when the Government draws up the development blueprint for the future, it must seriously listen to the opinions of the people of the relevant sectors and the public, and build up channels for adequate participation by various sectors of the community. Only in this way will the Government be able to put the different aspirations in society in the right perspective and launch measures that answer the expectations of the people. In the meantime, the Government should adopt the correct values and an attitude of respecting the people in formulating its policies, that is, regarding the provision

of social welfare services as an obligation, not a burden, of governance. Only by doing so will it be able to establish a caring and just society for all.

With these remarks, Madam Deputy, I support the motion and the amendment.

**MR MICHAEL MAK** (in Cantonese): Madam Deputy, the Government released the "White Paper on Social Welfare into the 1990s and Beyond" in 1991. It has been more than a decade since then, and great changes have taken place in the social conditions. Besides, the Government has ceased the biennial reviews of "Five Year Plan for Social Welfare Development in Hong Kong". The White Paper on social welfare drawn up more than a decade ago is no longer relevant for our present and future society. For this reason, in order to cope with the change of time and to safeguard the basic living standards of the underprivileged, it is imperative for the Government to expeditiously draw up the blueprint for the development of Hong Kong's social welfare policies for the next decade.

In regard to the policies of the Government in recent years, due to the fiscal deficit and its eagerness to achieve results, the Government has implemented such measures as reducing the amounts of CSSA, stipulating that CSSA and social security allowance applicants must first satisfy the seven-year residency requirement and granting subsidies to social welfare services in the lump sum grant mode. All these measures are just some short-term solutions aiming at tackling the problems when they arise. Apart from reflecting the governance approach of the Government, which is dictated by the fiscal deficit, such measures also highlight the Government's cruelty towards the underprivileged.

The Chief Executive has repeatedly stressed the building up of a just and caring society. If so, the Government should not overlook the interests of the underprivileged groups in society, such as the chronically ill, the handicapped, CSSA recipients, single parents, new arrivals to Hong Kong, mental patients, AIDS patients and sex workers. I hope the Government can take into consideration the needs of these people in different aspects when drawing up the blueprint for our social welfare policies.

As indicated in the Population Census conducted by the Census and Statistics Department in 2001, the Gini Coefficient of household income distribution has risen from 0.476 in 1996 to 0.518 in 2001. This is the most unbalanced figure among high-income countries, even higher than developing countries such as India and Ethiopia. The wealth gap in Hong Kong is becoming increasingly distinct, and this will only aggravate the social differences. I hope the Government can protect the basic quality of living of the low-income group, so as to ensure that Hong Kong people can live in a caring and harmonious society.

It is an indisputable fact that Hong Kong is facing the problem of an ageing population. According to information released by the Census and Statistics Department on 7 May 2002, the ratio of people aged 65 or above will increase substantially from 11% in 2001 to 24% in 2031. The ageing population will be an important issue in the future development of society. With the population ageing, the demand for medical services by the elderly will inevitably rise. So the Government must be very prudent in assessing the impact brought about by the ageing population on the medical services, so that appropriate policies can be formulated to assist the elderly and to ensure that all the elderly people can enjoy suitable medical services.

Madam Deputy, the elderly people have contributed significantly to the prosperity of Hong Kong during the past decades. Upon retirement, they do deserve the leisurely enjoyment of life after having worked so hard during the past few decades. Unfortunately, to date, Hong Kong still does not have a relatively sound retirement system which can enable the elderly to enjoy a secured retirement life. Even the existing Mandatory Provident Fund (MPF) schemes have only been launched in recent years. For those who have already retired or who will soon retire, the mediocre MPF payment is really insufficient, and it can hardly provide any protection to them. Many elderly people still have to worry a lot about their livelihood even after they have retired. This is really a plaintive song for the elderly people in Hong Kong, indeed an insult to the good reputation of Hong Kong as an international cosmopolis. I urge the Government to provide a suitable solution to the above problems when it draws up the blueprint for the development of future social welfare policies; and such a blueprint must take the welfare of the elderly into consideration, so as to enable them to enjoy a peaceful retirement.

As social welfare policies will involve many different spheres such as medical services, housing and education, they are very closely related to all the people of Hong Kong. So in the process of drawing up the blueprint, the Government has to consult the various sectors of the community, including the people, the underprivileged, our sector, social service organizations and the industrial and commercial sectors. It is hoped that, with joint efforts, we can draw up a sound social welfare policy in the most co-operative manner. I so submit. Thank you, Madam Deputy.

**MS CYD HO** (in Cantonese): Madam Deputy, I suppose in this debate today, Members should not just talk about the reduction of Comprehensive Social Security Assistance (CSSA), should not just say that the appropriation of additional funding for CSSA payments will increase our burden. Actually, CSSA payments and the CSSA Scheme are just a means to achieve the ultimate aim of extricating everybody from poverty. A sound retirement system will give people a secure old age; social welfare and education can enable people to stand on their own feet. Therefore, I hope that all Members, whether they represent the business sector or the vulnerable, can support the motion today.

Like a review of the political structure after 2007, the formulation of a social welfare blueprint is very much neutral, in the sense that the process itself does not presuppose the upholding of any specific values. The formulation of a blueprint does not necessarily mean that we can definitely maintain the safety net, nor does it necessarily mean that we can thus build up a just and caring society. Quite the contrary, if we follow the current trend of constant "shrinkage", if we follow such a direction in the formulation of a blueprint, we may well scuttle the safety net, casting out the unfortunate much more quickly. I therefore hope that we can clarify the aim of today's debate. Our aim should be to build up a just and caring society. There should be the participation of different sectors, especially the representatives of the grassroots and the vulnerable, so that their voices can be heard and their needs noticed; only this can be called a desirable process of formulation. For this reason, I will support Dr LAW Chi-kwong's amendment. I believe Miss CHAN Yuen-han will not oppose it either because it simply seeks to supplement the original motion by adding something which is not fully expressed by the original wording.

As in the case of political reform, the business sector very much fears that given the large numbers of grass-roots people, the social welfare blueprint eventually formulated may well swallow it up and lead to a lopsided policy that damages business and economic development. Therefore, there is really a need for everybody to sit down and talk things over. Such worries and fears actually stem from a lack of understanding. Once people can understand the needs and difficulties of the various social sectors, I am sure that sure worries and fears will certainly, most certainly, give way to justice and care. I also hope that the various sectors can understand that if society is to remain stable, it cannot possibly afford the continued suppression of the voices of the vulnerable. If the needs of the vulnerable, their need for assistance, are not properly catered for, social stability will be affected. At the same time, we may also fail to upgrade the quality of our population because the children of grass-roots families will be forced to remain in poverty, devoid of any fair chances of upward mobility. I hope that for the sake of social progress, those who have the means can pitch in to maintain the channels of upward mobility in society, to eliminate poverty. It is hoped that all of us can join hands to maintain the existing social welfare services and upgrade the quality of our population through education. In the long run, and overall speaking, our productivity will increase. In the process of formulating a blueprint, if all the sectors can sit down and talk things over, we will be able to achieve balanced participation in promoting social progress.

Since the announcement of the last long-term social welfare policy, our society has undergone many changes. Circumstances have changed, and new immigrants coming to Hong Kong now will need much more assistance before they can integrate into the mainstream society. The ageing population, the changes to family structure and the increase in divorces and child abuses may not have been tackled so comprehensively by policies made in the past. That is why there is a real need to plan our social services anew. We must consider whether some outdated policies should be scrapped; if new needs are voiced, we will have to provide more resources. All these issues can in fact be discussed by the business sector, the grassroots, the Government and the academic circle in the process of formulation later on.

But there is still one specific measure which should be implemented immediately. We must establish a social welfare fund, because the experience of the past few years tells us that while the economy may boom, it may also plummet. The economy will not boom forever without plummeting. But social welfare expenditure may rise despite any economic adversities, for such

adversities will lead to increased demand. As more people become unemployed, demand will increase. Therefore, we must establish a fund immediately to ensure that the various social services will not fail to cater for increasing demand due to declining revenue to the coffers. Madam Deputy, I hope that this measure can be put in place immediately. The next step should be to call upon all sectors to come together to formulate a long-term social welfare blueprint.

Thank you, Madam Deputy.

**MR LEE CHEUK-YAN** (in Cantonese): Madam Deputy, some time in the past, Hong Kong did have a blueprint for social welfare development. Thirteen years ago, the Government drew up the "White Paper on Social Welfare into the 1990s and Beyond". However, even so, it has become outdated by now because we are already in the 21st century. Besides, there was the practice of drafting a "Five Year Plan for Social Welfare Development in Hong Kong" every two years. But now, this practice has been abandoned. Therefore, I really do not know if the Secretary really will not have any planning at all in the future.

However, I believe the Secretary is a rational person. Perhaps some people may criticize him of not being sentimental enough, but he is a very rational person. In fact, he knows where the future problems lie, such as the ageing population, which is all too explicit to him. Presently, people aged 65 or above account for 11.7% of the total population; by 2016, this figure will rise to 14%; and by 2029, it will hit the 20% mark. This is a general trend in the world, from which Hong Kong cannot escape. On the issue of the ageing population, we did repeatedly raise it with the Secretary. The Secretary responded that they were studying, apart from the MPF, whether there were any other pillars that could solve the retirement problem of the elderly. Many elderly people say that the MPF cannot help them at all. CSSA can only help the poorest group of elderly people. But for those elderly who are on the brink of being eligible for CSSA, how can we help them? For all these problems, the Secretary said that all along they had been studying them. However, so far, I have been discussing this issue with the Secretary for three years — or even longer. Yet, no clearer picture has been formed. What prospects does the future actually hold for social welfare in this aspect? In fact, if the number of elderly people keeps on rising, it is also necessary for us to start conducting studies on the planning of elderly services, apart from problems like the



retirement of the elderly and retirement protection. Otherwise, it will again lead to a decline in quality of service.

Besides, there is another major challenge. Apart from the ageing population, another major challenge is of course the problem of impoverishment. Presently, the wealth gap in Hong Kong ranks among the top five in the world. The present Gini Coefficient is 0.525, with over 21.5% of the population living in poverty. In terms of figures, the number of low-income families amounts to 440 000. Among children aged between zero and four, 21.4% of them are living in poverty. How does the problem of poverty come about? We all know it too well. Now, the unemployment rate is high, the wages are low. Even people earning an income cannot feed and clothe their families properly. As a result, the children and the families are caught in poverty. We know these factors all too well. We see such factors — unemployment, low wages — are by nature structural economic problems, which cannot be removed in the short term. Even if we have an economic recovery now, we can predict that the recovery will not bring about an upsurge in wages and that the unemployment rate will not really drop to the level of 2%. We know that we still have to "endure the hard time for a long while". Given that we have to "endure the hard time for a long while", the trend of impoverishment will definitely persist. So we must have some kind of planning or a blueprint, so as to solve the social problems generated by it.

Presently, the worst problem of all is that the Government has only one blueprint, namely, the blueprint of solving the fiscal deficit. We surely have a blueprint of solving the fiscal deficits, that is, a fiscal balance will be achieved by 2007-08. Therefore, the "big envelope" received by the Secretary is close to 11%. But the figure is still more than 10%. I believe the only blueprint the Secretary can see is one of cutting resources.

The present problem is, there is only one overall social welfare policy, that is, how to reduce resources, instead of considering our needs and how to address our needs. As for how to make the community stable, just and caring, this is not the time to consider such issues. All that is being considered is how to "endure" the next five years, how to "endure" while maintaining services amidst the reduction of service, and we cannot afford to think of problems like the daily wage issue. The problems will become increasingly serious. How can they be solved by then? No thought has ever been given to such problems. I believe this is the deadlock of the overall social welfare policy.

I feel that, if we can think with vision, from the perspective of the long-term development of social welfare policy, we can see that Hong Kong is actually facing a very serious problem, that is, the social welfare services of Hong Kong and its social security are purely supported by tax revenue and the public purse. There is no alternative mode. However, this is not the case with other places in the world. In other parts of the world, there are many modes which make use of the concept of social insurance to solve some of the social security problems. However, such ideas have never occurred in Hong Kong. Hong Kong just stresses the low tax rate. In order to maintain the low tax rate, we have to reduce resources in services and welfare. From a longer-term perspective, we can consider whether we have some other alternatives to solve the social problems? Will the social insurance system be considered? The social insurance system, apart from cutting resources, in fact will identify resources for social welfare protection in order to solve many challenging problems that may emerge in the future. I feel that the Government should actively consider the above. We cannot go on "enduring" any more. We must find a way out to identify other resources to solve the problems of social welfare and protection. I hope I could hear a proactive response from the Secretary later on. Thank you, Madam Deputy.

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

**DR TANG SIU-TONG** (in Cantonese): Madam Deputy, with the advent of the 21st century, the continued drop in birth rate and the pace of ageing of the population in Hong Kong have sounded an alarm. In 2003, the total number of births in Hong Kong was only 46 200 and that is a 4.2% drop compared to two years ago. According to government forecasts, by the year 2030, Hong Kong would have a population of more than 9.2 million people of which the elderly aged 65 or above would take up about 24%. In 2031, the number of young people aged between 15 and 24 will have decreased by 60% to 80% as compared to the existing population in the same age bracket. Apart from this fast ageing of the population, the growth in the size of the working population is far slower than the rate of growth in the number of dependent elderly. According to "Hong Kong 2030: Planning Vision and Strategy" issued by the Government, it is estimated that within the next 26 years, there will be only a 21% increase in the working population, that is, from the present 3.3 million to 4 million. That shows that population ageing will become an important challenge for Hong Kong

in the future. The issue of caring for the elderly is therefore an urgent task. The Government should undertake planning and formulate long-term social welfare policies to cope with this long-standing responsibility.

With the economic downturn and the surge in unemployment rates in recent years, the people's desire to give birth to children has further dropped against uncertain prospects in employment. The birth rate in future may hit new lows. The replenishment to our population in the form of young people will drop even further. At a time when the average family size in Hong Kong nowadays is less than three persons, there will be an imbalance between the proportion of dependent family members and those who possess the power to earn a living. The needs of the elderly in terms of care and attention will inevitably have to be met by the community. When all these are coupled with the popular trend of people choosing to remain single, the number of single persons in Hong Kong is constantly on the rise. When these single persons become old, they will be in lack of care and attention from any child or spouse. The problems they face in health care, housing and even in living may oblige them to rely on government assistance and so it would create a great burden on the community and public finance.

As a matter of fact, most elderly persons do not wish to become a burden to their family, relatives, friends or the community. This especially applies to those who have witnessed the economic take-off of Hong Kong and who adhere to self-reliance. Though they are willing to take the old age allowance which is a token of respect to the elderly, they are not willing to accept the Comprehensive Social Security Assistance for the elderly which carries a labelling effect. For this reason, the authorities should care about the self-respect of the elderly at the same time when assistance is given to maintain the basic standard of living for the elderly. It is my opinion that in the next 10 years, the social welfare policies focused on the elderly should not be just one-way financial assistance given by the Government, but policies which have given consideration to other approaches, including the provision of some part-time social service jobs to those elderly persons who still have the ability to work. This will not only increase their income and self-confidence, but also enable them to render their service to other groups of people so that they can be given a sense of security and worth.

In fact, we cannot expect public finance alone to meet the various needs of an ageing population. Seen from another perspective, with the ageing of the

population, there will be immense business opportunities in the elderly services market. There will be increasing needs for medical service, convalescence service, old age homes, and even hospice care, funeral service and cemeteries. These services could create lots of jobs and the returns would be expected to be quite substantial. Can the authorities look into the possibility of setting up some development funds of public and private sector co-operation especially tasked with the investment in and development of products and services for the elderly? Young members of the public may join the fund as shareholders by making contributions to the fund. Apart from getting investment returns as they make contributions, the shareholders may become clients when they retire and they can enjoy the elderly services provided by the fund company. In addition, as properties fetch substantial prices in Hong Kong, the authorities may discuss with the related sectors on the possibility of introducing "reverse mortgages" in Hong Kong where the elderly may secure mortgage loans with their properties from the banks or other financial institutions to meet their retirement expenses. The property concerned will automatically become the property of the bank or institution concerned upon the death of the mortgagee. What I am doing here is just to throw out some suggestions in the hope that the business sector can come up with more financing plans for the elderly. That will enable the people to choose, on top of the mandatory provident fund, other old age plans and prepare for their future needs. This can also enable the Government to deploy resources rationally and effectively so that the needs of the elderly can be addressed.

The kind of social welfare policies to be formulated in line with an ageing population should not be just confined to welfare assistance. We should approach the matter from the wider population policy with a view to averting the imbalance of a population profile with too large a proportion of dependents. The Government should encourage the people to give birth to more children by offering tax concessions or other financial incentives, thereby increasing the local birth rate. With respect to the importation of people, efforts can be made to attract young people with good education and skills to come to Hong Kong for settlement by expanding schemes like those for foreign students, professionals and talents admission scheme, and so on. These will serve to restore the population structure to balance. Though such a balance cannot be achieved within a short time, we should undertake the planning for it so that we can make sound preparations early.

Madam Deputy, I so submit.

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

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, you may now speak on Dr LAW Chi-kwong's amendment. You have five minutes.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam Deputy, with respect to the amendment proposed by Dr LAW Chi-kwong, it is in fact in line with my own thinking. Only that I have not expressed it in writing. What I intend to do is to induce a general discussion on the blueprint for Hong Kong's future social welfare policies from various aspects. So I have not just called for support be given to my motion, but also to the amendment proposed by Dr LAW Chi-kwong. It is because our views are very similar indeed.

In this regard, and it is also due to the remarks made by Mrs Sophie LEUNG earlier, we should indeed adopt a very rational approach to look into the issue of what should be the blueprint for Hong Kong's social welfare policies in the future. There is a need for us to discuss with people from all quarters. I think that the problem for Hong Kong today is that very often we may have different experiences and our views can be expressed through a variety of channels. However, just through what kind of platform can our different views come to a final plan of action?

Madam Deputy, I would think that the Legislative Council is a place where many political parties meet and often times a number of political parties will sit down and discuss some topics, for example, we did that when we talked about our views on the budget. It is also very often that a consensus can be reached. In this Council which has so many disputes, and in this Council where we may hold different views about all sorts of things, we can still come to some consensus on some issues of the people's livelihood. So I believe some sort of consensus can be reached with regard to a blueprint for social welfare policies. We all hold this belief, that is, despite the existence of different classes in society which may have different views on things, that is precisely the unique feature of the society of Hong Kong and that of a capitalist society as well, so because of this, it would be very important for us to sit down and talk. I would also think that the Government has the natural responsibility, the obligation to make this platform accessible.

Why is it that over the last 13 years we could hold discussions? For all along, talks are held in the social welfare sector and there are also participants from the Government, the business sector as well as people from other sectors and representatives from different groups. We all come and listen to other people. I can recall in the past when I was organizing some social activities and when the Government consulted the community on family and women's issues, we were also consulted. I feel that 13 years ago, there was such a platform for us to engage in discussions. But why is it that 13 years later, and after so many things have happened in Hong Kong, no such platform is available for us to come together for discussions? Therefore, with respect to the amendment proposed by Dr LAW Chi-kwong, I think we have no objections to its contents at all.

In addition, Madam Deputy, I would also like to talk about some views on some other topics. The Chief Executive talked about the third sector in his latest policy address. As a matter of fact, the Chief Executive has also talked about the third sector in the last few policy addresses. But this time he has talked about social capital and stated his ideas under a very clear and catchy caption. The section in the policy address clearly states that the issue of social capital requires study by the business sector, the service providers which are in fact the non-profit-making groups and also the Government. It is also pointed out that the Government has already set up the Community Investment and Inclusion Fund and mention is also made on how the Social Welfare Advisory Committee and the related departments should go about discussing matters related to the third sector and how to develop this tripartite partnership between the Government, the business sector and the third sector. This is what the Chief Executive proposes in his policy address this year. Since the Government intends to solve the current social problems by resorting to this approach, then why do we not make use of the opportunity to do something? I do not know if the Secretary will say "no" again, for last time when I mentioned matters in this regard in 2000, the Secretary did not pledge anything and he just said that consultation would be carried out. I hoped that through the motion debate today, the Secretary can accept our views, that is, accept the amendment or my original motion. I do not want to see that in one or two years' time, we will have to bring up the issue again in a motion debate. I do not wish to see the Secretary making some pledges which cannot be honoured. As I said in my speech moving this motion, the Secretary did not honour some of the pledges he had made and that some items had even been deleted.

In addition, I would also like to make a point, that is, Madam Deputy, every time when we sit at a meeting of the Panel on Welfare Services, whenever the Government wants to change some items, the Panel would adopt a confrontational stand despite the fact that the intention of the Government may be good. I feel that if the Government can discuss the matter with us beforehand and if some sort of results are reached after discussions with people from all quarters, then it is unlikely that this kind of scenario will happen. In addition, members of the public are very sensitive these days and whenever the Government makes any change, though it may be a good idea, they would come to the Legislative Council to express their views. I therefore think that since the people are showing these feelings, the Government should really learn from the approach of some officials, that is, to gauge public views in advance.

Madam Deputy, I so submit.

**SECRETARY FOR HEALTH, WELFARE AND FOOD:** Madam Deputy, I would like to begin by thanking Honourable Members for the comments they have made and the insights they have provided in this motion debate. In particular, I would like to thank Dr the Honourable LAW Chi-kwong for his definition of what constitutes a blueprint and the differentiation from a work plan. I think it is important that we understand what we are talking about. We are talking about a blueprint. I observed that many of the issues which had been touched on by Members, in fact, fall outside the remit of our social welfare policies. They are falling into economic, labour, financial and immigration policies which, I believe, are outside the remit of social welfare policies. Although they may have an impact on our social welfare policies in blueprint, I do not believe that they are within our remit. I also noticed that many of the comments made by Members are that there are differences in views in terms of our social welfare policies, and not the absence of such. I would like to take this opportunity to describe to Members the development in our social welfare philosophies, values, strategies, policies and programmes which form the basis, and which can also be described as the blueprint of our social welfare policies.

(THE PRESIDENT resumed the Chair)

To provide a philosophical base and objective for our policies, we have a clear Mission. Our Mission in the social welfare arena, as stipulated in our

policy agenda, is to build a "Caring and Just 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 which embraces all individuals, nurtures their healthy development and enables them to participate in economic and social life with dignity and self-reliance. Underpinning this Mission is a four-pillared approach to social policy to:

- (1) build a platform to provide equal opportunities for everyone to develop his or her potential, and to participate in and contribute to the economic and social life of Hong Kong ;
- (2) support and protect the disabled and vulnerable members of society to enable them to develop their potential and participate fully in the life of the community;
- (3) provide a social safety net for those who are economically inactive because of age, illness or disability, and for individuals who are in need of financial assistance because of unemployment, and to help able-bodied recipients to gain self-reliance; and
- (4) develop social capital by fostering mutual care and support.

Cascading down, our policies and programmes are set out in our policy agenda, with the subvented sector working in partnership with us: they implement these policy objectives. Examples include the wide spectrum of services provided for people with disabilities; integrated services for children and youth, family and the elderly. The progress made in respect of the programmes and new initiatives which respond to community needs is accounted for in the context of both the policy address and our annual Budget. I believe many of the things we are talking about are really the definitions of terms and the expectations of Members, and those put forward by the Administration.

In my response to the points raised by Members in the motion debate on the policy address earlier this month, I did mention that Hong Kong, as Members said, is going through a period of restructuring — in both the economic and social arena. Life has become much more complex and intense, with more individuals and families facing varying degrees of changes, with uncertainties in different aspects of their lives: in terms of relevance of skills and qualifications,



security of employment and stabilities in family relationship. I believe, from what I have heard from Members, we are of the same view. I am mindful of the overriding need to ensure that our strategic directions, policies, and the supporting services are robust enough to meet the ever-changing demographic, social and economic needs of the community. I also believe, from what I have heard from Members, that there is also no difference in views in this regard.

On the other hand, I am equally conscious of the importance of maintaining the sustainability of our welfare policies and services. As Members know, currently, welfare expenditure amounts to over \$32 billion, accounting for 14.7% of the Government's recurrent expenditure, and representing a 34% increase in real terms since 2000. Of the \$32 billion, over \$22 billion is expenditure on Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) which are non-cash limited, and \$7.9 billion is subvention expenditure. Such level of investment made on the basis of a low tax regime is substantial, even when compared with the other developed economies which have a much higher tax rate. Maintaining sustainability is never an accident. It is the result of common understanding, acceptance, discipline and above all, relentless hard work of all stakeholders. The tasks are by no means small, but we are fortunate to have many partners in fronting these challenges together. I would also like to emphasize that we are not just driven on the basis of budget deficit, and to ensure Members here that we are mindful of the demands and needs of the community. These will certainly be reflected in our policies and programmes which we put forward.

I agree with some Members' observations. It is also apparent from the above that the conventional planning mechanism we introduced in the 1990s, which sought to match service provision with population level or other rigid parameters, is not only outdated but also does not serve the people which it intended to serve. Although our Mission set at the turn of this new millennium and the strategic directions re-confirmed in the subsequent policy agenda continue to serve us well, it is timely to revisit the concept of social investment which is one of the two key strategic responses to address our current challenges. A paradigm shift from a "service provision" to "social investment and developmental" approach is necessary. That is to say, shifting away from the benevolent relief provision approach where the needy are passive recipients of help, to an investment approach which is results-oriented and features prioritization. Such an approach would also maximize individuals' capabilities and provide springboards to economic participation, self-reliance and social

inclusion. In fact, we did touch on this strategic direction with the Legislative Council Panel on Welfare Services early this year. So, we are in the process of consulting and developing the blueprint with the Legislative Council.

I agree that the Government should never develop its strategic directions in a vacuum, as I have just said. Collective intelligence and ownership is paramount. I completely agree with what Members have said, particularly Dr the Honourable LAW Chi-kwong. Social problems need a society's response. Solutions to social problems reside in society. Whatever resources the Government puts forward, whatever programmes the Government puts forward, cannot solve society's problems. For that only reason, we need to consult the community in terms of the services which should be provided. With this in mind, as a first step and acting as a facilitator, we have already initiated a dialogue with the social welfare sector, and will engage them by organizing a conference in the coming months to revisit the philosophy of social welfare, the values which will guide us and assess our efforts in focusing on the social investment approach.

Obviously, we cannot map out the strategy and develop our blueprint further in just one single conference. Nonetheless, constructive discussions on the welfare philosophy and ideas on how we should move towards a social investment approach will be the basis of the discussions. This will be complemented by further discussions, both with the third sector, as envisioned in the 2004 policy agenda, and all relevant stakeholders including, of course, Honourable Members here. So, you see, Members, we are taking forward the issues which have been put forward for discussion in our policy agenda, and they form the basis for our blueprint in the future.

Moving ahead with our concerted efforts, I hope to see that at the overall community level, we can agree on a social investment strategy which is robust, affordable and sustainable. We hope that the process in formulating a social investment strategy would also help us to identify and agree on priority action areas, set pointers on how to yield social returns, and endorse the principles in relation to effective evaluation models.

At the district level, in the light of the social investment strategy, district needs would be identified and partnership among the Government, the third and business sectors would be fostered, taking into account individual characteristics of the districts.

Turning to sustainability, I also note that some Members have referred to efficiency savings, and questioned the Government's commitment to the welfare sector. The spending figures which I have referred to earlier speak for themselves, and I need not repeat them here. Nonetheless, I must say that the Government has been engaging in a constructive dialogue with the welfare sector, and I am encouraged to see that the sector appreciates the need to address the fiscal challenge. That said, it does not mean that we do not continue to invest in social welfare, in the services which are required. Sustainability of our welfare system remains a challenge which we cannot, and should not, avoid. The Government invests and provides a safety net, offers opportunities but also looks for responsibilities from all. As can be seen from overseas experience, the Government alone cannot address the sustainability issue. Across Europe and in North America, philanthropy and corporate social responsibility are being vigorously pursued. I do not see that Hong Kong is any exception. In this regard, the welfare sector has really made a good start to partner with the business sector. I can see a lot of potential for future development, in terms of scaling up and transferring successful partnerships. We should draw the best out of our community resources, with the Government, the third sector and the business sector working together in a tripartite partnership. Resources go beyond the narrow monetary definition, and include mutual help, sharing of innovative ideas, operational experience, management skills and volunteerism and simply just understanding the problems each sector faces. Scaling up and transfer of successful partnerships do not occur automatically, and I see the Government acting as a facilitator, providing support in order for this to proceed. It takes, as many people say, two to tango and in this context, three to sustain. We would be working with the third and business sectors with a view to mapping out effective sustainable strategies. This review is the second strategic response which should provide the other foundation for our blueprint.

In conclusion, Madam President, I wish to reiterate that we are unequivocally committed to our Mission of building a caring and just society. Our directions for the future are very clear to ourselves. Unfortunately, they do not seem to be clear to Members. Nonetheless, to ensure that our strategic directions, policies, and the supporting services are robust enough to meet the changing needs of the community, it is timely, particularly at this stage, to revisit some of our welfare philosophies and strengthen the strategic partnerships which have been built up. That said, these are no small tasks, and we need to build a common vision to engage our partners and find our common ground, to ensure that our strategies and policies are effective in building capacity which is fair

within generations, equitable between generations and sustainable across generations. We will be happy to work with the Legislative Council in future to further develop the two strategic responses which I have mentioned, which will form the basis of our so-called blueprint for our social welfare policies.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the amendment, moved by Dr LAW Chi-kwong to Miss CHAN Yuen-han's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, please reply. You have one minute 57 seconds.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, I am very happy today for my motion is about to be passed. Though it has been amended by Dr LAW Chi-kwong, the contents of his amendment are in line with what I have in mind.

Madam President, I have listened to the speech made by the Secretary earlier. The Secretary said that a large-scale seminar would be held in the near future to look into the future problems in social welfare in Hong Kong. This is

certainly something I welcome. But still I think that to carry out a consultation exercise is an immense effort and in fact we have not done this for 13 years. Meanwhile, a lot of things have happened in society, but I do not wish to cite them here. I hope that the Secretary will reconsider this. The motion I moved last time was not passed, but the one I moved this time is about to be passed. We should know that various classes in society will have strong reactions to any reforms introduced by the Government in the course of promoting its social policies. As I have said earlier, among the people who took part in the 1 July march, some of them came out because they were unhappy with the social welfare policies, so if the Government wants to achieve social stability, it must never underestimate the discontent in this regard.

Madam President, I hope the Secretary will realize, and just as the policy address has stated, there must be proactive planning to meet the challenges. I hope that the Secretary will always remember that chances are always available to those who are well-prepared. Thank you.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Miss CHAN Yuen-han, as amended by Dr LAW Chi-kwong, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion as amended passed.

**PRESIDENT** (in Cantonese): Second motion: Immediately consulting the public on election by universal suffrage.

**IMMEDIATELY CONSULTING THE PUBLIC ON ELECTION BY UNIVERSAL SUFFRAGE**

**MR ANDREW CHENG** (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Prior to its trip to Beijing, Madam President, the Constitutional Development Task Force (the Task Force) met with a number of organizations and consulted them on the legislative and procedural matters relating to constitutional development. However, the public was not consulted on the concrete proposals on constitutional development. So far, the Government has merely created disturbances with respect to the peripheral issues relating to constitutional reform. It has deliberately evaded and kept stonewalling on the concrete proposals on constitutional reform, particularly whether elections should be held in 2007 and 2008 by universal suffrage, which are essentially the crux of the matter. Since the three guiding principles and five major legislative problems were brought up on 16 January, we have seen the "guardians" hastened to further complicate the law governing the guiding principles of political ideas. Together with the remarks made by a number of extreme leftists, such as the "dog biscuit" theory and the theory that new China would have been impossible without the Communist Party; the comments by DENG Xiaoping on patriotism; and a number of commentaries; and so on, the aspirations for universal suffrage, originally perfectly rational, have been transformed into a highly emotional campaign on patriotism education. Madam President, today's question seeks to turn the highly emotional arguments on patriotism into a rational, impartial public consultation to reflect the aspirations of the majority of Hong Kong people for universal suffrage.

Madam President, the recent overwhelming soft and hard propaganda is apparently intended as a warning to the people of Hong Kong — do behave properly in September this year and not to elect candidates considered not patriotic in the eyes of the leftists to the Legislative Council. The reason is that, even if the democratic camp should become the majority party in this Council after September this year, the Central Authorities will definitely disallow election of our Chief Executive by universal suffrage. People in Hong Kong must not harbour any wishful thinking nor waste their votes. There should not be any worries should the majority of Hong Kong people be considered by the Central Authorities to be patriotic because patriotic Hong Kong people will definitely not elect unpatriotic candidates to this Council.

Madam President, in a speech delivered during his recent visit to France, Chinese President HU Jintao proclaimed to the world, "Without democracy, there would be no socialism, and no socialist modernization. Through actively promoting constitutional reform and perfecting a concrete system for socialist democracy, the people will be guaranteed to fully exercise their rights with respect to democratic elections, democratic decision-making, democratic management and democratic supervision". Even President HU has confirmed that democratic election is the country's surest path to modernization. Despite the need to emphasize the rule of law rather than the rule by man, the words of the state leader today should at least be taken as important as the remarks by DENG Xiaoping on patriotism, should the latter be still considered by the Central Authorities useful reference after all these years.

Madam President, I am convinced the people of Hong Kong have a good democratic quality. Carrying on the sweat of 500 000 people, Hong Kong people will definitely be able to avert an attack by the extreme leftists and steadfastly pursue their aspirations for universal suffrage in 2007 and 2008 without being humble or pushy. Despite the Government's repeated stress of the need to understand clearly the legislative and procedural issues relating to constitutional development before further discussions on constitutional reform can be held, it is easy to note from the three guiding principles and five major legislative issues that the consultation is far-fetched. For instance, regarding the interpretation of the principle "Hong Kong is an inalienable part of China", the arrangement of "one country, two systems" was actually accepted by the community a long time ago. Never has anyone in Hong Kong come forward to strive for independence. People equating Hong Kong people's aspirations for democracy with striving for independence are actually trying to justify themselves with fallacious arguments out of touch with the reality. It is hard to understand why the Government should consult Hong Kong people on the principle of "Hong Kong is an inalienable part of China", a principle rarely doubted.

Let me cite the Government's plan to consult the public on the interpretation of "actual situation" and "gradual and orderly progress" as another example. Since the drafting of the Basic Law, Madam President, there have been ongoing discussions on these issues for more than a decade. There are actually no definite, objective answers to these questions of principle. Giving up the entire jungle for the sake of one tree is unwarranted, even it is considered necessary to consult the public on these issues. The public can be consulted on issues of principle and specific proposals on constitutional reform simultaneously,

as both are not mutually exclusive. Given that a government website has been set up and \$350,000 spent on advertisement to consult the public on the three guiding principles and five legislative issues, why can the Government not consult the public in the same exercise on ways to select the Chief Executive and Members of this Council in 2007 and 2008 respectively? Why has the Government failed to explain to the public how and what the public will be consulted if there is already a plan to consult the public on different kinds of issues in stages? The answer is very simple — the Government is simply trying to adopt a delaying tactic on the issue of universal suffrage.

Therefore, Madam President, it is imperative for the Government to propose a timetable for consultations on constitutional reform and publish a consultation paper setting out different reform options. Despite the Government's repeated attempts to shun consultation on constitutional review, a consultation was suddenly launched after the Central Authorities had suggested discussing the five legislative issues and three issues of principle. As consultation is unavoidable, substantive discussion should commence immediately. It is actually the hope of the Hong Kong people that they can choose their own leader and address any institutional inadequacies through a reform of the system. Hong Kong people have never demanded independence; nor do they intend to confront the Central Authorities. We now call on the Government to, after collecting the public's views, accurately relay the views and concerns of the people to the Central Authorities to enable the authorities to understand the aspirations of Hong Kong people for democracy. The Central Authorities should, under the principle of "one country, two systems", respect the wishes of the people of Hong Kong and trust their ability to act sensibly.

Madam President, the Chief Secretary for Administration had not yet announced his intention to report on his trip to Beijing when I initially proposed this motion. As such, an amendment will be proposed later on by Dr YEUNG Sum, Chairman of the Democratic Party, to the original motion to "urge the Task Force on Constitutional Reform to increase the transparency of its discussions with the Central Government".

Madam President, I would like to say a few words on the collection and analysis of public opinions by the Government. In the course of collecting and analysing public opinions on the national security law, the Government acted unfaithfully and even went to such extreme as to distort public opinions to reach a conclusion that a majority of the people supported the enactment of legislation



on Article 23 of the Basic Law. The Democratic Party has once requested the Government to draw up a "code of practice for public consultation" by including the following significant principles: (1) the time required for conducting public consultation should be factored into the process of formulating government policies, and sufficient time must be reserved for the public to express their opinions; (2) the Government should clearly state the targets, objectives, issues and timetable of the consultation, specify the implications of the policy, and invite people or groups to be affected to express their views or the views of the people they represent; (3) the consultation paper should be as simple as possible and readily comprehensible, and the arguments for and against the policy should be set out in the consultation paper; (4) ensuring that the public and people to be affected can easily obtain the consultation paper; (5) the public should be given sufficient time, at least 12 weeks, to express their views; and (6) the Government should analyse the outcomes of the consultation with an open attitude, and publish the outcomes and justifications for the policy decided in detail. The Government should also explain in detail the reasons for making a decision as well as the reasons for rejecting certain proposals. Another round of consultation should be considered in the event that new proposals arise in the course of consultation.

Madam President, on the several major principles mentioned earlier, we in the Democratic Party hope to, through today's debate, persuade the Government to adopt the proposal once raised by us in the Panel on Constitutional Affairs to formulate a code of practice for public consultation by making reference to the practice of foreign countries, so as to ensure that public consultation can serve the purpose of making the Government more open and more accountable. Much to our regret, the Government responded at that time that the major principles needed to be considered in the course of public consultation could be found in its internal guideline. However, the guideline has apparently failed to lay down any rules to deal with government departments found to have deviated from the major principles. Under the existing system, even if we find that a government bureau or department has deviated from these principles, like the Government's handling of the enactment of legislation on Article 23 of the Basic Law, there is no channel through which complaints can be lodged. It seems that the people of Hong Kong can only express their dissatisfaction with their feet and sweat. Neither has the guideline made it clear how the public can hold a government department responsible for deviating from the Government's major principles. We were like being told by the Government at that time to come to terms with our fate and not to count on accountability in the foreseeable future.

In order to restore people's confidence in the Government's determination to consult the public on constitutional reform, the Government should make reference to overseas experience in ensuring compliance of the consultation process with the code of practice and in evaluating public opinions. This will make the consultation process more objective and the results of collation more persuasive, thus preventing the entire constitutional reform from being foiled by all those emotional arguments on patriotism.

With these remarks, Madam President, I beg to move.

**Mr Andrew CHENG moved the following motion: (Translation)**

"That this Council regrets that the Constitutional Development Task Force's trip to Beijing lacks transparency and urges the Government to immediately consult the public on whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in 2007 and 2008 respectively, collate the public's views received in an impartial manner, and accurately relay them to the Central Government."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew CHENG be passed.

**PRESIDENT** (in Cantonese): Mr Howard YOUNG, and Dr YEUNG Sum will move amendments to this motion respectively. Their amendments have been printed on the Agenda. The motion and the amendments will now be debated together in a joint debate.

I now call upon Mr Howard YOUNG to speak first, to be followed by Dr YEUNG Sum; but no amendments are to be moved at this stage.

**MR HOWARD YOUNG** (in Cantonese): Madam President, in his policy address delivered last month, the Chief Executive said that a Task Force headed by the Chief Secretary for Administration, Mr Donald TSANG, would be established to study constitutional development and to consult the Central Authorities on this issue. Consequently, it took only a month or so from the

establishment of the Task Force to its trip to Beijing. In terms of time, we think that the efficiency of the Task Force does merit our commendation.

As we all understand, whatever views we have on the constitutional system, we will accept that the Central Authorities do have a role to play and that the views of the Central Authorities are very important. After its trip to Beijing, the Task Force has relayed to us many substantive views of the Central Authorities. I believe these views will be helpful to our future discussions on the options of constitutional development.

Regarding the original motion which expresses regret at the lack of transparency of the Task Force's trip to Beijing, the Liberal Party considers the allegation in the original motion incorrect and therefore, it is necessary to propose an amendment to it.

First, during his visit to Beijing, Chief Secretary Donald TSANG did, right after every meeting with mainland officials, brief reporters covering the event there the contents of the discussion. This enabled us to learn the development either from television broadcast on the same day or from press reports the following day. Besides, the Xinhua News Agency had also published an article before the Task Force left Beijing at the end of its trip, citing the remarks made by the relevant heads of departments of the Central Authorities on the principles and position on the constitutional reform of the Hong Kong Special Administrative Region (SAR). This clearly shows that neither the SAR Government nor the Central Authorities intended to deliberately withhold any content of their discussion at the meetings. So, how can we say that transparency was lacking?

Moreover, on the night when Chief Secretary Donald TSANG arrived in Hong Kong, he immediately requested on his own initiative that a time slot be given to him at the meeting of the Legislative Council on the next day, so that he could explain in detail to all Members the results of the Task Force's trip to Beijing. This had fully reflected that he clearly understood one point, that is, the people of Hong Kong and Members of this Council were very concerned about this trip to Beijing. That is why he had swiftly reported to us and to the public the results of the meetings at the first available opportunity.

Given that the purpose of this trip to Beijing by the Task Force was to understand the views of the Central Authorities on constitutional reform

beforehand, so that preparation can be made for formal consultation to be launched subsequently, I think the Task Force has duly performed its role with a very high degree of transparency. I do not see any reason or justification suggesting that the Task Force has deliberately withheld anything in this connection. Therefore, we consider that the Democratic Party's original motion which expresses regret at the Government is short of substantive evidence.

Madam President, perhaps the Democratic Party, after some thoughts, also felt that their proposition had gone a bit too far and so, their Chairman proposed an amendment to the original motion proposed by their party to delete such wording as "regret", urging the Task Force to increase the transparency of its discussions with the Central Government. Obviously, their intention is to rectify their wrong view. Although the tone of the amendment is obviously far more moderate than that of the original motion, we think that the wording of the amendment is still superfluous. Certainly, they may say that 100% of transparency is still not enough and that it can be further increased to 120%. No one would argue with them over this point mathematically. Since the Task Force has given an account of its trip to Beijing to the public and conducted open consultation on the messages that it has brought back from Beijing, we can say that there is already transparency. Of course, it is always right to call for enhanced transparency, and it is still right to repeat this appeal even for one thousand or ten thousand times. But what substantive meaning is there? We do have doubts about this.

The original motion also urges the Government to immediately consult the public on whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in 2007 and 2008 respectively. On this point, we have repeatedly stressed that we hope the Government can put forward different preliminary proposals as far as possible before the Legislative Council elections in September for public consultation, in order to encourage the free expression and discussion of different opinions in the community. For this reason, we do not agree that we should, at this stage, insist on elections by universal suffrage in 2007 and 2008. Our view is that since the Basic Law has given us an opportunity to review the constitutional system, we should, at this stage, put forward as many different proposals as possible to extensively collect public opinions which should then be summarized and collated before a final decision is taken, rather than setting a target before everything else at the very beginning.

Furthermore, the implementation of universal suffrage will also require suitable support in a political sense. For instance, is the development of political parties in Hong Kong mature enough? In Hong Kong, there is not even legislation on political parties. Could the future Chief Executive secure enough votes in the Legislative Council to support his administration on various fronts? Do we have enough local talents for governance? All these are questions that must be answered and considered before the implementation of universal suffrage. It is not the case that all the problems can be resolved simply by chanting some slogans casually.

The Liberal Party has all along stressed that constitutional development in Hong Kong must proceed in accordance with the provisions of the Basic Law. That is, it must proceed in the light of the actual situation in Hong Kong and in accordance with the principle of gradual and orderly progress towards the ultimate aim of full universal suffrage. In addition, any decision relating to constitutional development must ensure economic prosperity and social stability in Hong Kong, fully taking into account and caring for the interests of all sectors of the community and at the same time having regard for the views of the Central Authorities. As I said just now, we all know that the Central Authorities do have a vitally important role to play over this issue.

We hold that the future constitutional development must adhere to the principle of balanced participation. As pointed out in the policy address, constitutional development must ensure full representation of the voices of all strata, all sectors and all sides of the community. For this reason, we consider that functional constituencies can have a positive effect on ensuring balanced participation from all quarters of the community and so, they merit preservation and should not be abolished rashly.

In fact, after initial consultation with members of our party and representatives of the concerned sectors, the Liberal Party found that many people from the small and medium enterprises, professions, the middle class and the industrial and business sectors are against the abolition of functional constituencies in 2008. They are concerned that some politicians may bring welfarism into great play to the neglect of the consequences in order to canvass votes. This will erode the advantages long enjoyed by Hong Kong (certainly, some people may consider this concern unwarranted but we have heard that many people are indeed worried about this). These advantages include the capitalistic system which has been operating effectively and the spirit which

encourages free creation of wealth and self-reliance. Given diverse public opinions on the constitutional reform in the community, we consider that the Government should collect public views more extensively and listen to them carefully. We must not rush into anything. Nor should we rashly suggest to achieve the target in one step.

Regarding the proposition in the original motion on asking the authorities to collate the public's views in an impartial manner and accurately relay them to the Central Government, this, in our view, is something that must be done as a matter of course. And we are very confident that the Task Force will do this.

I have spoken mainly on the original motion. As for Dr YEUNG Sum's amendment, we will listen carefully to his speech later on.

Madam President, I so submit.

**DR YEUNG SUM** (in Cantonese): Madam President, I am optimistic about the future prospects of both our country and Hong Kong. The development of our country and Hong Kong will suffer from some ups and downs in the short term, but in the long term, the overall development is still promising. Possibly it is such relatively historical macro viewpoint that helps me maintain the vigour even after having participated in the democratic movement for a long time.

First, with the launch of the economic reforms in the Mainland since 1979, the living standards of the people have gradually improved, and the middle class has emerged as a result. According to a political scholar Samuel HUNTINGTON, after a developing country has gone through the stage of economic development, its education, its information and the intelligence of its people will be improving continuously, and a middle class will gradually emerge. The emergence of the middle class will play a vital role in the economic and political development because the middle-class people will ask for greater participation in politics in order to protect their ownership of private property and their opportunities of participating in economic activities. In the face of such political aspirations, all that the ruling class can do is to open up the political system and implement political reforms — holding democratic elections to absorb the political impact, so as to further consolidate the stability and development of society. Such a relationship between economic and political changes could well be seen in the democratic development of neighbouring

countries such as Japan, South Korea, Taiwan and the Philippines, and so on. With the development of the new administration under the leadership of Mr HU Jintao and Mr WEN Jiabao, we believe that the Mainland will inevitably take to the path of democratization and liberalization after a certain period of time, though it may take a longer time than the above territories.

Madam President, based on the above analysis, I cannot help thinking that the launch of the democratic movement in Hong Kong is not just important to implementing "one country, two systems" and "a high degree of autonomy" in Hong Kong, but it also carries positive implications on the democratic development of the entire country. Democratization is such an irresistible trend that no one in the world can stand against it. A democratic movement stresses the universally accepted equality of political rights and the choices of the people on the one hand, and it will also enable society on the other to solve problems arising from the transition of power through peaceful means, thereby achieving a situation of perpetual stability and harmony in the country.

With such a macro historical perspective, I shall remain determined in promoting the democratic movement in Hong Kong without allowing myself to be affected in the least by the so-called Basic Law "guardians" or narrow-minded allusions to patriotism. However, Madam President, in the face of so many such remarks about patriotism, I cannot help feeling a bit sad that it is indeed an era of reversed morality and confused values. We, the group of people who were the first to support the resumption of Hong Kong's sovereignty by China in the mid-1980s, are now being denounced as people who are "opposing China and creating chaos in Hong Kong", who are trying to seize power through chanting slogans on democracy and who are advocating independence in Hong Kong. At that time, while many people were still talking of exchanging sovereignty with the right of administration in Hong Kong, we already supported the resumption of Hong Kong's sovereignty by China as we firmly believed that Hong Kong was a part of China, and we had already proposed a democratic reunification of Hong Kong with China. At that time, we also put forward our belief that loving the country is not equivalent to loving the Party.

China has a history of over 3 000 years, with one dynasty replacing the other in the different eras. Some are reputable, while others are notorious, depending on whether the ruling regimes could improve the welfare of the people and enable them to live in stability and prosperity. Despite the dynastic changes,

the people, the history, the culture and the vast beautiful land of the country live on. I held such a belief some 20 years ago, and this belief of mine remains unchanged now. Therefore, in regard to the remarks which meant to accuse us of being unpatriotic, my response is: Rumours will not spread beyond people with wisdom, and the people will eventually come to their own conclusion.

Madam President, insofar as the situation in Hong Kong is concerned, a full implementation of the election of the Chief Executive and all Members of the Legislative Council by universal suffrage in 2007 and 2008 respectively is in order. First, such a development is fully compatible with the principle of "gradual and orderly progress" prescribed in the Basic Law, and it is in the light of the "actual situation" in Hong Kong. What actually is the situation in Hong Kong now?

The Chief Executive is elected by a small circle of 800 persons, without any representation and mandate. As the Chief Executive does not have any mandate from the people, he cannot function effectively as a leader of the community. In the Legislative Council, Members are elected through different methods. So, there is no political party with the majority of seats to assist the Chief Executive in his governance. Legislative Council Members elected through geographical constituencies, though with the mandate of the people, do not have any decision-making power. So all they can do is to play the role of an opposition party. In a word, a co-operative and check-and-balance relationship does not exist between the executive authorities and the legislature under the present political system. I stress that this is a problem with the system, not just a problem attributable to the performance of the Chief Executive. Therefore, it is imperative for us to proceed with constitutional reforms. According to the provisions in Annex I and Annex II to the Basic Law, the elections of the Chief Executive and Members of the Legislative Council by universal suffrage in 2007 and 2008 respectively are consistent with the provisions of the Basic Law and the principle of "gradual and orderly progress". We all understand that the principle of "gradual and orderly progress" is just a matter of judgement, not legal language. I fail to see why the election of the Chief Executive in 2007 by universal suffrage is the so-called "one-step accomplishment" or is contrary to the principle of "gradual and orderly progress". Any further delay to the elections of the Chief Executive and the Legislative Council by universal suffrage is tantamount to an extreme insult to the people of Hong Kong. Any such further delay will only aggravate the governance crisis of the SAR Government.



Madam President, the elections of the Chief Executive and the Legislative Council by universal suffrage in 2007 and 2008 respectively will serve as a positive effect for demonstration to Taiwan for the latter's peaceful reunification with China, apart from solving completely the governance crisis in the SAR. CHEN Shui-bian of the Democratic Progressive Party has repeatedly teased the hypocrisy of "one country, two systems" in Hong Kong, and refused to accept the model of "one country, two systems". But if the Central Authorities can really respect the aspiration of the people of Hong Kong and implement elections of the Chief Executive and the Legislative Council by universal suffrage in 2007 and 2008 respectively in the light of the actual situation in Hong Kong and the principle of "gradual and orderly progress", I believe a positive effect of demonstration to Taiwan for the latter's peaceful reunification to China will certainly be achieved.

Madam President, the people's aspiration regarding constitutional reforms is explicit and specific. "One country" and "two systems" should co-exist and their relationship should be healthy interaction. Both should enhance such interaction and mutual complement, instead of intensifying the contradiction of both sides. I strongly hope that the pro-democracy camp can have an opportunity of communication with the Central Authorities, so as to strengthen the healthy interactive relationship between "one country" and "two systems" and to satisfy people's aspiration for the elections by universal suffrage.

Madam President, I so submit.

**MR NG LEUNG-SING** (in Cantonese): Madam President, on the following day after concluding the visit to Beijing by the Constitutional Development Task Force, that is, 11 February, the Chief Secretary for Administration came to the Legislative Council to issue a statement as a report on his visit. He then answered questions from Members of this Council. I agree that it was a move to brief the people of Hong Kong on the details of the Beijing visit at the first opportunity available. Thereafter, discussions began in the community on the issues brought forth by this visit. Follow-up action was taken by the Legislative Council Panel on Constitutional Affairs. This visit has been described by some as lacking in transparency and according to previous practice, a motion was moved to express regret. I cannot help but recall the remark made by some voters, "Does the Council have too much time to the extent that it is having much ado about nothing?"

It can be easily seen that the fruit of this visit is an understanding of the Central Government's view on the issue of constitutional development in the SAR, and this has given a focus to the discussions going on in society. Some people may think that the fruit of the visit is not something they would prefer to see, or that the issues raised by the Central Government or the views expressed by it are certainly not something they would like to accept. But that falls well within our expectations. If it is said in a most arbitrary manner that this visit is lacking in transparency, that is certainly misfired. For such criticisms are only made for the sake of criticisms and they do not deserve to be brought up for discussion in this Chamber at all. In my opinion, if people always apply the conspiracy theory or harbour distrust and criticize the communication and exchanges between the SAR Government and the Central Authorities, that will certainly bring no benefit to the entire discussion on constitutional development, and only adverse impact will be created.

What the community is discussing now is the entire question of the future constitutional development, involving all sorts of complicated details and different proposals. In addition, our society is itself carrying many different views and it is simply not comprehensive if we just pose the question of should elections based on universal suffrage be conducted in 2007 and 2008. It is clearly also a leading question which points to some desired answers. So this is not a fair and reasonable way of consultation. It will not help foster a full expression of views by all quarters and it is hard to achieve the aims of rational discussions and reaching a consensus.

When faced with this issue of constitutional development which is of the utmost importance, both the Government and this Council should handle the matter in a neutral manner. The community should be receptive to all sorts of opinions, for this is the basis of any rational discussion. If speculations are made based on suspicion, distrust or even the conspiracy theory, it would only serve to ruin things instead of making them a success. We must abandon all sorts of irrational remarks. Recently some remarks are made about things like "indigenous communists", "parrots", and so on, when some people hear things that they disagree. Sometimes even personal attacks are made. This is clearly not the kind of tolerance that one would expect to find in democracy. It makes all the more difficult for people to be convinced that those people making such remarks do have any genuine beliefs in democracy.

Under the major principle of constitutional development, it is indisputable that the Central Government does have its constitutional rights and responsibilities as provided in the Basic Law. These include the power of the Standing Committee of the National People's Congress in approving revisions to the method of selecting the Chief Executive. The Central Government has also reiterated the policy formulated in the 1980s, that Hong Kong should be ruled by Hong Kong people who love the country and Hong Kong. Some people would see no problem in the rights and responsibilities of the Central Authorities in this regard, nor do they see any problem with the principle of Hong Kong should be ruled by those who are patriotic and love Hong Kong. They would think that what should be immediately discussed are the specific proposals, anything done other than that would be considered procrastination. That is one of the views expressed. But that cannot bar other people from expressing views that are different. These divergent views include the exercise of the rights and responsibilities of the Central Authorities should be respected throughout the process of constitutional development, including the consultations, discussions and implementation. How are we to put into practice the principle of Hong Kong should be governed by those who are patriotic and love Hong Kong? All these are issues that must be addressed and cannot be evaded. Some people may think that if they can mobilize or even hijack public opinion to exert pressure on the Central Authorities and engage in a political show-down where no compromise should be acceptable, then their aims would be achieved. That is a very risky move to take. Not only will it damage the smooth launching of the constitutional review efforts, but it will also damage the mutual trust between the SAR and the Central Government. In the end, it will only serve to damage the prosperity and stability of the SAR itself, or even lead the people of Hong Kong down a political dead end. As discussions on Hong Kong's constitutional system have barely started, there would be many divergent views and changes. Recent opinion polls show clearly that even for those members of the public who are in support of elections by universal suffrage in 2007 and 2008, there is still ground for rational changes. If this reality is disregarded, and if an attempt is made to change consultation and dialogue into exerting pressure in the name of public opinion, the results would definitely not be beneficial to the well-being of the great masses in Hong Kong.

Madam President, I so submit.

**MS AUDREY EU** (in Cantonese): Madam President, there are three points in common for the original motion and the two amendments today and they are: First, the urgency of time; second, there should be a high degree of transparency in the work of the Task Force; and third, consultation should be impartial.

The first point is about the urgency of time and I believe there should be no dispute about this. The Government also accepts that it is so and there is thus no need to dwell on it. The second point is that the work of the Task Force should have a high degree of transparency. Madam President, I think that there are at least two reasons for the need of a high degree of transparency in the work of the Task Force.

First, as it has actually been mentioned by many Honourable colleagues, that is, after the Task Force had made the visit to Beijing, Chief Secretary for Administration Donald TSANG made a briefing at a meeting of this Council immediately upon his return to Hong Kong, and that is something worth commendation. But unfortunately, what followed was the press conference convened by the so-called "persons from authoritative sources" during which certain contents of discussions held in Beijing were disclosed, but they were not mentioned by Chief Secretary Donald TSANG in the Legislative Council. Actually, we all know that these persons from "authoritative sources" are accountable officials. Madam President, honestly I do not agree to such a way of disclosing information. And this is not the first time that I feel that it is not a desirable way to disclose information. For such a practice would serve to encourage anonymous persons spread rumours or disclose other information. The result is rumours would fly around and people are making all sorts of speculations and even doomsday forecasts. All this will not be conducive to cool-headed and rational discussions.

Madam President, the second reason for the Task Force to have a high degree of transparency is that recently there have been far too many of these persons from authoritative sources, persons from informed sources, official and semi-official statements, editorials and articles, coming like an avalanche and leashing out attacks reminiscent of the purges during the Cultural Revolution and targeting on certain persons, opinions or slogans, branding them as unpatriotic or in some worse cases, accusing them of heinous crimes like sedition, subversion and causing damage to the State.

The SAR Government is duty-bound to rectify these extremist discussions or scathing attacks and lead the discussions on our constitutional development back to the right track. It should then offer various pragmatic solutions to our conditions and difficulties. But regrettably, on last Friday, despite his rare comments on the constitutional reform, Mr TUNG was only repeating the arguments and questions posed by the *People's Daily* the day before. Nothing was said to boost the confidence of Hong Kong people. No one got any impression that he could provide the leadership in forging any dialogue between the Hong Kong community and the state leaders, with the result of reaching a consensus to the satisfaction of both parties.

All this wave of intimidation is obviously aimed at telling the people of Hong Kong not to support or vote for candidates from the democratic camp in the forthcoming Legislative Council elections in September. Madam President, I do sincerely hope that both the Central Authorities and the SAR Government will understand that even if these intimidation efforts are successful, that does not mean that there will be true stability in Hong Kong. For successful governance is never built upon such a flimsy foundation. Moreover, in the unlikely event that these intimidation tactics become counter-productive, the injuries inflicted on the relationship between the Central Authorities and the SAR will certainly be the last thing that the Central Authorities would ever want to see.

As for the third point mentioned in the original motion, that is, impartial consultation, it will have to depend on how the consultation is carried out, how the views received are considered in order that impartial conclusions can be reached. For the game to be impartial, actually the most important thing is to announce the rules of the game well in advance. It is unfortunate that despite the extreme importance of the constitutional reform discussions and the urgency of the consultation, the Government has failed to come up with a timetable. It has no procedures in place, nor any consultation documents issued. The eight questions raised by the Task Force, that is, the three principles and five procedures, are actually dodging the key questions which should be the core of the entire discussion on constitutional reform.

The eight questions raised by the Task Force all involve the principles enshrined in Articles 1, 12, 43 and 45 of the Basic Law and the explications made by Mr JI Pengfei, the former Director of the Hong Kong and Macao Office. To these major principles, there are absolutely no objections in the Hong Kong community, as they are already embodied in Articles 45 and 68 of the Basic Law.

So if things accord with the provisions of Articles 45 and 68, that would mean that they accord with all the other provisions of the Basic Law. Articles 45 and 68 mention two principles, first, the actual situation of the Hong Kong SAR; and second, gradual and orderly progress. These are the core issues. So if consultation is to be conducted in an efficient, genuine and impartial manner, then all we have to do is to ask the people the following questions: First, should the current method of electing the Chief Executive by 800 people be revised? If so, how should it be revised in order to accord with the above two principles?

The people of Hong Kong know that the Central Authorities may take part and it does have a veto right. But we hope the Central Authorities will also know that the quest for democracy by Hong Kong people is not based on any desire to destroy the principle of "one country, two systems", nor do they want to create any so-called independent or quasi-independent political entity. The people of Hong Kong are only fuelled by their love for Hong Kong and that they hope that through the constitutional reform, an executive-led government based on public opinion can be created and that will ensure the long-term prosperity and stability of Hong Kong.

The ancient Chinese sage MENCIUS said, "A person who overcomes others with virtue rules as a king, but someone who subjugates others by force is a mere warlord." I hope both the Central Authorities and the SAR Government will know that any persistent use of high-handed or divisive tactics will only impede the realization of election by universal suffrage in Hong Kong. Even if the battle is won, the heavy price paid will be the people's hearts as feelings are hurt forever.

Madam President, I so submit.

**MR CHEUNG MAN-KWONG** (in Cantonese): Madam President, the topic of the motion debate today is: "Immediately consulting the public on election by universal suffrage". The greatest controversy about universal suffrage now is on the ruling of Hong Kong by patriots. Therefore, I would focus my discussion on the relationship between election by universal suffrage and patriots.

In these few days, the Xinhua News Agency, the *China Daily*, the *Liao Wang* magazine and so on have published a number of editorials and articles to

make much fuss about the issue of patriots. Today the leftist newspapers in Hong Kong have listed out four categories of people in Hong Kong, including those who joined the rallies protesting against enactment of legislation to implement Article 23 organized by the Hong Kong Alliance in Support of Patriotic Democratic Movements of China, saying that they are not patriots and they should never be allowed to "steal the right to governance of the SAR" when election by universal suffrage is in place.

Madam President, I belong to one of these four categories of people who are regarded as unpatriotic. Being patriotic has become the admission ticket for those interested in making a career in politics. But what in fact is being patriotic? Who are patriots? These are decided by those in power. Patriotism has been twisted and disfigured as being equivalent to a love for the regime and the party. It has become the tool for ousting dissidents and practising political censorship. In the end, a political atmosphere of terror and dread is created with the aim of barring candidates from the democratic camp from being elected to the Legislative Council. Thus TUNG Chee-hwa and the next Chief Executive will be able to continue with their executive dictatorship and perpetuate with their small-circle government.

Ever since the pro-democracy movement in 1989, that is, over the past 15 years, the democratic camp has been intimidated, isolated, divided and attacked down. Such a kind of political encirclement is not a novelty. And what we are doing is to face it with serenity and peace of mind. For anyone in politics who is sincere, and anyone who is truly patriotic, will always be answerable to his conscience and nation. He will be adamant about his ideals and despite the presence of millions of enemies before him, he would move ahead without remorse.

I never have any remorse about joining the Hong Kong Alliance in Support of Patriotic Democratic Movements of China. I gave my staunch and unreserved support for the 4 June pro-democracy movement. And during that time, any Chinese who had a conscience and sense of righteousness would never permit the Chinese Government then to crack down on unarmed students staging a peaceful protest with tanks and machine guns. The pro-democracy movement of 1989 was suppressed and what we can do is to continue with the ideals of these freedom fighters and strive for a democratic China.

I have no remorse for opposing the legislation to implement Article 23 and to protect freedom and human rights in Hong Kong. Now that there are laws in Hong Kong protecting the security of the state and even if laws are to be amended, they should never be allowed to curtail the existing freedom and human rights which we all enjoy. On 1 July last year, half a million people in Hong Kong took to the streets, voicing their opposition to the legislation on Article 23. The march shows where do the hearts of the people lie. It is something which every person who loves his own country and Hong Kong ought to do. To this very day, I am still proud of it.

I have no regrets at all for taking part in the pro-democracy movement for more than two decades. In the past, we fought for democracy because we opposed the colonial rule. Now we are fighting for democracy in the interest of the sustained peace and stability of Hong Kong. TUNG Chee-hwa, who is elected from a small circle, and his government of accountable officials have no more credibility and competence to carry on their rule. Hong Kong has withered and suffered for six years. And now Hong Kong must launch democratic reforms, elect a government with universal suffrage and rebuild our prosperity. Democratic reforms are the choice which dawns on Hong Kong people in the midst of their sufferings in a land where they were born and brought up.

I never regret supporting during the 1980s the reunification of Hong Kong with China and putting an end to the British colonial rule, not the slightest. At that time, the tycoons and politicians, as well as those holding the reins of power, were trying to use all sorts of ways and means, including the idea of exchanging sovereignty for the right to rule, in an attempt to prolong the British colonial rule. At that time, the democrats and the students came out and showed their support for reunification. They attacked the unequal treaties between China and Britain. They wanted to put an end to the century-old disgrace which the Chinese race had endured ever since the Opium Wars. If the clock could be turned back, I would still choose to lend my support to the reunification. For I am Chinese.

It is therefore most natural for those of us Chinese who live in Hong Kong to love our country and Hong Kong. It is the most normal of us. To love our country and Hong Kong is never a stepping stone to fame and power. It must never be made a tool to expel and crack down on dissidents. Discussions about



patriots now have changed in nature. They have become a blind following of other people's political stand, a show of slavish loyalty and a political movement to settle old scores. At a time when the Anti-rightist Movement and the Cultural Revolution have become history and when political movements are fading out in China, it is shocking to see in Hong Kong a storm of political movement to purge dissidents being revived by the mainland newspapers and the local leftist faction six years after the reunification. That sends a chill down our spines. The spectre of the extreme leftist in China seems to have come alive and well in Hong Kong. It is shaping the mind of Hong Kong people and it is placing those in politics in a political witch hunt.

Madam President, with respect to the allegations made against the four categories of non-patriots, my answer is that I have four things which I never regret. I never regret joining the Hong Kong Alliance in Support of Patriotic Democratic Movements of China and to support the pro-democracy movement in 1989. I never regret opposing the legislation on Article 23 and to protect freedom and human rights in Hong Kong. I never regret being a part of the pro-democracy movement for more than 20 years. I never regret showing my support in the 1980s for the reunification of Hong Kong with China. I must point out solemnly that the present debate on patriots will only serve to make people cheap and objectionable, filling their hearts with dread and fear. It is heartbreaking to see that in just six years after the reunification, our peace and prosperity are all gone with the wind. Political purges come on the heels of another. Is this what has become of the Hong Kong we love so well? Is this what has become of the China in our dreams?

Madam President, I so submit.

**MR KENNETH TING** (in Cantonese): Madam President, the Federation of Hong Kong Industries (FHKI) has great reservations about the proposals on implementing universal suffrage to form the Legislative Council and to abolish the functional constituencies in 2008. It is because the importance of functional constituencies in the Legislative Council is to allow professionals to express their professional views in the Legislative Council, so that the Council can take into account both the views of the professionals and the public at large when it enacts and amends laws, hence striking a balance between the interests of all parties.

Madam President, the manufacturing industries still take up an important share in our economy. They are able to earn huge amounts of foreign exchange and they hire a lot of local employees. In the enactment and amendment of laws which have an impact on our economy, the professional views from the industries are indispensable. The manufacturers represented by the FHKI are at the forefront of our industrial development, grasping the market pulse. The seat in the Council occupied by the FHKI is precisely the most direct and effective channel that allows the representative from the manufacturing sector to express in the legislature views conducive to industrial development. It also allows the sector to take part directly in the enactment and amendment of laws related to industrial development.

We may quote an analogy made by Mr James TIEN, that the overall economy of Hong Kong is like a cake. The larger the cake, the greater will be the benefits to be obtained by the business sector and the public. The Government will have more resources at its disposal. The hard work made by the industrial sector throughout the years has been meant to use its professional knowledge to make this cake as large as possible. To do this, we need an opportunity to express our professional views in the legislature and take part in the enactment of laws, thereby creating a business environment which is conducive to the development of the manufacturing industries.

Over these few years, our representative has done his best to express the views held by the FHKI. This applies to the implementation of policies or their amendments related to areas like the Mainland/Hong Kong Closer Economic Partnership Arrangement, the building of domestic and cross-boundary infrastructure, the improvement to boundary crossing facilities, the promotion of the development of the logistics industry, the reduction of operating costs and the improvements in manpower training, and so on. Views from the business sector are presented on how policies should be formulated to the best advantage of the development of our economy.

Madam President, in order that our economic and political developments can proceed in a steady manner, the legislature must effectively balance the needs of all quarters. If the seats of functional constituencies are abolished, that may lead to a situation where the legislature will only incline towards views from a certain quarter and hence the laws enacted will fail to reflect the realistic needs

of all strata and sectors in our community. Certainly that will be more to the disadvantage than advantage of the economy of Hong Kong.

Madam President, I so submit.

**MR HUI CHEUNG-CHING** (in Cantonese): To start with, Madam President, the Chief Executive's announcement in this year's policy address of the establishment of the Task Force to be led by Chief Secretary for Administration Donald TSANG has demonstrated the Government's commitment to taking up the responsibility of leading the study and consultation with respect to Hong Kong's constitutional development. Secondly, since its establishment, the Task Force has actively met with various political parties, community groups, clubs and associations, and listened to views expressed by Members of the Legislative Council, District Council members, academics, and so on. At the same time, a designated website has been set up to give the public a better understanding of the topics for political discussions and consultation highlights, and allow the public to express their views by way of e-mail. The consultative exercise carried out by the Government on constitutional development is obviously in active progress. Thirdly, in its first visit to Beijing early this month, the Task Force listened to the views of the Central Government and, at the same time, reflected the opinions of the people of Hong Kong on the territory's constitutional development. This signifies a good start for the constitutional review in which the participation of the Central Authorities and the opinions of the people of Hong Kong are sought under the concept of "one country, two systems". Besides holding a press conference in Beijing to brief Hong Kong media immediately after each meeting with organizations and people involved in Hong Kong affairs, the Task Force informed this Council of the results of its Beijing's visit on the next day after its return.

The Hong Kong Progressive Alliance (HKPA) has always emphasized that Hong Kong's constitutional development must not deviate from the guiding principle of "one country, two systems". This principle has laid a foundation to enable Hong Kong, after the reunification, to maintain its prosperity and stability and continue enjoying its high degree of autonomy within the parameters of "two systems" under "one country".

The present situation in Taiwan is, as is evident to all, being influenced by some politicians and international careerists, who seek to strive for Taiwan's

independence from China, the Motherland, by frequently provoking public sentiment under the banner of letting the people decide their future by referendum in order to achieve their ulterior motive. Such actions, being in total disregard of the interest of the Taiwanese, are leading the Taiwanese on a tightrope walk between cliffs, putting them in a precarious position.

I believe the discussion on Hong Kong's constitutional development must be based on "one country" and the principles of "gradual and orderly progress" and "actual situation" in examining a wide range of possibilities and evaluating diverse opinions. The excessively narrow approach adopted by some people to confine the constitutional review to support for election of the Chief Executive and Members of the Legislative Council by universal suffrage in 2007 and 2008 respectively will only lead to disputes over one's position. The public inclinations collected through questionnaire surveys and selected by some organizations in a biased and leading manner will even trigger irrational responses from the public. All these are not conducive to rational discussion and will, at the same time, hinder people who have not made a final decision on the issue from taking part in the discussion to the detriment of social stability and harmony. Constitutional reform, being one of Hong Kong's major affairs, actually involves a wide range of complicated issues. Given that Hong Kong is merely a special administrative region of China, the State's consent is required before any major changes can be made. Any simplification that universal suffrage can solve all problems is actually rash irresponsibility.

Apart from actively consulting the public, the Task Force has presently strengthened its communication with the Central Authorities. As Members of this Council, we should offer advice on ways to enable the public to gain a better understanding of the scope and details of the constitutional development and to promote a community-wide discussion in a more liberal manner, rather than strangling discussion for the sake of hastily determining an election model for 2007 or 2008.

Madam President, I so submit.

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

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, the discussion on Hong Kong's constitutional development has deviated from the proper track. Today, we have even gone so far as to engage in constant disputes on what "patriotism" means. It seems that Hong Kong society has gone back two decades to the '80s when negotiations were held between Britain and China on Hong Kong's future.

We should understand that any review of the past is meant to make better preparations for the future. The wheel of history is rolling forward. All countries around the world, poor or advanced, are developing in the direction of universal suffrage based on democracy. As remarked by Chinese President HU Jintao in his speech delivered in the Australian Parliament: "Democracy is the common pursuit of mankind, and all countries must earnestly protect the democratic rights of their people."

China is actually progressing in the direction of democracy at the moment. According to studies conducted in the Carter Center, established by the former United States President Jimmy CARTER, on elections in China, elections have been held in nearly 700 000 villages in China as of today, involving 75% or so of the entire population of 1.3 billion people. Although village direct elections are still a long way from maturity, we can at least see that mainland citizens have the rights to take part in universal suffrage.

The current problem confronting Hong Kong concerns the governance of the Hong Kong Special Administrative Region. Mr TUNG Chee-hwa's performance in administration during the past six years since the reunification has been disappointing. We cannot help asking this question: Does the political system currently used in Hong Kong still work? Does the public still have faith in the system? Can the present system resolve the problems of administration in Hong Kong? After waiting for 10 years, do we have to wait another 10 years?

Given that even DENG Xiaoping could have proposed such ideas as "let some people become rich first" and "one country, two systems", can Hong Kong as a SAR not be allowed to progress and choose the preferred path of the entire community under the concept of "one country, two systems"?

Madam President, given our country's history of development, even the International Covenant on Civil and Political Rights (ICCPR) is under active

study for future submission to the National People's Congress. It is worth noting that it is precisely stated in Article 25 of the ICCPR that every citizen shall have the right and the opportunity, without distinctions and without unreasonable restrictions, to take part in the conduct of public affairs, directly or through freely chosen representatives; to vote and to be elected at genuine periodic elections which shall be by universal and equal suffrage.

In his address to the French parliament, President HU Jintao said, and I quote, "In addition to economic reform, we have launched political reform too. We have moved steadfastly to promote democratic politics under socialism. It has been categorically pointed out that without democracy, there would be no socialism, and no socialist modernization. Through actively promoting constitutional reform and perfecting a specific regime for socialist democracy, the people will be guaranteed to be able to fully exercise their rights with respect to democratic elections, democratic decision-making, democratic management and democratic supervision."

While we understand that there is still a gap between the Mainland and the international community on the perception of democracy, the State leaders are at least willing to launch political reform and talk about democracy.

This is a year of major elections. There will be presidential or parliamentary elections in countries ahead of or behind Hong Kong, such as the United States, the Philippines, Iran, and so on.

Chinese President HU Jintao once remarked in the Australia Parliament that all countries "should respect each other, seek common ground while putting aside differences and endeavour to expand areas of agreement" and "the political system and path of political development chosen by the people of each country should be respected".

I believe Hong Kong people understand there is a difference in the pace of development between the Mainland and Hong Kong. At the same time, they hope the Central Government can respect their choices — more than 81% of interviewees support the election of the Chief Executive by universal suffrage, with 70% of them expressing hope for the election to take place in 2007; and 77% of interviewees support the election of the legislature by universal suffrage, with 69% of them expressing hope for the election to take place in 2008. The opinion poll, conducted by the "Hong Kong Transition Project", has also

revealed that 44% of the interviewees felt that "the new leadership of HU and WEN" can enable the Central Authorities to answer the expectations of the Hong Kong community.

The expectations of the Hong Kong community are actually within the parameter of the Central Authorities' commitment to Hong Kong people under the Basic Law. I hope the Central Authorities can understand that only through allowing Hong Kong people to choose their own political system and path of political development can "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" be achieved.

Madam President, I so submit.

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

**MR FREDERICK FUNG** (in Cantonese): Madam President, when it comes to consulting the public on Hong Kong's constitutional reform, I believe many people can still recall vividly how the public was consulted on the enactment of legislation on Article 23 of the Basic Law. Both the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I share the view that Hong Kong's future constitutional development, particularly the election methods for the Chief Executive and the legislature in 2007 and 2008 respectively, is a crucial matter. The Task Force must therefore adhere to the overriding principle of being precise and objective in consulting the public on this topic while faithfully reflecting to Beijing the aspirations of Hong Kong people for constitutional reform. To the disappointment of the ADPL and me, the proposed consultation approach and the relevant arrangements will only give the public an impression that the consultation is going to be more abstract than concrete, and will merely be superficial and perfunctory.

According to a number of government officials, the consultation exercise should emphasize how to interpret the provisions of the Basic Law relating to Hong Kong's constitutional development, and how to initiate the process of amending the principle and legal issues relating to the procedures provided for in the Basic Law. The ADPL and I understand that it is essential for the Government to clearly determine the legal basis for constitutional reform so as to

manifest and put into practice the spirit of the rule of law in Hong Kong. However, after going through the 12 questions posed in the first phase of the consultation, I find that I do not understand the questions as well as their meaning and functions.

To start with, in the first part of the consultation paper, a question was raised on how Hong Kong's constitutional development can accord with the provisions in the Basic Law regarding the relationship between the Central Authorities and the SAR. Sharing the view that these questions bear little relevance to promoting the election of the Chief Executive or the legislature by universal suffrage in Hong Kong, the ADPL and I really doubt the need for discussions to be held in great detail. Following the National People's Congress's endorsement of the implementation of the Basic Law and the reunification of Hong Kong with China, Hong Kong people have accepted since a long time ago that Hong Kong is an inalienable part of China, and never has this principle been challenged. The Task Force's attempt to lead the public to express their views by posing this series of questions is therefore questionable.

Secondly, after reading the entire consultation paper, the ADPL and I found that the great majority of the questions raised therein are far from concrete. The only question that can really serve the purpose of consultation is the last one, concerning how the phrase "subsequent to the year 2007" should be interpreted. The ADPL and I would like to reiterate that, apart from studying the legal concepts of principle, there is all the more reason for the Task Force to expedite the commencement of substantive consultation, collate the views of the whole community on the election of the Chief Executive and the legislature by universal suffrage in 2007 and 2008 respectively, and bring the current discussion on constitutional reform into focus again.

In addition to the contents of the consultation paper, the ADPL and I are very much concerned about the Task Force's approach to consultation and its handling of views collected in future. I believe Members who are sitting here in this Chamber will recall that the Government was criticized by many for the consultation held last year on the enactment of legislation on Article 23 of the Basic Law. Examples like the general grouping of public opinions by a simple dichotomy into either "for" or "against", and the particular emphasis in the Compendium of submissions on irregularities found in a number of pre-printed opinion forms and signature forms did reflect that the authorities concerned were sceptical of their opponents.



Madam President, many people in Hong Kong have recently, using "patriotism" as their theme, stirred up social disputes. In my opinion, except for Mr DENG Xiaoping's reference in some of the speeches he made in 1984 to some of his loose definitions (I think the definitions were extremely loose) of the people governing the HKSAR, the definition of "patriotism" had, when the HKSAR was established, been incorporated into the Basic Law and Hong Kong laws by way of three mechanisms, namely the HKSAR's Basic Law Drafting Committee, the HKSAR's Preparatory Committee, and the Provisional Legislative Council. We can actually see "patriotism" blended into our Basic Law, including Articles 44, 61 and 67. Under these three Articles, the Chief Executive, principal officials, and 80% of Members of the Legislative Council must be Chinese citizens who are permanent residents of the HKSAR with no right of abode in any foreign country. It is actually stipulated clearly in these Articles that people in power must be Chinese citizens.

Article 104 of the Basic Law provides that when assuming office, the Chief Executive, principal officials, members of the Executive Council and of the Legislative Council, judges of the courts at all levels and other members of the Judiciary in the HKSAR must, in accordance with law, swear to uphold the Basic Law of the HKSAR of the People's Republic of China and swear allegiance to the HKSAR of the People's Republic of China.

I wonder whether the people who have triggered off such discussions have ever thought of whether the act of swearing to uphold the Basic Law of the HKSAR of the People's Republic of China should not be considered the same as an act of demonstrating one's "patriotism". For it is already stated clearly in Article 1 of Chapter I of the Basic Law that the HKSAR is an inalienable part of the People's Republic of China. Under Article 2 of the Basic Law, the National People's Congress authorizes the HKSAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. People having sworn to uphold the Basic Law should be taken as upholding all these principles as well. So, is there a need to ask the public whether they agree and accept that Hong Kong is an inalienable part of China in the first question? Is it the case that Hong Kong has reunited with China? We have actually sworn to uphold the entire Basic Law, not just one of its articles. Nor are there certain provisions we do not uphold. Therefore, insofar as the Basic Law is concerned, this system has been agreed upon. We have actually resolved the two issues

after swearing to uphold the Basic Law as a Chinese citizen. These two issues, on endorsement by the Preparatory Committee, were enacted as Hong Kong law in the Provisional Legislative Council.

Another political angle worth discussing is that the People's Republic of China can indeed look at the handling of the reunification or unity of Taiwan in a more liberal manner. So long as Taiwan is willing to accept "one country", everything is negotiable, and China and Taiwan can reunite and form a big family. Given the fact that we are all Chinese people, why should Hong Kong people still have to discuss patriotism when Taiwan can simply solve the problem by recognizing "one country"? Do we need to demonstrate our patriotism by writing the word "bravery" on our chests? These discussions are indeed unnecessary.

I also believe the values held by Hong Kong people is influenced by the market economy as they have been living in a community driven by the market economy for the past 150 years. Hong Kong people simply reject political campaigns and struggles. They will only be driven further and further away by all these. Just carry on with the struggles if we do not want Hong Kong people to be unpatriotic. People using "patriotism" as their tool of struggle should clearly examine the culture and values of Hong Kong people. People adoring "one country, two systems" should allow for a "second system" under which Hong Kong people can truly preserve their thinking, values, and culture.

Thank you, Madam President.

**MR MICHAEL MAK** (in Cantonese): Madam President, the discussion on constitutional development has aroused concern from all members of the community, for it is closely related to us and has far-reaching implications on the well-being and future of all Hong Kong people. In fact, at the last meeting of the Legislative Council, I asked an oral question on the constitutional development in Hong Kong. At that time, I asked if Secretary Stephen LAM would conduct an extensive public consultation on constitutional development. Regrettably, Secretary LAM's reply was very unsatisfactory, and disappointing too. He replied in the negative. A few days ago when I met with the Constitutional Development Task Force, I presented a written submission to

again call on the Government to conduct a full-scale opinion poll on constitutional development. Today, I urge the Government for the third time to immediately consult all members of the public on elections by universal suffrage.

Over the last few years, the SAR Government has not conducted extensive and comprehensive consultations before the implementation of many policies, resulting in public discontent and boiling public anger. Take the enactment of legislation on Article 23 of the Basic Law as an example. The Government had been hell-bent on its own way and attempted to force the legislation through by unfairly classifying some opposing views under the category of "not identified" when compiling the Compendium of Submissions, trying to fish in troubled waters and deceive the public by juggling with the statistics. Constitutional development is an issue of enormous import. The Government should learn a lesson from this bitter experience. It should extensively invite public views, widely and comprehensively consult the public, and carefully listen to the people's aspirations. It should collate their views in an impartial, fair and open manner, and accurately reflect them to the Central Government. It must not repeat its past mistakes and employ inferior tactics in handling constitutional development.

How strong is the public's aspiration for universal suffrage? From the 1 July march when over 500 000 people took to the streets and the New Year march on 1 January in which 100 000 people participated, we can see that these people have expressed their aspiration for a return of political power by the Government to the people. In the elections on 23 November last year, more than 1 million people cast a sacred vote, hoping to exercise their right and to elect representatives of their choice. Besides, many opinion polls have also reflected the people's aspiration for universal suffrage. For example, according to a survey recently conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong, 68.7% of the people agree or very much agree that the Chief Executive be elected by universal suffrage in 2007. According to a survey conducted by the Hong Kong Transition Project in November last year, 70% of the respondents considered that the Chief Executive should be elected by universal suffrage in 2007. In November 2003, a survey conducted by the Democratic Party also showed that 79% of the respondents supported the election of the Chief Executive by universal suffrage in 2007, and 77.7% supported the election of the Legislative Council by universal suffrage in 2008.

In fact, my office is now conducting a questionnaire survey among members of my sector. It is initially found that about 74% of the respondents consider that the Chief Executive should be returned by universal suffrage in 2007 and all seats of the Legislative Council should be returned by geographical constituency elections direct in 2008. Moreover, about 85% of the respondents consider that the Government should conduct a full-scale opinion poll on the elections of the Chief Executive and Members of the Legislative Council in 2007 and 2008 respectively.

Some people may ask, "Why Members and voters of functional constituencies will support the full direct election of the Legislative Council?" There are three reasons, and I have also mentioned them before. First, I believe voters have absolutely discerning eyes; their pupils have been dilated extensively. They absolutely consider that apart from issues relating to their sector, their representatives must also care for other issues in society. As the performance of Members of functional constituencies is recognized by voters and the public, voters of functional constituencies definitely do not worry that these Members, after the conversion to direct election, will not speak for their sectors. Second, as I said before, directly-elected Members are absolutely competent and interested in taking up issues relating to their sectors. They will certainly cater to their voters' liking and map out their election platform accordingly with the interest of their target voters in mind.

Third, under the Basic Law, the powers and functions of the Chief Executive are to lead the Government of the Hong Kong Special Administrative Region and to decide on government policies and to issue executive orders, whereas the powers and functions of Members of the Legislative Council are to, among other things, enact, amend or repeal laws, approve taxation and public expenditure, raise questions on the work of the Government, and debate any issue concerning public interests. This shows that the powers and functions of the Chief Executive and Members of the Legislative Council affect the immediate interest of each and every member of the public. Therefore, electing the Chief Executive and Members of the Legislative Council by universal suffrage is indeed a right to which all people of Hong Kong are entitled.

As we can reckon from all these signs, the public has very high aspirations for universal suffrage. But I implore the Government not to adopt an ostrich policy, thinking that the result of any full-scale public consultation must be in favour of universal suffrage and therefore refusing to consult the people

extensively. Doing so is certainly like "trimming the toes to fit the shoes". Please bear in mind that whatever the outcome of consultation, all of us should accept it with no grudges.

Recently, we have continued to argue over how we can be considered as loving our country and loving Hong Kong. In fact, this will only slow down the pace of constitutional reform. I think it is better for the Government to carry out more substantive work in this regard. Secretary, as I said to you the other day, I hope that in the imminent budget, your bureau will not be "diminished" by Ms Emily LAU again. Please do something to prove your worth to us!

Thank you, Madam President.

**MISS MARGARET NG** (in Cantonese): Madam President, before the Task Force went to Beijing, a few Members including me pointed out to the three Principal Secretaries earnestly that the meeting with the Central Authorities had to fully reflect public opinion in Hong Kong and maintain the highest degree of transparency, for if not, great suspicions and rifts would be created.

After the Chief Secretary for Administration had returned to Hong Kong and when he addressed this Council, he claimed that the views of Hong Kong people had been fully conveyed. However, a few officials who attended the meeting of the Panel on Constitutional Affairs later confirmed on being questioned by Members that the Task Force had not done anything to allay the suspicions of the Central Authorities by saying clearly to the Central Authorities that no one in Hong Kong was striving for independence and that no one was proclaiming that the constitutional development in Hong Kong was none of the business of the Central Authorities. As a matter of fact, there has long been a consensus in society that more dialogues and greater mutual understanding should be forged between Hong Kong and the Central Authorities. As these two issues related to constitutional reform have all along been causes of great concern to the Central Authorities, why did the Task Force say nothing about them? Why did the Task Force not tell the Hong Kong people why it had evaded the issues?

Now there are reports saying that when the Task Force was in Beijing, some officials from the Central Authorities made special mention of the

opposition which Hong Kong people put up to legislation on Article 23 of the Basic Law, saying that the move was not one which would uphold the interests of the State. But the fact is not like that, for the people opposed the rash passage of a law fraught with inadequacies, one which would damage freedom and human rights and threaten the prosperity and stability of Hong Kong. The SAR Government has long admitted that the legislative process indeed has some inadequacies and that a consensus from the community has not been secured. However, the Task Force did not make any attempt to explain to the Central Authorities in the meeting to allay the worries of the officials from the Central Authorities. We do not know if the officials from the Central Authorities ever mentioned the legislation on Article 23. We do not know if the Task Force gave any answer, or if it just said that there was nothing to add and that the officials from the Central Authorities had a very comprehensive grasp of the issue. Why was nothing mentioned about the whole matter at all?

Officials from the Task Force also admitted that they had not conveyed the aspirations and demand of the overwhelming majority of Hong Kong people for universal suffrage in 2007 and 2008. The reason for the people of Hong Kong to have this demand is that they are fully aware that the existing administration cannot operate effectively because the Chief Executive lacks any credibility and recognition. To elect a Chief Executive by universal suffrage would serve to rectify this problem and enable an executive-led government to function well with public support. What the Task Force did was only to hand over a large pile of submissions and findings of various opinion polls to the Central Authorities. The Task Force claimed that the Central Authorities had learned about these opinion polls a long time ago. Such a move made by the Task Force is turning the job of conveying public opinion into a mere personal mail delivery service. That missed the golden opportunity to dispel misunderstandings, thus sowing the future deeds of destruction. How can members of the Task Force make themselves answerable for what they have done?

The Beijing visit by the Task Force was intended originally to listen to the Central Authorities' concern over the related principles in the Basic Law. But when the legal experts said that these principles were quite complicated, the Task Force did not seek clarifications on any of these complexities to facilitate further discussions. The Central Authorities made it clear in particular that the principles would be accorded priority, so how could the Task Force content itself

with doing nothing? Or was it because of some instructions it received, about which the Principal Secretary did not disclose everything to the public?

Madam President, on the whole, the statement given by the Chief Secretary for Administration emphasized that during that meeting, the Central Government had shown a depth of feelings as well as care and concern for the SAR. But why was it that no sooner had the Task Force left Beijing than the Xinhua News Agency issued a press release written in such strong language? Why was it that just a few days later, there was that massive publicity effort with criticisms leashed in the name of the "patriotism theory" and on who had the quality to rule Hong Kong? All these have caused widespread fears and uneasiness among Hong Kong people. Were these attacks made on instructions from the Central Authorities? Did the Central Authorities order that the mechanism be triggered off to suppress the aspirations for universal suffrage? Did the Task Force know well in advance and did they withhold anything from the public?

Madam President, the people of Hong Kong as well as people from all sectors in society working hard to promote constitutional reform, and that includes the legal profession, all attach great importance to the Central Authorities' joining the discussions initiated by Hong Kong people on constitutional reform. Our common wish is to forge a consensus. We would be glad to have exchanges with the Central Authorities as well as with all strata and sectors across our community. We will be humble and sincere in listening to the concerns and worries and we will seek to arrive at a plan which is acceptable to all. The disputes are now full of threats and hostilities and they are no rational discussions in any measure. That is most unfortunate indeed. For the sake of the future of Hong Kong and in the interest of 1.3 billion people in China, we hope that the disputes will become rational again.

Mr Andrew CHENG urges the Government to consult the public expeditiously on elections by universal suffrage in 2007 and 2008 and to collate the public's views received in an impartial manner. This request does accord with the request from the overwhelming majority of the people in Hong Kong. Of course, I support it. What is to be regretted is, however, when the Government put up advertisements to solicit public opinion recently, the advertisements only touched on principles and procedures. No specific plans were mentioned. There was no mention of the direction of the constitutional reform and the social basis for it. The greatest handicap about these advertisements is that they do not say anything about the aims and the approach

to be adopted. As to how the questions are phrased, there have already been criticisms from the public.

Dr Robert CHUNG, the Director of the Public Opinion Programme at the University of Hong Kong pointed out in a seminar on constitutional reform last month that the so-called consultations made by the Government in the past were often merely manipulations of figures.

He therefore made some specific suggestions which are rich in content. The authorities should listen to these suggestions. The consultation advertisements placed by the Task Force do not conform with the standard requirements. The Government should make immediate rectification so as to avoid repeating the mistakes.

With these remarks, I support the motion.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, according to the latest poll results published by The Chinese University of Hong Kong recently, the popularity rating of Chief Secretary Donald TSANG who is responsible for the constitutional review has dropped 2.5%, the largest rate of decrease among all principal government officials; and the public's satisfaction towards Beijing's policies on Hong Kong has also drastically dropped 3.5%. These statistics fully reflect the public's strong dissatisfaction towards the current consultation on the political system and towards the words and deeds of those people who claim to be authoritative representatives of the Central Authorities.

Much to our regret, the Constitutional Development Task Force has ignored the public's demand for substantive consultation on the constitutional system to be conducted expeditiously. Worse still, it has proposed to sort out issues of principle before holding discussions on the substantive arrangements for constitutional reform, forcing Hong Kong people to join the Chorus of Patriotism manipulated and guided by people who have suddenly become patriots and by the mouthpieces of the Government. We must point out that this sort of political manoeuvre which is full of Chinese characteristics is absolutely not suitable for Hong Kong. The people are asking for opportunities of rational discussion. They wish that the political system can be truly reviewed and a democratic system rooted in the people be established, so as to solve the crisis of governance over the past six years or so.



However, the consultation on constitutional development conducted by the Government of the Hong Kong Special Administrative Region (SAR) has all along come across as lacking in sincerity. Over the past few years, we have consistently asked the Constitutional Affairs Bureau led by Secretary Stephen LAM to expeditiously consult the public on the constitutional reform. But there have only been repeated delays and finally, it even stomped on the brake and tossed out those so-called issues of principle, asking for discussions among Hong Kong people. We must ask, "If these issues of principle are so important, why are they not brought up for discussion earlier for Hong Kong people to truly express their views and provide input? Why is it that they are brought up only now when the people consider it necessary to conduct consultation on the substantive arrangements?" It makes people feel more dissatisfied that when the community starts to discuss the issues of principle, there comes a new round of discussion on patriotism. This is not only a digression from the discussion on constitutional development. Worse still, an article from the Xinhua News Agency yesterday even escalated the debate to personal attacks on individuals. Chief Secretary Donald TSANG once said that it was now time we set aside arguments and held substantive discussions. Regrettably, this rational attitude was soon overtaken by irrational contentions on patriotism.

We must point out that these contentions which seem to show that different opinions can be expressed and discussed have only two purposes: One is to delay substantive consultation on constitutional reform with these hollow contentions, so as to spare members of the pro-government camp of setbacks in the September elections due to their anti-democracy stance, and to dilute the public's dissatisfaction towards TUNG Chee-hwa's administration when the economy improves, so that the public will not turn to the fight for the full implementation of universal suffrage. However, we must stress that as long as constitutional reform is held up, the problems with the administration of the Government will continue to exist. The public will not give up their aspiration for constitutional reform because of some small changes in the economy.

The other purpose of these patriotism contentions is to deprive dissidents of their right to participate in politics and to make voters succumb to the pressure of the Central Authorities and withdraw their support for people who in the eyes of the Central Authorities are unpatriotic. Worse still, these contentions seek to impose more restrictions on the civil rights conferred by the Basic Law, similar to the case in Iran where people who were considered to be reformists could not

stand in the recent parliamentary elections. In Hong Kong, people not in the royalist camp are considered unpatriotic and should therefore be deprived of their political rights. However, to the people, it is absolutely unacceptable to subject Hong Kong to such despotic rule as that in Iran by KHAMENEI. History has also told us that the threats posed by the Central Government to the people simply cannot change the people's aspirations for democracy. I feel that Hong Kong people will certainly carry on with the fight for this cause.

We very much hope the Central Government will understand that stirring up contentions is absolutely not conducive to the consultation on constitutional reform. I hope the Central Government can note two points: First, some people are of the view that Hong Kong people consider the discussion on patriotism unimportant because they do not understand the political culture in the Mainland. But I wish to point out that the reality is just the opposite. In Hong Kong, many people fled here to seek refuge from the rule of the Communist Party and from these political contentions which are illusory but very often massively destructive, in the hope that they can breathe the air of freedom at a place where they will not be forced to state their position. Unfortunately, those people in power now have again employed the same old trick in Hong Kong. This is indeed very dangerous, for it may force the emergence of another phenomenon, that is, the people will be voting with their feet by leaving Hong Kong to show their dissatisfaction.

Besides, it is unacceptable for the current consultation on constitutional development to focus on hollow, illusory discussions on patriotism, because Hong Kong people are not accustomed to seeing any person or system overriding the law. Today, some people wish to make "one country" the premise of "one country, two systems", suggesting that "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" should be more comprehensively interpreted on the basis that there are some other superior principles over the Sino-British Joint Declaration and the Basic Law. What is more, it is even more unacceptable to Hong Kong people that these principles can be interpreted arbitrarily at any time according to the preferences of the leaders, which will only lead to greater instability. This is replacing the rule of law with the rule of man, running against the general trend of fighting for democracy in the world. Furthermore, if the Central Authorities can add or delete legal provisions arbitrarily, do "a high degree of autonomy" and "Hong Kong people ruling Hong Kong" as

pursued by us exist any more? If those so-called patriots in Hong Kong insist on this irrational development, I believe the interests of Hong Kong will certainly be compromised.

Recently, Madam President, many official sources have cited the remarks of DENG Xiaoping to support their views on patriotism. We consider that DENG Xiaoping's thinking should be interpreted comprehensively. DENG Xiaoping had said to the effect that practice is the only yardstick to verify truth, and this is more meaningful in the present-day context. Who should be considered patriotic? What is in the interest of Hong Kong? I think we must use the objective facts as the yardstick and the people's judgement as the premise. It is not the case that to love the country in the way suggested by TUNG Chee-hwa and LEUNG Chun-ying will solve the problems. In fact, we must put in place a democratic system and adopt an objective standard before we can assess whether our premise and development is right and good.

Today, Hong Kong people must set aside discussions on patriotism, and the only way to put an end to the arguments is to start substantive discussions on constitutional development. If those people who have suddenly become patriots and the official mouthpieces force Hong Kong people to keep dancing to their baton, I believe they would eventually force people who genuinely wish to build up Hong Kong to leave. The situation is like a poem written by WEN Yiduo during the period of Republican China, "Here is a ditch of hopelessly dead water, a region where beauty can never reside..... (*the buzzer sounded*) Might as well let the devil cultivate it, and see what sort of world it can provide....."<sup>Note</sup>

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, although the poem that you have just recited is very pleasant to the ear, you have to observe the time limit. (*Laughter*)

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, how do you know that it is pleasant to the ear if I have not yet finished reciting it?

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<sup>Note</sup> Twentieth Century Chinese Poetry: An Anthology, Kai-yu HSU, Doubleday & Company Inc., 1963

**MS EMILY LAU** (in Cantonese): Madam President, I rise to speak in support of Mr Andrew CHENG's motion. The constitutional review is in a terrible mess. Madam President, I wonder what responsibilities the two Secretaries of Departments and the Director of Bureau should be held. Late last year, we still thought that the Government would finally come up with a timetable to start consulting the public. The whole matter however, took a sudden twist after the expression of a high degree of concern by the Chinese President. Of course, there is no way we can find out what the Central Authorities have in mind. However, is the thinking of the Central Authorities attributed to their lack of understanding of Hong Kong? I believe the three-horse cart owes the Hong Kong community an explanation.

In an article published by Xinhua News Agency yesterday, it was pointed out that "a small number of people who were ruling Hong Kong, having failed to uphold their oaths, were taking part in activities inconsistent with their capacities", and that "a small minority of these current and would-be rulers of Hong Kong had strived to thwart the enactment of legislation under Article 23 of the Basic Law". It was also stated clearly that such people would in no circumstances be allowed to usurp the power to govern the SAR.

Madam President, I do not know to what extent Xinhua can represent the Central Authorities; but, after all, it is Xinhua. Talking about Xinhua, I have actually once attended one of its forums and, Madam President, I should be considered to be patriotic then. I was said to be supporting Taiwan's independence because of my participation in a seminar in Taiwan. I wonder what I am supporting as I have visited Xinhua too. Why would Xinhua have published such an article? It is said that the Central Authorities fear that the situation in Hong Kong will run out of control, that the election in September will yield unexpected outcomes, and that some unpatriotic people will seek independence.

I hope government officials can address these questions in their response later: What has the SAR Government told the Central Authorities? Does the SAR Government understand that some people in the Central Authorities are extremely worried? What are their worries? What will the SAR Government do to address their worries? Or is it the case that the SAR Government considers these worries fully justified and, therefore, it is justified for Xinhua, or whatever agencies, to publish articles every day to threaten Hong Kong people, expel someone from the Legislative Council by employing certain mechanisms, or prohibit them from taking part in elections, as stated by Mr LEUNG Yiu-chung earlier?

Madam President, you should remember the meal we had with a number of Consuls-General on Monday. I was sitting beside an Iranian representative, who was being asked by many about the happening in his country. There was even a remark that Hong Kong might be able to draw inspiration from Tehran, Iran, where there are thousands of "don't" in Iran, while Hong Kong probably has only dozens. Although we laughed at that time, there were actually tears behind the laughter. When I bid goodbye to him, I told him I had no idea when democratic elections could be held in his country and Hong Kong — it is such a pity that we have to make a comparison between Hong Kong and Iran! However, this is a serious matter. In response to the explanation given by the SAR Government as our representative, the Central Authorities have raised a number of questions, and so the SAR Government is obliged to explain. Otherwise, how can the people of Hong Kong rely on it to express their opinions?

Madam President, as the situation unfolds, many people feel extremely sorry. What can be done to settle the matter? Some said that there were no grounds for worry, for the business environment would not be affected. But is it really the case? Should the verbal attacks continue, the matter will soon be escalated to an international level, and eventually attract international attention. As the verbal attacks escalated, it was even suggested that some people should be kicked out by employing certain mechanisms. There is absolutely no chance for discussion on constitutional reform. Some people might be overjoyed because surveys have shown that the proportion of people originally supporting constitutional reform has fallen from more than 70% to 60% or so. But do they have to go so far? Under the concepts of "one country, two systems", "a high degree of autonomy" and "Hong Kong people ruling Hong Kong", it transpires that they have resorted to verbal threats so that people who originally supported the reform no longer dare to do so. Just today, Madam President, I have been asked by several journalists whether I am very frightened. I think it is actually they who are frightened. Instead, I asked them what I should fear. Of course, they believe I have every reason to fear. But does the rule of law still prevail in Hong Kong? Do I really have to fear? Is it necessary for Members in this Council who have been the target of criticisms every day and those who aspire to ruling Hong Kong to feel panic?

Madam President, I have no idea how long this situation will last. Some said it would last until the election. If this is really the case, it will be terrible. I believe the majority of Hong Kong people, regardless of their position, would

not like to see the matter worsening like this. They may voice their support or otherwise, and there is simply no need to launch verbal attacks by making sweeping generalizations. This is absolutely "outrageous". I still feel that there is something the SAR Government can do. It may come forth to say something, instead of acting like a tortoise hiding its head in its shell. Otherwise, how can constitutional reform be taken forward? Can the Government go on talking about transparency when it refuses even to say a few words about this trivial matter? There is simply no way to find out what has been spoken behind closed doors. And then, someone came out and said that opponents of enacting legislation on Article 23 of the Basic Law should be considered unpatriotic. Too many things have indeed been concealed.

Madam President, I hope the Secretaries of Departments and the Director of Bureau can give the people of Hong Kong a clear explanation, lest there is no way that the people's confidence can be restored.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, Ms Emily LAU just said that the Constitutional Development Task Force has made "a terrible mess". But I feel that the Task Force has made 2004 of Hong Kong a Valentine's Day: Love declarations could be heard every day. The patriot missiles are fired at Hong Kong people every day, making the public feel as if watching a daily fireworks show. Madam President, now all Hong Kong people are love experts. So, maybe I can act as one of such experts. If a pair of lovers have to say "I love you" every time when they take their meals and go to sleep; and if they have to ask each other "Do you still love me?" each morning before going out to work; and if they have to read a piece from "Letters to Aunt Agony" (kind of love basic law very popular some 10 years ago) every night before turning in, then they will never find true love.

Love in modern time does not just stress "feelings", but also, even more importantly, open discussion. It is never easy to bring two different lives together. What is the most important factor, other than love pledges? The answer is: Specific questions have to be solved by specific methods. It is more important to solve specific problems like how to squeeze a tooth paste, than asking every day whether you love me.

Madam President, the greatest taboos in the world of love are jealousy and hatred, which always make lovers worry too much about the infidelity of the

other party, thus making their relationship very tense and irrational. The girlfriend suggests that they should discuss how the tooth paste should be squeezed: upwards or downwards? But the boyfriend says the issue of the utmost importance is principle — whether there is true love between them. If no consensus could be reached, they may start fighting every day: You are so ungrateful, forgetting that I have given you a CEPA brand of watch, and we have visited Hong Kong on individual visits; and that if you do not say you love me, I shall demand the return of the watch and cease to go on any further trips with you. If a romance should develop to such a state, how can it go on any further?

Madam President, some problems have emerged in the governance of Hong Kong — these are specific problems. Hong Kong people demand a constitutional reform, elections by universal suffrage, hoping that a specific solution to the problems could be identified. Recently, the constitutional review has evolved into a debate on patriotism. In the face of uninterrupted bombardment by the propaganda machine, I feel miserable, apart from feeling fed-up. This is because Hong Kong people are now getting their first-hand experience of China's long road in search of modernization in the modern time, and what can be seen is the tension between civilization and feudalism, the clash between rationality and authority: In the new administration of Mr HU Jintao and Mr WEN Jiabao, we can see shadows of ghosts from the era of the Ming Dynasty, lingering over the vast beautiful land of China.

Famous historian Dr Ray HUANG says in his book *1587, A Year of No Significance* that, the Ming Dynasty, an empire with centralized political power, had to manage a large number of small farmers who were loosely organized. As there was no mature statutes, morality was the most important pillar in the governance of the country. If morality is exchanged with patriotism, we can easily discover that the current talk about patriotism is so much similar to what happened in the dynastic empire of Ming some 400 or 500 years ago. In fact, not just the empire in the Ming Dynasty, but for different empires in all the dynasties of China throughout the centuries, morality was the top agenda item.

In the Ming Dynasty, technical problems presented to the Emperor for arbitration were usually translated into morality issues, and royal judgements were passed on the pretexts of either extreme virtues or wickedness. If a river training project had to be commissioned, it was not the merits of the project that

were most important, but the person to be appointed by the Emperor for the project had to be virtuous according to established moral standards. As such, the officials serving at the Royal Court were of course the ideal candidates, and the suggestions made by them must be good. Based on the same logic, the focuses of the present discussion on constitutional development are not the objective rationality and acceptability of the system design, but whether the persons involved in ruling Hong Kong are people who love both the country and Hong Kong.

As moral standards are usually abstract, so it was necessary for the Emperor who has the absolute authority to decide. And once a royal decree was issued, no objection was allowed. Therefore, after the Xinhua News Agency re-issued the speech of DENG Xiaoping, LI Gang, Deputy Director of the Liaison Office of the Central People's Government in the SAR, immediately asked everyone to "unify our minds, unify our understanding to the spirit of the speech of DENG Xiaoping on major issues."

One of the special characteristics of Ming politics was the practice of making criticisms against others in front of the Emperor. Members of different bureaucratic regimes would launch attacks against the others in the name of morality. Today, we can see someone trying to the very best of their abilities to prove that people of the opposition side had been traitors of the country with copies of old newspaper reports published some 20 years ago. A certain mouthpiece newspaper classifies unpatriotic people into four categories. I am so proud of it. Someone says that I belong to the first category, whereas others say that I should be among people of the third category. As there is this classification, I shall include this in my election platform, so as to let Hong Kong people know it, and make it easier for us to classify other people.

In the year 1587, the empire of Ming Dynasty was still disturbed by morality and court manners. It had never seriously tackled various technical issues such as economic, financial and military problems, and it was the beginning chapter of the painful modern history of China. Mr HU Jintao and Mr WEN Jiabao have been in power for two years, what practical purpose does the controversy of loving both Hong Kong and the country serve both the country and Hong Kong? Do we mean to say that by delaying the constitutional development, we can show our love for both Hong Kong and the country?



Dr HUANG has never denied the significance of morality. All he wants to point out is that morality cannot replace skills, and in particular, it cannot take the place of law. For any problems that can be solved by law and skills, we should not link them with morality. This is because morality cannot be split up, nor can it be compromised. If differences in morality issues cannot be solved over a long period of time, the gulf between the two sides will grow increasingly wide.

Similarly, as patriotism has now been made a matter of course, and since such an abstract principle was already translated into some specific provisions at the time of drafting of the Basic Law, then we do not have to start any more provocative arguments now. Instead, we should concentrate on specific problems of governance, and we should propose specific solutions. If we continue to extend the concept of patriotism indefinitely, and if we insist on putting an illegal structure of love nest converted from a metal cage over the Basic Law, it will impede our rational discussion on constitutional development, and it will affect the democratic development in Hong Kong, with the objective of suppressing the democracy aspirations of the people. Our society can hardly support such illegal structures, and eventually, they will destroy the foundation stone of the rule of law.

Madam President, the propaganda machine in the Mainland has already started to operate round the clock, whereas a lot of people are now trying to act as fortune-tellers, saying that the elections in 2007 and 2008 are not yet ready to be conducted by universal suffrage; and if Hong Kong people should clash directly with the Central Authorities, we may have to bear the consequence ourselves. I do not wish to guess whether the Central leaders have already made the decision, nor do I wish to speculate how the government officials would play the cards. I just know that if Nicolaus COPERNICUS should submit to the religious authority at that time, we would still be thinking that the Sun is revolving round the earth. If we do not argue for our justified causes, and if we should submit to the authority easily, then we are really not loving Hong Kong, not loving China, and we shall have to say sorry to history, we shall have to say sorry to Hong Kong people, and we shall have to say sorry to the President.

**PRESIDENT** (in Cantonese): Again you have spoken in excess of your speaking time, you should really say "sorry" now. *(Laughter)*

**MR HENRY WU** (in Cantonese): Madam President, I think it is against the principle of gradual and orderly progress laid down in the Basic Law for anyone to urge the Government to achieve the goal in one single step, that is, to launch an immediate public consultation on the introduction of universal suffrage in 2007 and 2008. The reason is that the political development of Hong Kong must tie in with "the actual situation" in society.

Regarding the actual political situation in Hong Kong now, an oral question posed in this Council earlier today can already depict the full picture. According to the survey findings published by the Census and Statistics Department in December last year on the topic of "Understanding of the Basic Law", as many as 40.4% of students studying at Primary Four and above claimed that they did not have any idea of the contents of the Basic Law. In its reply, the Government stated that results of public opinion surveys conducted in 2002 had revealed that those who perceived that they had some or a good knowledge of the Basic Law amounted to just about 48%. This is certainly not a passing score. And, the Government did not answer my question on the percentage of those who claimed that they had a good knowledge of the Basic Law. It can thus be inferred that the percentage should be very low.

It can be noted from all these statistics that though it has been six years after the reunification, many people, especially young people, still have a weak sense of national identity. Their understanding of "one country, two systems" is way off the mark. They always chant the slogan of "two systems", but they know very little about "one country". They fail to perceive the whole thing from the overall and proper perspective, from the perspective that there must first be "one country", not to mention a respect for the country, before "two systems" can be genuinely implemented.

Madam President, during the past hundred years or so of colonial rule, the British Hong Kong administration purposefully ignored the education on civic awareness, especially sense of national identity. As a result, many people did not have any complete awareness of their relationship with the country. Although people's nationalistic awareness has gradually been rising thanks to all the efforts made by the Hong Kong SAR Government since the reunification, their understanding is still far from being deep enough.

I once studied and worked in foreign countries for many years, so I have a profound understanding that foreigners are much more nationalistic than us.

Besides being more nationalistic than us, they also respect the precedence of the state very greatly. Government departments, organizations and schools in the various provinces and cities of foreign countries always fly the national flag before the provincial or municipal flag. This shows their respect for the state, displaying a clear sense of precedence and the unambiguous direction of nationalistic education.

In contrast, in Hong Kong, although it has now been some six years since the reunification, the flying of the national flag and nationalistic education have only just started to gain social recognition. But I think we are still lagging far behind foreign countries. The SAR Government always talks about world trends and appears so eager to surpass the United Kingdom, the United States and even the whole world when trying to regulate the securities industry and commercial and business sectors, as exemplified by its great haste in abolishing minimum brokerage commission. But why is it that when it comes to such significant issues as nationalistic education, it is so very slow in action? I find this very saddening.

In foreign countries, knowing how to sing the national anthem is the precondition of naturalization. And, in people's daily life, before the start of such sports events as ice hockey and baseball games in the United States and Canada, for example, the playing of the national anthem is always a required ritual. A game just will not start without first playing the national anthem. What is more, apart from the national anthem of the home team, that of the guest team will also be played. More importantly, before a national anthem is played, all players and spectators (whether they are nationals of the country concerned) will all rise at hearing "The National Anthem". Such behaviour is proof of people's respect for their countries. Well, an idea suddenly occurs to me now. It is now some six years after the reunification. I just wonder if Executive Council Members and Legislative Council Members will consider the idea of taking the lead to show respect for the country by playing the national anthem before each of their meetings. After listening to Mr LEE Cheuk-yan's theory of romance, I must say that, although I am no expert on this, I do believe that as far as romance is concerned, as far as marriage is concerned, apart from love, mutual respect is also required to maintain the relationship. There are so many cases of divorce now, and the number of these cases just keeps rising. But if husbands and wives can respect their partners, I am sure that there will certainly be fewer divorce cases. Madam President, why have I talked about all this? It is because I wish to point out that it is the duty of everyone to respect their own

country. That is why in the case of political development, we should also respect our own country. When it comes to educating people on respecting their country, success cannot be achieved overnight. Progress must be made gradually and orderly, so that people can learn slowly and cultivate such a respect over time. That is why we must not seek to attain our goal in political development all in one single step, and we have to make progress on the basis of stability, as aptly described in this motto of mine: To pursue growth in prosperity and ideals in stability. In other words, we must first achieve stability and prosperity before pursuing ideals and growth.

Actually, the so-called democratic systems practised in countries like the United States have all gradually got where they are only after hundreds of years of historical development. But in Hong Kong, no steps of democratization were ever taken during the hundred years or so of colonial rule. Instead, an autocratic political system dominated by a Governor appointed by Britain was adopted throughout. It was only after the signing of the Sino-British Joint Declaration that the British started to rush in the so-called system of "representative government". Their ill intent was so very obvious!

Madam President, it is dangerous for one to "begin running before learning to walk". We should not use our overall social stability as any stake in gambling, less still should we behave like a gambler, in the hope of changing and upsetting Hong Kong's present status as an "economic city", for the simple reason that Hong Kong is an "economic city", not a "political city", so we must never change it into a city of political struggles by attempting to push in any premature political reforms, lest speed may kill speed, ultimately damaging our sound economic development in the long run.

We must discuss the issue of political development under the principle of "one country, two systems". Therefore, before members of the public are at all clear about how such fundamental principles as "one country, two systems" should be fully and accurately grasped and implemented, it is not appropriate to launch any immediate consultation on the introduction of universal suffrage in 2007 and 2008. The Government has already consulted the public on various issues of principle through different channels, and it has also made it clear that it will truthfully reflect all the views collected to the Central Authorities. What is more, as we can all see, there is a very high degree of transparency in the negotiations between the Constitutional Development Task Force and the Central Authorities; besides frequently briefing the press on the latest development, the

Task Force also gave a briefing to this Council right after its return from Beijing. For all these reasons, I can only support Mr Howard YOUNG's amendment.

Madam President, I so submit.

**MRS SELINA CHOW** (in Cantonese): Madam President, towards the end of his speech earlier, Mr Howard YOUNG mentioned that the Liberal Party would listen to Dr YEUNG Sum's views on his amendment, his elaboration of his arguments, and so on, before we would decide on our stance towards his amendment. That is what we have actually done. If Mr Howard YOUNG's amendment is passed, and while the amendment proposed by Dr YEUNG Sum purely suggests to increase transparency which sounds rather simple and trivial, we very much hope that he would tell us how, in suggesting to increase transparency, transparency should be increased and why it is necessary to further increase transparency. In our view, and as we have consistently demanded, after the Government's Task Force has started negotiation with the Central Authorities, it is most important to reach a consensus, so that we can find a way out for our constitutional development. In other words, the Central Authorities and Hong Kong can have regard for each other's considerations and will reach a consensus to solve the problems.

I have listened to Dr YEUNG Sum's speech very attentively, but I did not hear any comment from him on increasing transparency. Nor did he express great reservations about the current approach. On the contrary, many Members did express reservations about the current approach, but Dr YEUNG Sum did not. He spoke at length on whether the entire negotiation should aim to achieve the goal in one step (the Liberal Party has already stated that we do not support achieving the goal in one step). In other words, while increasing transparency sounds quite appealing, we consider that the approach now adopted by the Government already has a reasonable degree of transparency since it has come to the Legislative Council to give an explanation and also given an explanation to the public at the first available opportunity.

Regarding the comments that we have heard earlier, that is, comments made by some Members about whether each word or each remark should be relayed, or whether "increasing transparency" means relaying each remark to the public, we consider that it is most important as to whether we have a common goal and whether we genuinely wish to reach a consensus and whether this consensus can show a way out for our constitutional development.

In fact, if, in the course of negotiation, we are satisfied that insofar as the Government's explanation or accountability is concerned, we are already told what we must know or what will be discussed, then it may already be one step forward towards the building up of a consensus. If we, in this process, relate the relaying of each word or each remark to transparency and demand that everything must be relayed to the public, it may not necessarily be conducive to the negotiation. This is the first point. Second, if we truly have faith in the Task Force and trust that it will genuinely seek a consensus for Hong Kong and take forward our constitutional reform or constitutional development, and that the Task Force will always carry out its work honestly and openly, then insofar as the negotiation is concerned, it is unnecessary to ask the Task Force to relay each remark. On the contrary, relaying each remark may not necessarily be most beneficial to the negotiation.

Therefore, on the question of whether there is an appropriate degree of transparency presently, we think that it is already appropriate. Any quest for further increasing transparency is, of course, pleasant to the ear. But if this is only meant to be pleasant to the ear, it will not be appropriate at all. Moreover, we have not heard Dr YEUNG Sum say anything about how transparency should be increased when he suggests to "increase" transparency and why he thinks it should be further increased. So, we have certain reservations about this amendment and will therefore abstain in the vote on the amendment.

**MR TAM YIU-CHUNG** (in Cantonese): Madam President, since the Chief Executive announced in the policy address the establishment of a Task Force to study the issues of principle and procedure relating to the constitutional review, the review of Hong Kong's constitutional system has formally commenced. The Constitutional Development Task Force headed by the Chief Secretary for Administration has immediately conducted consultation and met with various organizations and individuals to listen to their views. Besides, it has met with the relevant departments of the Central Government in Beijing to discuss the principles and provisions relating to constitutional development in the Basic Law.

Under the basic principle of "one country, two systems", the constitutional development of Hong Kong cannot and should not bypass the Central Government and proceed unilaterally. This understanding has been a consensus of Hong Kong society. Therefore, it is necessary to enhance co-operation with

the Central Government and clarify all the principles. Only by doing so can the milieu be created for constitutional development.

Recently, a number of mainland legal experts and some members of the media have reiterated their interpretation of such constitutional principles as "one country, two systems" and "Hong Kong people ruling Hong Kong", arousing intense discussions in the community of Hong Kong. I think we, being Hong Kong people, must fully understand the essence of "one country, two systems" and "Hong Kong people ruling Hong Kong", for it is closely linked with the immediate interests of Hong Kong. When the Central Government first designed "one country, two systems", the two elements of "one country" and "two systems" were meant to be considered together, rather than attaching overwhelming importance to either of the elements or showing bias towards either of them. While "two systems" confers on Hong Kong people "a high degree of autonomy", it does not mean that the Central Government will totally withdraw its involvement, because "one country" is the major premise. Hong Kong is an inalienable part of the People's Republic of China and so, it is only under the People's Republic of China can "two systems" exist. Without this premise, it will be impossible for the system now in force in Hong Kong to exist.

The discussion on "ruling Hong Kong by patriots" is not just any kind of discussion. It involves the fundamental principles in the discussion on constitutional development. As Members of the Legislative Council are participants in the governance of Hong Kong, it is only natural, sensible and reasonable for them to be patriotic. When Mr DENG Xiaoping proposed the principle of "ruling Hong Kong by patriots", he was asking those people who rule Hong Kong to support "one country, two systems" and the territorial integrity of the country without jeopardizing the interests of the Motherland or the prosperity and stability of Hong Kong. This is certainly not an excessive requirement. So, Hong Kong should not become a base for the seeking of independence, or a base for secession or subversion against the Central Government. As we review Mr DENG Xiaoping's words back then, we can gain a clearer understanding of the discussions on constitutional development in Hong Kong. The development of Hong Kong is inextricably linked with the Mainland and the Central Authorities. Any change in Hong Kong politics must have regard for the major principle of "one country". Therefore, to promote constitutional development in Hong Kong, it is necessary to step up discussions with the Central Government, rather than adopting an attitude of confrontation and extortion. Otherwise, we would only be ruining the social stability of Hong Kong.

The blueprint of constitutional development in Hong Kong should not be confined to universal suffrage in 2007 and 2008. Rather, it should include the stability of the political system, the relationship between the legislature and the executive, and so on. In order to promote a system of universal suffrage smoothly, the community of Hong Kong must have a clear and comprehensive understanding of various aspects involved in constitutional development.

Being a political organization actively participating in elections, the Democratic Alliance for Betterment of Hong Kong (DAB) has been striving for elections by universal suffrage in 2007 and 2008. However, we do appreciate that any proposal on constitutional development must accord with the principles and procedures stipulated in the Basic Law. Now, there are different voices in the community concerning the direction of the constitutional reform. The DAB will adopt a rational and sincere attitude to exchange views with other organizations and individuals on constitutional development, in the hope that constitutional development can be in the best overall interest of the community of Hong Kong.

Discussions within Hong Kong on the various principles involved in constitutional development show that public views are diverse on the pace of constitutional reform. In view of this, the SAR Government, in promoting constitutional development, must more actively play the role expected of it. It must ensure full expression of different opinions in society, facilitate discussions among all sectors of the community and properly handle the relationship between the SAR and the Central Authorities, in order to avoid confrontation between Hong Kong people and the Central Government and hence safeguard social stability in Hong Kong.

With these remarks, the DAB supports the amendment of Mr Howard YOUNG.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, the election of the Chief Executive in 2007 and the election of the Legislative Council in 2008 are topics of concern for the people of Hong Kong. Therefore, since the Constitutional Development Task Force came back from Beijing on 10 February, all kinds of news and rumours have come bombarding our ears, and one of the focuses of discussion is the question of loving the country and Hong Kong and this is getting more and more widespread. Personally, I think that we should not take such news and rumours too seriously, especially after the Chief



Secretary for Administration had made a statement in this Council immediately following his visit to Beijing, in which he talked about the work done during the visit. One should therefore cease to attach so much importance to the news and rumours by asking for a clarification and a further clarification after one has already been made. For that only lead to the result of making things worse than they are and to add fuel to this kind of speculations which will not be beneficial to a rational discussion on our constitutional development.

On many past occasions I urged in this Council publicly that the Government should propose as soon as possible its plans for the election of the Chief Executive in 2007 and the election of the Legislative Council in 2008, so as to enable members of the public to engage in open discussions and compare the merits and demerits of the various proposals available. This will help shape a consensus of the greatest majority of people in society so that the new Legislative Council to be formed this year will be able to pass relevant electoral laws in due course. Unfortunately, the Government has never put forward any specific plan so that political groups with different opinions on the matter may engage in rational discussions and that the public may form its own judgement.

Now the Central Authorities have stated that the direction to which the constitutional development should go must take into account the relationship between the Central Authorities and the Hong Kong Special Administrative Region (SAR), as well as the related principles stipulated in the Basic Law. On 11 February the Chief Secretary for Administration briefed this Council on the stand of the relevant departments of the Central Authorities in this matter: "They expressed that the Central Authorities had serious concern over Hong Kong's future constitutional development because the matter would affect the implementation of the principle of 'one country, two systems' and the Basic Law, the relationship between the Central People's Government and the SAR, the interests of various strata and sectors of the community, and the long-term prosperity and stability of Hong Kong. The relevant departments of the Central Authorities emphasized that 'one country' was the prerequisite for 'two systems' in 'one country, two systems' and that the concept of 'one country, two systems' cannot be segregated. ....The executive, legislative and judicial powers exercised by the SAR are derived from authorization by the Central Authorities, and there is no 'residual power' for the SAR. Hong Kong's political structure was established by the National People's Congress through the Basic Law in accordance with the Constitution. In studying methods for electing the Chief Executive and the Legislative Council, the SAR must listen to the views of the Central Authorities."

As residents of a Special Administrative Region of the Motherland, Hong Kong people generally recognize that the constitutional development must have the consent of the Central Authorities and that the concern expressed by the Central Authorities should be taken account of. Recently, the Central Authorities brought up the basic policy set up by the State for Hong Kong in the 1980s, that is, the people who manage the affairs of Hong Kong should be those Hong Kong people who love their country, who love Hong Kong. This is something worth refreshing our memory and will enable us to ponder over the significance of "one country, two systems".

It remains, however, that the various principles which the Central Authorities care about should be realized ultimately in the various proposals on electoral arrangements. As to which of these proposals would best accord with the concern of the Central Authorities and the principles enshrined in the Basic Law, that will have to be decided on the strength of these proposals and after adequate and rational discussions and comparisons made and when conclusions are reached with the greatest consensus. As I said in the policy debate at the beginning of this month, the discussions in Hong Kong on the arrangements for the Chief Executive election in 2007 and the election of the Legislative Council in 2008 over the past year were indeed very narrow in scope. Some of the views expressed are in favour of an immediate implementation of universal suffrage; others are against making any change. There are very few middle-of-the-road proposals.

At present, the Task Force is more concerned about the issues of principle, so it has not yet made any specific proposals. The Task Force is of the view that consultation should first be made on the issues of principle, which is acceptable, but I still hope that when after some common ground is formed in the community on these principles, the Government will by then have to present various proposals so that the public will have ample time and opportunity to debate on which proposal will best accord with the various principles enshrined in the Basic Law and the long-term interest of Hong Kong.

I have informed the four professional bodies in my constituency of the discussion paper and statement made by the Task Force and I have consulted their views. The Hong Kong Institute of Architects holds similar views and it has raised some queries about issues like the timetable for the consultation on the political structure. The following is an extract from their opinions written in

English: "Since issues and rational debates in connection with the constitutional development are still in their infancy, HKIA should not rush into a response. HKIA should give the views of its members after thorough discussions and exchanges of opinions have been done.....What are the schedule and programme of the Task Force for the three-year consultation period? What procedures and methodology will the Task Force adopt to ensure that the views of the public are properly presented? The Task Force should identify the problems relating to the constitutional issues and the current government structure that have led to public dissatisfaction. The options of the future constitutional development should be mapped out with these problems to evaluate how the situation can be improved. This will achieve a better understanding and communication amongst the SAR Government, the public and the Central Government during the consultation process."

Madam President, the late national leader Mr DENG Xiaoping said to this effect when he met with members of the Basic Law Drafting Committee in 1987, "Is universal suffrage definitely beneficial to Hong Kong? I do not think so. For example, as I said before, Hong Kong in future will of course be governed by Hong Kong people, but will it do if these people are elected by general election? We always say that these people who manage the affairs of Hong Kong should be those who love the Motherland and Hong Kong. Will general election ensure the return of such people? Recently, David WILSON, the Hong Kong Governor, said that the process should be gradual and orderly. I think that is a practical view, that is, even if there is general election, there must be a gradual transition to it and everything must be done step by step." From these remarks, we can see that Mr DENG Xiaoping had some views on universal suffrage, but he also had the broadness of mind and the courage to put the idea of "one country, two systems" into practice. He said on the same occasion to this effect, "The policies we have on Hong Kong, Macao and Taiwan are all formulated on the basis of the State's unwavering adherence to the four basic principles. Who can formulate such policies in the absence of the Communist Party of China and Chinese socialism?..... What we are practising is socialism with Chinese characteristics, that is why the policy of 'one country, two systems' can allow the co-existence of two systems." For this reason, we should adopt an attitude of sincerity and tolerance, taking into account the premise of national interest, and promote the constitutional development of Hong Kong in accordance with the Basic Law.

I so submit.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr Andrew CHENG, you may now speak on the two amendments. You have five minutes.

**MR ANDREW CHENG** (in Cantonese): Madam President, regarding Dr YEUNG Sum's amendment to my motion, I already spoke on it briefly in my first speech. So, I am not going to spend too much time on Dr YEUNG Sum's amendment.

However, concerning Mr Howard YOUNG's amendment, the view of the Democratic Party at the beginning was to listen to the speech of Mr Howard YOUNG first and then consider whether or not to support his amendment. That is, while they said that their decision would depend on what we would say, our decision would also depend on what they would say. But having listened to his speech, we found that he would not support our motion, and we also found that we could not support his either. The reason is that he has deleted the word "immediately" and revised it to "expeditiously". That is, he has replaced the word "immediately" in the original motion with "expeditiously". We have listened to Mr Howard YOUNG's comments on the significance of functional constituencies in the existing establishment and on what they think about direct elections. I found that the Liberal Party's interpretation of the word "expeditiously" may be very different from the Democratic Party's interpretation of "expeditiously". Their interpretation may also be very different from that of the Democratic Alliance for Betterment of Hong Kong or some independent Members of the Breakfast Group. So, does "expeditiously" mean one year, two years or three years? There has not been any conclusion. Mr Howard YOUNG has not mentioned this either. In our motion, we urge the Government to "immediately consult the public on whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in 2007 and 2008 respectively". We call for "immediate" actions. In other words, if my original motion is passed today, and if the Government respects this motion, then it should conduct consultation "immediately", not "expeditiously". If consultation will be conducted only "expeditiously" in accordance with the principle of "gradual and orderly progress" and "not to achieve the goal in one step" as often stressed by the Government, I am afraid

that "expeditiously" means that we will have to wait a few years more. If we must wait a few years even for consultation to be conducted, universal suffrage is more unlikely to be implemented in the foreseeable future.

Moreover, we found that the Liberal Party has often mentioned that this trip to Beijing by the Task Force has already shown a high degree of transparency as it held a press conference and came to the Legislative Council after its return to Hong Kong. Truly, it is because we saw Chief Secretary Donald TSANG's presence in the Legislative Council that we let him off the hook and do not insist on expressing regret, and the relevant part of the motion is therefore replaced by Dr YEUNG Sum's proposal to increase transparency. To the Democratic Party, "transparency" means more than a superficial account of the matter. Rather, it has to be substantive. Earlier in the debate, a number of Members, such as Ms Audrey EU and Miss Margaret NG, mentioned a rumour outside the Legislative Council, that at a meeting between members of the Task Force and State leaders in Beijing, someone had asked whether those Hong Kong people opposing the enactment of legislation on Article 23 of the Basic Law were unpatriotic and expressed grave concern over this. Did the Chief Secretary say in reply, "Very comprehensive. I have nothing to add.", just as the famous remark made by the Financial Secretary when he met AN Min? If not, what did he say then? So, this is why we think that transparency is lacking in such matters. We call for greater transparency precisely in the hope that the Government will not work in such a superficial manner, telling us only what it wishes to tell us. Are there still something that the Government has not told us? Does the Government ever have the intention to strive for full democracy for the people of Hong Kong?

So, Madam President, I am sorry to say that as the amendment proposed by Mr Howard YOUNG of the Liberal Party has deleted the part urging for "immediate" consultation in the original motion without any reference to the demand for increased transparency, and as he has proposed to amend the original motion in such a way, we cannot support the amendment of the Liberal Party. Thank you, Madam President.

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, many Members have spoken in this debate today. We have listened to their speeches very carefully and we are grateful to them for expressing views on various aspects today.

Now, I would like to explain to Members the Government's position on Mr Andrew CHENG's original motion and also the amendments proposed by Mr Howard YOUNG and Dr YEUNG Sum respectively.

Mr Andrew CHENG's original motion consists of two parts. The first part concerns the transparency of the work of the Constitutional Development Task Force (Task Force) in its trip to Beijing, whereas the second part urges the Government to immediately consult the public on matters relating to constitutional development after 2007.

First of all, I wish to speak on transparency.

Mr CHENG opined that our trip to Beijing lacks transparency. On this point, we must say that it is entirely not true.

In fact, Madam President, since the establishment of the Task Force in early January, we have already made it an objective to ensure a high degree of transparency in our work.

From the views that we have received in meetings with organizations and individuals and also from opinions in the press, we understand the aspirations of the people and we are also aware of the need to have a high degree of transparency in our negotiations with the Central Authorities.

Indeed, in relation to this trip to Beijing, we have specially taken many steps and measures to ensure transparency.

In Beijing, we had met with colleagues from two relevant departments of the Central Government and a group of mainland legal experts. At the beginning of each such official meeting, representatives of the media were allowed to take photographs and asked simple questions at the meeting place, and after each meeting, the Chief Secretary for Administration, joined by members of the Task Force, had met the media on his own initiative, hoping that through reports by various media agencies, particularly the electronic media, the main contents and key points discussed at our meeting with officials of the Central Government and mainland legal experts could be relayed to the public at the first opportunity.

After our trip to Beijing, the Task Force summarized its trip to the media, explaining the results of our negotiation and meeting with the relevant units of

the Central Authorities, and also the next phase of work to be carried out by the Task Force.

On the following day after the Task Force had returned to Hong Kong, the Chief Secretary for Administration, with your leave, Madam President, made a Statement at the meeting of the Legislative Council to explain to Members the work of the Task Force during its two-day stay in Beijing. This arrangement was supported and welcomed by many Members.

Madam President, all this happened just two weeks ago and I believe Members will still remember it. The Chief Secretary for Administration gave a detailed account of how the Task Force had reflected the views of Hong Kong people to the Hong Kong and Macao Affairs Office (HKMAO) of the State Council. The Task Force had explained to the HKMAO, among other things, the principles in relation to constitutional development generally accepted by Hong Kong people and the opinion polls conducted by various agencies on this issue in Hong Kong. In addition, a complete set of all the submissions by the relevant organizations and individuals was also forwarded to the HKMAO for reference.

In his Statement, the Chief Secretary for Administration spoke at length to explain to members of the public through the Legislative Council the specific areas of concern of the Central Authorities on constitutional development.

Last Monday, on behalf of the Task Force, I attended the meeting of the Panel on Constitutional Affairs and reported on the latest information and opinions given to the Task Force in its meetings with various organizations and individuals. I also gave further replies to some questions raised by Members on the trip to Beijing and other related issues.

Madam President, in reviewing the work of the Task Force, I wish to tell Members that the Task Force has truly lived up to its undertaking and will continue to make an effort to maintain a high degree of transparency in its work. Therefore, we take exception to the view of Mr Andrew CHENG, that the trip to Beijing lacks transparency.

As for Dr YEUNG Sum's view that we should increase the transparency of the trip to Beijing and our discussions with the Central Authorities, I can tell Members clearly that we will keep on reminding ourselves to firmly uphold the principle of a high degree of transparency and accurately reflect the views of

Hong Kong people to the Central Authorities, and we will also explain to the people and Hong Kong community the concerns of the Central Authorities.

Madam President, Mr Andrew CHENG calls on us to immediately consult the public on whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in 2007 and 2008 respectively, while Mr Howard YOUNG's amendment urges us to expeditiously consult the public on the constitutional developments for 2007 and 2008. We clearly understand that these are the respective stances of the Democratic Party and the Liberal Party. In this connection, I would like to make the following response.

Constitutional development has far-reaching implications on the future of Hong Kong and is closely related to the long-term prosperity and stability of Hong Kong. Therefore, the Government will handle this issue of great importance in a very careful and judicious manner.

Since the establishment of the Task Force, we have set out clearly the work priorities of the Task Force. At the present stage, our major task is to study issues on the principles and legislative process relating to the political system in the Basic Law and to deepen the relevant discussions in the community of Hong Kong, in the hope that the Central Authorities and the Hong Kong Special Administrative Region (SAR) can reach a common understanding on these issues, based on which we can embark on the next stage of work.

On the issues of principle in the Basic Law, the Chief Secretary for Administration already gave a detailed explanation to Members in his Statement on 11 February. The Chief Executive also talked to the media about the relevant issues last Friday. In summary, the principles involved are mainly as follows:

First, "one country, two systems". The Central Government has specifically pointed out to us that "two systems" is implemented on the premise of "one country", and with regard to "one country", it obviously refers to the People's Republic of China.

Second, "a high degree of autonomy". The "high degree of autonomy" is exercised in Hong Kong under the authorization of the Central Authorities.

Third, an "executive-led" system. It is an important principle of the design of the Basic Law to have an executive-led system. Any development or change in the political system in Hong Kong cannot deviate from this principle.



Fourth, "balanced participation". Balanced participation is a principle that must be firmly upheld in our political system. It is necessary to have regard for all strata and sectors in the community. Moreover, the development of the political structure must proceed in a gradual and orderly manner and fully in line with the actual situation in Hong Kong.

Fifth, "Hong Kong people ruling Hong Kong" should mean the administration of Hong Kong by Hong Kong people, with patriots forming the main body of administrators. There are also very specific requirements for patriots, that is, people who respect their nation, sincerely uphold "one country, two systems", and do not do anything which can harm the country and Hong Kong. These people are considered patriots.

Recently, the principle of "ruling Hong Kong by patriots" has aroused great concern and plenty of discussion in the community. I trust that a great majority of Hong Kong people love our country and love Hong Kong, and will agree that Hong Kong people who love their country and Hong Kong should form the main body of administrators managing the affairs of Hong Kong.

Some people asked whether to love the country means also to love the Party. To address this question, I think we must look at the Constitution of our country. To be patriotic is a composite concept. The Party leads the country by virtue of the Constitution of the People's Republic of China. The Central Authorities also established the SAR under the Constitution and the Basic Law, allowing Hong Kong to exercise a high degree of autonomy with Hong Kong people ruling Hong Kong under "one country, two systems". People who are involved in the ruling of Hong Kong should respect this constitutional order and arrangement.

Madam President, these principles relating to the political structure are nothing new. They are the cornerstones of Hong Kong's political system established by the Central Authorities through the Basic Law.

The Central Authorities have the constitutional powers and responsibilities to oversee the constitutional development in Hong Kong. In fact, the community of Hong Kong generally agrees with these constitutional powers and responsibilities of the Central Authorities. Therefore, all sectors of the community should conduct in-depth and objective discussions on these matters of principle. In doing so, we can build up a solid foundation for our future constitutional development, and this is also a very important step.

To facilitate extensive discussion on the relevant principles and legislative process, the Task Force has, as undertaken in the paper submitted to the Panel on Constitutional Affairs on 14 January, place these issues in the form of questions onto the constitutional development webpage which was officially launched last Thursday. Members of the public are welcome to give us their views on these issues.

Moreover, the Task Force also put up an advertisement in local newspapers just this Monday setting out the relevant issues of principle and legislative process to invite more public views. Copies of the relevant documents on constitutional development are made available to the public at various District Offices. All these steps are taken in the hope that the community of Hong Kong and members of the public can get in touch with these issues more and give us more opinions.

Madam President, before I sum up, I wish to respond to a number of key points made by a couple of Members. Ms Audrey EU proposed that we should bring discussions relating to constitutional development onto the right track. In fact, Madam President, it is precisely for this reason, that is, to bring discussions onto the right track, that we have promoted discussions on issues of principle and legislative process relating to constitutional development in the Basic Law.

The Basic Law has given us a whole set of provisions to handle matters relating to constitutional development. In this connection, I think we must firmly grasp several points. First, the Basic Law has already initiated the progress of democratization in Hong Kong. We have now in Hong Kong a greater degree of democracy than what we ever have before.

Second, I believe Members present all share an aspiration for democracy, and universal suffrage is regarded by all as the ultimate aim under the Basic Law. Democracy is not the exclusive right of any side or any faction. We all hope to see the continued development of Hong Kong's political structure. But with regard to the pace or model of development, views are indeed diverse in the community. So, we all need to adopt an accommodating attitude in communication and discussion. Only in this way can we stand a greater chance of building up a consensus among us.

Third, I think we should not belittle the development and achievement that we have made to date in democratization in Hong Kong. We should not undervalue Hong Kong's political structure. In Hong Kong, we do have

advantages in some aspects, advantages in which we should take pride. In Hong Kong, we have the rule of law and a judicial system to protect our human rights and freedoms. The legislature and the executive government can perform checks and balances on each other and complement each other. We also have a clean government and public structure. Therefore, we should affirm the existing constitutional foundation on the one hand and hold more discussions on the principles and legislative process relating to constitutional development in the Basic Law on the other. This, I believe, will make further discussions on and promotion of constitutional development more effective.

Moreover, I would like to respond to a point mentioned by Miss Margaret NG, that is, whether or not we had reflected the views of the Hong Kong community in our trip to Beijing and whether we had, as requested by Members, reflected to the Central Authorities whether there is any inclination towards independence in Hong Kong. We did reflect these to the Central Authorities, and the Central Authorities also know clearly that the majority of Hong Kong people support the reunification, the unification of the country and the implementation of "one country, two systems" in Hong Kong in accordance with the Basic Law.

The second point mentioned by Miss Margaret NG was about opinion polls. We did mention opinion polls conducted by various sectors in Hong Kong, pointing out that some of the opinion polls had reflected that 70% of the people in the community of Hong Kong support universal suffrage. We also forwarded the written submission given to us by the Article 45 Concern Group and that given to us by the Hong Kong Democratic Development Network, and in these submissions, the opinions reflected in opinion surveys were also mentioned. Therefore, I hope to take today's opportunity to stress to Miss Margaret NG again that the Task Force has fully and comprehensively reflected the views of Hong Kong people.

Madam President, since the establishment of the Task Force in early January, discussions on constitutional development in the community have become more and more enthusiastic.

In the course of discussions, it is only natural for us to hold different views and positions. In fact, we must go through a process of discussion in which different opinions are expressed, discussed and consolidated before we can draw on collective wisdom to gradually narrow our differences.

I hope Members can promote the relevant discussions, particularly discussions on the principles, calmly and practically. We must, on the premise of "one country", make it our objective to ensure the long-term prosperity and stability of Hong Kong. We must work in concert to take constitutional development forward and to make an effort to seek a consensus.

With these remarks, Madam President, I hope Members will oppose Mr Andrew CHENG's original motion and Dr YEUNG Sum's amendment. Thank you, Madam President.

**PRESIDENT** (in Cantonese): It is time for Mr Howard YOUNG to move his amendment, but Mr Howard YOUNG has yet to show up in this Chamber. *(Laughter)*

(Mr Howard YOUNG hurried into the Chamber)

**PRESIDENT** (in Cantonese): I now call upon Mr Howard YOUNG to move his amendment to the motion.

**MR HOWARD YOUNG** (in Cantonese): Madam President, I move that Mr Andrew CHENG's motion be amended, as printed on the Agenda.

**Mr Howard YOUNG moved the following amendment: (Translation)**

"To delete "regrets that" after "That this Council" and substitute with "urges"; to delete "Development's trip to Beijing lacks transparency and urges the Government to immediately" after "the Task Force on Constitutional" and substitute with "Development to expeditiously"; to delete "whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in" after "consult the public on" and substitute with "the constitutional developments for"; and to delete "public's" after "collate the"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Howard YOUNG to Mr Andrew CHENG's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Andrew CHENG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Andrew CHENG has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the amendment.

Dr Eric LI, Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong, Mr Michael MAK and Dr LO Wing-lok voted against the amendment.

Geographical Constituencies and Election Committee:

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted for the amendment.

Ms Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted against the amendment.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, 17 were in favour of the amendment and eight against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, nine were in favour of the amendment and 13 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

**MS MIRIAM LAU** (in Cantonese): Madam President, I move that in the event of further divisions being claimed in respect of the motion on "Immediately consulting the public on election by universal suffrage" or any amendment thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Immediately consulting the public on election by universal suffrage" or any amendment thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Dr YEUNG Sum, you may move your amendment.

**DR YEUNG SUM** (in Cantonese): Madam President, I move that Mr Andrew CHENG's motion be amended, as printed on the Agenda.

**Dr YEUNG Sum moved the following amendment: (Translation)**

"To delete "regrets that" after "That this Council" and substitute with "urges"; and to delete "Development's trip to Beijing lacks transparency and" after "the Task Force on Constitutional" and substitute with "Development to increase the transparency of its discussions with the Central Government, and also"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr Andrew CHENG's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

**PRESIDENT** (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong, Ms LI Fung-ying and Mr Michael MAK voted for the amendment.

Mr Kenneth TING, Mr James TIEN, Dr Eric LI, Dr LUI Ming-wah, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam



LAU, Mr Abraham SHEK, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the amendment.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted for the amendment.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the amendment.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, six were in favour of the amendment and 19 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 24 were present, 13 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr Andrew CHENG, you may now reply and you have five minutes six seconds.

**MR ANDREW CHENG** (in Cantonese): Madam President, a total of 17 Members have spoken in today's debate. In most of their speeches, Members have expressed themselves in a very rational manner with respect to this motion. I would like to spend a couple of minutes expressing my view of the speeches delivered by a few Members.

First, the speech by Mr Howard YOUNG. In my speech on the amendment, I have forgotten to mention the Liberal Party's amendment to my motion, that is, to delete "whether the Chief Executive and all Members of the Legislative Council should be elected by universal suffrage in" after "consult the public on" and substitute with "the constitutional developments for". The speeches delivered by Mr Howard YOUNG or Mrs Selina CHOW earlier on behalf of the Liberal Party have given us an impression that the Liberal Party greatly resists the specific details of constitutional development and universal suffrage. The Liberal Party has also questioned the possibility of turning Hong Kong into a welfare community with the full-scale introduction of universal suffrage. I hope the Liberal Party can find out by looking around the world whether every democratic community will automatically become a welfare community. The answer is definitely "no". It is also our earnest hope to see Mr James TIEN, or Mrs Selina CHOW, of the Liberal Party return to this Council through the severe test of direct election to demonstrate that voters do not necessarily resist candidates from the commercial or business sector. Members who can be so brave as to return to this Council by going through the severe test of direct election in the interest of the commercial sector will find that the interest of both the business sector and the public are fully protected in this Council. This is the ultimate goal of universal suffrage.

Mr NG Leung-sing has repeatedly said that discussions should not be conducted in a sceptical, distrustful and irrational manner. However, this discussion on patriotism and a wide range of commentaries and smears mentioned earlier appears to me that those who have all along advocated rationality have acted in the most irrational manner in this incident; those who have all along stressed the importance of tolerance have been the least tolerant; and those who reject verbal attacks have apparently raised the curtain on verbal attacks.

Madam President, Mr Kenneth TING has kept on stating the merits of functional constituencies. However, the President has been very generous today for the main theme of the debate initiated by me focuses in fact on transparency and consultation, rather than the specific details of the constitutional system. I am very pleased to find that you, Madam President, can act so generously, as a lot of Members have actually made a lot of comments irrelevant to the main theme of the motion. It does not matter to me though, for I have been waiting for Mr Kenneth TING to say a few words on how the consultation should be conducted and whether the Task Force has a high degree of transparency. However, my wait came to naught.

Mr Henry WU then went on to repeat that an orderly and gradual approach would be essential. He even added that we could not "learn to run before learning how to walk". The discussions on direct elections can date back to 1988. This infant of democracy, had it started learning to walk in 1988, should be 16 today. It must be very unfortunate if it still does not know how to walk now.

When it came to the turn of the Secretary, we were told that patriotism was tantamount to respecting our own nation and, in his opinion, universal suffrage was considered by this Council and the people of Hong Kong to be their ultimate goal. I was shocked when I heard the word "ultimate". We have to really consider the Government's interpretation of the word "ultimate", in contrast to "orderly and gradual" and "expeditiously". What were the four guardians of the Basic Law referring to when they mentioned the word "ultimate"? Will it be the year 2047, for instance? If so, our infant of democracy would have reached 59 by then. It would definitely be unfortunate to Hong Kong's constitutional system if the infant did not start learning how to walk until the age of 59.

Madam President, I so submit.

**PRESIDENT** (in Cantonese): I now put the question to you — I am sorry that I heard some noise and I thought someone wished to speak — and that is: That the motion moved by Mr Andrew CHENG, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Andrew CHENG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Andrew CHENG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK voted for the motion.

Mr Kenneth TING, Mr James TIEN, Dr Eric LI, Dr LUI Ming-wah, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the motion.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted for the motion.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, five were in favour of the motion and 20 against

it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 24 were present, 13 were in favour of the motion and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 3 March 2004.

*Adjourned accordingly at twenty-one minutes past Nine o'clock.*

**Appendix I****WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Mr Ambrose LAU's supplementary question to Question 2**

As regards public education and publicity programmes related to suicide prevention, the requested information is set out at Annex for Members' reference.

Annex

Public education and publicity programmes related to suicide prevention,  
in particular those broadcast in electronic media

The Education and Manpower Bureau (EMB), Department of Health (DH), Home Affairs Department (HAD), Health, Welfare and Food Bureau (HWFB), Hospital Authority (HA), Social Welfare Department (SWD) and Information Services Department (ISD) have conducted various public education and publicity programmes related to suicide prevention. The themes include:

- (a) enhancing awareness of mental health/psychosocial problems and mental health/counselling services;
- (b) enhancing understanding of elderly depression and promoting prevention of suicide;
- (c) promoting effective stress management and stress reduction; and
- (d) promoting positive attitudes towards life, family solidarity and mutual concern.

The resources requirements could be absorbed internally within their budgets.

Between April 2003 and March 2004, the following programmes/messages have been broadcast through the electronic media:

**WRITTEN ANSWER — Continued**

<i>Theme</i>	<i>Electronic Media</i>	<i>No. of times messages are broadcast</i>	<i>Department/Hospital Authority</i>
Promotion of healthy ageing and prevention of elderly suicide	Radio programme	17 episodes plus distribution of CDs	SWD and DH
	Educational video shown on public transport	three times	SWD
Promotion of mental health/counselling services	Announcements in the Public Interest (APIs) on television	222 times	HWFB/ISD
	APIs on radio	504 times	HWFB/ISD
	APIs on public transport	(statistics not available)	HA
Promotion of positive attitudes towards life and prevention of suicide	APIs on television	3 069 times	EMB/HAD/ISD (some in collaboration with NGOs)
	APIs on radio	469 times	HAD/ISD
Enhance awareness of mental health/psychosocial problems	Health messages on television	seven times	DH
	Interviews on radio	five times	DH
	APIs on public transport	(statistics not available)	HA
Promotion of family solidarity, mutual concern and stress management, and so on	Radio programme	12 episodes	SWD and DH
	APIs on television	six times	DH
	Television programme	three episodes	DH

**Appendix II****WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Dr LAW Chi-kwong's supplementary question to Question 2**

As regards training related to suicide prevention for front-line professionals, in particular medical professionals, the requested information is set out at Annex for Members' reference.

Annex

Training for front-line professionals related to suicide prevention,  
in particular medical professionals

Under the Elderly Suicide Prevention Programme of the Hospital Authority, educational activities are organized on elderly depression and suicide prevention for doctors and other professionals. By the end of 2003, about 1 700 doctors and 4 000 other professionals had attended the educational programmes.

As part of the Joint Project on Prevention of Elderly Suicide co-organized by the Social Welfare Department, the Hong Kong Council of Social Service and the Hong Kong Psychogeriatric Association, training by psychogeriatric specialists was provided to general practitioners and social workers. By the end of 2003, 650 general practitioners had received training on the identification of suicide risk and related management.

The Department of Health organizes various forms of staff training related to suicide prevention, for example, seminars for doctors and nurses on the management of sad persons at risk of suicide and workshops on suicide prevention. In 2002-03, 280 doctors and nurses attended a training course on postnatal depression; four colleagues in the Department completed a nine-month training programme on suicide prevention and treatment offered by the Centre of Suicide Research and Prevention of the University of Hong Kong.



**WRITTEN ANSWER** — *Continued*

With the help of the Samaritan Befrienders Hong Kong, the Department has also organized lectures on "Managing Suicidal Crisis" and workshops on "Risk Assessment and Managing Suicidal Crisis" which were attended by 34 medical officers, 138 nursing officers and 11 paramedical staff. In the coming year, the Department will also invite clinical psychologists from universities to provide training on how to identify students with psychosocial problems and the corresponding counselling skills.

**Appendix III****WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Mr YEUNG Yiu-chung's supplementary question to Question 2**

As regards agencies providing dedicated services specifically for suicide prevention, the requested information is set out at Annex for Members' reference.

Annex

Counselling agencies providing  
dedicated services specifically for suicide prevention

The following agencies are providing dedicated services specifically for suicide prevention:

*Hotline Services*

Three agencies, namely the Samaritans Multi-Lingual Suicide Prevention Service, the Samaritan Befrienders Hong Kong and Suicide Prevention Services, provide suicide prevention hotlines for the general public as well as an elderly suicide prevention hotline.

*Suicide Crisis Intervention Centre*

The Samaritan Befrienders Hong Kong has been operating a Suicide Crisis Intervention Centre since March 2002. The Centre provides round-the-clock outreaching service and crisis intervention as well as intensive counselling to those who are in crisis situation and at high/moderate risk of suicide.

**WRITTEN ANSWER** — *Continued**Life Education Centre*

The Samaritan Befrienders Hong Kong has set up a Life Education Centre in May 2002. To promote "positive attitude towards life" and prevent suicide, the Centre organizes community education programmes, runs a resource library, recruits volunteers and trains up community gatekeepers. The Centre's key target groups include young persons and students.

*Elderly Suicide Prevention Teams*

Seven Elderly Suicide Prevention Teams of the Hospital Authority are running a two-tier service at public hospitals. The first tier involves early detection and screening of elderly patients with suicidal risks in the community. The second tier provides intensive follow-up including specialist treatment by psycho-geriatricians at fast-track clinics. Outreach and crisis intervention services are also available.

Apart from the above agencies, generic service agencies at the welfare setting (such as family service/integrated family service centre) also provide counselling services to their clients who happen to have suicidal tendencies.