

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 9 June 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.

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 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 JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KWOK-KEUNG, J.P.

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN

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

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

DR THE HONOURABLE YEUNG SUM

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

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

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

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

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

DR THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

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

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE LO WING-LOK, J.P.

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

THE HONOURABLE MA FUNG-KWOK, J.P.

**MEMBERS ABSENT:**

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

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

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

THE HONOURABLE HUI CHEUNG-CHING, J.P.

**PUBLIC OFFICERS ATTENDING:**

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

THE HONOURABLE FREDERICK MA SI-HANG, J.P.  
THE FINANCIAL SECRETARY AND  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

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

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

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

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

**CLERKS IN ATTENDANCE:**

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

MS PAULINE NG MAN-WAH, ASSISTANT 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:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Tax Reserve Certificates (Rate of Interest) (No. 4) Notice 2004 .....	106/2004
Broadcasting (Amendment) Ordinance 2004 (8 of 2004) (Commencement) Notice 2004.....	107/2004
Import and Export (Strategic Commodities) Regulations (Amendment of Schedule 1) Order 2004 (L.N. 65 of 2004) (Commencement) Notice 2004.....	108/2004

**Other Papers**

Report of the Finance Committee on the examination of the Estimates of Expenditure 2004-05

Report of the Bills Committee on Hong Kong Sports Development Board (Repeal) Bill

Report of the Bills Committee on Airport Authority (Amendment) Bill 2004

**ADDRESSES**

**PRESIDENT** (in Cantonese): Address. Dr Philip WONG will address this Council on the Report of the Finance Committee on the Examination of the Estimates of Expenditure 2004-05.

**Report of the Finance Committee on the Examination of the Estimates of Expenditure 2004-05**

**DR PHILIP WONG** (in Cantonese): Madam President, under Rule 71 (11) of the Rules of Procedure, the President referred the Estimates of Expenditure

2004-05 to the Finance Committee (FC). The FC has completed the examination of the relevant Estimates and I shall now report on behalf of the FC.

As in the past years, regarding the examination of the Estimates of Expenditure, the FC held open meetings to study in detail various items of government expenditure for 2004-05 to ensure that funds applied for by the Administration will not exceed what is needed for implementing various government policies. During the period from 29 March to 1 April 2004, we held a total of six special meetings in 18 sessions.

In order that members will have more detailed information on the content of the Estimates of Expenditure before the special meetings, so as to speed up the process of scrutiny, the FC put forward 1 768 written questions this year for the Government to provide us with written replies before the meeting. The hard copies and electronic version of the replies were forwarded to members before the special meetings. Members of the public could also view such replies on the website of the Legislative Council.

Concerns raised by members at the meetings were recorded in detail in Chapters II to XX of the Report. This year, members raised in various sessions some conceptual and concrete proposals with a view to increasing the efficiency and reducing the expenditures of different bureaux and departments.

Members noted that various government departments, under the premise of reducing their financial commitment, cut down on the number of posts in their establishment accordingly via the voluntary retirement scheme, so as to achieve the target on resources saving set by the Government under the expenditure envelope approach. Members reiterated to the Government the importance of reasonable structure reengineering, which should avoid situation where downsizing was achieved at the expense of the staff of lower ranks, affecting staff morale and service quality. At the same time, departments should stay open in deploying surplus staff, in particular those possess professional skills, to departments with manpower shortage systematically to enable resources to be fully utilized. Members also requested the Government to step up its control over outsourcing services.

Members encouraged the relevant Policy Bureaux and department to use the resources available to promote new services, and to conduct regular reviews on services and facilities with low utilization rate to redeploy resources duly. In

respect of projects, the authorities should make effort to minimize delays and control expenditures. Members also requested the Government to enhance the transparency of consultant studies and to ensure that consultant work conducted was value-for-money.

Madam President, I am truly grateful that members have participated enthusiastically in this year's special FC meetings and the Administration has also responded positively. I would also like to take this opportunity to express my gratitude to the staff of the Financial Services and the Treasury Bureau and the Legislative Council Secretariat who gave their unreserved support to the work of the FC.

I so submit. Thank you.

## ORAL ANSWERS TO QUESTIONS

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

### **Government Vehicle Drivers Involved in Traffic Incidents While on Duty on the Mainland**

1. **MS LI FUNG-YING** (in Cantonese): *Madam President, regarding drivers of vehicles of the Hong Kong Special Administrative Region (SAR) Government involved in traffic incidents while on duty in the Mainland, will the Government inform this Council:*

- (a) *whether there have been any such incidents since 2002; if so, of the number and the details of the incidents, and whether the drivers involved were blackmailed by unruly elements in the Mainland; if so, of the number and the details of the blackmail;*
- (b) *of the support and protection provided by the Hong Kong authorities to the drivers of government vehicles, who need to be on duty in the Mainland and are involved in such incidents; and*
- (c) *whether it has issued working guidelines for the drivers of government vehicles on duty in the Mainland to get familiar with*



*mainland traffic regulations and educate them on ways to deal with traffic incidents and other situations such as blackmail; if it has, of the details of the guidelines; if not, the reasons for that?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, Ms LI's question consists of three parts. I shall reply point by point.

Part (a) of the question asks whether, since 2002, any government vehicle drivers were involved in traffic incidents while on duty in the Mainland and were blackmailed.

We have looked into the records of the former Government Land Transport Agency and the Government Logistics Department which was established last year. Hitherto, including the period from 2002 to now, there have never been any instances of government drivers on cross-boundary duty being involved in any traffic accidents or incidents in the Mainland nor, for that matter, being blackmailed in connection with such incidents.

Part (b) of the question asks about the support and protection for government drivers in case they are involved in accidents whilst on duty in the Mainland.

In compliance with the laws and regulations of the Mainland, the Government has purchased insurance, including third-party insurance, passenger insurance and driver insurance, for all its cross-boundary vehicles and drivers. This ensures proper safeguards and protection for all government drivers in case they are unfortunately involved in an accident in the Mainland. In the event of injuries or death on duty, the Government will deal with the matter in accordance with the provisions in the Civil Service Regulations.

The Government also provides special training for government drivers who are required to perform their duties in the Mainland. The contents of the training course include immigration procedures, traffic regulations, road signs and road safety laws of the Mainland, as well as the proper contingency measures to be taken in dealing with traffic incidents and emergencies. Through on-road driving lessons, the training course also aims at familiarizing

the drivers with the roads and traffic conditions in the Mainland, to improve their knowledge of driving in the Mainland and to strengthen their ability in dealing with traffic incidents and emergencies. In addition, the Government Logistics Department provides regular driving training in the Mainland for government drivers to further enrich their experience and knowledge.

When performing their duties in the Mainland, every government driver is equipped with a mobile telephone which is provided with roaming service. This enables the driver concerned to promptly get in touch with his parent department, the Government Logistics Department or the relevant units as appropriate and to obtain the necessary assistance and support.

Part (c) of the question concerns the availability of operational guidelines for the government drivers who are required to drive in the Mainland.

The answer to this part of the question is yes. The Government Logistics Department issues a "Manual for Drivers of Cross-boundary Government Vehicles" to all government drivers who are required to drive in the Mainland. This Manual sets out in detail the necessary preparations before departure, the items and immigration documents to be carried, the arrangements for refueling, the procedures for crossing various immigration control points of the two places, calling for emergency repairs, as well as the proper ways for dealing with traffic incidents, and so on.

**MS LI FUNG-YING** (in Cantonese): *Madam President, in his main reply to part (a) of the main question, the Secretary replied with certainty that no government drivers had ever been involved in incidents on the Mainland, nor being blackmailed for such incidents. However, the complaints I have received prove that the information held by the Secretary is not accurate. One driver did tell me he had once encountered such a problem, as he has seen blackmailed by some kind of rogues on the road. Fortunately, his supervisor was in the car and instructed him to pay the money. Thereupon, the driver became worried, for he was at a loss as to what he should do in such a case when his supervisor was not there. May I ask the Secretary how should this driver handle such cases? Should the money be paid or not? If he pays the money, can he claim a reimbursement after he returns to Hong Kong? How much is he allowed to pay? If he paid no money, how can his personal safety be safeguarded?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I have to thank Ms LI for informing me of the incident. First, I would like to ask Ms LI to provide the particulars of the driver so that we can follow up the case, for this is not how such cases would be dealt with under normal circumstances. I hope Ms LI will provide more information to us after the meeting. We will definitely follow up the case. Regarding government guidelines on the handling of blackmail incidents, the manual I mentioned just now sets out in detail the telephone numbers of the relevant departments of Guangdong Province, including departments responsible for public security and traffic management, and emergency hotlines of the police. If drivers are blackmailed, they should immediately call the police for help. As I mentioned earlier, each driver is equipped with a mobile phone provided with roaming service, so he should call his parent department or the Government Logistics Department for assistance, and he should not allow his work to be affected by the blackmail incident.

**MS MIRIAM LAU** (in Cantonese): *Madam President, apart from the example mentioned by Ms LI Fung-ying earlier, I think, if the Secretary has read newspapers and communicate with drivers engaged in cross-boundary transportation of the trade, he should have learnt that Hong Kong drivers are often being blackmailed in a setting in the guise of traffic accident. I wish to ask, does it mean that these incidents do not exist simply because the Secretary does not know. If such incidents have happened to members of other trades, and even if such incidents do not happen to government drivers, will the Government consider it necessary to issue guidelines to instruct government drivers as to the attitude that they should adopt in the face of such problems and the assistance the authorities that will render? Moreover, will the Secretary identify the black spots for such incidents and inform the relevant authorities of the Mainland hoping that the Mainland will step up its police actions in this respect to prevent such crimes?*

**PRESIDENT** (in Cantonese): Ms Miriam LAU, this question is on government drivers, but your supplementary question asked about non-government drivers.

**MS MIRIAM LAU** (in Cantonese): *Sorry, Madam President. Let me put my supplementary question in a clearer way. I am referring to government drivers just now. I wish to ask the Secretary whether guidelines will be issued to*

*government drivers. I just mentioned the experience of other cross-boundary truck drivers, and after that, I have come back to the subject on government drivers, for I asked whether the Government would issue guidelines to government drivers in respect of those problems. Moreover, based on the ability of government drivers to face such incidents, will the Hong Kong Government reflect to the government of the Mainland the need for stepping up their police actions in those black spots?*

**PRESIDENT** (in Cantonese): Fine. Secretary, please reply.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, actually, I have already answered the supplementary question. I believe Ms Miriam LAU is not only concerned about government drivers. In this respect, I will certainly relay Ms LAU's concern to the Secretary for Security. In fact, the Secretary for Security has expressed some opinions regarding this issue of public concern. However, since at present the cross-boundary traffic is very heavy, I will refer this issue to the Secretary for Security.

**MS MIRIAM LAU** (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My supplementary question is: In view of the experience of other cross-boundary drivers, will the Hong Kong Government review the guidelines issued to Hong Kong government drivers, so as to provide relevant information to assist Hong Kong government drivers undertaking cross-boundary duties to deal with these problems, and take follow-up action against those black spots identified? This is raised entirely out of the concern for government drivers.*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I will discuss Ms LAU's opinions with my colleagues. Since my purview covers only government vehicles, while Ms LAU's question involve.....

**MS MIRIAM LAU** (in Cantonese): *That means, today.....*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): In a word, I will study Ms LAU's opinions with the Secretary for Security and colleagues of the Transport Department, and give a reply later. (Appendix) Ms LAU, would this be all right?

**PRESIDENT** (in Cantonese): Secretary, what Ms LAU asked you is that, in view of similar experiences acquired by other drivers, would you consider including these situations and listing such black spots in the guidelines issued to government drivers?

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, in fact, I have said earlier that the Government has issued a manual to instruct government drivers how to handle these situations. What Ms LAU wanted us to do is to provide information on the locations of those black spots. However, in this respect, I must discuss with the Secretary for Security for we do not even know where those black spots are. Besides, the locations of those black spots may change frequently. Therefore, I must discuss this with other colleagues. I am not trying to sidestep the question, but I really do not have the answer.

**MS MIRIAM LAU** (in Cantonese): *Madam President, excuse me. Since the example provided by Ms LI Fung-ying proved that such incidents do exist, how are the government drivers going to handle the incident if they are being blackmailed in the Mainland? Will the Secretary set out clearly in the guidelines so that they know how should such incidents be dealt with should they occur?*

**PRESIDENT** (in Cantonese): Secretary, do you have anything to add?

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, in the manual, we have already instructed our drivers how they should handle those incidents, such as safeguarding their personal safety and calling their immediate supervisors. The manual has also

listed out the telephone numbers of the public security departments. I really do not know what Ms LAU wishes to look for. Perhaps I am not familiar with this aspect, but I can provide more information to Ms LAU after the meeting.

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, the Secretary is really not familiar with this aspect. On the basis of the reply made by the Secretary to Ms LI Fung-ying's question earlier, I think the Secretary is neglecting the safety of drivers. For example, he said that drivers should not pay the rogues on the road, but should inform their supervisors by telephone. In fact, these two moves may have already threaten the personal safety of the driver concerned. I have also visited the Mainland, and holes are sometimes found along the road, which are obviously the traps set up by rogues on the road. If the guidelines issued by the Government stated that no money should be paid, I would like to ask what does the Government prepare to do if the drivers do not pay the money but call their supervisors instead, consequently causing their personal safety to come under threat? Does the Government really have to wait until something unfortunate happened before any action would be taken? I hope the Secretary would note that what Ms LI and Ms LAU mentioned earlier are all facts. The Secretary must take on board the experience of cross-boundary drivers. He should not only tackle the issue with a purely "academic" approach, making the suggestion that drivers need not pay money, but just inform their supervisors or public security authorities by telephone, for the consequences may be fatal.*

**PRESIDENT** (in Cantonese): Ms CHAN, you have put forth your supplementary question. Secretary, please reply.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, as I said earlier, up to present, according to the reports we received, government drivers have never encountered these incidents. I am not sure if what Ms CHAN said just now meant to encourage government drivers to pay money whenever they encounter those incidents, and to say that only by so doing would the personal safety of drivers be safeguarded. Actually, everyone should comply with laws of the relevant localities. The Government is not asking drivers to ignore their own safety in such incidents. The driver concerned only need to tell the blackmailer that he is employed by the Hong

Kong Government, and that he must obtain instructions from his supervisors if he is being blackmailed. Perhaps, his supervisor may be willing to pay. The Government is not neglecting the issue of personal safety. Does it mean that Ms CHAN is encouraging our drivers to bring along a big sum of money to the Mainland, hence inviting blackmail? I think there is something wrong with this, Madam President. I consider the existing procedures absolutely correct, we definitely do not encourage drivers to give in to blackmail threat on the Mainland by paying money. Does it mean that only by so doing could their personal safety be regarded as being safeguarded? I can hardly agree to this logic.

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, I am not trying to get involved in a "gunfight" with the Secretary, but since the Secretary queried me in his reply, I only wish to tell him that in the example given by Ms LI Fung-ying, the officer on the vehicle being blackmailed has instructed the driver to pay the money. Hence, the Secretary has to draw on this experience. I did not say whether the money should be paid or not. I just want to know how the Secretary is going to ensure the safety of drivers of the Hong Kong Government who have to undertake cross-boundary duties frequently. This does not mean to say that money must be paid to solve the problem, but at least a set of measures for handling such incidents should be in place.*

**PRESIDENT** (in Cantonese): Ms CHAN, in fact, oral question time is not a time for debate. I have taken quite a lenient approach with this to allow more room for Members to put forth their personal opinion. However, this may deprive the next two Members of their chances to raise questions.

**DR RAYMOND HO** (in Cantonese): *Madam President, in the example cited by Ms LI Fung-ying earlier, the supervisor on the vehicle had instructed the driver to pay the money. May I ask the Government, apart from issuing guidelines to drivers, whether it has issued guidelines to users of government vehicles, that is, passengers riding on government vehicles, to instruct them how to handle such incidents? For example, what they should do if their mobile phones are seized, and whether they should pay the money when they are blackmailed? Are questions of this sort included in the guidelines and provided to passengers riding on government vehicles?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, the present guidelines are issued to drivers only, not passengers. There are now 34 drivers in the Government holding driving licences of the Mainland who are allowed to drive on the Mainland. The number of vehicles running cross-boundary routes is around 20, not a large number indeed. However, it is undeniable that the frequency of cross-boundary duties is increasing. We project that the number of cross-boundary journeys to be made this year will be in excess of 600. So, in this connection, I would like to understand the case raised by Ms LI Fung-ying earlier. Members have to understand that that case has not been reported to the Government, and today is the first time I hear from Ms LI Fung-ying about the incident. If more information is available, we will certainly follow up, and must find out why the supervisor on the vehicle gave such response at that time. This may be helpful to us when we issue guidelines to passengers on such vehicles as regards the handling of this type of incidents in future. At present, our guidelines are only issued to our drivers, and the passenger on the vehicle at that time might have his or her own consideration. I thus hope that Ms LI will provide us with more information.

**PRESIDENT** (in Cantonese): This Council has spent more than 17 minutes on this question. Last supplementary question now.

**MR LAU KONG-WAH** (in Cantonese): *Madam President, I am also very shocked by the incident mentioned by Ms LI Fung-ying. I hope the Secretary could give an account of the incident to this Council after investigation. Just now, the Secretary focused his reply on the code of practice for drivers and acknowledged that no guidelines have been issued to passengers (who may be civil servants in Hong Kong). If the driver concerned has to seek the approval of his supervisors, that is the passenger on the vehicle who has not been given any guidelines, may I ask the Secretary whether the passenger or the civil servant should pay the money if his or her personal safety is under threat?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I can hardly answer a hypothetical question like this and I do not know the actual situation. For example, the blackmailer may be holding a bomb and he who refuses to pay may be killed, or perhaps the blackmailer is only making verbal threat. Situations differ from each other.



Thus, I think I cannot answer this question. However, we have to uphold the principle that blackmailing or illegal acts of this kind should not be encouraged. I believe this is applicable to both Hong Kong and the Mainland.

**MR LAU KONG-WAH** (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My supplementary question is very clear, should money be paid when personal safety is under threat?*

**PRESIDENT** (in Cantonese): Mr LAU Kong-wah, I think the Secretary has already answered your supplementary question. Since the Secretary does not have adequate information at hand, he cannot answer your supplementary question right now.

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

### **Influenza Vaccines**

2. **MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, it has been reported that the Government procured last year 200 000 influenza vaccines for use by the Hospital Authority (HA) and the government departments concerned. While the validity of the vaccines will expire by the end of this month, there is still plenty of stock left. In this connection, will the Government inform this Council:*

- (a) *of the total value and average unit cost of the vaccines;*
- (b) *which official or committee made the decision on the quantity of the vaccines to be procured, the criteria on which the decision was based and the number of vaccines still in stock at present; and*
- (c) *whether it has taken measures to use the vaccines before the expiry date as far as possible so as to avoid wastage; if it has, of the measures taken and whether they include the offer of free vaccination to the elderly who are not living in residential care homes or suffering from the specified chronic illnesses?*

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

(a) and (b)

The influenza vaccination programme has been conducted by the Department of Health (DH) annually since 1998. Every year, the Advisory Committee on Immunization (ACI) comprising infectious disease experts in paediatrics, medicines, immunology and public health from the public, private and academic sectors, makes an assessment on local epidemiology based on available evidence, identifies the target groups to be vaccinated and makes recommendations to the Director of Health. From 1998 till 2003, in accordance with the ACI's recommendations, the vaccination programme was targeted at residents in the residential care homes for the elderly (RCHE).

Due to the outbreak of SARS and avian influenza in neighbouring places during the past winter season, and with the spread of avian influenza being described by the World Health Organization (WHO) as unprecedented, the ACI has made recommendations to expand the vaccination programme with reference to the relevant WHO guidelines. In line with the ACI's recommendations, the vaccination programme was expanded in 2003-04 to also cover health care workers, residents in residential care homes for persons with disabilities, elderly people who are on Comprehensive Social Security Assistance (CSSA) or medical waivers and assessed to be at higher risk of developing complications from influenza due to certain chronic diseases, poultry workers and staff of essential services and emergency operations in the Civil Service.

Taking into account the size of the different target groups as estimated by the DH and the HA in consultation with relevant departments, a total of 197 000 doses of influenza vaccines were purchased. In determining the order size, the tight global supply of vaccines at the time, the perception of risk with the looming of SARS and avian influenza in the region and the need to be prepared for a possible outbreak in Hong Kong have also been taken into account. The inclusion of a few new target groups in the 2003-04 immunization programme and their unknown take-up rate, coupled

with the fact that private doctors also offered influenza vaccination extensively, added to the difficulty in making the estimation.

The remaining stock of vaccines which are now centrally kept by the DH and the HA respectively totals about 42 000 doses. The average cost per dose of vaccine was about \$25. The total expenditure on the purchase of vaccines for the immunization programme 2003-04 was about \$4.9 million.

- (c) In order to minimize the risk of influenza infection among the elderly in the community, and as an attempt to raise their awareness of protection against influenza, we have further expanded the vaccination programme to cover people aged 65 or above who are on CSSA or granted with medical waivers by the HA or the Social Welfare Department (SWD), and have not been vaccinated in the past flu season. Starting from 4 June, eligible elderly people can bring along their Identity Card and relevant certificate and go to any general out-patient clinics under the HA for free influenza vaccination. With assistance from the SWD, the initiative is being promulgated widely through District Elderly Community Centres, Neighbourhood Elderly Centres, Support Teams for the Elderly and Integrated Home Care Services Teams, and so on.

For elderly people who have received free vaccination under the immunization programme 2003-04, like those staying in RCHE, they are provided with an option to receive another vaccination if the period of the vaccine protection has lapsed.

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, when the Secretary gave a reply to my main question just now, and with particular reference to part (c) of the main reply, he said that starting from 4 June this year, the target groups to whom vaccination is offered will be extended so that the 40 000 or more doses of unused vaccines can be made use of. Madam President, I believe that you are also aware that last year, when the global outbreak of avian influenza was very serious, members of the public have in fact made many suggestions to the Government, including offering vaccination free of charge to elderly people on CSSA. However, the Government did not do so at that time. Now this batch of vaccines will expire at the end of this month but the*

*Government will not begin to implement such a measure until 4 June. I wish to ask the Secretary why it is only when there is so little time left then the coverage is expanded and vaccination offered to elderly people on CSSA and other elderly people? Moreover, the measure will begin only on 4 June and over 40 000 doses of vaccines will have to be used. May I ask why the coverage is expanded only when it is so late?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, the difficulties encountered by the DH have already been explained in parts (a) and (b) of the main reply. It had difficulty in estimating the number of vaccine doses that had to be procured because at that time, it was necessary to wait for a period of time in the market before it was possible to place orders on vaccines and also, the take-up rate could not be estimated because we did not mandate elderly people to receive vaccination, rather, we have been selective. We had to estimate the take-up rate in the target groups.

At that time, we had to place orders with the companies concerned after making an estimation. Subsequently, it took a period of time before the vaccines could roll off the production line and be supplied to us. Therefore, there was a problem concerning the timing. In addition, the influenza peak season in Hong Kong is from January to March, therefore, the time for vaccination had to coincide with the peak season. We had to start vaccinating the target groups at the end of last year or the beginning of this year. Meanwhile, we also have to observe the response because there were many target groups and there must be enough vaccines to cater for all target groups for the programme to be successful. Since the worldwide vaccine supply was very tight at that time, we could not tell our targets that we wanted to offer vaccinations to them but could not afterwards come up with the vaccines. Therefore, the DH had to reserve some vaccines so that when some members of the public eventually wanted to receive vaccination, there would be vaccines available for use.

After the winter, usually April and May are not within the peak season. The peak season usually occurs between November and March. As for another period of time, why do we try to implement the programme again in June? This is because sometimes there is a second influenza season in Hong Kong between July and August. Once every few years' time, such an influenza season would occur. Therefore, after discussion with the Director of Health, I feel that now

is also an appropriate time because the effective period of the vaccines is three months. That means three months after vaccination, the vaccines will have little efficacy left and re-vaccination will be necessary. The preventive effects of these vaccines do not last forever, therefore, it is now also an appropriate time to offer vaccination again.

Concerning the exercise this time, among CSSA recipients, about 100 000 elderly people did not receive vaccination in the past, and those who did can also receive vaccination again because the effective period has elapsed. Generally speaking, if an elderly person has received vaccination at the beginning of the year, the effective period for the vaccination is usually three months, so this time we will offer the chances to other elderly people as far as possible, and for people who have received vaccination for which the effective period of three months have elapsed, they can also receive vaccination again.

**DR LO WING-LOK** (in Cantonese): *Madam President, relaxing the criteria for vaccination in the middle of the year to allow members of the public or some of them to receive vaccination because of surplus vaccines is to send out a wrong message and this may create confusion in the plan to offer influenza vaccination in Hong Kong.*

*My supplementary is whether the Government has any intention of formulating a plan in conjunction with public and private health care service providers to introduce an orderly influenza vaccination programme territory-wide this year, so that the case of surplus vaccines will not recur this year?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, generally speaking, the programme implemented by the DH is recommended by the ACI and is usually implemented in winter because it is certain to have a peak season every year. However, the case in Hong Kong is rather special and Dr LO Wing-lok is perhaps also aware that influenza viruses are present throughout the year and this is an endemic disease in Hong Kong. Therefore, members of the public can receive vaccination at any time if they wish to. Of course, the Government will not implement such plans. Concerning treatment, if any individual feels particularly concerned, he can continue to receive vaccination, but certainly, the catch is that if you want to

prevent influenza, then it is necessary to continue to receive vaccination every three months.

However, the present situation is that there are sometimes occasional minor outbreaks in residential care homes and under such circumstances, the DH will consider giving vaccinations to the residents in these residential care homes. The surplus vaccines is in quite a considerable amount this time, furthermore, I also agree with what Miss CHAN Yuen-han has said, that is, we should not waste the vaccines. This is not a normal programme, rather, this exercise is a special but useful one. For example, by offering vaccination in some residential care homes, minor outbreaks can be avoided. However, in terms of cost-effectiveness, we will not take the initiative to procure vaccines and offer vaccination because it will not be cost-effective. Therefore, this type of programme will not be implemented. However, since there are in any event 40 000 doses of vaccines that can serve curative and preventive purposes, as well as being beneficial to elderly people, hence, under such circumstances, I consider the present measure positive and correct.

**DR LO WING-LOK** (in Cantonese): *Madam President, what I asked in my supplementary was whether there would be any plan to implement an orderly influenza vaccination programme in conjunction with public and private health care service providers?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I have already mentioned this in my reply just now, but I have probably not made myself very clear. Each year, the Director of Health and its ACI will both make recommendations and I will also make mine to the Director of Health. As regards Dr LO Wing-lok's suggestion, I think it is an excellent one but it is absolutely necessary to co-ordinate the whole programme with private health care organizations.

**MR HOWARD YOUNG** (in Cantonese): *Madam President, my supplementary has to do mainly with the surplus vaccines. We all know that the Government will be criticized if it procured an insufficient quantity of vaccines, but if there is*

*a surplus, it will also be criticized. However, I think it is appropriate to reduce the surplus vaccines. May I ask the Government if it has considered providing forecast to various users before procuring the vaccines so that future estimates can be more accurate, since this measure can reduce the possibility of wastage as well as the likelihood of demand outstripping supply?*

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

Madam President, I believe there is difficulty in making such an estimation. According to past experience, we know how many elderly people who are staying in residential care homes will choose to receive vaccination. Therefore, the estimates based on past experience can be fairly accurate. However, this year, there were several groups to whom the Government has not offered vaccination before, therefore, it was difficult to make any estimation. Furthermore, another reason that made it difficult to make an estimation was that global supply at that time was very tight, besides, both the avian influenza and the coronavirus, that is, SARS, were prevalent. At that time, the DH and various departments in the Administration all estimated that probably more people would receive vaccination. This created some difficulties, that is, these groups were being affected by the situation at that time, therefore it was impossible to make any estimation. It also took time for the vaccines ordered by the Director of Health to be produced. In the past, when there were not so many vaccines in the market, we would attempt to return the vaccines to the suppliers so that they can put the vaccines on sale again in the market. When the quantity involved is small, it is possible to do so, however, on this occasion, the private sector also purchased a lot of vaccines which had not been used up, therefore, it was not possible to find buyers for them, so there are a large quantity of surplus vaccines. In the past, the suppliers would be willing to try, that is, when we procured a stock of vaccines and could use only some of them, the suppliers were willing to take back the goods and put them on sale again in the market.

**MR CHAN KWOK-KEUNG** (in Cantonese): *Madam President, it is probably because of the wrong estimation that so many vaccines were procured, because I was told by many people, that is, people in hospitals and clinics, that many elderly people did not come for the injections, that is, they were unwilling to*

*come and receive injections and the hospitals had to persuade people from schools to come for the injections. May I ask the Secretary how many of the surplus vaccines were used on people from schools?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I do not have the figures on providing vaccination service to schools. Generally, the vaccination service we provide is targeted at the groups I have mentioned. Some of them certainly work in government departments but they must be those providing emergency or essential services. The second group is elderly people and residents with disability staying in residential care homes; the third group is health care workers, the fourth group is elderly people on CSSA and those suffering from chronic illnesses, and the HA will also provide this type of service to patients suffering from specific chronic illnesses. In addition, the HA will too give injections to some hospitalized patients, that is, patients who are exposed to risks.

**PRESIDENT** (in Cantonese): Council has spent more than 16 minutes on this question. This will be the last supplementary.

**MR MICHAEL MAK** (in Cantonese): *Madam President, as a matter of fact, the authorities estimated that about 200 000 doses of vaccines were required and they should reasonably have all been used up. I really do not quite understand why they could not be all consumed because even if we only take health care workers into account, there are already about 50 000 people in the HA and if we add to this the elderly people and patients suffering from chronic diseases, the quantity of vaccines required should have exceeded this number. Therefore, is it the case that the people concerned, that is, the awareness of those who initially intended to receive vaccination had been low, that is, their of the risks was low and they were concerned about the side-effects such as post-vaccination fever? May I ask the Secretary if he has evaluated these factors so that improvements can be made when offering vaccination next time?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, as far as I understand, these 190 000 doses of vaccines were



not intended for use by the employees of the HA. The HA had taken upon itself to procure the vaccines and give injections to its employees, therefore, the vaccines required in this regard were not included in the 197 000 vaccine doses.

Looking back with regard to the estimates, as far as the number of elderly people in residential care homes is concerned, I have already explained that with the benefit of past experience, the estimates were more accurate. For example, there were about 50 000 plus elderly people living in residential care homes and the response was better. However, just as Mr Michael MAK has said, since people in general have not received vaccination before and general target groups as such do not stay in residential care homes, so the results of the education programme may not be as good as that in residential care homes and there were less chances of contacting them. Therefore, I believe that the Director of Health, in estimating the number of vaccine doses in future, will carry out co-ordination on the basis of the experience gained this time.

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

### **Research Results of Academics in Tertiary Institutions Being Plagiarized**

3. **MR ALBERT CHAN** (in Cantonese): *Madam President, I have recently received a number of complaints alleging that the research results of many academics in tertiary institutions have been plagiarized by other academics. In this connection, will the Government inform this Council whether it knows:*

- (a) *the total numbers of complaints involving alleged plagiarism received by the relevant authorities of tertiary institutions in each of the past three years, with a breakdown by institutions;*
- (b) *among the above complaints, the number of those that have been substantiated, the positions of the academics confirmed to have committed plagiarism, the institutions they belonged to and the penalties imposed on them; and*
- (c) *whether the relevant authorities have put in place measures to curb plagiarism; if they have, of the details of such measures; if not, the reasons for that?*

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

- (a) Although this question only asks about plagiarism in research results, I will also include in my answer statistics on plagiarism in research methodology as well since institutions regard any plagiarism as a serious misconduct.

In the past three academic years from 2000-01 to 2002-03, higher education institutions actively engaged in research work, including the University Grants Committee (UGC)-funded institutions and The Open University of Hong Kong (OUHK), had altogether received four complaints about alleged plagiarism by their academic staff. The complaint figures for individual institutions are set out at Annex I.

- (b) Three of these four cases were substantiated. The concerned institutions have taken appropriate actions against the academic staff, details of which are summarized at Annex II.
- (c) Although the above statistics do not suggest that plagiarism is a common problem in the higher education sector, all institutions consider plagiarism a serious misconduct. The UGC-funded institutions and the OUHK have established mechanisms, procedures and guidelines for handling complaints about plagiarism, and make known to all members of staff the disciplinary procedures. Codes of practice and policies on academic integrity are also promulgated among all members of the academic staff.

Like all other original works, the original works of academics (for example, academic theses) are protected by the Copyright Ordinance. Under the Copyright Ordinance, a person who, without the authorization of the copyright owner, reproduces his work or a substantial part of the work, may be civilly liable and the copies so produced may be regarded as infringing copies. The copyright owner may sue the infringer through civil litigation. If the infringing act involves commercial dealing activities (for example, the sale of infringing copies), the infringer may also be committing a criminal offence under the Copyright Ordinance.

## Annex I

Number of complaints about plagiarism  
received by the UGC-funded institutions and the OUHK

<i>Institution \ Academic Year</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>Total</i>
CityU	0	2	0	2
HKBU	0	0	0	0
LU	0	0	0	0
CUHK	1	0	0	1
HKIEd	0	0	0	0
PolyU	0	1	0	1
HKUST	0	0	0	0
HKU	0	0	0	0
OUHK	0	0	0	0
Total				4

Note :

CityU : City University of Hong Kong  
 HKBU : Hong Kong Baptist University  
 LU : Lingnan University  
 CUHK : The Chinese University of Hong Kong  
 HKIEd : The Hong Kong Institute of Education  
 PolyU : The Hong Kong Polytechnic University  
 HKUST : The Hong Kong University of Science and Technology  
 HKU : University of Hong Kong  
 OUHK : The Open University of Hong Kong

## Annex II

Actions taken against the concerned academics

<i>Institutions</i>	<i>Academic Year</i>	<i>Actions Taken</i>
CityU	2001-02	<p>Case 1: A verbal warning was given to the staff member (Associate Professor) and recorded in his personal file.</p> <p>Case 2: A serious warning letter was issued to the staff member (Associate Professor) and he was banned from doing external teaching for at least one year. He was also requested to substantially reduce his</p>

<i>Institutions</i>	<i>Academic Year</i>	<i>Actions Taken</i>
		student supervision load at Master and Doctorate levels until he demonstrates that he could provide good quality supervision to students. A Strategic Research Grant was terminated and the award of another Strategic Research Grant was withdrawn. He was also barred from submitting any internal research grant applications until the end of September 2004.
CUHK	2000-01	The staff member was reprimanded in writing and temporarily suspended from service. Salary was reduced when he resumed duty.

**MR ALBERT CHAN** (in Cantonese): *Madam President, the figures provided by the Secretary is unbelievable, but if they are correct, this is something that should be proud of. I hope the Secretary would not think that I am nitpicking. I would like to understand more about the definitions of plagiarism referred to by the Government in the reply. What kinds of academic research results are being copied or stolen? I am not sure whether the low figures should be attributable to the definition adopted. Moreover, does the number of complaints now referred to include internal complaints received by individual faculties within the institutes? As a total of only four complaints have been received within three years in so many universities, people may have the impression that the complaint figures are extremely low.*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): I am glad to hear that Mr CHAN considers the figure low. The UGC has contacted the relevant institutes before providing the figure to the Government, so the figure is correct. As to plagiarism in academic research results mentioned by you, we are not only concern about plagiarism in academic research results, but also in plagiarism in all other researches and with regard to thesis. The scope of plagiarism is very broad, and many activities are included in the figure.

**MR ALBERT CHAN** (in Cantonese): *The Secretary has not answered whether complaints received by individual faculties of the institutes are included in the*

*figure. In his earlier reply, the Secretary just mentioned that the figure was provided by the UGC.*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Individual faculties will lodge their complaints to their respective institutes. If individual departments have compiled their own sets of figures, we will certainly disclose them. That is to say, in reply to Member's question, figures related to all faculties are included.

**DR LUI MING-WAH** (in Cantonese): *Madam President, plagiarism in academic research is comparable to theft, a serious incident it may be. However, the penalties imposed by the two universities on those who have committed plagiarism seem to be rather light, rendering the nature of plagiarism unclear. Has the Government studied the definition applied to and penalties imposed on plagiarism in overseas universities? By doing so, law enforcement work will be made easier in future.*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): As to how these incidents should be handled, each university has its own set of rules judging on the situation of different cases. Some cases may be very serious, while some may not. Universities enjoy autonomy over this, for this is within their scope of policy management. I understand that all universities have laid down clear rules, so that their academic staff and students know that plagiarism is not allowed and the circumstances in which the use of thesis, research results and methodology of others would be considered as plagiarism.

**MS EMILY LAU** (in Cantonese): *Madam President, only four cases were received within a period of three years, and only three of them were substantiated. The figure is really low. I have asked similar questions earlier. But may I ask the Secretary whether study has been conducted to see if people are discouraged from reporting because of the difficult procedures involved? Will it be attributable to the lack of enthusiasm on the part of the persons handling such reports, which despite the existence of the problem, the incidents very often failed to be discovered or accepted for processing?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, as far as I know, each institute has established its own mechanism in handling those complaints, while the community as a whole is covered by the relevant legislation. According to my understanding, each institute, on receipt of the complaints, will set up its inquiry team, to be followed by a disciplinary committee. There will also be channels for lodging appeals. Institutes will handle these incidents transparently.

**DR RAYMOND HO** (in Cantonese): *Madam President, though the Secretary said that the number of plagiarism cases related to plagiarizing academic research results and copying of thesis was very low in tertiary institutes, but I still find the situation worrying. Actually, does the Government require all tertiary institutes to report to the Government once these incidents happened? Have institutes been informed of the requirement within its definition that those incidents must be reported to the Government at a certain stage, and should not be handled internally by institutes alone?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): I believe those incidents would not be handled internally anyhow, for the UGC also has the relevant figures. Without such figures, we would not be able to state today that there were only four cases within three years and only three of which were substantiated.

**DR RAYMOND HO** (in Cantonese): *I wish to ask the Secretary whether the Government has stipulated that such incidents must be reported to the Government at a certain stage with reference to a specific definition?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): I believe the academic sector is quite clear that plagiarism is neither encouraged nor allowed. Thus, I do not consider it necessary for the Government to stipulate the mandatory report of those incidents. Regarding the problems related to the reporting of incidents, institutes will certainly report their cases to the UGC. When the Government has a need for those figures from the UGC, it can definitely obtain those figures.

**MR ALBERT CHAN** (in Cantonese): *Madam President, I do not know to what extent does the Secretary consider the figures reported by institutes reliable. However, I believe that many plagiarism-related problems, be it connected with students or academic staff, are found in various institutes. Will the Secretary consider conducting more thorough and comprehensive investigations regarding the figures provided by the UGC to ensure that firstly, records of complaints do really exist, and secondly, that the public has the right to know the truth even if certain faculties intentionally conceal the relevant information and play down the incident out of administrative considerations. Will the Secretary consider tracing these figures in a more systematic and thorough manner?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): I am at all times very willing to consider this. However, I must reiterate that I have full confidence in our tertiary institutes. I will not say that they will make false report or intentionally omit to report any cases. I believe they also consider plagiarism a very serious crime and will not turn a blind eye to it.

**MS EMILY LAU** (in Cantonese): *Madam President, I would like to follow up Dr Raymond HO's question. I hope that the Secretary will consider requiring institutes to report such incidents to the Government, for the Secretary said earlier that such requirement has not been laid down. He should also stipulate that the content of the reports should be in greater detail. That is to say, could the report include cases where complainants are told by institutes to go away because their complaints are no big deals and do not worth complaining? If so, the public should be allowed to know more, and a message should be disseminated to members of tertiary institutes that these kind of incidents are very serious, and they are encouraged to report it to the authorities concerned. Will the Government take a few more steps forward in this regard?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): We will certainly reconsider this.

**DR RAYMOND HO** (in Cantonese): *Madam President, the figures now provided to us is related to plagiarism in academic research results and copying*

*of thesis. May I ask the Secretary whether the figures cover cases involving the copying or plagiarizing of similar information of overseas academics?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): We do not have overseas information for we cannot obtain information in this respect. Besides, even if we want to obtain such information, there is the consideration of privacy that should also be protected in Hong Kong. Therefore, we cannot disclose information about which academics are involved or who they are.

**DR RAYMOND HO** (in Cantonese): *Madam President, the Secretary misinterpreted the meaning of my question. I mean that if academics of Hong Kong are found to be plagiarizing academic research results or copying thesis done by overseas academics, will these cases be included in the figures provided by the Secretary?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): The figures we provided already include these cases. The figures are not classified into plagiarism of work of local and overseas academics. Overall, plagiarism is plagiarism, so the figures provided have included all the relevant figures.

**MR ALBERT CHAN** (in Cantonese): *Madam President, thank you for allowing me to raise another supplementary question once and again, I would like to follow up the issue on definition. The figure is incredibly low. There are several possibilities that such a low level of complaints has been recorded. Firstly, this may be attributable to the failure for some cases to be reported; secondly, this may be due to the narrow scope of the definition, which render some of the cases, that we considered should be included, not being counted. The Secretary said earlier that more often than not, he is willing to consider the proposals of Members. In this connection, be it relating to the definition or the reporting mechanism of individual institute, will the Secretary ascertain he will study whether the low figures are attributable to the scope of definition or any other factors? If the investigation proves that the figures are correct, this will help in promoting the reputation of the academic sector in Hong Kong.*



**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): We accord great concern to the academic reputation of Hong Kong, for we have acquired high academic reputation. Mr CHAN's question is related to plagiarism in research results, but right from the very beginning when I answered his question, I have pointed out clearly that I do not focus only on plagiarism in research results but plagiarism as a whole. That is to say, if the incident involves the plagiarism of the methodology, it will also be counted. Therefore, in replying to his question, I give a comprehensive reply on plagiarism as a whole rather than simply referring to research results. All these cases, be it involve the plagiarism of the work of other local academics, other institutes or their own institutes, have been included in the figure. As to whether individual institute will conceal or ignore such incidents privately, I have full confidence in the tertiary institutes in Hong Kong that they will not accept plagiarism in their own institutes, which is entirely unfavourable to their reputation. Therefore, if an academic claimed that his thesis or research has been plagiarized, I believe the case will definitely be followed up.

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

**DR LUI MING-WAH** (in Cantonese): *Madam President, in answering the previous supplementary question, the Secretary mentioned that plagiarism also covers the plagiarizing of research methodology. Is plagiarism in testing or experiment methodology involved in the three cases in question, or are those cases only related to research results?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): As far as I know, among the three plagiarism cases, one of them involves plagiarism in methodology, while the other two involve plagiarism of others articles.

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

### **Upholding Political Neutrality by Civil Servants**

4. **MR FRED LI** (in Cantonese): *Madam President, at the end of last month, several newspapers published a political commentary by an Assistant Director of*

*the Immigration Department (ImmD) published in the Department's internal publication. In this connection, will the Government inform this Council:*

- (a) whether it has assessed if the officer's act has violated the principle of political neutrality that civil servants should uphold; if the assessment result shows that it has not, of the justifications;*
- (b) how the existing Civil Service Regulations and Codes define and regulate the circumstances under which a civil servant may openly publish political commentaries carrying his official title; whether staff of the disciplined services are subject to tighter regulation; and*
- (c) of the specific measures it has put in place to ensure that civil servants will not be affected by their political stance in discharging their official duties, they will not be asked by their superiors to state their position on a political subject, and similar incidents will not recur?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, before responding to the specific questions raised by the Honourable Fred LI, I will first explain the principle of political neutrality that civil servants should uphold and give an account of the circumstances surrounding the reproduction of the concerned article in newspapers.

The principle of political neutrality that civil servants should uphold comprises the following key elements:

- (1) the Civil Service's political neutrality is built on its allegiance to the Government;
- (2) it is every civil servant's duty to be loyal to the Chief Executive and the principal officials of the day;
- (3) it is the role of civil servants to evaluate the implications of policy options and to tender clear and honest advice in the process of policy formulation;

- (4) once a decision has been taken by the Administration, civil servants should support and implement the decision fully and faithfully irrespective of their personal preferences and should not make known their own views in public; and
- (5) civil servants should assist the principal officials in explaining policy decisions and in gaining support of the Legislative Council and the public.

According to the information provided by the ImmD, the incident involves an officer contributing, in his personal capacity, an article entitled "Reflections on Political Reform" to *Image*, an internal newsletter of the ImmD. The article contains his personal reflections after he attended a seminar on "The Basic Law and Political Development". The article does not in any way represent the stance of the Government of the Hong Kong Special Administrative Region (SAR) or the ImmD. The article published in the newsletter did not carry the post title of the writer. After the article was released internally, the officer received positive response from his departmental colleagues and friends. Upon consulting his supervisor, the officer approached the newspapers through the Communications and Public Affairs Section of the ImmD. The article was subsequently faxed to the newspapers by the Communications and Public Affairs Section and was reproduced. In the course of releasing the article to the newspapers, the ImmD has given permission for the officer to issue the article in his personal as opposed to official capacity.

My reply to the questions is as follows:

- (a) The incident stems from a civil servant of the ImmD publishing an article in his personal capacity in an internal departmental publication of the ImmD. With departmental approval, a photocopy of the article was subsequently faxed to the newspapers. When the article was sent to the newspapers, it did not bear the post title of the contributor, nor was it indicated that the article represented the views of the Government or the ImmD. Hence, seen in the overall context, the act of the officer did not violate the principle of political neutrality that civil servants should uphold.
- (b) An officer when discharging official duties or attending an activity in his official capacity and subject to his being duly authorized or

permitted by the department to do so, may publish an article or make a public speech using his post title.

- (c) The Civil Service Bureau issued a Circular No. 8/2002 in June 2002 which elucidates the principles and values that should be upheld by civil servants. The principles and values include the following:
- (i) commitment to the rule of law;
  - (ii) honesty and integrity;
  - (iii) accountability for decisions and actions;
  - (iv) political neutrality;
  - (v) impartiality in the execution of public functions; and
  - (vi) dedication, professionalism and diligence in serving the community.

It is the responsibility of all civil servants to uphold the core values and standards of conduct expected of them as elucidated in the circular.

**MR FRED LI** (in Cantonese): *Madam President, the Secretary pointed out in the main reply that the ImmD had given permission for Mr TSOI to publish the article in his personal as opposed to official capacity. However, this political commentary was released through the Communications and Public Affairs Section of the ImmD. Madam President, this article was once published in three newspapers with an explicit remark beside the name of the writer stating that he was an Assistant Director of the ImmD. Why can such a mistake be made? Has the Government carried out investigations? Has someone been found abusing government resources for his personal purpose? Has someone already violated the rules and regulations by making use of government resources to publish in his personal capacity articles not representing the stance of the department?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, I have already emphasized several times in the main reply that the article was published by a civil servant of the ImmD in his personal capacity. As regards the article faxed to the newspapers, it was just a photocopy titled "Reflections on Political Reform", carrying only the name of the contributor, but not the post title. As to how the article was handled after being delivered to the media, it was of course the business of individual medium. I have already said in the main reply that the officer concerned was just eager to share his article with more people because it was well recognized by some friends and departmental colleagues. Therefore, he contacted the department, that is, the Communications and Public Affairs Section, and the colleagues there faxed the article to the newspapers concerned out of good intention. Of course, during this process, how the media handled the article is the business of the media.

Moreover, if you have the chance to thoroughly read this article as I did, you will find out that strictly speaking, this article is not a so-called political commentary. This colleague wrote this article simply because he wanted to express his personal reflections after he attended a seminar. The theme of the article is, let me read it out, "We should stand united to create our tomorrow, including actively participating in discussions on political reform to express our own views." He did not raise any specific proposals in respect of political reform. Therefore, on this matter, even though the ImmD helped this colleague fax the article to the newspapers, I think no severe blaming should be made.

**MR FRED LI** (in Cantonese): *The Secretary has not yet replied to my supplementary question. I am asking whether he thinks that the use of government resources to publish articles written in one's personal capacity should not be considered as an abuse of government resources for one's personal purpose. The Secretary has not yet answered the part about the abuse of government resources for one's personal purpose.*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): I think that each incident shall be viewed as a whole to judge the proportion of manpower and resources involved. Of course, when we look back after the incident is over, we will find that it should be a better arrangement for the colleague to fax the article himself. In this regard, I have already reminded the department

concerned. However, generally speaking, I think that it is not necessary to further follow up this incident.

**PRESIDENT** (in Cantonese): Members, since a total of 11 Members indicated their wish to raise their supplementary questions, those who have the chance to do so please be as brief as possible.

**MR JASPER TSANG** (in Cantonese): *Madam President, will the Secretary explicitly tell us whether or not a civil servant, even if he is a senior civil servant, violates the so-called principle of political neutrality when he publicly releases speeches in line with the declared policy of the Government, be it in his personal or official capacity?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, in the main reply I have already declared in the first place the key elements included in the principle of political neutrality that civil servants should uphold. Item (5) states that civil servants should assist the principal officials in explaining policy decisions and in gaining support of the Legislative Council and the public while item (4) states that once a decision has been taken by the Administration, civil servants should support and implement the decision fully and faithfully..... Therefore, if the Government has already put forward a specific policy, the civil servants concerned are entirely allowed to issue in his official capacity any opinions or articles in respect of his own scope, to show his acknowledgement with the Government's policy. In addition, civil servants, when acting as the general public, shall of course enjoy the individual's right to freedom of expression.

**MR CHEUNG MAN-KWONG** (in Cantonese): *Madam President, in a paper tabled at the Legislative Council by the Government, when it comes to the Civil Service's political neutrality, it says that civil servants should ensure that their contribution to any public debate or discussion on public matters is appropriate to the positions they hold and is compatible with the need to maintain a politically neutral Civil Service. This newspaper, as well as the Government's reply, clearly indicates that TSOI Hon-kuen has obtained approval of his supervisor and the public affairs section of the ImmD has helped send the article to the newspapers by fax. Moreover, it clearly states in the newspapers that the writer*

*has openly commented on Hong Kong's political affairs in his capacity as the Assistant Director of Immigration in an article entitled "Irrational internal fights consume social energies". Does the Government agree that contribution of this article by the Assistant Director of Immigration is not appropriate to the position he holds and that his act has thus violated the policy of political neutrality that senior civil servants should follow? Furthermore, since TSOI Hon-kuen's supervisor has given him permission to do so, does it constitute a serious administrative blunder?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, I have already emphasized several times in the main reply, and now I have to emphasize again, that this article was first published by a colleague in his personal capacity in an internal departmental publication and subsequently faxed to the newspapers in his personal capacity. As regards how the newspapers handle the article, it is of course their own business. I have read a number of newspapers. Some published the article. Some treated it as a hearsay, some as an abstract, and others as a news report. I have just mentioned the title of the article. I also have a copy of the article at hand, but its title is "Reflections on Political Reform". My experience with the media is the same as yours. I mean we cannot control how the media handle the information once they obtain it. As I have already said in the main reply, if you think that the active participation of the ImmD in helping him contact the media and fax the article to the newspapers may incur unnecessary misunderstanding, this incident has already reminded the ImmD that such situations should be more carefully handled in future. However, generally speaking, neither the presentation of the article, which is in a personal capacity, nor the content concerned in effect tenders any proposal concerning any aspects of political reform. The article only contains certain personal reflections, in the hope that the public can provide some views on political reform. Neither the presentation nor the content has violated our valued principle of political neutrality that civil servants should uphold.

**PRESIDENT** (in Cantonese): Mr CHEUNG, has your supplementary question not yet been answered?

**MR CHEUNG MAN-KWONG** (in Cantonese): *Madam President, the Secretary has not yet answered the core part of my question, that is, if an*

*Assistant Director of the ImmD expresses some of his views as regards political affairs in Hong Kong on a public occasion, is it appropriate to the position he holds? I am asking whether the article is appropriate to the position he holds. If not, does his supervisor bear any responsibility?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): In fact, I have already answered Mr CHEUNG Man-kwong's supplementary question several times. A civil servant, with the approval of his supervisor, is entirely allowed to express opinions in his personal capacity. As regards the content of his opinions, I have already made comments on that several times. I am not going to repeat them.

**MR CHEUNG MAN-KWONG** (in Cantonese): *Madam President, please make a ruling. The Secretary has not yet answered whether it constitutes an administrative blunder when TSOI Hon Kuen's supervisor allowed his subordinate to publish an article which is not appropriate to the position he holds. Since he is an Assistant Director of Immigration.....*

**PRESIDENT** (in Cantonese): Mr CHEUNG, please first be seated. You have already repeated your supplementary question. I am not compelling you to speak faster, but indeed quite a number of Members are now waiting to raise their supplementary questions. My ruling is, as you may imagine, it is actually the same every time that individual Members ask the President to make a ruling whenever they are not very satisfied with the reply of the government officials concerned, and in this case, the President has only a word to tell all of you: the officials have the freedom to decide how they would reply.

**MR LEUNG FU-WAH** (in Cantonese): *Madam President, I have also read this article. In my opinion, Mr TSOI has only provided a rational, objective and balanced platform for the public to think about the existing social phenomenon. As I have noticed, the Secretary has said several times in the main reply that he had published his article in his personal capacity, but after the article had been faxed to the newspapers, the newspapers added his post title, and even found out his monthly salary to be \$120,000 and reported altogether. May I ask the Secretary what in fact are the objective results? The Secretary has just said that it is necessary for him to obtain his supervisor's approval for publishing articles*



*in his personal capacity. Is this practice depriving some civil servants of their individual rights to the freedom of expression?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, the principle of political neutrality that civil servants should uphold is not intended in any way to deprive any civil servant of his individual right to the freedom of expression. As I have strongly emphasized in the main reply and my earlier reply to Members, we think that this colleague's contribution of an article in his personal capacity has not violated his political neutrality.

**MR LEE CHEUK-YAN** (in Cantonese): *Madam President, the SAR Government has often been criticized for deteriorating governance. In fact, this is because some basic principles have been undermined. In this incident, the public is very concerned whether the principle of political neutrality that civil servants should uphold has been undermined. It is because we do not want to see civil servants being too loyal to the Government, but we do not want to see them fighting against the Government either. We sincerely hope that civil servants can uphold political neutrality. The Secretary's earlier reply has confused my understanding of political neutrality. May I ask the Secretary whether the whole incident has already undermined the principle of political neutrality? In particular, the Secretary has been emphasizing that Mr TSOI published the article in his personal capacity. However, putting aside this personal capacity part, the Secretary has said in the main reply that the ImmD, as a government department, had contacted the newspapers. It actually contacted the newspapers — not sending the article by fax. Does the Secretary know what was said between them when the ImmD contacted the newspapers? Why did the ImmD actively contact the newspapers? Is it true that the ImmD contacted and requested the newspapers to publish the article? Has political neutrality already been undermined?*

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan, the question time is running out. Please make it brief. Okay? Secretary.

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, I have already replied to Mr LEE Cheuk-yan's supplementary question and similar ones. Of course, as I have just said, if we look back now, we may think

that the department concerned has been too actively participated in the incident, and that it may thus arouse concerns such as those mentioned by Mr LEE Cheuk-yan earlier. However, generally speaking, as I have just said, this colleague himself has written an article which was well received by the others, and so he hoped to share it with more people. I think that he has just been very enthusiastic and that the content of the article is fine. Generally speaking, when the department offered help to him, as I have emphasized several times, it did not violate the principle of political neutrality that civil servants should uphold. In respect of this incident, we have already reminded the department to be more careful when handling such incidents in future, so as to avoid any such unnecessary misunderstandings or doubts.

**MR LEE CHEUK-YAN** (in Cantonese): *Madam President, the Secretary has not yet answered me how the department contacted the newspapers and what was said? If it is not considered as a violation of political neutrality, I do not know what should be.*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, according to my understanding, the Communications and Public Affairs Section of the ImmD only contacted some familiar newspapers, and then faxed the article to these newspapers for reference to see how they would handle it, but the newspapers have the full discretion to make their own decision. These are the details made known to me.

**PRESIDENT** (in Cantonese): We have spent over 19 minutes on this question. Last supplementary question.

**MR CHAN KAM-LAM** (in Cantonese): *Madam President, the main question has assumed that this officer has already violated the principle of political neutrality that civil servants should uphold, and that the officer was requested by his supervisor to make a political statement. It seems that he has to stop talking politics. Madam President, I have also read this article, which is in fact very neutral. The writer has tendered his personal views, which are quite mild, about some social phenomena. In the Civil Service, there are plenty of far-sighted people who have profound insights into current political affairs.*

*Admittedly, in order to uphold the so-called principle of political neutrality, very often they cannot express their views even if they have. I would like to know whether the Government will encourage civil servants to express in their personal capacity their reviews on current affairs (not policy) or attitudes towards people or work, and so on. Will the Government encourage civil servants to express their views more?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, as I have just said, the principle of political neutrality that civil servants should uphold is to ensure that civil servants can serve the community without partiality, but absolutely not to deprive civil servants of their individual rights to freedom of expression. As regards political reform, it is a matter pertaining to the future well-being of all Hong Kong people, including over 100 000 civil servants. For this reason, during the current consultation period of the Constitutional Development Task Force (the Task Force), any member of the public can submit to the Task Force his views on political reform, and during this process, all civil servants, regardless of position or department, shall also have the full right to express their views on this issue. Therefore, I think I must make it clear that I hope this incident will not affect the freedom of expression of civil servants.

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

### **Importing Live Chickens from the Mainland**

5. **MR WONG YUNG-KAN** (in Cantonese): *Madam President, it has been reported that the last avian influenza case in the Mainland was reported over three months ago, which satisfies the time requirement set by the World Organization for Animal Health (OIE) for lifting the restriction on the suspension of importation of live poultry from infected places. Moreover, the Government has resumed the importation of live chickens from the Mainland on a trial basis since late April this year, with none of the imported live chickens found infected with avian influenza. In this connection, will the Government inform this Council:*

- (a) *of the scientific and legal basis for still imposing restrictions on the quantity of live chickens imported from the Mainland;*

- (b) *whether it has worked out a timetable for resuming the normal importation of live chickens; if so, of the details; and*
- (c) *whether it knows the reasons for the absence of importation of day-old chickens from the Mainland to Hong Kong despite that the Hong Kong authorities have already permitted the resumption of unlimited importation of day-old chickens since late April this year, and of the follow-up actions taken by the Hong Kong authorities in this regard?*

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

- (a) The recent H5N1 avian influenza epidemic in Asia is unprecedented. Although the epidemic is now under control, international health and animal health organizations have cautioned that H5N1 avian influenza is likely to become endemic in poultry in the region. They have also advised the places and countries in the region to stay vigilant in the surveillance and preventive efforts against the disease. Indeed, there are still sporadic cases of outbreaks in the region.

The Government is committed to protecting the public from the risk posed by avian influenza. Past experience has shown that the principal mode of transmission of avian influenza virus from poultry to human is through contact with live poultry or their faeces. Previously, about 100 000 live chickens were sold daily at the retail level in Hong Kong. The great exposure of the general public with such a large number of live chickens posed a real threat to the public health due to the propensity of H5N1 avian influenza virus to mutate and reassort and the possible incursions of other avian influenza viruses.

A recent study conducted by the University of Hong Kong indicates that:

- (i) Each year, 3.48 million persons are in contact with live poultry during their purchase of live poultry;

- (ii) Of these contacts, 134 000 have the potential of co-infection of human influenza and avian influenza; and
- (iii) According to a scientific study published in the journal *Science*, it is estimated that 600 human infections would be required for a 50% chance of reassortment.

Against the above background, the Government needs to act cautiously in handling the resumption of import of live poultry to protect public health. In accordance with the recommendations made by the OIE, the import of live poultry from a place affected by highly pathogenic avian influenza can be resumed six months after the last outbreak has been eradicated. Any earlier import resumption would be subject to a full risk assessment undertaken by the importing place having regard to the local situation and the measures implemented by the exporting place to prevent and control avian influenza.

Under the Public Health (Animals and Birds) Regulations (Cap. 139, sub. leg. A), no person shall bring into Hong Kong any bird unless it is accompanied by a valid health certificate issued by a competent veterinary authority certifying to our satisfaction as to the matters prescribed in the Regulations which attest to the health of the birds.

Between 20 April and 11 May, we resumed import of live chickens from the Mainland on a pilot basis. All of the tests for H5 avian influenza virus conducted on the chickens imported during this period showed negative results and the testing results on the antibody level were also satisfactory. Having reviewed the local situation including our laboratory capacity to conduct full virological screening test of consignments at an acceptable level in case of further suspected outbreaks in the region, the limited availability of local facilities to quarantine consignments on detection of sick birds and the public health risks arising from the accommodation of large quantities of chickens on a daily basis at our crowded retail markets, we considered it prudent for the daily import of live chickens from 12 May onwards at the current level of about 30 000 and review how the new quarantine arrangements are working.

- (b) As explained in part (a) of the reply, we need to act cautiously in handling the resumption of import of live poultry to protect public health and will continue to carefully review the situation based on the risk assessment. We have already made known our plans to reduce the number of live poultry stalls as far as possible, through a voluntary surrender package to encourage tenants and licensees of live poultry stalls to surrender their tenancies or licences. This would enable us to redesign and reconfigure the stall layout to segregate customers from live poultry to the greatest possible extent. The total accommodation capacity at the retail level will be substantially reduced as a result.
- (c) We have started discussion with the Mainland on the resumption of import of day-old chicks from the Mainland since early April. In fact, we have indicated to the Mainland on numerous occasions our intention to resume the import as soon as possible and how the lack of supply of day-old chicks has affected the production of local chicken farms. In principle, the importation of day-old chicks could be resumed as early as 20 April, the same day as live chickens were imported on a pilot basis.

As of today, we have made all the necessary arrangements for the import resumption including agreeing with the Mainland on the new inspection and quarantine arrangements and the inspection of five registered mainland farms supplying day-old chicks to Hong Kong. However, we now understand from the mainland authority that there is as yet a firm timetable for the supply of day-old chicks to Hong Kong because of domestic production and commercial constraints.

**MR WONG YUNG-KAN** (in Cantonese): *Madam President, I can clearly see that according to the explanation given by the Secretary explained in part (a) of the main reply (I am not sure whether my quoting is that precise), 3.48 million persons are in contact with live poultry each year. However, as far as we know, over 12 million chickens are imported to Hong Kong on a yearly basis, thus the number of people in contact with poultry should be greater than that. Nevertheless, the Government takes note of the study conducted by the University (but I doubt whether it has taken heed of the study) that 134 000 people are potentially exposed to infection of avian influenza. May I ask the Government*

*whether it has defined the existence of the trade on the basis of this "potential" or whatever rationale, or determined the existence of the trade on the basis of some other deductive reasonings?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in fact, the main reply is made in response to the question asked by Mr WONG, that is, whether we have the scientific basis. These are the scientific basis, for they are parts of the study conducted by the University, they could reflect the chances that we can be in contact with live chickens within one year, and this contact is not merely ordinary contact. As far as I know, the study shows that direct risk exists. In general, the number of cases contracting influenza is estimated on the basis of potential contacts, and the 134 000 man-times are deduced according to such an estimate. Moreover, the report published in the journal "*Science*" is also a scientific study which demonstrates that the risk is quite high. For example, the chances for the reassortment of human influenza and avian influenza are quite high. The risk is not confined to Hong Kong, and insofar as the rest of the world is concerned, the risk is still very high.

**MR TOMMY CHEUNG** (in Cantonese): *Madam President, although our neighbouring places and regions are haunted by avian influenza, we do not have such a problem, hence, here I wish to highly commend the Secretary, the two departments under his supervision and the trade for the efforts they have made in the past six or seven months. However, after reading the Secretary's main reply, I can hardly utter any further commendation. In the last paragraph of part (a) of the main reply, the Secretary explained the reason why only 30 000 live chickens were imported from 12 May up till now. He also pointed out that our retail markets were crowded and they usually accommodated large quantities of chickens. I do not know when has the Secretary visited the wholesale and retail markets. Despite the fact that he only mentioned the retail sector, condition in the wholesale markets is more or less the same. Although only 30 000 live chickens were imported, we have 814 poultry stalls. Madam President, I wish to inform the Secretary that each stall can only obtain 35 live chicken every day, even if they are not selling the chickens, those 35 chickens will not be kept inside the stalls; as there are people who will purchase chickens and eat chickens, I believe the catering industry alone is able to consume 20 000 to 30 000 chickens every day. Since the Secretary explained that the reason for*

*not importing live chickens was due to the fact that chickens were being stacked up, I can assure the Secretary that there will be no hoarding up. If he does not believe that, he can now come for a tour of the markets.*

**PRESIDENT** (in Cantonese): Mr CHEUNG, please raise your supplementary directly.

**MR TOMMY CHEUNG** (in Cantonese): *Madam President, may I ask the Secretary, as he has already been excessively cautious for about a month or so, whether he will, under the principle of prudence, consider allowing the quantity of imported chickens be adjusted according to market needs? Since there will be no hoarding up of chickens, will the import of chickens be relaxed immediately, allowing adjustment to be made by the market?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, the accommodation I mentioned of course was not the current situation. At that time, the markets were generally selling 100 000 chickens every day, there was entirely no control over the accommodation of large quantities of chickens in the markets, and sometimes the quantity being hoarded might even be as high as 200 000 or 300 000. Just now I have explained that we are actually not referring to the situation of the markets, under the present circumstance, instead, we have to make a decision having regard to other factors. Our new quarantine arrangements are working quite well, we should carefully review how they are working, then we could discuss whether there is room for us to review the import quantity in future and to make adjustment subsequently.

**MR TOMMY CHEUNG** (in Cantonese): *Madam President, the Secretary did not reply when the market would be allowed to make the adjustment, that is, not to allow accommodating large quantity of chickens, instead of just the quarantine arrangements.*

**PRESIDENT** (in Cantonese): Secretary, do you have anything to add?



**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I have nothing to add.

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, as far as I know, the Secretary has perhaps been acting over-cautiously, thus even up till this day, he maintains the daily import of live chickens at the current level of 30 000, thereby leading to the restricted export of day-old chicks by the relevant mainland authorities, consequently the problem is not solved as of today. If the problem remains unsolved and no live chickens are allowed to be imported, no other people will export day-old chicks to Hong Kong, then what will happen ultimately?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, I believe this is a hypothetical question.

**MR NG LEUNG-SING** (in Cantonese): *Madam President, the Secretary mentioned the inspection of five registered mainland farms which supply day-old chicks to Hong Kong in the last paragraph of part (c) of the main reply. May I ask the Secretary whether he will announce the findings and conclusion of the inspection? If so, when will it be announced; if not, what is the reason for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, in fact we have explained that to the trade. After inspecting those farms, the Agriculture, Fisheries and Conservation Department (AFCD) has found those five farms acceptable, and now we are only waiting for the day when they can start the supply of day-old chicks.

**MR FRED LI** (in Cantonese): *Madam President, one can hardly find an objective rationale for restricting the import of chickens at the level of 30 000 from the main reply provided by the Secretary. Can the Government inform us frankly whether limiting the quantity of live chickens at the level of 30 000 will reduce the number of poultry stalls, because many of the poultry stalls, having no chickens to put on sale, will have no other alternatives but to surrender their licences to the Government eventually? Is this in fact your ultimate goal?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, our ultimate goal has been explained in the consultation paper I have just now mentioned. We hope that in the long run, most of the live chickens would be slaughtered under a central or regional slaughtering mechanism before they are being offered to the public, so that the public can have one more option. It is our wish the supply of live chickens will still be made available in our markets in future, but the quantity will be smaller. This is a goal that we have clearly proposed on the longer term. Another goal we have to propose clearly is that at present, most markets are too crowded, they simply cannot accommodate so many poultry stalls. We have put out the policy of buying back the licences from tenants of live poultry stalls by encouraging them to surrender their tenancies or licences, and we have made out the two goals very clearly. With regard to the current practice of importing chickens at the level of 30 000, the approach is based on the plain factors that I have just explained. If these reasons are not objective enough, I am not sure what else can be more objective. Moreover, a lot of scientific findings have proved that the issues we have raised did involve risks, this is not what the Government says, it is based on the studies conducted by experts from all over the world, and these studies are not conducted by the Hong Kong Government.

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

**MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, I hope the Secretary will answer my supplementary and will not give me any hypothesis. In fact, mainland farms are obviously displeased with the mere level of 30 000 chickens being imported. At present, 90% of the chicken farms in Hong Kong do not have day-old chicks, but since April, day-old chicks have not been supplied to Hong Kong, that is to say, as we did not import their live chickens, they would not import day-old chicks to Hong Kong. This is a fact. Just now the Secretary simply said that the supplementary raised by Mr TAM Yiu-chung was a hypothetical question, I really hope the Secretary can give us a concrete reply. The negotiation situation that we are now facing is: as long as we do not import their live chickens, they will not supply us with day-old chicks, and the present case is that markets in Hong Kong need 100 000 chickens. Under such circumstances, should the Secretary who is in charge of the matter review the approach to see whether it is excessively unrealistic?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): Madam President, we did not receive any news in our discussion with mainland authorities that since we only import 30 000 live chickens every day the Mainland would not export day-old chicks to Hong Kong. We have been conducting close contact with Beijing and Guangdong Province, and we have provided information to Beijing. Beijing also agreed with the terms and conditions proposed by us and has written to us in return. Meanwhile, we have followed up the matter with Beijing, too. Recently, Beijing informed us that the request of exporting day-old chicks from Guangdong Province has been approved, therefore we are following up the matter with Guangdong Province. After Beijing approved the export of day-old chicks, we have also sent our staff to inspect those farms which can supply chickens to Hong Kong. As far as I know, the question that remains is whether Guangdong Province can meet the requirements as prescribed in the directive for the supply of day-old chicks set by Beijing. The Director of AFCD told me that the terms and conditions laid down by Beijing were actually more prudent than those proposed by Hong Kong.

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

### **Appointment of Permanent Secretaries of Policy Bureaux and Heads of Government Departments**

6. **MR ABRAHAM SHEK:** *Madam President, regarding the appointment of Permanent Secretaries of Policy Bureaux and heads of government departments following the implementation of the Accountability System for Principal Officials (Accountability System), will the Government inform this Council :*

- (a) *whether a special mechanism is in place for selecting Permanent Secretaries, Deputy Secretaries and Heads of Departments (HoD) and for assessing the candidates for appointment to these posts in terms of their capability, conduct, and so on; if so, of the details of such a mechanism and the procedures for selection and assessment; if not, how the candidates are selected for appointment to such posts;*
- (b) *whether the Principal Officials under the Accountability System have taken part in the selection process or given their views on the*

*selection; if so, how it ensures that the selection process is conducted in a fair and just manner; if not, how it will enable the Principal Officials to select the candidates whom they consider the most suitable; and*

- (c) *since the implementation of the above Accountability System, how many senior civil servants have become candidates for appointment to the relevant posts and, among them, the respective numbers of those who have been selected for appointment and those who have not?*

**SECRETARY FOR THE CIVIL SERVICE:** Madam President, under the Accountability System introduced in July 2002, the Civil Service remains a professional, permanent, meritocratic, and politically neutral body of public servants. Civil servants continue to be appointed, managed and promoted on the basis of merit, and in accordance with the principle of fairness and with the prevailing rules and regulations applicable to the Civil Service. Politically appointed Principal Officials (except the Secretary for the Civil Service who is vested with the overall responsibility for the management of the Civil Service) are not members of the promotion or posting boards for civil servants.

- (a) The appointment authority of Permanent Secretary, Deputy Secretary and HoD posts has been delegated by the Chief Executive to the Secretary for the Civil Service. Our principle has always been to appoint the best person for the job.

At present, most of the Permanent Secretary and Deputy Secretary posts and some of the HoD posts are Administrative Officer (AO) Grade posts. The possession of professional management and administration skills and versatility enables members of the AO Grade to take up different types of jobs. According to the established promotion mechanism in the Administrative Service, promotion boards are convened on a regular basis to assess candidates' suitability for promotion to a higher rank having regard to their performance, potential, personality (including conduct) and postability. Apart from promotion, there is also a posting board mechanism in the Administrative Service to assess the suitability of all eligible officers for acting at the next higher rank and

recommend a priority list for acting. Members of the promotion and posting boards comprise senior AO Grade members with the Secretary for the Civil Service or the Permanent Secretary for the Civil Service (PSCS) (as the case may be) as chairman. Chairman of the Public Service Commission (PSC) is usually an observer of these posting boards. The recommendations on promotion will also be submitted to the PSC for independent advice. However, since the Administrative Service is a general grade, the promotion and posting boards will only assess and make recommendations on the suitability of individual officers for promotion to or acting at a higher rank (instead of appointment to individual posts). As for posting arrangements, members of the AO Grade are posted around, taking up a wide variety of posts in bureaux and departments at regular intervals, including the posts of Permanent Secretary, Deputy Secretary and HoD. Posting arrangements are made having regard to the job requirements, overall operational needs, as well as the experience and personal attributes of individual officers. In case no suitable candidate at the rank of the post can be identified for a specific post, arrangement will be made for an officer at the immediate lower rank to act up in the post with reference to the acting list recommended by the posting boards.

For HoD posts in departmental grades, promotion is the usual means for filling such vacancies. A promotion board will be set up to assess individual candidates based on their character (including conduct), ability, experience and any qualifications prescribed for the higher rank, and to select the most meritorious officer who is able and ready to shoulder the more demanding responsibilities and duties in the concerned HoD post among all eligible candidates. The pool of candidates normally includes officers at the immediate lower rank in the same department. In some cases, for example, certain professional departments, the pool of candidates also includes candidates in other relevant professional grades. The promotion board will be chaired either by the Secretary for the Civil Service or the relevant Permanent Secretary (depending on the rank of the specific post), with one or more members at suitable ranks. Members of the PSC will be invited to attend the promotion board as observers. The recommendation of the promotion board will be submitted to the PSC for independent advice, and the latter would

ensure that the selection process is carried out fairly, meticulously and thoroughly. Upon completion of all necessary procedures, the Secretary for the Civil Service will take into account all relevant factors and make a final decision on the promotion.

- (b) Since Principal Officials are the supervisors of the Permanent Secretaries, Deputy Secretaries and HoDs under their purview and work closely with these officers, they will comment on the performance of individual officers in their capacity as reporting or countersigning officers of these officers' appraisal reports. The Civil Service Bureau will also consult Principal Officials on the candidates of posts who work directly under them when arranging such postings. Appraisal report is an important element when considering the suitability of individual officers for promotion and acting and hence, the assessment made by the Principal Officials on the civil servants working under them will bear significant implications on the latter's promotion and posting in the respective grades. In addition, the Principal Officials may relay their views regarding the performance of the civil servants who work closely with them to the Secretary for the Civil Service or the PSCS if necessary.
- (c) Since the implementation of the Accountability System, the Administration has made a total of 67 appointments to the posts of Permanent Secretary, Deputy Secretary and HoD in accordance with the established mechanism set out in part (a). We would consider all eligible officers before making each appointment, and the number of candidates would range from one to tens each time depending on the post.

**MR ABRAHAM SHEK** (in Cantonese): *Madam President, many thanks to the Secretary for giving a detailed reply. The main reply pointed out clearly that in deciding to which department or post a senior civil servant should be deployed, the Secretary has very great powers. May I ask the Secretary if, under the present Accountability System, the Government will also consider giving other people besides the Secretary the choice of their assistants or otherwise?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, I have in fact already mentioned in part (b) of the main reply that Principal Officials will be consulted on the candidates for posts directly under them when such postings are arranged. At the same time, if a Principal Official has a preference for a certain person (no matter if they are colleagues in the AO Grade or other departmental grades), we will also take this into consideration. Our major principle is to ensure that in appointing colleagues in the Civil Service to assist in the work of Principal Officials, both sides will be satisfied and happy.

**MR NG LEUNG-SING** (in Cantonese): *Madam President, according to part (b) of the main reply given by the Secretary, the appraisals made by Principal Officials on their subordinates will have great bearing on the promotion and posting of the latter within the grade. Does this mean that apart from this significant influence exercised by Principal Officials, there are secondary or other influences from other officials? Can the Secretary provide some information in this regard?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, in fact I have mentioned in the main reply that, for example, in promoting a civil servant, we will usually convene a promotion board and this promotion board of course has to consider the appraisal reports of all candidates. If an appraisal report is compiled by a Principal Official, then of course the opinion of the Principal Official on this colleague will have great bearing on his promotion. However, this is not the only consideration because in promoting a civil servant from one rank to another, we will usually make reference to his performance over a period of time and will not merely look at one single appraisal report. Furthermore, his performance has to be compared with that of other candidates with the same qualifications. Besides, we also have to consider the number of vacancies to see how many persons can be promoted. Therefore, there are other factors to be considered. Other aspects such as conduct or experience also have to come under consideration. It is true that we have to consider other factors but inevitably, appraisal reports pose as a very important consideration.

**MR HOWARD YOUNG**: *Madam President, in part (a) of his main reply, the Secretary pointed out in the last part of the third paragraph that posting arrangements for AO Grade officers "are made having regard to the job*

*requirements, overall operational needs, as well as the experience and personal attributes of individual officers." Since AO Grade officers are generalists rather specialists, I would like to ask is deliberate wide exposure one of the elements to be taken into account when posting arrangements are made, or is it only these factors which are deemed to reflect on past performance to be taken into account?*

**SECRETARY FOR THE CIVIL SERVICE:** Madam President, I think Mr YOUNG is right to point out that the AO should possess versatile abilities and skills, and therefore, in considering posting arrangements, we would have to consider not only the job requirements but also the various specific attributes of individual officers. I suppose the point I was trying to make in my main reply is that whilst one could make a general statement that every AO post should fit every AO, there are of course some AOs who may do a certain job better. If this AO happens to be available, then maybe, this AO should be posted to this particular job at this particular point in time.

**MS EMILY LAU** (in Cantonese): *Madam President, the Secretary pointed out in the main reply that most of the Permanent Secretary and Deputy Secretary posts are AO Grade posts. However, he also said that sometimes, no suitable candidate could be identified in the selection process, therefore, arrangement would be made for an officer at the immediate lower rank to act up in the post with reference to the acting list. May I ask the Secretary if consideration has been given to opening up more posts of this type by conducting open recruitments rather than having them filled by AOs, so that competent people can be identified in society to take up these posts?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, I wish to answer Ms Emily LAU's supplementary from two angles. Firstly, promotion in the AO grade is generally dealt with in a more stringent and special way. Generally speaking, for very senior posts and even at every level, we hope that colleagues will go through an acting phase to test their competency in taking up a post in the next higher rank before formal promotion will be considered. Therefore, acting appointments have become an established mechanism in the AO grade.



Secondly, if we feel that during a certain period of time (no matter whether it is a long or short period), recruitment for a certain post should be conducted outside the Government to identify candidates for the post concerned, the present civil service recruitment system does allow us to open up the post to applications from people outside the Government and there were also such instances in the past.

**PRESIDENT** (in Cantonese): Council has spent more than 15 minutes on this question. This will be the last supplementary.

**DR LUI MING-WAH** (in Cantonese): *Madam President, although there were some criticisms about civil servants in society in the past, I still believe civil servants in Hong Kong are the crème de la crème of society. Nevertheless, after hearing the reply of the Secretary, we learnt that in assigning Permanent Secretaries to the Secretaries, the Secretaries have no say as regards the person to be chosen or accepted. The Secretaries' relationships with these people are confined to writing annual appraisals on these people when they have to be transferred and would thus affect their promotion in this way. Since in interpersonal relationships and in relationships between superiors and subordinates, the chemical reaction therein is very important, if the Secretaries have no say over the choice of these people, how can a good work relationship be established? Can consideration be given to allowing the Secretaries to take part in choosing the talents they need?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, perhaps let me say something further. Looking purely from the perspective of powers, Principal Officials have no authority to reject the candidates that I recommend, but human resources management is not an issue of power but of consensus and consultation. Therefore, my responsibility is to ensure that Principal Officials will ultimately accept the candidates that we recommend and only in this way can our tasks be considered to have been completed. As far as I am concerned, I will not force Principal Officials to accept a candidate whom they do not wish to take on various grounds.

**PRESIDENT** (in Cantonese): The oral question time ends here.

**WRITTEN ANSWERS TO QUESTIONS****Report Submitted by Chief Executive to Standing Committee of National People's Congress**

7. **MR SZETO WAH** (in Chinese): *Madam President, 21 Legislative Council Members of the "pro-democracy camp" wrote to the Chief Executive on 14 April this year, requesting him to publish the draft of the report on whether there was a need to amend the methods for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008 and to present it to the Legislative Council for debate, before submitting the report to the Standing Committee of the National People's Congress (NPCSC), so as to ensure that public opinion was reflected in the report. While the Chief Executive's Office replied on 16 April that the Chief Executive would meet Members of this Council on the afternoon of that day, the report had already been submitted to the NPCSC on the preceding day. In this connection, will the Government inform this Council of the reasons for the Chief Executive:*

- (a) *not proposing a meeting with Legislative Council Members before submitting the report to the NPCSC; and*
- (b) *not acceding to the above requests made by the Legislative Council Members of the pro-democracy camp?*

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Chinese): Madam President, the Honourable SZETO Wah pointed out in the question that in requesting the Chief Executive to publish his report in draft and present it to the Legislative Council for debate before submission to the NPCSC, the Legislative Council Members of the "pro-democracy camp" wished to ensure that the report would reflect public opinion.

In preparing the report, the Chief Executive had two main considerations. First, the procedures stipulated in the NPCSC's interpretation of 6 April had to be complied with. That is, the Chief Executive would first submit a report to the NPCSC on whether there was a need for change, and then the NPCSC would, in accordance with Articles 45 and 68 of the Basic Law, make a determination in

the light of the actual situation in the Hong Kong Special Administrative Region (SAR) and in accordance with the principle of gradual and orderly progress. Second, the recommendation in the report had to give due regard to the views expressed by various strata and sectors of the community. Therefore, in preparing the report, apart from taking into account the recommendations contained in the first and second reports of the Constitutional Development Task Force, the Chief Executive had considered fully the views expressed by different organizations and individuals to the Task Force in the past few months, including the views of different parties or groups within the Legislative Council.

Although various sectors of the community had different views on the pace and mode in moving towards the ultimate aim of universal suffrage, it was clear that the common aspiration within the community was that the existing electoral system had to be changed. These views had been gathered in the past few months through meetings between the Task Force and more than 80 organizations and individuals as well as through other means. They had incorporated broadly the views of different sectors and strata, including the views of Legislative Council Members.

As different organizations and individuals of the community had had the opportunity to make known their views to the Government, the Chief Executive, therefore, considered that this already provided the information for compilation of the report.

Furthermore, after the NPCSC's interpretation on 6 April, views had been expressed within the community that the SAR Government should decide the next step of its workplan as soon as possible. Thus, the Chief Executive submitted a report to the NPCSC on 15 April in accordance with the NPCSC's interpretation on 6 April, recommending that the methods for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008 should be amended.

The Chief Executive understood that the Hong Kong people were very much concerned about the contents of the report. On 15 April, after consulting the Executive Council and submitting the report to the NPCSC, the Chief Executive met the media immediately thereafter to explain to the community the contents of the report.

## **Revised Policy Governing Employment of Dependants of Persons Granted Entry into Hong Kong to Work**

8. **DR DAVID LI:** *Madam President, on 1 July last year, the Government introduced a revised policy governing the employment of dependants of persons granted entry into Hong Kong to take up employment (hereinafter referred to as "dependants"). In this connection, will the Government inform this Council of:*

- (a) the number of the above dependants who have applied to the Director of Immigration for permission to work since the introduction of the revised policy and, among them, the number of those whose applications were successful;*
- (b) the average man-hours used for vetting the relevant applications, broken down by rank of staff; and*
- (c) the estimated number of jobs which, as a result of the implementation of the revised policy, have been made available so far to Hong Kong residents who have the right to take up employment?*

**SECRETARY FOR SECURITY:** Madam President,

- (a) Since the implementation of the revised dependant policy on 1 July 2003 and up to 1 May 2004, the Immigration Department has received 119 applications from dependants for permission to work. Of these applications, 98 were approved; six were withdrawn or not further processed as the applicants failed to provide the requisite supporting documents; one was refused and 14 were under processing.
- (b) On average, it takes one service staff 1.0 hour and a clerical staff 0.33 hour (that is, a total of 1.33 man-hours) to process an application of this kind. But the actual time used in processing different applications can vary substantially, as the complication involved in each case may be different.

- (c) We do not have any estimate of the number of jobs which have been made available to Hong Kong residents who have the right to take up employment as a result of the implementation of the revised policy. Since many factors affect the availability of jobs to the local workforce, it is difficult to attribute availability to just one consideration.

### **Environmental Protection Programmes of Government**

9. **MR ALBERT HO** (in Chinese): *Madam President, regarding the Government's environmental protection projects, will the Government inform this Council:*

- (a) *of the progress so far concerning the study on the levying of a tyre tax, mentioned by the Financial Secretary in this year's Budget; whether it has plans to introduce other taxes relating to environmental protection;*
- (b) *of the progress in the establishment of a waste recovery park in Tuen Mun, and whether the project has been delayed; and*
- (c) *whether it has plans to promote the development of environmental protection industries, including the waste recovery industry; if it has, of the details of the plans and implementation timetable; if not, the reasons for that?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**  
(in Chinese): Madam President,

- (a) We are carrying out a study to examine the feasibility of introducing a proposed product responsibility scheme for waste tyres, which aims to reduce the quantity of waste tyres disposed of at landfills and provide the trade with incentives to recycle these tyres. Last October, we commenced a regulatory impact assessment study on the proposed scheme to evaluate in detail the cost-effectiveness of

different options and their impacts on the industry and stakeholders, so as to identify the best option. The study is expected to be completed soon. We plan to consult the industry and stakeholders on the recommended option(s) within this year.

The Government has been following the polluter-pays principle and firmly believes that through the adoption of effective financial tools, we can help promote environmental protection and sustainable development without hindering the free market. For instance, we intend to implement a construction waste disposal charging scheme in 2005, subject to the passage of the relevant bill in the current Legislative Session. We are also taking steps to explore ways to implement mandatory product responsibility schemes for various products in Hong Kong.

- (b) We are conducting detailed environmental and traffic impact assessment studies on the Recovery Park to be established at Tuen Mun Area 38. We expect to complete the studies in December this year. A judicial review of the environmental impact assessment report on the Airport Authority's proposal to build a facility at Tuen Mun Area 38, applied by the Shiu Wing Steel Limited, has affected the progress of the rezoning of the area. Moreover, due to budgetary constraints, the Government needs to explore the feasibility of involving the private sector in the development and operation of the Recovery Park. We currently plan to commence the first phase of construction of the Recovery Park in 2005-06.
- (c) We have been taking various measures to promote and co-ordinate waste recovery, which will in turn facilitate the development of the local recycling and green industry:
  - (i) continuously supporting and promoting various waste recovery business and community activities, and trying out different forms of waste recovery methods, such as the wet/dry waste sorting pilot scheme and the placement of waste separation bins in public venues and public/private housing estates;

- (ii) strengthening public education and publicity to encourage the public to participate in waste separation and recovery;
- (iii) providing land under short-term tenancies (STT) for recycling operations. At present, 27 sites with a total area of about 5 hectares have been leased to recyclers under this arrangement;
- (iv) planning for the establishment of the 20-hectare Recovery Park at Tuen Mun to provide long-term land for recycling operations;
- (v) injecting \$100 million into the Environment and Conservation Fund (ECF) to support primarily community waste recovery projects undertaken by community organizations and green groups;
- (vi) making available funding from the ECF and the Innovation and Technology Fund for introducing and developing new technologies for waste reduction and recycling so as to facilitate the development of new technologies and encourage the various sectors in Hong Kong to adopt such new technologies; and
- (vii) creating an economic environment conducive to recycling operations, which will in turn provide more business opportunities. For instance, we are examining the feasibility of introducing mandatory product responsibility schemes, and plan to implement the construction waste disposal charging scheme in 2005.

Recognizing that land is essential for recycling operations, we will discuss with the relevant bureaux/departments on ways to facilitate access of the recycling industry to industrial estates, and allocate more STT sites to recyclers and extend the tenancy period of such sites. These measures can encourage recyclers to make longer term investment in new technologies and equipment, which will in turn facilitate development of the green industry.

**Registered Voters for Functional Constituencies**

10. **MS AUDREY EU** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of the respective numbers of individual and corporate electors who have registered for various functional constituencies so far; and*
- (b) *whether it has assessed if the concept of "balanced participation" referred to in the Second Report of the Constitutional Development Task Force can be put into practice with such numbers of electors; if it has, of the assessment results?*

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

- (a) According to the 2003 Final Register, the number of individuals registered as electors for the Legislative Council functional constituencies (FC) was 147 266. The corresponding number of corporate bodies registered as FC electors was 13 036. Details are set out in Annex. This year's voter registration campaign ended on 16 May. The latest statistics on registered electors will be reflected in the Provisional Register which is to be compiled and published by the Electoral Registration Officer not later than 15 June 2004 in accordance with the Legislative Council Ordinance (LCO).
- (b) As pointed out in paragraph 5.18 of the Second Report of the Constitutional Development Task Force, "[w]hen submitting the Basic Law (Draft) and related documents at the Third Session of the Seventh National People's Congress on 28 March 1990, Director JI Pengfei explained that, with regard to the political structure of the HKSAR, consideration must be given to the interests of the different sectors of society. As seen from the history of Hong Kong's economic development, its economic prosperity is largely attributable to the joint efforts of the trade and industrial sectors, the middle class, professionals, the working class and other sectors of society." The existing 28 FCs, which are established in



accordance with the Basic Law and the LCO, cover the above sectors of society, and are conducive to realizing the principle of "meeting the interests of the different sectors of society."

As regards how the methods for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008 may be amended, the Constitutional Development Task Force published its Third Report on 11 May, and has started to listen to the views of different sectors of society. We welcome views from the community on whether the existing number and delimitation of the FCs may be changed, and how the delineation and size of the eligible electorate of FCs may be suitably broadened, with a view to enhancing further the broad representativeness of the FCs and enabling more members of the community to have the opportunity to participate in public affairs.

Annex

The Electors for Functional Constituencies  
(Number of 2003 Final Register)

<i>Name</i>		<i>No. of Electors Registered</i>		
		<i>Bodies</i>	<i>Individuals</i>	<i>Total</i>
1	Heung Yee Kuk		141	141
2	Agriculture and Fisheries	159		159
3	Insurance	153		153
4	Transport	151		151
5	Education		62 546	62 546
6	Legal		4 487	4 487
7	Accountancy		13 151	13 151
8	Medical		7 380	7 380
9	Health Services		28 737	28 737
10	Engineering		5 793	5 793
11	Architectural, Surveying and Planning		4 437	4 437
12	Labour	454		454
13	Social Welfare		7 319	7 319
14	Real Estate and Construction	408	286	694
15	Tourism	799		799

<i>Name</i>		<i>No. of Electors Registered</i>		
		<i>Bodies</i>	<i>Individuals</i>	<i>Total</i>
16	Commercial (First)	1 021		1 021
17	Commercial (Second)	666	943	1 609
18	Industrial (First)	672	1	673
19	Industrial (Second)	503		503
20	Finance	141		141
21	Financial Services	451	50	501
22	Sports, Performing Arts, Culture and Publication	1 175	34	1 209
23	Import and Export	734	560	1 294
24	Textiles and Garment	3 586	54	3 640
25	Wholesale and Retail	1 525	1 635	3 160
26	Information Technology	189	3 626	3 815
27	Catering	249	5 657	5 906
28	District Council		429	429
	<b>TOTAL</b>	<b>13 036</b>	<b>147 266</b>	<b>160 302</b>

### **Development Plan for Former Kai Tak Airport Site**

11. **MR WONG SING-CHI** (in Chinese): *Madam President, regarding the development plan for the former Kai Tak Airport site, will the Government inform this Council of:*

- (a) *the details of the plan, including the planning restrictions to be imposed, such as the restrictions on building height and development density, as well as the maximum area of land for development and the maximum floor area permitted; and*
- (b) *the total cost of the development plan?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese): Madam President, my answers to the two parts of the above question are as follows:

- (a) The South East Kowloon Development (SEKD) includes the former Kai Tak Airport site and is covered by the approved Kai Tak (North)

and Kai Tak (South) Outline Zoning Plans (OZP). The maximum building heights specified in these two OZPs vary from 13 m to 205 m above Principal Datum. With regard to the development density, the domestic plot ratios range from three to 7.5 and non-domestic plot ratios range from 0.5 to 12. The maximum permitted gross floor area is 7.98 million sq m.

According to the above two OZPs, the original maximum area of land for development in the SEKD is about 457 hectares, of which 133 hectares will be reclaimed land. In view of the "overriding public need test" laid down by the Court of Final Appeal (CFA) on 9 January 2004 regarding reclamation, the Administration has decided to conduct a comprehensive planning and engineering review on the SEKD to ensure full compliance with the CFA judgement. It is expected that when the review is completed, there will be changes to the above planning parameters and restrictions.

- (b) The cost of implementing the above two OZPs is originally estimated to be about \$26.6 billion. However, as the project is currently under review, the figure will need to be reassessed.

### **Owner of Commercial Building Breaching Lease Conditions**

12. **MR BERNARD CHAN** (in Chinese): *Madam President, it is reported that the owner of a commercial building in Central is suspected to have breached the lease conditions by allocating for its own use 80% of the parking spaces in the building's public car park while providing only a hundred or so rentable parking spaces for the public. However, it is difficult for the Government to impose a fine on the building owner due to the absence of penalty clauses in the relevant lease. In this connection, will the Government inform this Council:*

- (a) *of the number of inspections conducted in commercial buildings over the past three years to ensure compliance with lease conditions, and the number of buildings where breaches were identified during those inspections;*
- (b) *how it investigated and followed up the breaches mentioned in part (a), and whether, as in the case of the above building, the*

*Government is unable to punish the other owners of buildings where breaches were identified; and*

- (c) *whether it will consider amending the lease conditions of the above building for more effective execution of the relevant conditions?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese):**

Madam President, my reply to the three parts of the question is as follows:

- (a) Considering the nature of the problem and resources available, the Lands Department (LandsD) only acts on complaints in respect of breaches of lease conditions in commercial buildings. Over the past three years, 94 complaints were received in respect of breaches of lease conditions in 63 commercial buildings with 252 inspections conducted.
- (b) In the aforesaid cases, upon detection of breaches of lease conditions, the LandsD issued verbal or written warnings to the property owners requesting rectification of the irregularities. All breaches were subsequently found rectified.

As regards the commercial building in Central referred to in this question, upon finding the breach of the lease condition in respect of the provision of hourly public parking spaces, the LandsD took immediate action to request the owner to rectify the breach. The irregularity was rectified shortly afterwards.

If lease conditions are blatantly breached and not rectified to the Government's satisfaction, consideration could be given to re-enter the lot as a remedy.

- (c) Land lease is a form of legal contract. Once the land lease has been executed, without the consent of the contracting parties (that is, the Government and the lessee), the Government cannot unilaterally modify the conditions in the lease. The same consideration also applies to the building quoted in this question. As mentioned above, breaches of lease conditions found in the building as quoted

or in other commercial buildings have been rectified through the existing lease enforcement arrangements.

### **Complaints About Charges and Marketing Practices of Telecommunications Services**

13. **MR TAM YIU-CHUNG** (in Chinese): *Madam President, I have repeatedly received complaints by the public about the charges and marketing practices of various telecommunications services. In this connection, will the Government inform this Council of:*

- (a) *the respective numbers of complaints received last year by the Office of the Telecommunications Authority (OFTA) and the Consumer Council relating to fixed network telephone service, broadband Internet service and mobile telephone service, and how these figures compare to those of the preceding two years;*
- (b) *the number of investigations conducted by the OFTA in each of the past three years into the complaints against telecommunications service operators' employing misleading or deceptive means in marketing, as well as the investigation results; and*
- (c) *the measures in place to step up efforts in monitoring the business practices of telecommunication service operators, with a view to protecting the rights of consumers?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in the absence of Secretary for Commerce, Industry and Technology) (in Chinese):  
Madam President:

- (a) The complaint statistics of fixed network services, Internet services and mobile services received by the OFTA and the Consumer Council in the last three years are set out below. There may be duplication between the complaints received by the OFTA and the Consumer Council as some complainants may lodge the same complaint to both bodies.

<i>Type of Telecom Service</i>	<i>2001</i>		<i>2002</i>		<i>2003</i>	
	<i>OFTA</i>	<i>Consumer Council</i>	<i>OFTA</i>	<i>Consumer Council</i>	<i>OFTA</i>	<i>Consumer Council</i>
Fixed Network	271	221	535	546	399	1 479
Internet (Narrowband and Broadband Services)	552	2 042	1 077	2 851	541	3 019
Mobile	728	2 003	691	1 653	340	1 533

(Note: The OFTA received fewer consumer complaints against telecommunications operators in 2003 in comparison with 2002 because of the streamlined procedures for processing complaints. The OFTA would refer those complaints not involving breaches of the Telecommunications Ordinance or licence conditions to the respective operators for review. Cases resolved within a reasonable period would not be counted as complaints received/processed by the OFTA.)

- (b) The number of investigations conducted by the OFTA upon complaints about telecommunications operators' misleading or deceptive conduct in providing services, and the investigation results, are listed as follows:

	<i>2001</i>	<i>2002</i>	<i>2003</i>
Number of Investigations	19	71	107
Complaints Substantiated	3	38	32
Complaints Unsubstantiated	16	33	50
Complaints Under Investigation	0	0	25

- (c) Section 7M of the Telecommunications Ordinance prohibits any misleading or deceptive conduct of telecommunications licensee in providing telecommunications network or services. For operators who contravene the provision for the first time, the Telecommunications Authority may impose appropriate sanctions depending on the circumstances of the case, such as issuing a written warning or levying a financial penalty up to \$200,000. Repeated contravention could be subject to higher penalties. There are personnels in the OFTA designated for the investigation of section 7M complaints. All cases under investigation and the investigation results are published on the OFTA website.

In addition, the OFTA and the telecommunications industry are working jointly to develop industry codes of practice with a view to promoting self-regulation on business practices. These include reducing the disturbance caused by doorstep sales activities, enhancing potential subscribers' awareness of the important terms in service contracts and promoting transparency and quality of customer services. In recent years, the OFTA has also stepped up consumer education about the use of telecommunications services. Such effort includes the production of programmes in collaboration with radio stations, and the publication of "Consumer Alert" on the OFTA website. The aim is to raise consumers' awareness of the important points to note in choosing telecommunications services.

### **Cutting down Bamboo Groves**

14. **MISS CHOY SO-YUK** (in Chinese): *Madam President, it has been reported that the contractor commissioned by a government department to clear the access road leading to the Tin Hau Temple in Sai Kung is suspected of cutting down the bamboo groves in the vicinity while carrying out the weeding operations, and that some of the bamboo sticks felled have even been used by staff of the department concerned as support for temporary tents. In this connection, will the Government inform this Council:*

- (a) *of the quantities of bamboo trees the authorities planted in each of the past three years;*
- (b) *whether there have been any changes in the sizes of the bamboo groves in Hong Kong over the past three years; if so, whether the groves have increased or decreased in size and of the extent of such changes;*
- (c) *whether it has investigated the circumstances of the above case; if it has, of the investigation results and whether negligence on the part of government department is involved; if not, the reasons for that; and*
- (d) *of the measures in place to prevent recurrence of similar cases?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): Madam President,

- (a) Over the past three years, the total number of bamboos planted by government departments over the territory is about 70 900 numbers. The breakdown is as follows:

2001	about 18 400 numbers
2002	about 22 400 numbers
2003	about 30 100 numbers

- (b) Over the past three years, the planted bamboos have contributed to the increase of the overall bamboo grove size. However, in view of the small quantity planted, the magnitude of change should not be significant.
- (c) An investigation has been conducted. According to record, upon request from the Home Affairs Department, the Leisure and Cultural Services Department (LCSD) had in April, rendered assistance in clearing the weeds and pruning the vegetation blocking the footpath leading from the road to the Tin Hau Temple to facilitate celebration activities of Tin Hau Festival to be held on 11 May. But neither LCSD's staff nor contractor had cut down the bamboo groves or erected any temporary tents in the vicinity.
- (d) The Government will step up surveillance and take enforcement action if any illegal tree/bamboo felling activities are spotted.

### **Policy on Investment Immigration**

15. **MR HENRY WU** (in Chinese): *Madam President, regarding the policy on investment immigration, will the Government inform this Council:*

- (a) *of the total number of applications for investment immigration received since the implementation of this policy and among them, the details of applications approved and rejected, including the applicants' nationalities and places of origin, as well as the projects and amounts of investments;*



- (b) *whether it has assessed if the policy has achieved the expected effects; if so, of the results; if not, the reasons for that;*
- (c) *whether it has assessed the differences between the Hong Kong's eligibility criteria for investment immigration under the existing policy and those set by neighbouring countries or places; if so, of the assessment results; if not, the reasons for that; and*
- (d) *whether it will review and relax the eligibility criteria for applications for investment immigration?*

**SECRETARY FOR SECURITY** (in Chinese): Madam President,

- (a) The Capital Investment Entrant Scheme was launched on 27 October 2003. As at 29 May 2004, the Immigration Department (ImmD) has received a total of 339 applications, among them 111 applicants have been granted formal approval to stay in Hong Kong. "Approval-in-principle" was granted to another 82 applications, allowing the applicants concerned to come to Hong Kong as visitors to make the necessary investment. Up to now, the ImmD has only rejected one application.

Of the 339 applicants, 137 are foreign nationals, 158 are Chinese nationals who have obtained permanent resident status in a foreign country, 33 are Taiwan residents, 10 are Macao Special Administrative Region (SAR) residents and one is a stateless person who has obtained permanent resident status in a foreign country. A breakdown of the nationalities of the 137 foreign nationals is at Annex A. Statistics relating to the 158 Chinese nationals who have obtained permanent resident status in a foreign country are at Annex B.

Regarding the nature of investment made, among the 111 capital investment entrants who have been granted formal approval to stay in Hong Kong, 73 of them invest only in specified financial assets, 24 invest only in real estate whilst 14 invest in both asset classes. Their investments amount to about HK\$796 million in total,

representing an average of HK\$7.17 million per entrant. In terms of the investment amount, specified financial assets account for HK\$509 million and real estate HK\$287 million.

- (b) The Scheme aims to attract the entry of those who are able to make substantial capital investment in Hong Kong but has no intention to operate any business in the context of the Scheme. In the seven months since its implementation, the 111 applicants granted formal approval have already invested about HK\$800 million in real estate and specified financial assets. It is expected that the 82 applicants granted "approval-in-principle" will invest not less than HK\$500 million in the next few months. In other words, the Scheme has so far been able to attract investments of over HK\$1.3 billion to Hong Kong. The new capital brought in helps to enhance financial and economic activities and generate employment in Hong Kong. The residence of capital investment entrants and their dependants in Hong Kong also contributes to the growth in local consumption to the benefit of various sectors. We are satisfied with the results of the Scheme.
- (c) The Scheme currently applies to foreign nationals, Chinese nationals who have obtained permanent resident status in a foreign country, stateless persons who have obtained permanent resident status in a foreign country, Macao SAR residents and Taiwan residents. In formulating its implementation details last year, we have made reference to similar policies of a number of advanced countries. Very often, the schemes elsewhere require investment to be made in specified government projects (real estate is normally excluded). Some schemes even stipulate that transfer or switch of investment is not allowed within a certain period of time. In comparison, our Scheme provides much greater flexibility regarding the choice of investment by an applicant. Applicants may choose to invest in either or a combination of the two permissible asset classes, namely, real estate and specified financial assets that include equities, debt securities, certificates of deposits, subordinated debt and eligible unit trusts or mutual funds. Applicants may also switch their investment amongst permissible assets at any time. As regards the amount of investment, investment thresholds elsewhere range from around HK\$2 million to over HK\$10 million. Taking Singapore,

which also locates within East Asia, as an example, the investment threshold is not less than S\$1.5 million, that is, about HK\$6.9 million, in specified business assets. We are of the view that the current investment threshold of HK\$6.5 million under our Scheme is comparable to those of other advanced economies. In fact, the average amount of investment made by entrants who have been granted approval to stay in Hong Kong exceeds the minimum requirement of HK\$6.5 million. Coupled with the flexibility in the choice of investment, we are confident that the Scheme will attract quality immigrants.

- (d) A review of the Scheme covering eligibility criteria and other details will be conducted around the end of this year.

## Annex 1

## Nationalities of the 137 foreign nationals

<i>Nationality</i>	<i>Number of People</i>
Australia	9
Belize	4
Cambodia	1
Canada	13
The Dominican Republic	1
France	2
Germany	1
Honduras	1
India	4
Indonesia	22
Ireland	1
Italy	1
Japan	3
Malaysia	4
Marshall Islands	1
Mexico	1
New Zealand	2
The Philippines	21
Portugal	5
Singapore	6
Solomon Islands	1
South Africa	2

<i>Nationality</i>	<i>Number of People</i>
South Korea	4
Spain	1
Thailand	1
Tonga	1
The United Kingdom	9
The United States	13
Peru	1
Nepal	1

## Annex 2

Statistics of the 158 Chinese nationals  
who have obtained permanent resident status in a foreign country

<i>Country</i>	<i>Number of People</i>
Australia	17
Brazil	1
Canada	41
Costa Rica	1
France	1
The Gambia	9
Guinea-Bissau	2
Japan	2
Kiribati	7
Mali	1
Malta	1
Nauru	7
New Zealand	29
The Philippines	20
Sweden	1
Thailand	3
Tonga	1
The United States	14

### Clinical Practicum Training Period Required for Registered Nurses

16. **MR MICHAEL MAK** (in Chinese): *Madam President, as stipulated by the Nursing Council of Hong Kong (NCHK), enrolled nurses (ENs) taking the*

*Higher Diploma course in Nursing offered by The Open University of Hong Kong (OUHK) may apply to be registered nurses (RNs) upon completion of a clinical practicum training of 1 800 hours. OUHK may, having regard to the previous clinical experience of individual students, recommend that the NCHK approve shortening the duration of their clinical practicum training by up to a maximum of 200 hours. ENs sponsored by the Hospital Authority (HA) to take the above course will be appointed as RN students during such training period. In this connection, will the Government inform this Council whether it knows:*

- (a) if OUHK has discussed with the HA the clinical practicum training period of the above course over the past 12 months; if it has, of the discussion results;*
- (b) if the contract terms of RN students employed by the HA are standardized at 1 800 hours; if so, of the reasons for that; and*
- (c) if the HA has dealt with the contract terms of individual students in a flexible manner in accordance with the decision of the NCHK on the clinical practicum training period of such students; if it has, of the arrangements in this regard; if not, the reasons for that?*

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

- (a) The HA and OUHK hold regular discussions over the detailed clinical placement arrangements for students of the Higher Diploma in Nursing Programme who work in the HA. These discussions do not touch on matters relating to the employment contracts between individual students and the HA, but OUHK informs the HA of the number of clinical hours that each student is required to undergo to ensure that the students receive the requisite number of hours of training.
- (b) and (c)

The HA sets the clinical practicum training period for students of the Higher Diploma in Nursing Programme working in the HA as

10 months in general, which is about 38 weeks (approximately 1 670 hours) of clinical training after deducting various leaves during the period. This length is sufficient for most students whose clinical practicum training period has been reduced to less than 1 800 because of their previous clinical experience as ENs. For the few who have to undergo 1 800 hours of training, the HA will flexibly arrange for the clinical practicum period to be extended. In all cases, the HA will ensure that students who enrolled in the programme meet the clinical practicum requirement stipulated by the NCHK.

### **Dropout of Students of Sub-degree and Degree Programmes**

17. **DR RAYMOND HO** (in Chinese): *Madam President, will the Government inform this Council of:*

- (a) *the number of students who dropped out from sub-degree and degree programmes over the past year and their reasons for doing so, as well as the academic departments involved and the years of study at which they dropped out from the programmes;*
- (b) *the total wastage of resources caused by the dropout of students; and*
- (c) *the measures in place to remedy the dropout situation?*

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

- (a) In the academic year 2002-03, there were respectively 835 and 635 students (in full-time-equivalent terms) who discontinued their studies in sub-degree and undergraduate programmes funded by the University Grants Committee (UGC). The student enrolment number in full-time equivalent terms for sub-degree programmes was 11 046, while that for undergraduate programmes was 47 201. Students discontinued their studies mainly for personal reasons (such as health problems, loss of interest in the programmes, and so

on) or because they failed to achieve the academic standards set by the institutions. Some sub-degree students dropped out because they were admitted into undergraduate programmes.

Most of the above students were enrolled in Business/Management programmes and were Year-one students.

- (b) Recurrent funding is provided to the UGC-funded institutions through the UGC mainly in the form of block grants. As the institutions may freely deploy their resources, it is difficult to quantify the financial implications arising from individual students discontinuing their studies.

Although some students discontinued their studies, the overall student enrolment for subdegree and undergraduate programmes in the academic year 2002-03 remained roughly the same as the total number of student places funded by the UGC. Moreover, it is a common practice of the UGC-funded institutions to enrol a slightly larger number of students than the approved student number targets, in anticipation of normal attrition. As such, some students discontinuing their studies should not result in wastage of public resources.

- (c) Information available does not suggest that students discontinuing their studies is a serious problem in the UGC-funded institutions. The UGC-funded institutions have also been enrolling a slightly larger number of students than the approved student number targets at no additional costs in anticipation of normal attrition.

### **Retired Directorate and Non-directorate Civil Servants Employed by Statutory Bodies**

18. **MS EMILY LAU** (in Chinese): *Madam President, will the executive authorities inform this Council whether they know the respective current numbers of retired directorate and non-directorate civil servants who are now employed by statutory bodies, broken down according to the form below?*

Statutory body	Job nature	<i>Whether allowed to continue to receive monthly pensions whilst being employed</i>			
		<i>Yes:</i>		<i>No:</i>	
		<i>No. of director officers</i>	<i>No. of non-directorate officers</i>	<i>No. of director officers</i>	<i>No. of non-directorate officers</i>
Body 1	Job 1				
	Job 2				
	.....				
Body 2	Job 1				
	Job 2				
	.....				

**SECRETARY FOR THE CIVIL SERVICE** (in Chinese): Madam President, under the pensions legislation, a retired civil servant who has been granted a pension has to seek the prior approval of the Chief Executive before taking up employment or engaging in business activities the principal part of which is carried on in Hong Kong within two years of his/her retirement. Retired civil servants at the rank of Administrative Officer Staff Grade A1 are required to seek approval within three years of retirement. In processing applications for post-retirement employment, our fundamental consideration is on whether the proposed post-retirement employment may constitute conflict of interests with an officer's previous service in the Government or adversely affect the image of the Government.

The pensions legislation also provides that if a retired civil servant is appointed to serve in a subvented organization which is determined by the Chief Executive to be public service by notice in the Gazette, the payment of monthly pension may be suspended during the period of such appointment. A current list of these organizations (which are also statutory bodies) is at Annex A. As a general rule, retired civil servants who are employed on a part-time (for a period of not more than 24 hours a week) or short-term (for a period of not more than three months) basis in these organizations will be allowed to continue to receive their monthly pension in view of the short-term nature of the appointments.

Once we have given approval for a retired civil servant to take up a particular employment in a particular organization, including a statutory body, we do not require the retired officer concerned to notify the Government if he/she for whatever reason does not eventually take up the proposed employment or ceases the employment in due course. Furthermore, in the case of



non-directorate civil servants remunerated on the Model Scale I Pay Scale<sup>Note</sup>, they have been given blanket approval and are not required to submit any application for post-retirement employment. Accordingly, we do not have any ready information on the number of retired civil servants who are currently still serving in the organizations concerned.

Nevertheless, in response to the question, we have tried our best to ascertain the present position in respect of the 36 approved cases involving 30 retired directorate officers who had been approved in the past three years from 1 April 2001 to 31 March 2004 to take up employment with the statutory bodies at Annex A. Based on information available, 18 approved cases involving 16 retired directorate officers are still serving in these statutory bodies as at 1 June 2004. A table showing the details of the 18 cases is at Annex B.

Annex A

Organizations gazetted as public service for the purpose of pension suspension

#### Name of Organization/Institution

1. Hospital Authority
2. City University of Hong Kong
3. Hong Kong Baptist University
4. The Hong Kong Polytechnic University
5. Lingnan University
6. The Chinese University of Hong Kong
7. The Hong Kong University of Science and Technology
8. University of Hong Kong
9. Vocational Training Council
10. Housing Authority
11. Hong Kong Monetary Authority
12. The Hong Kong Institute of Education
13. Legislative Council Commission
14. Equal Opportunities Commission
15. Office of the Privacy Commissioner for Personal Data
16. Office of The Ombudsman

<sup>Note</sup> Staff remunerated on the Model Scale I Pay Scale are junior staff such as Workman and Property attendant whose post-retirement employment, if any, are not expected to result in a conflict of interests situation.

## Annex B

Details of the 18 cases where the retired directorate officers are still serving  
as at 1 June 2004 in statutory bodies which are determined  
to be public service under the pensions legislation  
for the purpose of pension suspension

<i>Organization</i>	<i>Nature of Employment</i>	<i>No. of Cases</i>		
		<i>Part-time</i>	<i>Full-time</i>	<i>Total</i>
Hospital Authority	Hospital management	0	1	1
	Clinical service	1	1	2
	Consultancy service	0	1	1
Office of The Ombudsman	Corporate management	0	1	1
	Case officer	1	0	1
Equal Opportunities Commission	Corporate management	0	1	1
Institute of Vocational Education, Vocational Training Council	Teaching	1	0	1
University of Hong Kong	Teaching	6	0	6
	Course management	0	1	1
City University of Hong Kong	Teaching	2	0	2
Events organized by a number of local universities	Lecture	1	0	1
Total no. of cases		12	6	18
No. of cases where the officers concerned can continue to receive monthly pension whilst in employment		12	2 <sup>Note</sup>	14

Note: The appointment of one case is for three months only and therefore does not involve pension suspension as the employment is short-term. The retiree of the other case does not receive any remuneration for the employment and is therefore not subject to pension suspension.

### Increased Fixed Penalty for Spitting and Littering Offences

19. **MR LAU KONG-WAH** (in Chinese): *Madam President, the fixed penalty for spitting and littering offences under the Fixed Penalty (Public Cleanliness Offences) Ordinance (Cap. 570) has been increased from \$600 to \$1,500 since 26 June last year. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of verbal warnings and fixed penalty notices issued by various law enforcement departments in respect of*

*such offences in each month since the penalty was increased, the number of cases in which assistance from the police was sought due to clashes between law enforcement officers and the offenders, and the reasons for the clashes; and*

- (b) *whether it has reviewed the effectiveness of the increased penalty in deterring the public from spitting and littering in public places?*

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

- (a) Since the fixed penalty for public cleanliness offences has been increased to \$1,500 in late June 2003, the seven enforcement departments, namely the Food and Environmental Hygiene Department, Housing Department, Leisure and Cultural Services Department, Environmental Protection Department, Marine Department, Agriculture, Fisheries and Conservation Department and Hong Kong Police Force issued over 20 000 fixed penalty notices up to end April 2004. The monthly figures are as follows:

<i>Month</i>	<i>Number of fixed penalty notices issued*</i>
26 to 30 June 2003	500
July 2003	2 200
August 2003	2 100
September 2003	2 100
October 2003	2 300
November 2003	2 000
December 2003	1 800
January 2004	1 500
February 2004	1 900
March 2004	2 400
April 2004	1 900

(\*The numbers are rounded to the nearest hundred.)

Based on the recommendation of Team Clean, enforcement officers have adopted a "zero-tolerance" approach since mid-2003 in enforcing the fixed penalty system. In most cases, enforcement

officers would issue fixed penalty notices to public cleanliness offenders without any verbal warning prior to prosecution.

From late June 2003 to April 2004, there were over 20 cases involving staff of six enforcement departments (excluding police) calling for police assistance because of confrontation or being assaulted in enforcing the fixed penalty system. Most of these cases involved offenders being unco-operative, such as refusing to provide identity document or showing resistance. Training has been provided to front-line staff on ways to handle potential problems and prevent confrontation.

- (b) In a public opinion survey conducted by the Home Affairs Bureau in October 2003, over 80% of respondents considered that Hong Kong was in a good or satisfactory state of cleanliness. Nearly 90% considered that Hong Kong was cleaner than before the SARS outbreak. We believe the increase of the fixed penalty is one of the important factors leading to such improvement.

However, as the number of offences still remains on the high side and some of the offenders repeated their offence despite the increase of the fixed penalty, we consider it necessary to stiffen the penalties for repeat public cleanliness offenders in order to enhance the deterrent effect. In the Report of Team Clean issued in August 2003, it was suggested that a higher fine and a community service order should be imposed on offenders committing any of the four cleanliness offences (namely littering, spitting, dog-fouling and unauthorized posting of bills and posters) twice or more within 24 months. We have conducted a public consultation exercise on the proposal and the majority of the respondents indicated support. We are now preparing the proposals to enhance the deterrent effect.

## **Drink Driving**

20. **MS LI FUNG-YING** (in Chinese): *Madam President, regarding drink driving, will the Government inform this Council:*

- (a) *of the number of accidents in which casualties of other parties were caused by drunk drivers since 2001, and that of drivers prosecuted for drink driving as well as the prosecution results; and*
- (b) *whether it will consider increasing penalties for drunk drivers to enhance the deterrent effect; if not, the reasons for that?*

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

(in Chinese): Madam President, the numbers of drink driving-related traffic accidents in which there were casualties of other parties since 2001 are as follows:

<i>Year</i>	<i>Number of Accidents</i>
2001	42
2002	64
2003	79

The numbers of drivers prosecuted for drink driving and the prosecution results during the same period are as follows:

<i>Year</i>	<i>Number of Drivers Prosecuted</i>	<i>Number of Drivers Convicted</i>
2001	1 040	934
2002	1 123	945
2003	1 308	557

At present, a driver who is convicted of drink driving is subject to a maximum fine of \$25,000, a maximum sentence of three years' imprisonment and disqualification from holding a driving licence for such period as the Court thinks fit. Ten Driving-offence Points will also be incurred in his driving licence record. In case the accident has led to the death of other parties, the driver could be prosecuted for causing death by dangerous driving. If convicted, the driver will be subject to a maximum fine of \$50,000, a maximum sentence of five years' imprisonment, 10 Driving-offence Points and disqualification for at least two years on the first conviction or at least three years on the second or subsequent convictions. The above penalty levels are commensurate with those in overseas countries. We have no plan to raise the maximum penalty level for drink driving.

We consider that, apart from legislation, public education is most important. We will step up publicity to remind motorists to refrain from driving after consuming alcohol.

## **BILLS**

### **Second Reading of Bills**

#### **Resumption of Second Reading Debate on Bills**

**PRESIDENT** (in Cantonese): Bills. We will resume the Second Reading debate on the Hong Kong Sports Development Board (Repeal) Bill.

#### **HONG KONG SPORTS DEVELOPMENT BOARD (REPEAL) BILL**

##### **Resumption of debate on Second Reading which was moved on 26 November 2003**

**PRESIDENT** (in Cantonese): Mr NG Leung-sing, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

**MR NG LEUNG-SING** (in Cantonese): Madam President, first of all, in my capacity as Chairman of the Bills Committee on the Hong Kong Sports Development Board (Repeal) Bill (the Bills Committee), I wish to report on the main deliberations of the Bills Committee.

The Hong Kong Sports Development Board (Repeal) Bill (the Bill) mainly aims to repeal the Hong Kong Sports Development Board Ordinance and dissolve the Hong Kong Sports Development Board (SDB), so as to establish a new administrative structure to promote the development of sport and physical recreation in Hong Kong.

Some members have queried the justifications for the proposed dissolution of SDB and the benefits brought about by the new administrative structure. As the Hong Kong Sports Institute (HKSI) will be reconstituted to become an

incorporated body, these members are concerned about the lack of monitoring of the performance of the future HKSI.

The Administration has explained that the existing administrative structure is insufficient for the Government's effective delivery and development of sports in Hong Kong. To address such problems and to put in place an enabling structure conducive to the attainment of the new vision for sports development, the Administration proposes that the SDB be dissolved and a new Sports Commission be established to advise the Government on all matters pertaining to sports development in Hong Kong. The Leisure and Culture Services Department (LCSD) will take up the executive responsibility for administering the funding support to the relevant bodies, replacing the current arrangements which require the National Sport Associations (NSAs) to apply subventions from the Home Affairs Bureau, LCSD and SDB. Upon the dissolution of SDB, the HKSI will be reconstituted to become an incorporated body to allow greater flexibility in its management and operation. The reconstituted HKSI will be a delivery agent for sports services currently under the auspices of SDB. In addition, it will continue to be financially supported by the Government through annual subvention allocation. The HKSI's performance will be monitored through the setting of performance targets and indicators in the annual funding exercise.

The Administration believes that the new administrative structure could strengthen partnership between the Government, the sports sector and the community at large, and mobilize efforts and resources in promoting sports at all levels.

Some members have expressed concern about the transitional staffing arrangements for SDB staff upon the dissolution of SDB. These members are of the view that the Administration should first resolve the dispute with the SDB staff over the transitional staffing arrangements before the Bills Committee continues the discussion on the Bill. At the first meeting of the Bills Committee held on 12 December 2003, a motion to the above effect was passed.

The Administration has subsequently informed the Bills Committee that in anticipation of the disbandment of two functions of SDB, namely the allocation of funding to NSAs and the management of the Sports House, the SDB conducted an internal reorganization exercise in March 2004, resulting in a reduced establishment from 311 to 260. Upon completion of the reorganization exercise on 1 April 2004, 46 staff were found redundant and were compensated

in accordance with the Employment Ordinance. In addition, *ex gratia* payment was made to those SDB staff whose posts were deleted in this reorganization exercise and employment with the SDB could not be continued with effect from 1 April 2004. The Administration has already reached in-principle agreement with the SDB staff representatives on the transitional arrangement from the SDB to the new HKSI.

Members are aware that those 260 staff in the SDB establishment under the existing structure will be offered re-employment in the new HKSI.

Our discussions have revealed that the Bills Committee supports the resumption of the Second Reading debate on the Bill today, and has no objection to the amendments to be proposed by the Administration.

Next I am going to express some of my own opinions on the Bill in my capacity as member of the Bills Committee and a sportsman. The suspension of the discussion on the Bill by the Bills Committee was to allow the Government to make proper transitional arrangements for SDB staff. I believe if the Government can take an active role in building a consensus on this issue with the staff side beforehand, the relevant tasks would have been more smoothly carried out. It was evidenced by the fact that both parties could eventually reach in-principle agreement. Moreover, I believe the Government should also understand that the transitional staffing arrangements would be a concern for many members during the discussion on the Bill. If a proper remedial proposal cannot be provided in advance, the discussion on the Bill would be counter-productive. As the saying goes, "Haste makes waste."

The reform of the administrative structure for sports development brought along by the Bill should be acceptable in principle, and could optimize the administration and the resources allocation to facilitate the co-ordination of the future co-operation and collaboration of the Government, the sports sector and the community. In my opinion, since the work in relation to this reform has already been started for some time, the new administrative structure should be expeditiously implemented according to the law, so that members from the sports sector, in particular elite athletes, when equipped with adequate resources, can dedicate themselves to training in order to attain greater achievements in sports events in a bid to prepare for more upcoming big events. I expect the Sports Commission can play a more suitable role in the formulation of strategic policies for sports development and the allocation of funding upon the completion of the



reform of the administrative structure. While the Government will gain more power in administrative decisions, we should also remind the Government that as responsibility follows power, its political accountability will also naturally increase. The Legislative Council will monitor the work of the Government in the promotion of sports development according to the terms of reference. Finally, I hope that in future the Government would continue to observe its commitment to sports development in Hong Kong and duly make reasonable reviews on the effectiveness of the promotion of sports development upon the passage of the Bill.

With these remarks, Madam President, I support the Bill and the amendments.

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

**MR TIMOTHY FOK** (in Cantonese): Madam President, since the Hong Kong Sports Development Board (SDB) was officially found in 1990, definite efforts have been made with regard to the promotion of sports for all and the uplifting of the standard of local athletes. Nevertheless, under the influence of certain historical issues, the SDB has made a series of mistakes for which it was condemned and criticized. For that reason, the Government decided to reorganize the sports administrative structure by dissolving the SDB, replacing it with the Sports Commission which will advise the Government on all matters pertaining to sports development in Hong Kong. The LCSD will take up the executive responsibility for administering affairs relating to the allocation of funds.

The purpose of establishing the new administrative structure is to fortify partnership among the Government, the sports sector and the community at large, and to mobilize efforts and resources in promoting sports at all levels. Unfortunately, the failure to make appropriate transitional arrangements for the staff has caused the date for the establishment of the new administrative structure to be postponed once and again.

Today, although the issue relating to arrangements for staff is settled, other problems relating to coaches, athletes and facilities at sites still persist. What demands our urgent attention is that we should immediately tackle the

problems left behind by the old system, so that the coaches can feel at ease and prevent the training of athletes from disruption or even discontinuation. After all, insofar as the training of athletes is concerned, stress is placed on continuity, systematization and target-setting and all their previous efforts will come to naught if any obstacle comes in their ways. Preparation work for the Olympic Games is imminent, and the authorities are obliged to settle the dispute in order to create a most ideal training environment for our athletes.

In the long run, it is necessary for the authorities to realign the strategy for the development of the sports business in Hong Kong by formulating comprehensive sports policies, properly allocating resources, improving the quality and quantity of sites and facilities, speeding up the training of talented athletes and enhancing physical education in schools, and above all, perfecting the commercialized environment of local sports business, thereby providing job security to athletes. In fact, in order to enhance the living quality of 6 million people, to improve the physical fitness of members of the public and to develop the creative economy of sports, there is still much room for the sports business in Hong Kong to attain betterment, and it is necessary to pay serious attention to the new sports administrative structure as well as to cultivate co-operation and communications with the industry, so that improvement and enhancement could be achieved at an earlier date.

China will hold its first Olympic Games in 2008, whilst Hong Kong will host its first regional integrated sports games in 2009, we have to add lustre to our mother country, just as we will also have to add lustre to Hong Kong. The sports business in Hong Kong must undergo a comprehensive reform so that we will be able to open up a brand-new prospect.

**MR ANDREW CHENG** (in Cantonese): Madam President, in handling the Hong Kong Sports Development Board (Repeal) Bill (the Bill), I propose on behalf of the Democratic Party two objectives which must be achieved when dealing with the Bill. First, the new administrative structure should be able to more effectively develop and deploy sports resources. Second, the interests of the existing staff of the Hong Kong Sports Development Board (SDB) shall be protected.

Madam President, during the early discussion on the Bill, the Bills Committee passed a motion requesting the Administration to resolve the dispute

with the SDB staff over the transitional arrangements for staff before the discussion on the Bill would continue.

During the suspension of the discussion on the Bill, the SDB staff contacted a number of Members to express their aspirations, to which I give my support. Eventually, through the perseverance of the staff, the Government and the staff representatives reached a consensus. The staff are able to enjoy the same pay and fringe benefits in total upon transfer to the new sports institute.

We are pleased that the original interests of the staff will be protected. If the Bill is actually passed, one of the two objectives stated above which we proposed, that is, to protect the interests of the staff after the establishment of the new structure, will be achieved.

However, Madam President, we do not have much confidence in achieving the first objective, which is to more effectively develop and deploy sports resources. According to the Government's idea, upon the dissolution of the SDB, a new Sports Commission will be established to advise the Government on all matters pertaining to sports development in Hong Kong. Since the functions of the Sports Commission cover all sports matters, it seems at first glance to be able to attain a proper balance between the development of elite and community sports. However, during the Second Reading of the Bill at the Legislative Council last year, the Secretary said, "The new administrative structure marks an important milestone for sports development in Hong Kong. It will be instrumental in realizing our new vision for sport: community-wide sporting culture, athletes competing in major international sports and hosting of international sports events." These few lines of the Secretary are unlikely to enable us to visualize the specific tasks of the new structure from such a superficial slogan. A nice slogan can be touching, but does it seem to be hollow? A statutory body established in accordance with the powers conferred by the legislation is to be replaced by a commission which we consider as an advisory structure. Can it possibly promote community-wide sporting culture, support our athletes to compete in major international sports and facilitate the hosting of international sports events, as described in the new vision proposed by the Secretary?

Madam President, in fact, in the papers submitted by the Government, the Administration seems to keep embellishing the new administrative structure. Yet, the Sports Commission is at most, as I have just mentioned, an alternative

advisory committee, which is only responsible for providing advisory services to the Government, whereas all decisions pertaining to sports development will revert to the central authorities, that is, the Government of the Hong Kong Special Administrative Region, subsequent to the "scrapping" of the SDB. The Democratic Party considers this arrangement a kind of retrogression. In the past few years, the Government seems to have regained, by means of such arrangement, the power to make final decisions on all important affairs policies, including sports development. It did not only increase the workload of the Government, but also caused a gradual expansion of the government structure accordingly.

After the Government has regained the power for its own exercise, the non-governmental participation is only symbolic. In the past, a number of sports associations and sports groups stressed that the Government did not encourage non-governmental participation. After the "scrapping", the Government will centralize its power. We are concerned that the non-governmental participation will only be diminishing. Madam President, due to "scrapping", that is, "scrapping" of the SDB, I am not optimistic about the future sports business, in particular, the development of elite sports. Furthermore, we are afraid that the development of elite sports will be suffocated by layers of the bureaucratic system. When the Bill was first published, there were already rumours saying that the Hong Kong Sports Institute (HKSI) would open up in all areas, but this matter was later left unsettled due to the objection of HKSI coaches. Thus it can be seen that under the future new structure, elite sports will not only face the challenges to be brought about by the sustained development of overseas elite sports, but it will also need to seek opportunities to survive and develop under the hierarchical government system. It seems to be increasingly difficult. For this reason, I hope the new structure will at least ensure that the development of elite sports will not be worse off. However, we are worried that if we have hit the nail right on the head, this new sports structure will only be an advisory structure, and that under the leadership of the Government, sports business may turn out to be a stark failure.

Madam President, I so submit.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, the Bill to dissolve the Hong Kong Sports Development Board (SDB) is soon to be read the Third time today and I am full of mixed feelings, for during the deliberation

process, we have once shelved it, and the shelving was due to excessive bureaucratic red tape of the relevant persons in charge of the Bill.

Madam President, we members of the Bills Committee responsible for the scrutiny of the Bill come from different parties and camps. At that time, all of us considered that it was necessary for us to bring the scrutiny to a halt since the authorities had not taken care of issues relating to the transition of the terms of employment for all SDB staff and their worries prior to tabling the Bill to the Legislative Council. The authorities merely wished to enact the relevant legislation through the Legislative Council, but had ignored existing employment problems of the staff and the Civil Service. For that reason, as the Bill was tabled again for our scrutiny and as the Legislative Council eventually agreed upon its passage, I just wish to express my feelings by retelling each and every scene in the deliberation process.

I hope Secretary Dr HO will sum up the experience and cast reflections upon this incident, because in the course of a reform process, if something which ought to be dealt with through mutual discussion with the staff side beforehand had not been solved, I believe that it will be impossible for us to deal with any such bill tabled again to the Legislative Council for scrutiny. Just now some of our colleagues said that some time has been lost as there were twists and turns arising in the midst of the deliberation. However, I think we should not put the cart before the horse, as he who delayed the entire process was not any member of the Bills Committee, but the official in charge; really, some people were too bureaucratic.

Madam President, I received a letter from the staff union of the SDB at a time when this Bill is about to be passed today. They thanked the Legislative Council for upholding impartiality in the entire scrutiny process and making arrangements for their livelihood in this transitional period. I think this is an essential point. I hope Secretary Dr HO or the relevant official will nicely reflect on the experience gained. The delay this time around is not caused by the Legislative Council, instead, it is the red tapery within the Government itself which has caused the twists and turns.

Madam President, since the department and bureau involved have discussed with the staff side about the transitional arrangement and have also obtained support from the staff side, the Hong Kong Federation of Trade Unions will therefore support the passage of the Bill today. Thank you.

**MR TOMMY CHEUNG** (in Cantonese): Madam President, last July, the Executive Council resolved that the Hong Kong Sports Development Board (SDB) should be dissolved and replaced by a new Sports Commission (SC). The new SC will take over the former role of the SDB. Besides taking on the responsibility of promoting local sports development, it will also advise the Government on all matters pertaining to sports development and the planning of future sports development in Hong Kong.

The Liberal Party considers that the streamlining of the administrative structure and the setting up of the new SC will help enhancing communications among various sports organizations and individuals apart from further promoting sports development, as the new structure will yield savings of \$17 million from staff cost, which will then be allocated for sports development programmes. Furthermore, the Government has already undertaken to keep on allocating funds on a yearly basis by providing an annual subvention to the Hong Kong Sports Institute (HKSI) and setting performance target and performance indicator to better monitor the overall performance of the HKSI.

Moreover, as members of the three committees under the SC come from different sectors and possess relevant professional knowledge and experience, such appointments should be conducive to the development and promotion of community sports, elite sports and major sports events in Hong Kong.

Certainly, in the course of this restructuring exercise, a more prickly issue is the future arrangements for the staff of the SDB. The Liberal Party has been supporting the idea that both sides should exercise restraint and adopt a composed attitude in the discussion process all along. For that reason, the Liberal Party is glad to see that today's agreement in principle can be reached after the Government had conducted a series of discussion with various organizations and individuals, including the management and staff of the SDB and different governing bodies of sports on the transitional arrangement for the staff of SDB.

Although the restructured HKSI is unable to take on all of the 311 former employees of the SDB, 260 of them will still be re-employed on contract terms. Besides the fact that the terms regarding their remuneration and fringe benefits will remain unchanged, the Government has also agreed to acknowledge their years of service with the SDB in their new contracts. As for the 50-odd redundant staff, the authorities have made severance payment to them according to the Employment Ordinance in addition to an *ex gratia* payment.

The Liberal Party considers that even though some people may still think that the existing agreement is not the most satisfactory arrangement, the Administration has already responded to requests made by the staff side and various parties concerned. We hope all parties concerned will brush aside their past differences and make concerted efforts that will benefit the sports development of Hong Kong through the newly established SC.

With these remarks, Madam President, I support the Bill.

**MR IP KWOK-HIM** (IN Cantonese): Madam President, the purpose for the authorities to propose the Hong Kong Sports Development Board (Repeal) Bill is to dissolve the Hong Kong Sports Development Board (SDB) in order to tie in with the new administrative structure for sports. During the scrutiny process, what the Democratic Alliance for Betterment of Hong Kong (DAB) felt most concerned about was how the staff of the SDB could obtain a smooth transition to the Hong Kong Sports Institute (HKSI). In the meeting in December, the authorities expressed that the new HKSI's establishment could only take on 80% of the former SDB staff, consequently, 60 people would be laid off because they could not be transferred. Obviously, this is a matter pertaining to employment, thus instead of resorting to the Bills Committee which only deals with the scrutiny of the Bill, the matter should be resolved through the joint efforts of the Government and the staff. Eventually, the matter was settled by this April. The staffing level of the SDB was rationalized from 311 to 260 posts, and according to the agreement made between the Government and the staff, the new HKSI will adopt the establishment of the SDB, and staff of the SDB will be employed on new contract terms. That is, staff of the SDB will gain a smooth transition to the new HKSI while the 46 redundant staff would also be given severance payment, thus the problem is satisfactorily resolved.

The DAB is glad that the transitional arrangement for the SDB staff is finally resolved, but we hope that the authorities will pay more attention in future that whenever there is a bill that involves labour and employment issues, the employment issue should be solved before the bill is to be tabled to the relevant Bills Committee of the Legislative Council for deliberation. By so doing, the deliberation process will be smoother and it will help members to concentrate on the details of the relevant bill. In fact, insofar as solving the problem is concerned, we only need to convene one meeting and the deliberation of the Bill is completed, so one can see that the details of the Bill are not so controversial.

After the dissolution of the SDB, the new sports administrative structure will turn on to a new page. The Elite Sports Committee, the Community Sports Community and the Major Sports Events Committee have been established by the authorities one after another. The DAB hopes that the Sports Commission could be established as soon as possible, so that it can advise the Government to a greater extent on matters pertaining to sports development and sports policies of Hong Kong on the basis of the views of three committees which I have just mentioned, in order to benefit our sports development and bring along progress.

With these remarks, I support the Bill and the Government's amendment on behalf of the DAB.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam President, first of all, I would like to thank the Chairman, Mr NG Leung-sing, and the 21 members of the Bills Committee for their careful scrutiny of the Hong Kong Sports Development Board (Repeal) Bill (the Bill) and for the valuable advice that they have tendered, and for their support for our vision to reorganize the administrative structure for sports. I am also greatly indebted to Mr NG Leung-sing, Mr Timothy FOK, Mr Tommy CHEUNG, Miss CHAN Yuen-han and Mr IP Kwok-him, who have spoken in support of the Bill today. I must also thank Mr Andrew CHENG for his criticism and encouragement. Later, I shall propose two technical Committee stage amendments to the Bill.

The existing administrative structure for sports has room for improvement in that it fell short of a central organization that can progress with the times and take the lead with a holistic approach in the overall policy planning, co-ordination, monitoring, resource allocation and policy advice in respect of sports development. The Sports Commission to be set up will assume this pivotal role. Our objective is to better co-ordinate the sports development in Hong Kong, to provide services that will more adequately meet the needs of the public and to nurture more elite athletes with great potentials so that they will



win honour for Hong Kong and become role models for students. To achieve the above policy objective, we need to carry out a comprehensive and thorough reform.

The proposed new administrative structure marks an important milestone for sports development in Hong Kong, which will be instrumental in attaining our new visions for sports, including sports for all, sports for excellence and turning Hong Kong into a sports event capital. These visions will be realized by the new Sports Commission and its three Committees, namely the Community Sports Committee, the Elite Sports Committee and the Major Sports Events Committee. The new administrative structure will enable wider participation of various sectors in the policy-formation level, thus increasing transparency and accountability in the formulation of sports policies for the future. The broad representation of the Commission and its Committees from the sports, educational, commercial, health services, media and academic sectors will enhance cross-sector partnership and enable our resources to be used more cost-effectively in promoting and nurturing a sustainable sports culture in the community.

We have conducted an extensive public consultation exercise on the above visions and the specific proposals in respect of the reorganization of the administrative structure for sports. The response from the sports sector is positive. The Sports Federation and Olympic Committee of Hong Kong, China (SF&OC), most of the National Sports Associations (NSAs), district bodies and stakeholders in the sports community have expressed their general agreement and support. As a matter of fact, many representatives of these organizations have started making contribution to the three newly established Committees with their rich experience and expertise. Such pooling of collective wisdom and broad participation are not found in the existing structure and we are glad to see this new development.

The new administrative structure will not only strengthen partnership between the Government and the community in all aspects but also enhance joint participation and partnership of various sectors in promoting sports at all levels.

For example, each of the three Committees already established has more than 20 members from various sectors and fields. The entire sports structure comprises more than 70 people from various walks of the community, which is a

broader representation than the Hong Kong Sports Development Board (SDB) comprising 15 members. Furthermore, putting each of the three newly formulated visions of sports policy under the care of a dedicated committee will enable the focusing of efforts to fulfil individual roles, thus eliminating the existing deficiency of overlap of duties and functions and lack of a platform for collaboration between the Government and the community.

The membership of the three Committees is composed of representatives of SF&OC, NSAs, District Councils, active and retired coaches and athletes, district sports associations, academic and commercial sectors. There is no doubt that they have broader representation than the existing SDB.

The Government's commitment and investment in sports development in Hong Kong will remain undiminished upon the establishment of the new administrative structure. I am aware that some coaches have worries about the reorganization exercise. We pledged on various occasions that the Government was not going to reduce our commitment in the development of sports, including that for elite sports. We shall honour this promise. In fact, the Government has not reduced its funding for elite sports for 2004-05. The reduction in the subvention for SDB is mainly attributable to the corresponding reallocation of resources resulting from cancellation of two functions of SDB. I must stress that funding for elite sports training will not decrease because of the restructuring. On the contrary, we believe that resources for sports development will be utilized more effectively as a result of a more streamlined structure, elimination of overlapping functions and better co-ordination. The savings achieved by the Hong Kong Sports Institute (HKSI) from implementation of the proposals will be channelled back to supporting more training programmes, improvement in training facilities and other supporting services under the athlete-centred principle. This will ultimately benefit our elite athletes and the general public of Hong Kong.

The Elite Sports Committee, which was established on 1 April 2004, has drawn up a work schedule. It will hold in-depth discussions on the objectives, directions and the necessary resources for the elite sports development of Hong Kong in future. Specific recommendations will later be put into a proposal for consideration by the Government.

The future HKSI will operate as a corporation. I can understand the anxiety of individual coaches and athletes over this arrangement. I would like

to take this opportunity to make further clarification. Firstly, the corporatization of HKSI will facilitate future administration and operation, allowing greater freedom and flexibility. For instance, it will be able to attract sponsorship more easily from the commercial sector and generous individuals. In fact, there is no shortage of successful examples of elite sports corporations in countries where sports development is at an advance stage. Their experience has received due recognition from other countries. Upon weighing the local characteristics, needs and experience, we believe that we can adopt the mode of corporatization to give impetus to elite sports training in Hong Kong.

Secondly, I would like to reiterate that the Government remains the largest resource provider for HKSI upon its corporatization. On many occasions, we have reassured the staff of HKSI that the Government's funding for elite sports will not diminish. Through corporatization, we look forward to more flexibility in seeking resources from the non-government sector, so as to provide fuller and better support for elite athletes.

Thirdly, elite athletes will continue to do honour to Hong Kong by representing Hong Kong SAR in international or regional events no matter whether the existing SDB or the future HKSI is in place. The change of organization structure will cast no impact on their status and representation.

Madam President, the purpose of the Bill is to repeal the Hong Kong Sports Development Board Ordinance (Cap. 1149) and to implement the proposal of reorganization of the administrative structure for sports put forth by the Government last July: to dissolve the SDB and to vest its assets, functions, rights and obligations in the Government and other organizations.

In dissolving the SDB, I must recognize its contribution to the sports sector in Hong Kong during the past 14 years. As a result of the efforts of the coaches and staff members, a number of outstanding athletes have been trained up who repeatedly won honour for Hong Kong in international sports games. However, for the long-term development of sports in Hong Kong, we must move on with the times and make reforms. This is the consensus of the sports community and the general expectation of the public. Subject to the passage of the Bill by the Legislative Council, the Government will liaise closely with the SDB in the coming months of the transition period so as to successfully complete the reorganization, transfer the function of elite training to the reconstituted

HKSI and make arrangements for the staff within the present establishment of SDB to effect a smooth transfer to the new HKSI. Under the new administrative structure with a new vision, we will stick to the athlete-centred principle to make progress and scale new heights.

To usher sports development in Hong Kong into a new era and pave the way for a more vibrant sports culture with enhanced participation, openness, transparency and cost-effectiveness, I appeal for Members' support for the passage of the Bill.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Hong Kong Sports Development Board (Repeal) Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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.

Mr Kenneth TING, Dr David CHU, Mr LEE Cheuk-yan, Dr LUI Ming-wah, Mr NG Leung-sing, Miss Margaret NG, Mr CHAN Kwok-keung, Miss CHAN Yuen-han, Mr Bernard CHAN, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Mr LEUNG Yiu-chung, Mr Andrew WONG, Mr Howard YOUNG, Mr LAU Chin-shek, Ms Miriam LAU, Mr Ambrose LAU, Mr Timothy FOK, Mr TAM Yiu-chung, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr Michael MAK, Mr Albert CHAN, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr Frederick FUNG, Mr IP Kwok-him, Mr LAU Ping-cheung, Ms Audrey EU and Mr MA Fung-kwok voted for the motion.

Ms Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Dr LAW Chi-kwong and Mr WONG Sing-chi voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that there were 46 Members present, 32 were in favour of the motion and 13 against it. Since the question was agreed by a majority of the Members present, she therefore declared that the motion was carried.

**CLERK** (in Cantonese): Hong Kong Sports Development Board (Repeal) Bill.

Council went into Committee.

### **Committee Stage**

**CHAIRMAN** (in Cantonese): Committee stage. Council is now in Committee.

### **HONG KONG SPORTS DEVELOPMENT BOARD (REPEAL) BILL**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Hong Kong Sports Development Board (Repeal) Bill.

**CLERK** (in Cantonese): Clauses 1 to 8, 10, 11 and 13 to 17.

**CHAIRMAN** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Clauses 9 and 12.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam Chairman, I move the amendments to clauses 9 and 12 as set out in the paper circularized to Members.

For the sake of clarity in law, we propose to add new clause 9A under the heading of "continuous employment". This clause seeks to make clear that the Employment Ordinance will also apply to any employment which has transferred to the Government by virtue of the enactment and implementation of this Bill, and even if the employer has changed from the Hong Kong Sports Development Board (SDB) to the Government, it will not break the continuity of any employment.

As to clause 12(7A), the purpose of this new clause is to seek greater flexibility. The clause provides that the Vice Chairman of SDB in his final term of office may handle the final statements of accounts and reports where the Chairman of SDB in his final term of office is not available for the purpose of clause 12.

After making the above explanation, Madam Chairman, I hope Members will support the passage of the amendments. Thank you.

*Proposed amendments*

**Clause 9 (see Annex)**

**Clause 12 (see Annex)**

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Clauses 9 and 12 as amended.

**CHAIRMAN** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): New clause 9A                      Continuous employment.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam Chairman, I move that new clause 9A be read the Second time.

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is : That new clause 9A be read the Second time.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): New clause 9A.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam Chairman, I move that new clause 9A be added to the Bill.



*Proposed addition*

**New clause 9A (see Annex)**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the new clause 9A be added to the Bill.

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

(Members raised their hands)

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

(No hands raised)

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

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

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

### **HONG KONG SPORTS DEVELOPMENT BOARD (REPEAL) BILL**

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

Hong Kong Sports Development Board (Repeal) Bill

has passed through Committee with amendments. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Hong Kong Sports Development Board (Repeal) Bill be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Hong Kong Sports Development Board (Repeal) Bill.

### **Resumption of Second Reading Debate on Bills**

**PRESIDENT** (in Cantonese): We will resume the Second Reading debate on the Airport Authority (Amendment) Bill 2004.

### **AIRPORT AUTHORITY (AMENDMENT) BILL 2004**

#### **Resumption of debate on Second Reading which was moved on 24 March 2004**

**PRESIDENT** (in Cantonese): Mr SIN Chung-kai, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, in my capacity as Chairman of the Bills Committee on the Airport Authority (Amendment) Bill

2004 (the Bills Committee), I now report on the major deliberations of the Bills Committee.

The object of the Airport Authority (Amendment) Bill 2004 (the Bill) is to amend the Airport Authority Ordinance (Cap. 483) to enable the share capital of the Airport Authority (AA) set up under the Ordinance to be reduced.

The Bills Committee notes that the present debt to equity ratio of AA is relatively low when compared with utilities in Hong Kong and selected airports around the world. As the cost of debt is typically lower than the cost of equity, a higher level of debt relative to equity (provided that the interest charge does not affect a company's cash flow and hence its default risk) usually leads to a reduction in a company's overall cost of capital. The Bills Committee agrees that the cost of the AA's capital can be reduced through restructuring its capital base by way of raising funds in the debt market to pay down its equity.

Subject to the continuation of appropriate support from the Government (for example, a majority government ownership), the AA's financial strength and credit ratings should not be unduly affected by an additional borrowing of around \$6 billion to finance the reduction of its equity capital. The reduction would be effected by a payment of \$6 billion to the Government as the AA's sole shareholder.

The capital restructuring will also bring an additional one-off capital revenue of about \$6 billion to the Government.

The Bills Committee notes that subject to the enactment of the Bill, the Administration would move a resolution to effect the proposed reduction of \$6 billion in the capital of the AA and to require the AA to distribute an amount equivalent to the reduction to the Government. Payment received by the Government would be credited to the Capital Investment Fund. The resolution would also give effect to the cancellation of shares in the AA held by the Government to an equivalent value in capital.

Madam President, in the past few months, the Administration has been conducting consultations on the proposed privatization. The Administration is mindful of the public concerns over certain issues relating to the proposed privatization, and therefore has decided to take more time to further consult stakeholders before putting a bill for privatization to the Legislative Council. In

the meantime, the Administration intends to restructure the capital of the AA in order to lower its overall cost of capital. The Administration said that the implementation of the Bill will not have any effect on the scrutiny of the proposed privatization of the AA by this Council in future.

Madam President, the Bills Committee supports the resumption of the Second Reading of the Bill.

Madam President, next I will express my views in my capacity as the spokesman on economic affairs of the Democratic Party. The Democratic Party supports the Bill for the simple reason that the Government can recoup \$6 billion which will be credited to its capital account and it can be taken that this will be of some help to the fiscal deficit. Concerning the proposed privatization in future, whatever the ideas are, I hope the Government can present the proposals to the Panel on Financial Affairs at an early date, which I believe may be sometime after the election in September. However, I hope the Government will not present the proposals only after they have been agreed upon. On some matters, it will be conducive to the smooth implementation of a plan if Members' views are heeded. With these remarks, I support the Bill.

**MR HOWARD YOUNG** (in Cantonese): Madam President, the Liberal Party supports the capital restructuring carried out by the Airport Authority (AA) and the return of equity capital in the form of cash to the Government.

Firstly, after capital restructuring, the AA will return \$6 billion in equity capital to the Government. This will no doubt somewhat alleviate the immense pressure arising from the fiscal deficit faced by the Government at present.

Secondly, after amendments to the Ordinance concerned and after the AA revised upwards its debt to equity ratio, I believe the AA will have greater versatility and flexibility in capital financing. This will be beneficial to its future investment and development and even its valuation when privatization is implemented.

Although this Bill has no direct relationship to the privatization of the AA, I wish to take this opportunity to express the views of the industry on the privatization of the AA. Before the Financial Secretary proposed a study on the privatization of the AA in the Budget published in March, the industry has had a

number of discussions. After the discussions, all parties expressed their approval for the privatization of the AA and considered that this was in line with the major trend. If a feasible proposal leading ultimately to a win-win situation for all three parties, namely, the AA, the Government and consumers can be identified, then the three parties will be able to enjoy the benefits.

More time will be needed to study the privatization of the AA in detail. All of us still have many concerns about the privatization of the AA, including how the fees of the AA can be regulated and how to avoid overcharging in future, which will increase the operating costs of its partners. Meanwhile, discussion should also be held on how to further co-operation between the AA and its partners to raise its quality of service and competitiveness.

It is beyond dispute that the facilities of the Hong Kong International Airport are first-class and the airport has won countless prizes and honours for many years, and has been selected the most outstanding airport of the world for four consecutive years. However, in respect of its fees, such as landing fees and parking fees, users have all along found them to be higher than neighbouring areas and lacking in competitiveness. If we explore the reasons, they have to do with the excessive return rate set by the airport and its financing and operational arrangements including high capital cost, since these two factors have a direct bearing on the level of the fees. As early as when the new airport initially came into operation, I have already called on the Government to face the relevant issues squarely.

Although the AA operates according to prudent commercial principles, I think it tends to be overly conservative and hope that by way of the capital restructuring on this occasion, it can also review its mechanism for levying fees to examine if there is any room for making downward adjustments to them. Whether the cost-effectiveness of the Hong Kong International Airport can come into full play will depend on its ability to attract more airline companies to establish air routes in Hong Kong, thus contributing to increases in passenger and freight throughput. I believe that a well-established airport, apart from providing a highly efficient service, should also be complemented by a competitive level of fees. If these two elements are present, then Hong Kong's position as the aviation hub in Asia will be even more secure.

With these remarks, I support the Airport Authority (Amendment) Bill 2004.

**MR LEUNG FU-WAH** (in Cantonese): Madam President, the Airport Authority (Amendment) Bill 2004 (the Bill) is aimed at restructuring the capital of the Airport Authority (AA) and returning \$6 billion of equity capital to the Government. In view of the Government's tight financial situation at present, the \$6 billion will accord the Government a breather. There is no doubt — and the authorities also admitted this — that the aim of returning the \$6 billion in equity capital is to pave the way for the privatization of the AA.

The Hong Kong International Airport has repeatedly received a number of honours. In 2002-03, it earned more than \$500 million in profit, the third consecutive year that a profit was recorded. However, set against the background of such handsome profits are the drastic cuts in the salaries of airport employees and even a reduction in manpower and increase in workload. In particular, for outsourced service providers such as truck drivers, porters, cleaners, and so on, the rate of salary reduction over the past few years was as high as 40%. With a monthly salary of some \$5,000, not much is left after the commuting expenses to and from the airport are deducted. There is no wonder then that the number of people on low income receiving CSSA is on the increase, in view of the injustice that low-level workers at the airport are subject to.

I must remind the Government that even though we will vote for the Bill today, it does not mean that we will support the privatization of the AA in the future because at the same time when we request the AA to operate on prudent commercial principles, it should not forget its responsibility as a good and exemplary employer and should oversee other contractors in fulfilling their responsibilities in the same exemplary way, that is, it should abandon the bidding criteria of awarding contracts to the lowest bidder and should give greater weight to harmonious labour relations. We know that the Government, together with the AA, is examining the introduction of a reward and punishment system and the linking of airport fees to the actual standard of service. We welcome the authorities' positive attitude in responding to the requests of labour unions. I hope that this is a good beginning and what is more, it is also our wish that the AA can make reference to the approach of the Government in outsourcing services and subject contractors to a more stringent selection process, so as to ensure that the services at the airport will not be affected by poor labour relations. I further hope that the Government, in considering the plan to privatize the airport, can consider implementing a measure which was akin to that announced by the Chief Executive and the Administration last month, which is to consider the salary and benefits for employees in outsourced services

according to the medians of the salaries in different industries as compiled by the Census and Statistics Department. I hope the Government can consider establishing such a mechanism to ensure that after the listing of the AA in future, its employees will be offered reasonable salaries and their salaries will not be dragged down or reduced further. As Mr Howard YOUNG has said, the end is to achieve a win-win situation for all three parties. However, for me, I hope that a win-win situation for four parties, namely, the AA, users, consumers and airport workers, can be achieved.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I would like to extend my gratitude to the Chairman, Mr SIN Chung-kai, and other members of the Bills Committee for their timely consideration and eventual support for the Airport Authority (Amendment) Bill 2004.

The Bill seeks to provide a mechanism for reduction of capital of the Airport Authority (AA) and the return of equity capital to Government. Subject to passage of the Bill, we intend to move a resolution at the Council meeting on 16 June 2004 to reduce the authorized share capital of AA by an amount of HK\$6 billion which would then be returned to the Government in exchange for the cancellation of the AA's shares of an equivalent value held by the Government.

In comparison with public utilities in Hong Kong and many airports in the world, the AA has a low debt to equity ratio. The restructuring of the capital base to an optimal level would reduce the cost of capital of the AA, improve its return on equity in the longer term and make the AA more attractive to potential investors.

As we have advised the Bills Committee, the Administration is confident that the financial position of the AA would not be undermined because of the capital reduction and that its current credit rating could be maintained. The proposed capital restructuring would not affect the ownership and corporate structure of the Authority.

I hope that Members will support passage of the Bill.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Airport Authority (Amendment) Bill 2004 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Airport Authority (Amendment) Bill 2004.

Council went into Committee.

### **Committee Stage**

**CHAIRMAN** (in Cantonese): Committee stage. Council is now in Committee.

### **AIRPORT AUTHORITY (AMENDMENT) BILL 2004**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Airport Authority (Amendment) Bill 2004.



**CLERK** (in Cantonese): Clauses 1 and 2.

**CHAIRMAN** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

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

### **AIRPORT AUTHORITY (AMENDMENT) BILL 2004**

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

Airport Authority (Amendment) Bill 2004

has passed through Committee without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Airport Authority (Amendment) Bill 2004 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Airport Authority (Amendment) Bill 2004.

## **MOTIONS**

**PRESIDENT** (in Cantonese): Motions. Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Education (Exemption) (Private Schools Offering Non-Formal Curriculum) Order.

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

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Madam President, I move that the motion standing in my name, as printed on the Agenda, be passed. The motion seeks to make a few amendments to the Education (Exemption) (Private Schools Offering Non-formal Curriculum) Order. I shall also briefly explain the reasons for these amendments.

In order to step up the protection for students, I move to add the Prevention of Child Pornography Ordinance (Cap. 579) (PCPO) in Schedule 2, in section 7(b) of Part 2 and in Schedule 3, in section 6(b) of Part 2 of the Order. Both sections specify the persons who are not allowed to teach in an exempted school.

The PCPO was enacted in 17 July 2003 and came into operation on 19 December 2003. The Ordinance aims to prohibit the production, possession and publication of child pornography. Adding the PCPO in Schedule 2, in section 7(b) of Part 2 and in Schedule 3, in section 6(b) of Part 2 of the Order will prevent students from being harmed by teachers who have been convicted of an offence under the PCPO in the exempted schools.

The Order which was published in the Gazette as Legal Notice No. 76 of 2004 and laid on the table of the Legislative Council on 12 May 2004 will be amended as follows:

- (i) in Schedule 2, in section 7(b) of Part 2, by adding before the semicolon "or under the Prevention of Child Pornography Ordinance (Cap. 579)"; and
- (ii) in Schedule 3, in section 6(b) of Part 2, by adding before the semicolon "or under the Prevention of Child Pornography Ordinance (Cap. 579)".

I now move that the above amendments be added to the Order.

Thank you, Madam President.

**The Secretary for Education and Manpower moved the following motion:**

"RESOLVED that the Education (Exemption) (Private Schools Offering Non-Formal Curriculum) Order, published in the Gazette as Legal Notice No. 76 of 2004 and laid on the table of the Legislative Council on 12 May 2004, be amended –

- (a) in Schedule 2, in section 7(b) of Part 2, by adding before the semicolon "or under the Prevention of Child Pornography Ordinance (Cap. 579)";
- (b) in Schedule 3, in section 6(b) of Part 2, by adding before the semicolon "or under the Prevention of Child Pornography Ordinance (Cap. 579)".

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

**PRESIDENT** (in Cantonese): Proposed resolution under the Fixed Penalty (Criminal Proceedings) Ordinance. Since the Secretary in charge of the Ordinance is not present in the Chamber at the moment, I now suspend the meeting.

5.30 pm

Meeting suspended.

5.40 pm

Council then resumed.

**PROPOSED RESOLUTION UNDER THE FIXED PENALTY (CRIMINAL PROCEEDINGS) ORDINANCE****SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, I move that the resolution under section 12 of the Fixed Penalty (Criminal Proceedings) Ordinance be passed.

In view of the relatively high accident rate and the rear seat casualty rate of public light buses, we consider it necessary to install passenger protection equipment, including seat belts, on public light buses to enhance passenger safety. In this connection, two Amendment Regulations which provide for the fitting and wearing of seat belts in the rear seats of newly registered public light buses were passed by this Council in November 2002. We intend to bring the two Regulations into effect on 1 August 2004.

With the installation of seat belts on newly registered public light buses, we consider it fair and more practicable to hold passengers rather than the driver responsible for not wearing seat belts. This is because the driver has practical difficulties in monitoring whether all passengers have fastened their seat belts throughout the journey while paying attention to the road. One of the Amendment Regulations, the Road Traffic (Safety Equipment) (Amendment) Regulation 2002, already specifies that the responsibility of wearing seat belts rests with passengers on public light buses. However, under the Fixed Penalty (Criminal Proceedings) Ordinance, drivers of public light bus are still subject to a fixed penalty if a passenger in the front seat is under the age of 15 and has not securely fastened himself with a seat belt. This resolution seeks to make a consequential amendment to the Schedule to the Fixed Penalty (Criminal Proceedings) Ordinance to reflect the change in the responsibility of wearing seat belts.

As decided at the House Committee on 7 May 2004, a Subcommittee was formed to study the resolution. The Subcommittee supported the above consequential amendment to reflect the change of responsibility, and agreed that the Administration should step up publicity to inform the public of the need to wear safety belts on public light buses and encourage drivers to proactively remind passengers to wear seat belts. Regarding the safety of passengers under the age of 15 in the front seats of public light buses, I would like to draw Members' attention to the fact that no public light bus is currently equipped with

front seats. We will ensure that new public light buses will not be installed with front seats.

Madam President, I beg to move.

**The Secretary for the Environment, Transport and Works moved the following motion:**

"RESOLVED -

- (a) that the Schedule to the Fixed Penalty (Criminal Proceedings) Ordinance be amended, in item 53, by adding "private" before "light"; and
- (b) that this Resolution shall come into operation on a day to be appointed by the Secretary for the Environment, Transport and Works by notice published in the Gazette."

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

**MS MIRIAM LAU** (in Cantonese): Madam President, the House Committee has set up a Subcommittee to study the proposed resolution made under section 12 of the Fixed Penalty (Criminal Proceedings) Ordinance. As the Chairman of the Subcommittee, I now report on the major deliberations of the Subcommittee.

The Subcommittee noted that the Administration moved this resolution to tie in with the two amended Regulations which were enacted in 2002 and which are scheduled to come into force on 1 August 2004 to provide for the installation of seat belts and high back seats on newly registered public light buses (PLBs). Under the enacted Road Traffic (Safety Equipment) (Amendment) Regulation 2002, the responsibility of wearing seat belts rests with the passengers on PLBs rather than the driver. To reflect the change in the responsibility, it is necessary for the Administration to move a resolution on section 12 of the Fixed Penalty (Criminal Proceedings) Ordinance to reflect that a PLB driver will not be subject

to a fixed penalty if any of his passengers under the age of 15 in the front seat has not securely fastened himself with a seat belt.

In the course of deliberation, the Subcommittee discussed with the Administration the safety issues associated with PLB front-seat passengers. Some members considered that under the Road Traffic (Amendment) Bill 2003 tabled by the authorities, the maximum gross vehicle weight of light buses will be relaxed from 4 tonnes to 5.5 tonnes. New designs of PLBs with front-seat configuration might be introduced in future. To protect young PLB passengers, the Administration should consider maintaining the *status quo* and the driver should remind front-seat passengers to fasten their seat belts.

On the other hand, some members also pointed out that in their operation, the foremost responsibility for PLB drivers is to concentrate on road conditions to ensure safety. It is impossible for PLB drivers to concentrate on road conditions while at the same time check the age of front seat passengers and ensure that passengers observe the seat belt requirement during the whole trip. Moreover, if PLB drivers are required to assume legal responsibility, this will run counter to the present policy objective of requiring passengers to assume responsibility. Therefore, the Administration should adopt a more positive approach by stepping up publicity on the seat belt requirement so that passengers of all ages are aware of their responsibility to protect themselves by using the seat belts provided on PLBs.

The Administration explained that at present, no PLBs are provided with front seats. The Administration also undertakes to keep in view the development of new PLB models in future to ensure that front-seat configuration will be avoided as far as possible. I am also glad that the Secretary, when giving her speech, also made it known clearly that the Government would ensure new PLBs will not be provided with front seats. Moreover, the Administration advised us that it would step up publicity and public education when this new requirement came into effect, as well as actively encouraging PLB drivers to remind passengers to use seat belts even though they do not have the relevant responsibilities. The Subcommittee is highly supportive of this.

Madam President, I am now going to express my personal views on the resolution. From the perspective of PLB drivers, their most important task is to concentrate on driving to ensure road safety. If drivers have to pay attention to

road conditions and at the same time be mindful to check the age of passengers as well as ensuring that passengers wear seat belts during the whole trip, it is very likely that they will be distracted. This is something that we definitely do not wish to see. In fact, it is difficult for drivers to judge from passengers' appearance or height whether they are 14 years and 11 months old or 15 years and one month old. If a driver has doubts as to whether a passenger has reached 15 years of age and makes enquiries about the latter's age, the passenger may tell a lie that he is already 15 years old, and the driver has no right whatsoever to request the passenger to produce his identity card to verify the claim. In the event of an accident, the driver may have to bear the legal responsibility that arises. This is absolutely unfair.

From the perspective of passengers, if drivers are responsible for reminding passengers on some seats of the vehicle to fasten their seat belts whereas passengers on other seats of the vehicle have to assume the responsibility themselves, this may make them feel confused. If the Government delivers the uniform message that regardless of adult or child, everyone has to fasten his seat belt of his own accord once on board vehicles, this will definitely give rise to better publicity results and assist parents in educating their young children.

Road safety is everyone's responsibility. Drivers of PLB certainly have the responsibility to ensure passenger safety. However, passengers also have the responsibility to ensure their own safety. So, on boarding PLBs fitted with seat belts, they should fasten seat belts of their own accord. However, I appeal to PLB drivers to remind passengers to use the seat belts as far as possible and to post signs extensively on board PLBs to remind passengers to fasten seat belts at all times while on board. I also believe that publicity and education is very important. Therefore, I support stepping up publicity and public education when the new requirements are implemented.

With these remarks, Madam President, I support the resolution. 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 the Environment, Transport and Works, do you wish to reply?

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): Madam President, I have nothing to add.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for the Environment, Transport and Works 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 of the Members present. I declare the motion passed.

## **MEMBERS' BILLS**

### **First Reading of Members' Bills**

**PRESIDENT** (in Cantonese): Members' Bill: First Reading.

## **WING HANG BANK, LIMITED (MERGER) BILL**

**CLERK** (in Cantonese): Wing Hang Bank, Limited (Merger) Bill.

*Bill read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.*

**PRESIDENT** (in Cantonese): As the Wing Hang Bank, Limited (Merger) Bill presented by Dr David LI relates to government policies, in accordance with

Rule 54(1) of the Rules of Procedure, the signification by a designated public officer of the written consent of the Chief Executive shall be called for before the Council enters upon consideration of the Second Reading of the Bill.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Madam President, I confirm that the Chief Executive has given his written consent for the Wing Hang Bank, Limited (Merger) Bill to be introduced into the Legislative Council.

### **Second Reading of Members' Bills**

**PRESIDENT** (in Cantonese): Members' Bill: Second Reading.

### **WING HANG BANK, LIMITED (MERGER) BILL**

**PRESIDENT** (in Cantonese): Dr David LI, you may now move the Second Reading of your Bill.

**DR DAVID LI**: Madam President, I move the Second Reading of the Wing Hang Bank, Limited (Merger) Bill (the Bill).

The Bill provides for the merger of Wing Hang Bank, Limited with Chekiang First Bank, Limited. Wing Hang Bank completed the acquisition of all outstanding shares of Chekiang First Bank, effective on 30 September 2003. Chekiang First Bank and its subsidiaries are now members of the Wing Hang Group. The intention of the merger is to allow Wing Hang Bank and Chekiang First Bank to increase efficiency through economies of scale.

The Bill is one of a series of bank mergers which have taken place in Hong Kong during the current Legislative Council term. The stated policy of the Hong Kong Monetary Authority and the Hong Kong Government has been to support mergers within the Hong Kong banking industry. Bank mergers are also a worldwide trend.

The opportunities now available to Hong Kong banks, including those under the Mainland/Hong Kong Closer Economic Partnership Arrangement, are more easily captured by banks of a certain size and above. Smaller banks risk becoming uncompetitive.

As Member are aware, the Government hopes to bring the Landlord and Tenant (Consolidation) (Amendment) Bill back to this Council for resumption of Second Reading before the end of this Legislative Council term. If enacted, the Landlord and Tenant (Consolidation) (Amendment) Bill will repeal specific sections of the Landlord and Tenant (Consolidation) Ordinance. Because the Wing Hang Bank, Limited (Merger) Bill contains a reference to some of these sections, I am planning to introduce a Committee stage amendment in order to delete such reference. This will not result in a substantive change to the Bill. The amendment proposed would only amend the Bill to conform to the revised Landlord and Tenant Ordinance.

If the Landlord and Tenant (Consolidation) (Amendment) Bill is not enacted prior to the resumption of Second Reading of the Wing Hang Bank, Limited (Merger) Bill, I will withdraw my notice and choose not to move the Committee stage amendment.

Madam President, I have the pleasure of recommending the Bill to the Legislative Council.

Thank you.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Wing Hang Bank, Limited (Merger) Bill be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

## **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. Two proposed resolutions under the Interpretation and General Clauses Ordinance to extend the period for amending subsidiary legislation.

First motion: Extension of the period for amending the Electoral Affairs Commission (Electoral Procedure) (Legislative Council) (Amendment) Regulation 2004.

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

**MR ANDREW WONG** (in Cantonese): Madam President, in my capacity as Deputy Chairman of the Subcommittees on subsidiary legislation relating to 2004 Legislative Council Election, I move the motion under my name as printed on the Agenda.

The Subcommittee held two meetings on the Electoral Affairs Commission (Electoral Procedure) (Legislative Council) (Amendment) Regulation 2004 (the Amendment Regulation). The purpose of the Amendment Regulation was to provide for the counting of votes for geographical constituencies (GCs) at individual polling stations.

The Subcommittee discussed issues concerning the counting arrangement for GCs at individual polling stations and whether the existing law was adequate to regulate the use of mobile telephones and taking photographs by voters.

Members of the Subcommittee agreed that a motion should be moved by me to extend the scrutiny period of the Amendment Regulation to 7 July 2004, in order to give the Subcommittee enough time for deliberation and to report the result of deliberation to the House Committee.

With these remarks, I urge Members to support this motion.

**Mr Andrew WONG moved the following motion:**

"RESOLVED that in relation to the Electoral Affairs Commission (Electoral Procedure) (Legislative Council) (Amendment) Regulation 2004, published in the Gazette as Legal Notice No. 84 of 2004 and laid on the table of the Legislative Council on 19 May 2004, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 7 July 2004."

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

**PRESIDENT** (in Cantonese): Second motion: Extension of the period for amending the Food and Drugs (Composition and Labelling) (Amendment) Regulation 2004.

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

**DR LO WING LOK** (in Cantonese): Madam President, I move that the motion under my name, as printed on the Agenda, be passed.

Madam President, the House Committee formed a Subcommittee on 21 May 2004 to study the Food and Drugs (Composition and Labelling) (Amendment) Regulation 2004 laid on the table of the Legislative Council on 19 May 2004.

In order to give the Subcommittee enough time for deliberation and to report the result of deliberation to the House Committee, I move, in my capacity as Chairman of the Subcommittee, that the scrutiny period of the Regulation be extended to 7 July 2004.

With these remarks, I urge Members to support this motion.

**Dr LO Wing-lok moved the following motion:**

"RESOLVED that in relation to the Food and Drugs (Composition and Labelling) (Amendment) Regulation 2004, published in the Gazette as Legal Notice No. 85 of 2004 and laid on the table of the Legislative Council on 19 May 2004, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 7 July 2004"

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr LO Wing-lok 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 and that is: That the motion moved by Dr LO Wing-lok 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 passed.

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

First motion: Demonstrating the people's power on 1 July.

### **DEMONSTRATING THE PEOPLE'S POWER ON 1 JULY**

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, I move the motion as printed on the Agenda be passed.

On 1 July last year, over half a million Hong Kong people took to the street under the scorching heat of the sun to participate in the march opposing the legislation on Article 23 and calling for the return of political power to the people. We made history for Hong Kong by showing the strength of people's power. Through the 1 July March, the peaceful, rational and dignified manner manifested by the Hong Kong people won the praise of and positive assessment by all parties, including the international community. This is our pride.

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

Madam Deputy, my motion today appeals to all the people of Hong Kong to demonstrate once again the people's power. As a matter of fact, as we all know, the Civil Human Rights Front will organize on 1 July this year the March

Fighting for Universal Suffrage. This is yet another opportunity for the Hong Kong people to use their feet to express their dissatisfactions, to tell the Central Authorities that we want universal suffrage, we want democracy, we are not confrontational, we are not striving for independence and to ask will they please trust us. We have to tell TUNG Chee-hwa that we have had enough, enough of his incompetent governance, enough of the collusion between officials and the business community. We also have to tell those elite who are bootlickers trying to please the Central Authorities by throwing discord among Hong Kong people that what they are doing are harmful to the community and people at large despise their behaviour. Likewise, we have to tell all the Hong Kong people that we must break our silence, and to leave our helplessness and heavy heart behind, and that we will kindle new hope for Hong Kong.

Today, we appeal to the public to demonstrate their power for last year was indeed a year of darkness for Hong Kong.

With regard to political reforms, the Central Authorities took the lead in advocating a patriotism theory, pointing out four undesirable categories of people who did not love the country and attacking them in an ideological approach. Within a month, we experienced the interpretation of the Basic Law, the nine considerations in TUNG Chee-hwa's Report, and the ruling out of dual elections by universal suffrage by the Standing Committee of the National People's Congress (NPCSC). All these took place like a thunder bolt, suppressing the Hong Kong people's aspiration for democracy and enveloping our democratic system with a birdcage. The Hong Kong people absolutely will not give in.

The ruling out of dual elections by universal suffrage by the National People's Congress (NPC) strangled not only the democratic development in Hong Kong, but also the people's hope for better governance. Incompetent governance is not only a problem personal to TUNG Chee-hwa, but it is also a problem involving the system of coterie election and the lack of acceptability of the Government. As the coterie is formed mainly by tycoons, it explains why the government tends to have a bias towards the interests of consortia and to reinforce the unfair political framework in which officials collude with the business community.

Within this framework, we only hear the Government and the business sector talking about grasping the opportunities in economic development, yet, these are only opportunities for businessmen to invest in the Mainland. For the



majority of Hong Kong people who have neither capital nor professional qualification, what kind of opportunity do they have?

Indeed, the Government is simply refusing to face the plight of the public. By repeating once and again that the Hong Kong economy is picking up, it uses evasive answers to respond to the people's aspirations. Those people who are struggling on the brink of poverty cannot afford the luxury of waiting for the turn of the wheel. What we are asking for is a proactive response from the Government regarding its policies.

Madam Deputy, since the NPC's ruling out of universal suffrage, the Hong Kong community has thus been severely polarized and a stream of political low pressure has been formed. Consequently, three popular hosts of personal-view programmes have successively taken themselves off the air. It is the biggest threat ever to the freedom of speech and the diversified society most cherished by the Hong Kong people. Without the two safety valves for the Hong Kong people to vent their anger provided in the morning and at night, the room for freedom of speech has been very much shrunk in Hong Kong. It also led to a statement jointly signed by almost 300 professionals in their bid to safeguard our core values. I agree with the message conveyed by them, that is, to safeguard our core values, we cannot keep silent; we have worries, but we are not pessimistic.

Hong Kong people do not want to resort to high moral ground and talking about morality all the time, nor are they used to blood shedding and laying down their lives. Likewise, they certainly would not casually burn charcoal even when their ideals have vanished. Nevertheless, if people think that our public are just economic animals who would be too happy with petty favours, then those people are very wrong.

Hong Kong people have developed a set of game rules in their day-to-day life, including due process and systemic rationality, which may be called core values. The general public may not be able to articulate such abstract concept, but they can surely appreciate them in their hearts. When these values are being attacked, they would feel it and simultaneously take proper reaction and defend themselves. Just like when being attacked by germs or viruses, we do not know how our immune systems are triggered off, but our bodies will react spontaneously. The 1 July March is one of such immune systems to protect our core values.

Another core value of Hong Kong is independence. Please do not misunderstand me, we are not talking about an "independent Hong Kong", we are just saying that the people in Hong Kong treasure independent thinking and will, because we all know that independent thinking and will is the lifeline of a vibrant and energetic society. The leaders in the Central Authorities are worried that democracy may lead to a loss of control, as they do not know what is in the mind of the people returned by election. However, if only those people who are incarcerated in their thoughts can be made leaders, they are not going to lead Hong Kong anywhere. This may explain why Hong Kong has been in such a mess in the past few years, such that this bright and colourful pearl has lost its lustre.

Madam Deputy, the motion today appeals to the people of Hong Kong to demonstrate the people's power, but Mr IP Kwok-him of the DAB was the first to express his objection in the newspapers, saying that the community should resolve problems rationally and that there are other channels available. However, the terrible thing is that the public has been so hard-pressed that they can hardly breathe, and they can find no channel to vent their anger. Even Mr Albert CHENG, Mr Raymond WONG and Mr Allen LEE have all taken themselves off the air, what more can the general public expect?

It was only because there was no outlet for the seething discontent of the people that on 1 July last year, an unprecedented march erupted upon the first trigger. Unfortunately, both the Central Authorities and the SAR Government have failed to learn a lesson. With a knife hanging over our head last year, we are engaged in a birdcage this year. Grievances in the society continue to accumulate which will definitely explode again on 1 July this year.

Some Members in this Council may criticize us, the democratic camp, for being confrontational. Madam Deputy, we are not being confrontational, we are only expressing our collective dissatisfaction in a peaceful, rational and dignified manner, and we hope leaders will really listen to our aspirations. However, if they maintain that we are being confrontational, I can just say, "That's what you say." This was what Jesus said when Julius Caesar asked him if he was the King of the Jewish, and Jesus' answer was, "That's what you say."

Every time after the people of Hong Kong express their views collectively, everyone would indeed feel relieved for having contributed his own efforts. And every time when we see thousands of people working together with their heart and soul for the well-being of Hong Kong, we see hope in people's power.

Madam Deputy, on 1 July this year, let us use our sweat to wash away this gloom, voice our aspirations and bring hopes with our feet. Finally, I wish to present to you some lyrics quoting from a song entitled "The sun of May". I have changed the lyrics a bit to make it become "The sun of July". The words of the last two verses are: "Looking at Hong Kong in its miserable state, anyone should have woke up and shouted, leaving behind all that should be mine, I can see the sun of July shining brightly."

Thank you, Madam Deputy.

**Mr LEE Cheuk-yan moved the following motion: (Translation)**

"That this Council appeals to all the people of Hong Kong to demonstrate once again on 1 July this year the people's power and express Hong Kong people's determination to fight for universal suffrage, defend the core values of Hong Kong and improve the governance of the Government and people's livelihood."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEE Cheuk-yan be passed.

**MR LAU CHIN-SHEK** (in Cantonese): Madam Deputy, I have discussed with Mr LEE Cheuk-yan on his motion which appeals to the residents in Hong Kong to demonstrate people's power. We also agree that a very clear message must be brought out, that is, the 1 July March is not a fight of power between the democratic camp and the Central Authorities, neither is it a struggle between life and death, nor a confrontational march against the Central Authorities. It is only that we feel that the air in Hong Kong is filled with gloom and doom, thus it is necessary to encourage one another through a collective action, so that we can stand united. The people's power that we are talking about is indeed the sparkling flames of hope which serves to push Hong Kong forward.

Among the participants of the march on 1 July last year, while we saw CEOs whose salaries were more than a million dollars a year, there were also grass-roots workers who earned just over \$10 per hour; people locally born and bred in Hong Kong intermingled with new arrivals; and Christians preached faith, hope and charity on the way as other people held the statue of Guang Yue and cried out that the theme of righteousness existed in heaven and earth. People from all walks of lives and a variety of background have come forward together,

they have not gone on different ways due to their divergence, on the contrary, they headed off spontaneously on their own will towards the same direction and objective under the scorching heat of the sun and amidst the strong odour of sweat. That which has united over half a million people who were different from each other was not the appeal made by the democratic camp nor the agitation of the radio talk-show hosts, but a very simply belief that we all love Hong Kong and we wish Hong Kong well.

Leaders of the Central Authorities in Beijing, I and my friends in the democratic camp have yet had the chance of expressing our views in person openly, so I would like to take the opportunity of today's debate to tell them this: that we, the Democratic Party and the Hong Kong people, may have held views divergent from those of the Central Authorities from time to time, yet we have never treated the Central Authorities as enemies. The call for "returning the power to the people" does not mean that we seek for independence. I believe that no one in the democratic camp wants to seek for independence, and we clearly object to anyone who wants to seek for independence. At the most difficult time for our economy, the Central Government extended a helping hand, from which we can see and feel the good will of the Central Authorities.

Madam Deputy, if the Central Authorities are our senior family head, I hope that they behave as open-minded and accommodating family heads. Although some family members may hold different views, these family members would not be abandoned or excluded. Communication, dialogues, understanding and respect are needed for family solidarity.

To our friends in the democratic camp, I believe we understand clearly that the half million people took to the street out of their own will on 1 July last year based on their care and love for Hong Kong. The democratic camp has neither the ability nor the power to organize and mobilize so many people to voice their opinions. Therefore, absolutely we would not try to manifest that people who went out onto the streets on 1 July were supporters of the democratic camp. What we were able to do was only to build a platform for the Hong Kong people to air their aspirations so that they could speak up in one accord and kindle the flames of hope.

Madam Deputy, I have a question in my mind, if the democratic camp thinks that the Central Authorities have wanted to drive Hong Kong into exhaustion, then what should we do? I have only two answers, either we flee without reservation, or we fight till the end. Otherwise, both the democratic

camp and the Central Authorities should understand that to untie the dead knot before them, they can only work together.

I must point out that continuous confrontation between the Central Authorities and the democratic camp is not in the interests of Hong Kong. If this is allowed to go on, there will be a no-win situation for both sides. I firmly believe that the relationship between the Central Authorities and the democratic camp should not be either friend or foe. I also firmly believe that only through contacts, dialogues and communications, and only through the expression of goodwill, can a win-win situation be achieved which will be beneficial to Hong Kong. Likewise, it is only through this that confidence and hope can be brought to the people in Hong Kong. We are taking to the street on 1 July to kindle hopes.

Madam Deputy, I so submit.

**DR YEUNG SUM** (in Cantonese): Madam Deputy, on the 1 July last year, more than half a million people, be they old or young, took to the street drenched in sweat, to demonstrate their dissatisfaction to the legislation of the Article 23 of the Basic Law and voice their aspiration for the return of political power to the people. This year, the road to democracy and freedom for the Hong Kong people looks even rougher.

First of all, before the people in Hong Kong have the chance to fully discuss the way forward for our political reform, the Standing Committee of the National People's Congress (NPCSC) has amended the legislation by interpreting the Basic Law, laying down barriers for the elections of the Chief Executive and the Legislative Council. Just before the people in Hong Kong have the time to fully digest the message, the NPCSC has flatly ruled out the possibility of dual elections by universal suffrage. Thereafter, it went so far as to intervene in the election activities and freedom of press. Hong Kong has degenerated from "a high degree of autonomy" to "a high degree of intervention" by the Central Authorities, and changed from "one country, two systems" to "one country, one system". If such a state of affairs is allowed to go on, the cornerstone for Hong Kong's success will be undermined, and it will not do any good to our prosperity and stability. It seems to the people in Hong Kong that just after being dealt one heavy blow, they suffer a second one before the pain from the wound ceases, and before they can react, there comes the third blow. Sooner or later, instead of being a goose that can lay gold eggs, Hong Kong will not only fail to lay gold eggs, but it will also suffer from internal injury.

Recently, more than 200 professionals from various sectors of the community signed a declaration to defend the core values for which Hong Kong is proud of, and these included liberty and democracy, human rights and rule of law, fairness and justice, peace and charity, integrity and transparency, plurality and tolerance, respecting individuals and upholding professionalism. In fact, these are the values that have made Hong Kong such a success. This proved that people from various levels and sectors treasured these values and were concerned about their being threatened. Nevertheless, we are pleased to note that in recent years, Hong Kong people pursue and safeguard these values in a peaceful and rational manner, including putting up advertisement, writing essays and organizing rallies and assemblies. However, such peaceful and rational acts have been deliberately smeared by certain people. Executive Council Member Mr LEUNG Chun-ying yesterday criticized that the public participation in the 1 January march and large-scale assembly, chanting the slogans of "the return of political power to the people" and "ending one-party dictatorship" would cast an impact on and deal a blow to the trust the Central Authorities placed on Hong Kong. Mr LEUNG's adverse description on the intention of the rally and assembly is smearing the public's democratic aspiration and rationalizing the Central Government's deprival of our aspiration for universal suffrage.

As a matter of fact, the aforementioned rally merely demonstrated that the Hong Kong people were courageous in expressing their aspirations for democracy and freedom in a peaceful manner. Neither humble nor pushy, they are only committed to fight for democracy and freedom. The purpose of their rally was to fight for democracy and freedom, it had nothing to do with "independence of Hong Kong" at all. Has our Government done anything in response to this kind of smearing act?

When asked by Members if there were any Hong Kong people engaging in striving for an independent Hong Kong, Mr Stephen LAM, our Secretary for Constitutional Affairs surprisingly gave such an answer, "This is a rather sensitive issue. As there are over 6.7 million people in Hong Kong, and amongst them we have different kinds of people, we cannot make generalization." It can be imagined that how faithfully have our officials reflected the reality of Hong Kong to the Central Government, let alone conveying our aspirations to the Central Government.

The public are of course disappointed with the Government for failing to do a good job in fighting for our interests and defending our core values. From

2 to 6 June, the Democratic Party has conducted a telephone survey on people views as regard the recent political climate and Central intervention. According to the outcome, 67.2% respondents believed that the political climate was deteriorating. In addition, 57.1% respondents became less confident in the governance, and 52.3% people believed that the Central Government has intervened excessively in Hong Kong affairs. The findings of the survey showed that, if the Government is not going to stand up for our interests and take concrete action to show its determination in safeguarding these core values, it will only extend the crisis in governance. However, just like a very stubborn person, the present Government of the Hong Kong Special Administrative Region (SAR) turns a deaf ear to repeated advice, this is most saddening and has caused people to feel despair in its governance.

I appeal hereby to the public to turn these grievances and discontents into a force, and to take action to show our determination in fighting for universal suffrage. Through our actions, we are going to tell the Central Government and the SAR Government that even though the Central Government has flatly ruled out the possibility of dual elections by universal suffrage, we will not give up fighting. Democracy has never been a bestowal. Freedom, human rights, rule of law, social justice, integrity and transparency that we cherish are even more hard-earned, so we must make efforts to build up and safeguard these values. As such, I appeal to the public to take part in the 1 July march, to express our aspirations and show the strength of people's power through our actions.

Thank you, Madam Deputy.

**MR LEUNG FU-WAH** (in Cantonese): Madam Deputy, the motion on "Demonstrating the people's power on 1 July" moved by Mr LEE Cheuk-yan today is obviously the opposition camp's continuous distortion of people's aspirations under the pretext of "the people's power" and "the core values of Hong Kong". By imposing the objective of "universal suffrage" as a common goal of all the people in Hong Kong, their purpose is to create a staging effect for the Legislative Council election scheduled to take place in September this year and to grab votes. This is one of their propaganda in series for the election. As such, therefore, I will be speaking against this motion.

The existence of a harmonious, cordial, prosperous and stable society counts on the efforts of all the Hong Kong people, including you and me.

However, how we are going to build up and maintain a peaceful, prosperous and stable society? What is the key to success? In my opinion, the crux is whether or not we know how to cherish and optimize the people's power in our possession. If we know how to cherish this power, we should know how to make full use of it in a positive way. On the contrary, if people do not know how to cherish this power or even try to abuse it, using it to create an atmosphere and situation that would be harmful to Hong Kong and the interests of the Hong Kong people, then our future will no longer be harmonious, but will become chaotic and restless. I believe that nobody in Hong Kong or anybody here would like to see this happening.

How should we make positive use of our people's power? First of all, we must know what is needed for Hong Kong. In recent years, we have been facing a difficult time, in addition to the downturn in our economy, we also had to deal with the attack of the SARS outbreak. Fortunately, during this difficult time, we have got full support from the Central Authorities. In order to help our economy to turn around, to get people out of their plights and to share the results of economic recovery, the Central Authorities has given us a helping hand on many occasions and has created plenty of good terms for our revival. These include the relaxation of restriction on individual mainland visitors, the bulk donation of medical resources during the SARS period, the implementation of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) and the signing of the pan-Pearl River Delta (pan-PRD) Region co-operation agreement between nine mainland provinces and the two Special Administrative Regions of Hong Kong and Macao just a few days ago. The agreement involves ten major co-operation areas in infrastructure, commerce, tourism, agriculture, technological education and culture. These are signs of support and trust shown by the Central Authorities for Hong Kong.

The Central Authorities have been creating good terms for reviving our economy, what is that for? I believe the Central Authorities have wanted Hong Kong to continue to be stable and prosperous, and its people to lead a stable life in a harmonious and cordial environment. This is in the interests of Hong Kong people. As such, I believe that what is needed most in Hong Kong is to build up a rapport with the Central Authorities. Only on this basis can we discuss and resolve issues which carry divergent views. This approach would be beneficial in improving our economy and resolving political issues, and would be helpful in enhancing our international image.



In fact, the purpose of showing people's power should be to build up a harmonious and stable society and to improve our economy. I strongly oppose to irresponsible remarks that would be harmful to our goal for a stable society. Hence, I am against the remarks made by Mrs Anson CHAN in an article in the *Times* magazine that the approach adopted by the Central Authorities was reminiscent of the Cultural Revolution. Notwithstanding the clarification and eloquence she made with her language skills on television just now, she has deliberately made remarks that were excessively emotional and threatening to intensify the people's discontent towards the Central Authorities and the SAR Government, trying to provoke more contradictions and disputes in the society and to stir up divisions. While her action would seriously damage the rapport between Hong Kong and the Central Authorities, it is also detrimental to Hong Kong's economy and development hence highly irresponsible.

Madam Deputy, the Standing Committee of the National People's Congress (NPCSC) has made the interpretation of the Basic Law in accordance with the Constitutions of the People's Republic of China, the procedures of the National People's Congress and the provisions in the Basic Law for the Hong Kong Special Administrative Region of the People's Republic of China. It would be a total distortion of truth if we regard the interpretation a reminiscent of the Cultural Revolution and the opposition camp's continuous appeal for people to take to the street and protest as peaceful, rational and modest fighting.

Undeniably, people generally support and recognize the ultimate goal as set down in the Basic Law, that is, support the dual elections by universal suffrage. However, they hold different views regarding the progress and extent. Although the opposition camp advocated recently the fighting for universal suffrage in 2007 and 2008, many people, like myself, held different views. We believe that Hong Kong must take a progressive approach in accordance with the Basic Law and the implementation of universal suffrage should take place in the light of our actual situation. We have to take into consideration a lot of factors, including the political party development, our knowledge and participation in elections by universal suffrage, the nurturing of political talents and so on.

Lately, from the opinion polls conducted, it is noted that those who support the election of Chief Executive by universal suffrage in 2007 has dropped from 70% in January this year to 55% last month, while those who support the election of Legislative Council by universal suffrage in 2008 has dropped from 74% to 66%. The support of Hong Kong people for universal

suffrage has dropped significantly. As almost half of the people in Hong Kong are not in favour of dual elections by universal suffrage in 2007 and 2008, I feel that we should respect these different views. We should not accept people views in a selective manner, nor should we turn a blind eye to these different views. Thus, I absolutely disagree with the opposition camp that people are determined to fight for universal suffrage, for they have excluded other dissenting voices, and they are distorting people's opinion, and this is an absolutely undemocratic gesture.

Madam Deputy, the reunification on 1 July is a great day for Hong Kong. We should celebrate this day. If we are going to show our people's power on this day, we should do it in a positive way. We should try to dispel disputes and strive for a harmonious and cordial society, to show our power in our concerted efforts for a better future, and not to create more and more discord that would spoil the harmony in our society. In addition, some Members in the opposition camp have actually admitted that the series of actions were for grabbing votes and maintained that there was nothing wrong in the approach. I hope people would think seriously what consequences would be brought to Hong Kong ultimately by taking to the street to express the discontent of the opposition camp and spreading such discontentment in the society. Would the result be more and more a departure from the social objectives of fairness, equality and progressiveness that we are actively fighting for, or even create a contrary effect such that we would be made use by others? I hope all the people in Hong Kong would have a second thought on this.

With these remarks, Madam Deputy, I oppose the motion.

**MR MARTIN LEE** (in Cantonese): Madam Deputy, obviously, Mr LEUNG Fu-wah did not take part in the rally on 1 July last year, that is why he made such remarks just now.

Madam Deputy, that was the most dignified rally I have ever reckoned in my life. Many people were waiting, for the police said that all those who have not started from Victoria Park would not be counted in the rally. As such, many people gathered outside the Victoria Park for six football pitches have been offered on loan by the Administration to an organization, the Hong Kong Federation of Trade Unions, for football matches, though I have never seen them playing football before. As six football pitches were all loaned out, people crowded outside the Park, my wife was one of them. As for me, I went in there

quite early, I was soaked all over in sweat in 15 minutes' time as the weather was so hot. The organizer then asked me to help raise donation for them. I was given a stepping stool with a box placed in front to collect funds. After the rally started, people from afar waved at me and people who could walk closer shook hand with me. I got a sore hand very soon and at the end of the day, we collected a quarter of a million dollars with the small box.

However, Madam Deputy, I saw a phenomenon — everyone was smiling. When they came, they might feel unhappy about certain issues and the poor governance of the Administration, in particular the legislation of Article 23 of the Basic Law. Yet, when they saw so many people, they became happier and turned their resentment into happiness. Madam Deputy, I was indeed very happy that day as everyone was. I saw a blind person walking on the other side of the road. The direction where he was going was a road crowded with people. People waited there for the gate of the Victoria Park to open. As people taking part in the rally were still waiting inside the Park, the police closed the gate to block people from going in. As such, the road leading to the gate was packed with people. I felt a bit worried. Though the blind person was accompanied by someone, he could not see. I hopped off the stepping stool and went up to him. I told him that I was Martin LEE and asked him not to proceed further as the place was already thronged with people. I was afraid that there might be danger, for instance, falling objects from the nearby buildings. As he could not see, he might be in great danger if the situation lost control. I suggested to take him to the other side where people have started walking, so that he could join in. But he said, "Thank you, Mr LEE, but I want to be counted by the police, so I must go that way."

In fact, two weeks later, I had an opportunity of meeting a 10-year-old girl. She told me, "Uncle Martin, I am very happy. I stood outside the Victoria Park for five hours on the 1 July to go into the Victoria Park to join the rally." Her mother said, "After standing there for three hours, I asked her whether we should go home." But she said, "No, Mum, we must go in and be counted by the police." This rally was indeed one of the most effective way to enable the economy of Hong Kong to turn around. Try to imagine that, these hundreds of thousand of people were sad and had no intention to spend any money, but all of a sudden, they became so happy. They would of course take their family for dinner outside or to see a movie in their good mood. The society would therefore become harmonious and prosperous. I said Mr LEUNG Fu-wah did not take part in the rally because he did not realize what had really happened on that day. Mr LEUNG Fu-wah said we had to positively

allow full play to people's power. It is precisely the case. The rally on 1 July was to positively allow full play to people's power.

When the three prominent talk show hosts took themselves off the air, one of my colleagues in this Council told me one day, "Look, Martin, it's disastrous, before Raymond WONG took himself off the air, I worked until eight every night. My wife was still very happy and cooked for me. After Raymond took himself off the air, she would call me at six thirty to tell me to go home." Everyone was so used to listening to the radio. They listened to Albert CHENG's programme before getting up and to Raymond's programme at night. After Albert CHENG resigned, they still had Allen LEE. Now, they can listen to none of them. The programmes and the 1 July rally were indeed something positive and useful. To us, this is very healthy. People no longer have any pent-up feeling inside which does not do their health any good. The doctors say so too. By listening to the programmes, they feel happier, then by taking part in the rally, they again feel happy, so that is the whole point of it.

As to the accusation against Mrs Anson CHAN, apparently, we have to find out whether she had any justifications. If she was not justified, then the person in power did not have to pay any attention. If she said something groundless and kept on saying so for a couple of days, people would think she is out of her mind very soon. But this is not the case. When she is speaking the mind of the people, the person in power is getting worried and starts to slash. It is indeed as simple as that. If we are doing something wrong, we will lose the support of the crowd. If we are making a mess of Hong Kong all the time, people will not follow us in taking to the street, let alone vote for us.

I hope the Democratic Alliance for Betterment of Hong Kong (DAB) would organize similar rallies to secure support from voters. This should be fine. This kind of rallies are really peaceful and will not lead to any dangerous event as they are so dignified. In fact, I would call the 1 July rally "an individual rally for democracy". We are not talking about the individual travellers scheme, but a rally for individuals to fight for democracy. As such, I hope that people will go on taking part in the second round of the "individual rally for democracy" on the 1 July. I believe that it will improve the atmosphere in Hong Kong. Since the departure of the three prominent talk-show hosts, people have accumulated some pent-up feelings. By taking part in the rally, people will feel better and the economy will turn around. Therefore, I hope we can treat the rally in a positive way, and do not look at it from a negative way. Thank you.

**MR NG LEUNG-SING** (in Cantonese): Madam Deputy, it is really interesting to hear about the theory that a rally can be beneficial. I believe that travelling is beneficial and so should be supported by people, too. Madam Deputy, based on the fact that the continuous controversies on our political system would affect the economy and livelihood of our community as a whole, the Standing Committee of the National People's Congress (NPCSC) made a lawful and legitimate decision on the selection of the Chief Executive in the year 2007 as well as on the formation of the Legislative Council in the year 2008. According to the law, this decision has become part of the legal system of the Hong Kong Special Administrative Region (SAR). Many Hong Kong people do understand and support this legitimate move which is intended to do good to Hong Kong's stability. As part of the constitutional system of the entire country under the Basic Law, the SAR legislature must act according to the law. We cannot and should not question and challenge legal decisions and the NPCSC's constitutional authority. It is obvious that confrontation is going to do harm to Hong Kong's rule of law. If we hold high the banners of so-called democracy and rule of law, we should not merely go after our personal political preference and interests by respecting and obeying selectively certain laws, legal systems or constitutional framework, while questioning and challenging laws, legal systems or constitutional framework with the same statutory status for they are not in line with our own interests. This approach will definitely undermine the development of genuine democracy and the rule of law in Hong Kong, as well as Hong Kong's long-term prosperity and stability.

According to Article 73 of the Basic Law, the Legislative Council shall exercise 10 functions, and as a representative body, it should represent views of the public when exercising its functions, voice out different views of all strata in the society, and some of these voices may be contradictory to others. For the sake of preserving unity and stability of the society, the Legislative Council should live with the differences and seek common ground. Therefore, the Legislative Council should not exaggerate and expand the divergent voices in society, thereby stirring up contradictions and destroying harmony in our society, or even incite and mobilize people to take part in demonstrations. Among the millions of people in Hong Kong, most of them are wise and rational. They only ask Legislative Council Members to reflect different views and make constructive proposals. They do not require legislators to act outside their jurisdiction to dissimilate and mobilize people to take political actions, they do not wish to see the Council becoming the command headquarters of political campaigns or even publicity machinery for some political parties.

This motion talks about safeguarding Hong Kong's core values and improving the governance of the Government and people's livelihood. In this connection, I think one of the major traditional core values in Hong Kong is that Hong Kong people have been working very hard to improve our economy and livelihood. They are reluctant to politicize issues, or to accept the labelling of issues with political ideology, or to chant the slogan of "people who are with me are democratic, those who are against me are pro-establishment", or even to create an atmosphere of white terror by recently stating that there might be political suppression, thereby pushing a society striving for improvement and development to resort to showing people's power and political campaigns on every occasion. To improve the governance of the Government, instead of resorting to confrontations, we need co-operation, including the co-operation with the Central Authorities and that within the Government. Likewise, to improve people's livelihood, instead of relying on continuous political wrangles, we should make concerted efforts in striving for economic development, especially with the care shown by the Central Government. We should seize the opportunity to make the best use of the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), and to give full play to the full-hearted support from the Central Authorities for Hong Kong. If we only work for dissimulation or only organize protests and marches, our moves in improving the governance and livelihood, and in preserving Hong Kong's long-term prosperity and stability will only be empty talks.

Madam Deputy, I so submit.

**MR ALBERT CHAN** (in Cantonese): Madam Deputy, the 1 July rally is a historical moment for the Hong Kong people to express their feelings using their own feet, it is also a historic act, or even an important milestone in Hong Kong history in the past a hundred years. Acting on their own, the Hong Kong people have demonstrated their aspirations, and their dissatisfactions against the Government in a rational and peaceful manner.

However, unfortunately, such rational and peaceful aspirations of the Hong Kong people have been smeared and distorted by many people, and the wills of the Hong Kong people are being suppressed. There are a number of different ways to distort people's acts. The most commonly-used approaches, especially those adopted by traditional leftists, Chinese officials working in Hong

Kong, representatives of Hong Kong tycoons, or even Hong Kong Government officials, are to allege that these aspirations of the Hong Kong are resisting means or tricks to contend against the Central Authorities. With these smearing and distorting actions, they are obviously trying to turn their own mistakes, blunders, wrong policies, as well as their misinterpretation over to become the faults of the Hong Kong people. They turn their target of attack to the peace-loving and rational people of Hong Kong. Some even said that the 1 July rally was not an act on the Hong Kong people's own initiative, but an anti-China activity being incited and sponsored by the United States and the United Kingdom. In recent years, we have seen more and more smearing, distorting approaches and remarks of these kind.

I believe it was based on these smearing and distorting remarks that queries in this aspect were often posed by many mainland officials visiting Hong Kong after the 1 July last year. The genuine wills of the Hong Kong people were yet to be known and understood fully by the Central Government. As these distorting and smearing remarks come from different directions, the aspirations of Hong Kong people are hence misunderstood by the Beijing Government and the Central Government. Based on this misunderstanding, the Central Government has made a significant change to the policy towards Hong Kong. This may be regarded as a misfortune in history, a misfortune for Hong Kong and also a misfortune for China.

This misfortune continues to exist for there are people making use of their power and their status to distort the historical development in their own interests, thereby fortifying and strengthening their influence, their power and their interests. I call these people villains in Hong Kong. Their acts are absolutely sacrificing the "one country, two systems" principle, the interests of 6.8 million Hong Kong people and the future of Hong Kong.

I would like to take this opportunity to point out clearly that should the wishes, actions, rationales and voices of the Hong Kong people continue to be distorted, and should these negative messages continued to be believed, our internal problems and contradictions will never be handled properly, or to be improved and resolved. The majority participants (more than 90%, I believe) of the 1 July rally were apparently people dissatisfied with the Hong Kong Government. The 1 July rally was an internal contradiction of the Hong Kong people to dash, oppose and resist against the incompetent governance of TUNG Chee-hwa.

The outbreak of 1 July rally last year has been triggered off by a series of incidents, including the SARS outbreak, the legislation of Article 23 and the car purchase incident of Antony LEUNG. This series of incidents have caused Hong Kong people to become angry, all because our administration has covered up faults, was incompetent, and has turned a blind eye to the interests of Hong Kong people and also their rights. These incidents have been clearly recorded in history, they had absolutely nothing to do with any power in the United States or United Kingdom. Public resentment has been stirred up by the mistakes of the incompetent Hong Kong officials. However, to shun their own responsibility and to dilute their own mistakes, they raised certain problems infinitely to the level of acting against China and stirring up troubles in Hong Kong. The negative remarks made by these Hong Kong villains were merely disguises for their own mistakes and shifting the blame on others.

Madam Deputy, to resolve the internal contradiction of the Hong Kong people, we must identify its source and cause. If we want to play down the discontents of people expressed on the 1 July, surely we must deal with the incompetent governance of the Hong Kong Government, as well as the manner and mode of its mal-administration. We must make sure that the incompetent officials and those who have committed mistakes are held responsible. Obviously, the person who should bear the whole responsibility is TUNG Chee-hwa. No matter it is for the Central Authorities or for various sectors in Hong Kong, the best way to dilute the dilemma of the 1 July rally is for TUNG Chee-hwa to step down. If TUNG Chee-hwa can step down before 1 July, then this date will become a festive day for all the Hong Kong people to celebrate.

Madam Deputy, I believe the number of people participating in the 1 July rally this year will not be as large as that in last year and the voice of the public will not be as angry as that in last time. I hope that, as Mr Martin LEE has just said, there will be more voices of joy and happiness on that day. It is because what we are fighting for is the common goal for all the people in Hong Kong.

With these remarks, I support the motion.

**MS AUDREY EU** (in Cantonese): Madam Deputy, the 1 July rally is not a confrontational act. Just as Mr Martin LEE said, all the participants felt very excited on that day, they thought that they were taking part in a historical moment and practically did something that they felt proud of for Hong Kong. I saw some pictures taking at a very close distance afterwards, all the participants



were jumping about joyfully. It was just like a carnival. Besides, I received quite a number of emails conveying the same message, saying that the 1 July was an awakening for them.

When Mr NG Leung-sing spoke just now, he was concerned that the rule of law might be undermined. I wish to point out that, our former Chief Justice, Mr YANG Ti-liang said that when he saw the crowd of people on the 1 July, he was so touched that more than once, he wanted to cry. Mr LI Ka-shing also gave the 1 July rally a positive appraisal. In the speeches of Mr LEUNG Fu-wah and Mr NG Leung-sing, they made the same point as many other people who were opposed to universal suffrage in 2007 and 2008, that is, "we should grasp the opportunity and focus on the economic development instead". Some days ago, Miss Maria TAM, member of Committee for the Basic Law, said something very strange in a forum. She said that no one had committed suicide by burning charcoal because elections by universal suffrage were ruled out, and what really made people felt despair was the poor economy. I hope she is not saying that we should wait till some people have sacrificed their lives before we could achieve universal suffrage.

Indeed, Hong Kong people are always known to be practical. They are good at calculation and put emphasis on economic prosperity. They seldom do things that are impossible. Yet, it does not mean that the public are not determined in fighting for universal suffrage or safeguarding our core values.

After half of a million people took part in the 1 July rally last year, there have been a number of marches and assemblies, for instance, the 9 July, the New Year Day and the one against the interpretation of the Basic Law in April. On the latest 15th anniversary of the 4 June candlelight vigil, the number of participants was as high as 82 000, striking the highest record in 14 years. Among the participants, 30% of them were first time attendants. This happened after the interpretation of the NPCSC had ruled out elections by universal suffrage in 2007 and 2008. With so many people coming out to voice their aspirations, those people in power should put more thoughts on it.

Who is he so powerful as to incite so many Hong Kong people who are not so interested in politics to take to the street? I agree with Mr LAU Chin-shek that it is not within the powers of the Members of the Democratic Party or democratic camp, and definitely not within the powers of certain political parties that can do so by seizing power, grabbing votes or borrowing overseas influence. All the people took to the street on their own initiative. Why did they take to

the street? The answer was indeed very simple. It was because Mr TUNG Chee-hwa was the strongest cohesive force. His appalling governance in the past seven years made people take to the street on their own initiative. Also, as Mr Martin LEE just pointed out, people taking to the street started off in fury, but eventually they felt very happy because they found so many people sharing the same feeling. They witnessed the repeated misadministration of the Government and its acting against the people's will. Nevertheless, in the absence of a democratic system, the public is indeed surprised to find that TUNG Chee-hwa, despite his unpopularity, was nominated by 714 members in a 800-member election committee which successfully re-elected him Chief Executive for the second term.

Madam Deputy, I do not understand why this Government always likes to take an almost impossible route. It deliberately does something against the people's will. The most classical example of course is the attempt to rush through the legislation for the Article 23 of the Basic Law. After the incident, Mr TUNG said the Government had learned a lesson and that it would take on board views of the middle class. But he was just seen talking without taking any action. For instance, after the District Council election of last November, there have been a lot of voices asking Mr TUNG not to appoint so many people into the District Council, but he, on the contrary, proceeded to appoint the full quota of 102 District Council members. Recently, after the Equal Opportunities Commission (EOC) incident, while a number of members have already completed their six-year term, this Government again went against its own principles that no one should be appointed to more than six committees for more than six years and reappointed seven of them. And Dr Raymond WU, though he attracted a lot of criticisms, was again reappointed.

When the Secretary, Dr Patrick HO came and explained to this Council, he said it was in line with the principle of meritocracy, and that he was sure that such appointments would help to rebuild the credibility of the EOC. It seemed that the Government was going against people's will on purpose. It deliberately did something that people did not like it to do. I wonder if the Government is trying to show the people that it is a strong Government by so doing.

The recent series of incidents involving famous talk show hosts going off the air have made people feel that the latitude for free speech is being contained. Regarding Mr ZHU Yucheng's remarks that some people in Hong Kong were contemplating of turning Hong Kong into an independent political entity,

Secretary Stephen LAM seemed to approve of the remarks tacitly without speaking for the Hong Kong people, thus making us very angry and sad.

The incidents in the past six months recently made me deeply feel that unless people in Hong Kong fight, we will never achieve universal suffrage. Thus, we can only appeal to the people of Hong Kong to manifest their power again on the 1st of July in a lawful, peaceful and dignified manner.

Thank you, Madam Deputy.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam Deputy, the march on 1 July last year saw the participation of more than 500 000 citizens in the most peaceful and rational manner. The participants, men and women, old and young, have demonstrated the greatest harmony and consensus existing in Hong Kong society, which is to defend freedom and to fight for democracy. As a result, the power of the people has finally converted the political attitude of those who did not listen to the voices of people and who only followed the path of the Government in the past, and consequently, the legislation on Article 23 of the Basic Law also have to be shelved in the end. Unfortunately, the Government did not deeply reflect on its own administrative problems and the shortcomings of the existing system. The situation, on the contrary, was further intensified. In order to strengthen control, the system which has long been running effectively in Hong Kong has been further undermined and the core values of Hong Kong incessantly dwindled. We believe that the public cherish deep affection for this land. We have experienced both the riot in 1967 and the future issues concerning the handover in 1997. During these periods of time, most of the people did not leave Hong Kong but held fast to our positions, defending the social system and achievements built up by people in the past few generations. Today, Hong Kong has come to a crossroad. Should we stride forward courageously, perfecting the existing social system and values so as to dovetail the democratic trend of the world, or should we turn back to the blind alley? This is what the public have to choose to do with their movements and actions.

On Monday, 200-odd people advertised a declaration on the newspaper, advocating defence for the core values of Hong Kong. They aspire for the preservation of values like freedom and democracy, human rights and rule of law, impartiality and integrity, love and peace, credibility and transparency, plurality

and tolerance, respect for individuals and for the upholding of professionalism which have long been thought very highly of by Hong Kong people in the past. This declaration is not a common joint statement. Because not only is there participation of people from the democratic camp, there is also participation of people with other political views, including the Chairman of the Business and Professionals Federation of Hong Kong, the ex-chief executive of the Democratic Alliance for Betterment of Hong Kong, District Council members belonging to pro-government political groups and so on. We have to question how come people of different levels and diverse political views would choose to ask the Government at this moment, and in such an expressive way, to defend the core values of Hong Kong? Are they, as some people said, just being too sensitive, paranoid, and that the core values of Hong Kong are actually intact? Is that a fact?

In fact, over the past seven years, those of us who stayed in Hong Kong would share the same feelings of the 200-odd people mentioned above. We feel that the core values of Hong Kong have indeed been eroded continuously under the governance of the Government of the Special Administrative Region (SAR). The Government's refusal to acknowledge the situation is only a reflection that it is not facing squarely to its own problems. This kind of attitude is the root cause for the ineffective governance of the SAR Government today.

The Government loves to play ostrich and this is not a piece of fresh news. After the march on 1 July last year, the government and the pro-government media only simplified the issue alleging that it has originated from the dissatisfaction of the public towards the economy and people's livelihood. They fail to face squarely to the root of the problem and that is, the system, which has been running effectively in Hong Kong in the past, is now being undermined continuously by the Government and the privileged groups affiliated to the Government. The public would, of course, pay high attention to the issue of livelihood. When the economy and people's livelihood are not running well, it is natural that the public will feel discontented. However, when there is any problem concerning the economy and people's livelihood, it should not only be attributable to the lack of financial power on the part of the Government, or simply say that it is due to some external economic factors. More importantly, some problems have arisen in the government system, especially when the checks and balances played by democracy are missing. People would inevitably ask why did the Government not act according to procedures and squander \$100

million on the Harbour Fest? Why did the Government not make use of that amount to improve people's livelihood and create job opportunities?

In the past two days, it was exposed by the media that without open tender, an air-raid shelter had been rented by the Government to a red wine seller as a club with a nominal monthly rent of 30 cents per sq ft; concessions were offered to the consortia on regrant premium. All these have explained that values like fairness and impartiality, openness and transparency, which have been emphasized in the past in Hong Kong have incessantly been eroded and undermined. And this kind of damage will even seriously affect the business environment of Hong Kong, directly and indirectly destroying the economic development of Hong Kong. Today, we are worried that situations like playing favouritism and committing irregularities will appear in Hong Kong. It is unfortunate that the Government has never been paying attention to tendency as such. We believe that in order to prevent this series of problems from reoccurring, we can only resort to universal suffrage, for only through equal sharing of political rights could the Government be restricted from acting solely on its own, and from caring only about the interests of consortia.

We believe that those who signed on the joint declaration were not doing that for no purpose. Instead, they see the emergence of crisis. There are some incidents recently which include some famous talk show hosts going off the air; high-ranking officials expressing their political stance openly, despising the principle of being politically neutral as always emphasized by the Government; some people making some ulterior moves, challenging the fairness and impartiality of the elections being held for all these years; the Government passing some interests to the consortia directly; ruling out the implementation of universal suffrage in the elections in 2007 and 08 without listening to people's views and conducting wide consultation. All these are exactly what people are most worried and dissatisfied about.

Madam Deputy, I believe that no one will want to see our system being undermined incessantly. Neither do we hope to see our core values dwindling away continuously, to the detriment of our political rights and people's livelihood.

In fact, I believe that every single citizen does love Hong Kong truly, wishing that Hong Kong can be prosperous and stable. However, under the existing circumstances, what we can only do is that we can no longer defend an

administratively incompetent Government. Instead, we should pull our ostrich Government from the sand so that it can really face the public.

Madam Deputy, some people say that destruction is easy and that we should value constructiveness. During the past seven years, the SAR Government has easily destroyed the social system and values that we built up so hard in the past. In order to prevent the situation from worsening and lead Hong Kong back to the path of progression, I now sincerely invite all members of the public and Members of this Council to participate in the march on 1 July, in order to truly boost the morale of Hong Kong. Recently, some people said that no one has committed suicide by burning charcoal even there is a lacking in democracy in Hong Kong. And some said that if there was anyone feeling dissatisfied, he could leave Hong Kong. However, Madam Deputy, I have to stress here that we should not give ourselves up, but should demonstrate our strength and have the courage to express ourselves.

Madam Deputy, these are my remarks.

**MS EMILY LAU** (in Cantonese): Madam Deputy, I speak in support of Mr LEE Cheuk-yan's motion.

On 1 July this year, I hope that a lot of citizens will come out and join the march. A moment ago, when a few colleagues mentioned the march last year, they said that the atmosphere was similar to that of a carnival and people were very happy. They hoped that it would be the same this year. However, I believe that it will not be the same this year. Madam Deputy, if we are frank enough, the Hong Kong society nowadays is being covered with a worrying atmosphere. Whether you call it white terror or whatever, a lot of people are still very worried, especially when Mr LEUNG Chun-ying came out and read out what somebody had said at certain time and at certain place. Madam Deputy, such an action is settling accounts after the event, which is what the Communist Party is good at. There is no need to mention about the Cultural Revolution. In fact, this happened before and after the Cultural Revolution.

I remember that before 1997, a Member of the Legislative Council said to me that no matter how bad the British were, they would not settle scores with people in such a way. Hong Kong people are really scared of that, Madam Deputy. They are afraid that what they did and said on certain day would be recorded and even distorted. Then people would settle scores with them after

the event, criticize and deal serious blows against them. I am not saying that such a situation will certainly occur. However, some people do like attacking others by digging out what they had said 10, 20 or 30 years ago. At present when I read *Wen Wei Po* and *Ta Kung Po*, I see articles attacking me day in day out. They mention what I did in 1991 and 92. In the future, they may even write what I did during the '70s and '80s.

Madam Deputy, if that is not the style of the Communist Party of China, what can that be? Since Hong Kong people have such kind of worry, how can they go to join the march in such a spirited way as if they are going to a carnival? Of course, someone said that if they were so worried, they could simply not join the march as pictures would be taken of them during the march. However, some people will just feel unreconciled. Therefore, this year, some people may wear masks during the march. Anyway, I still hope that they can come out, as defending the much valued freedom depends on all these. It could not be done simply by certain parties or organizations, and the public do understand this point.

A lot of people have been saying that the Chinese Government is most concerned about the election in September. If the democratic camp can really sweep more than half of the seats, they will think that Hong Kong is out of control. Madam Deputy, I notice that your party member, Mr Tommy CHEUNG, has pointed out in a newspaper that if the democratic camp could sweep a majority of the seats, in a few years' time, investors will leave Hong Kong, as what we did would be detrimental to them. Indeed, we could retrieve and read the records. However, given the anxiety of the Central Government, some people have been saying that it could do anything. We do not know the turn-out rate of electors yet. If the turn-out rate is high, anything can happen. Then, what kind of consequences will we be facing? Why are the Hong Kong people feeling so scared now? It is simply because the Central Authorities have been, through a lot of channels, expressing that they do not want to see certain things happening. Do people have to distort their conscience by not voting for the candidates whom they think are worth voting for? When everyone votes with his conscience, it will give rise to a phenomenon: Hong Kong will fall into a crisis. This is unfair indeed.

Madam Deputy, during the oral question time, Mr Fred LI has raised a question relating to an Assistant Director of the Immigration Department who has written a political article under his own name and post title. Everybody felt very shocked. Madam Deputy, many members of the public said to me that I

had to raise this incident in the Legislative Council. But it is a pity that I did not get the turn to raise a supplementary question on this. However, why is it so shocking? It is because one of the core values is that civil servants should be politically neutral. After that question has been discussed just now, I left the Chamber, and a Member said to me that the situation had now been completely changed. A colleague just stated that he would encourage more civil servants to do this, and he even thought that actually not much had been said. It did not matter whether that civil servant belonged to the disciplinary services or not, as anybody could come out and say something, or he could come out to support the Government. If that is the case, can such action be described as politically neutral? If this core value also begins to collapse, how can you blame the public of Hong Kong for being so worried? Recently, some high-ranking civil servants said to me that they thought that this was white terror. They thought that civil servants were originally taking up well-paid posts, but now they were very worried — worried that scores would be settled with them. They were worried that when it came to settling of scores, they and their departments would be affected. Madam Deputy, in regard to such matters, what are we supposed to do?

Therefore, let he untie the knot that he himself tied up, so to speak, as these are the many moves taken by the Central Authorities. Nevertheless, some people said that I should look at it from an optimistic point of view, because if we are not influential at all, no one would actually pay any attention to us. Madam Deputy, this could possibly be true. If we can only secure 20 seats that time, do they need to be so concerned? However, are we able to secure 20 or 30 seats? Can we really make it? All these depend on the result of voting by the public. But someone is now intimidating the public, and I believe that this is not acceptable to Hong Kong people, Madam Deputy. However, they have told Hong Kong people that if they refuse to accept, that could possibly be the consequences.

So it has been seven years. The Special Administrative Region has been set up for seven years. After all, we still have to face the Communist Party. "One country, two systems" could no longer be our protective umbrella. I call upon all members of the public to come out on 1 July to defend the values that they regard to be of paramount importance. I so submit.

**MR MICHAEL MAK** (in Cantonese): Madam Deputy, so it has been one year. One year ago, I have also organized a rally on 1 July. I appealed to my



constituency then. In order to fight for the rights concerned and the development of democracy, I appealed to members of my profession for donation and participation, as my constituency tended to be more apathetic politically. It is proven by fact that my appeal was right, and that members of my constituency have viewed the governance of the Government with political conscience as well as aspirations.

On 1 July last year, more than half a million people took to the street and demonstrated. Their slogans were very much in line with each other, all asking for the return of political power to the people. On that day, I think we could see from various perspectives that the scene was very touching. The temperature was as high as 30 degree Celsius plus and we had been waiting for five to six hours. People from various strata of society, bringing along the aged and the young, chanted their own slogans (though all of them were similarly asking for the return of political power to the people from the Government), narrowing the distance among us.

Last year, in regard to Article 23 of the Basic Law, the Government wanted to forcibly implement legislation on it, wantonly interfering in the freedom of Hong Kong people. Added to this was the handling of Severe Acute Respiratory Syndrome (SARS) by the Government of the Special Administrative Region (SAR) and the behaviour of the former Financial Secretary. All these have triggered off a march of the largest scale since the establishment of the SAR six years ago. From various aspects like the Government's housing policy concerning 85 000 units, forced legislation, reduction on salaries of the Civil Service, we can see the original mindset of the Government. We used to think that this Government had cherished aspirations. Madam Deputy, at least I, back in 1997, thought that the Government, that is, the new SAR Government, had cherished aspirations. I thought that since returning to the mother country, we have entered upon a new phase, and were no longer living under the colonial rule or attached to a foreign country, how could that be undesirable any longer?

However, one incident after another, we were able to see that our SAR Government, as Mr Albert CHAN said, was so incompetent and unrealistic. In our march, the number of participants was surprisingly high — I always say that as I objectively estimate, there were actually around 1 million people then, plus other people who supported us. Then, in the governance of the Government during the past year, how come there were still not much improvement for us to see?

(THE PRESIDENT resumed the Chair)

First of all, in the incident of the Equal Opportunities Commission, the employment contract of Mr Patrick YU was unreasonably nullified. We have long wished that the pace of constitutional reform can be sped up. We have raised this issue for a very very long time. The SAR Government, however, poured cold water over us by submitting its report, without consultation, directly to the Standing Committee of the National People's Congress. Universal suffrage in 2007 and 08 was abolished. What is more, there is no timetable for the implementation of universal suffrage. Madam President, this made me feel very much aggrieved. At least I personally find it very disappointing. Therefore, not long ago, due to this reason, I suffered from serious emotional disturbance. It is because, at least, I have my reasonable expectation towards the mother country and the SAR Government. Besides, I do not want to see this kind of interference.

Hence, because of all these, Madam President, I feel and see that our Government has not learnt anything during these seven years (or within one year). My profession involves getting in touch with people, and thus I always study human behaviour. The SAR Government has a lot of talented people. It has three Secretaries of Departments and 11 Directors of Bureaux, all of them are very brilliant people. Besides, there are also numerous executive staff. However, I fail to see why they can still be so indifferent after learning the message from the public so clearly on 1 July last year, in addition to the message on 1 January and the message on 23 January. How can their conscience and behaviour convince us that they are learning and reacting to our aspirations? Secretary Stephen LAM dare not even take a glance at me — now he dare to look at me. Secretary, please face us and face the crowd. Please watch the video on 1 July last year again and see the coverage at that time!

Today, I just happened to walk past Central and saw the Civil Human Rights Front appealing for donation. I assisted them for a very short while, and I found that members of the public do support the march on 1 July. However, some people still dare not confront it (I have no idea whether they are really worried about white terror). I think the incident of three prominent talk show hosts going off the air does reflect that people are scared and worried.

Therefore, I call upon members of the public, for the sake of our future and the prospect of Hong Kong, to come out and support the march on 1 July, with a view to really demonstrating our power.

Thank you, Madam President.

**MR AMBROSE LAU** (in Cantonese): Madam President, the outbreak of SARS last year was followed by the collapse of the property market, the downward plunge of the stock market, expansion of the group of negative asset owners, consecutive exercises of layoff and salary reduction. The unemployment rate was high and deflation was getting serious. While people were facing hardships in livelihood, businessmen were also facing difficulties in operation. Masses of the public, including the middle class, could see neither any hope nor the way out. Our society was full of grumbling and grievances. In addition to the above, there were faults in the governance of the Government, and the public were worried that the legislation on Article 23 of the Basic Law might suppress human rights and freedom of the press. For various complicated reasons, hundred thousands of people participated in a march to express their aspirations for relieving themselves from the economic plight, solving the unemployment problem and improving the governance.

The Government of the Special Administrative Region (SAR) and the Central Government attach great importance to the aspirations of the Hong Kong people. After the march on 1 July last year, the SAR Government has been working very hard to improve the governance, stabilize the property market and boost the economy. The Central Authorities have also taken a series of measures to support the recovery of the Hong Kong economy which achieve remarkable success after one year. At present, local economy is already on the path of recovery, the grumbling and grievances in society have been reduced, and the public have more confidence in the economic prospects. 1 July this year is no longer the same 1 July last year. At the present moment, what Hong Kong needs are: seeking common ground on major issues while leaving aside minor differences, being united and working in concert, focusing our efforts on developing the economy and improving people's livelihood. At the same time, on the basis of the decision made by the National People's Congress, we should try to reach a consensus and discuss rationally on the option of constitutional reform which is in compliance to the actual situations of Hong Kong and is acceptable to all levels of society. Further appeal to the public for taking to the streets will only aggravate the division and contradiction in society, affect the

stability of society, while the opportunities of reviving the economy and improving people's livelihood will easily be missed.

Madam President, after 1 July last year, the Central Authorities were highly concerned about the problems of Hong Kong and have taken a series of measures to greatly safeguard the stability of Hong Kong. Since late August last year, leaders of the country and the related departments of the Central Authorities have direct exchanges with different strata of the Hong Kong society. They widely listen to the views of Hong Kong people, assist the SAR Government in soothing the emotions in society. The Central Authorities have adopted a series of measures to support the recovery of the Hong Kong economy, which include relaxing restrictions on individual visits of mainlanders to Hong Kong and raising the ceiling on the amount of money carried by them, signing the Mainland/Hong Kong Closer Economic Partnership Arrangement, strengthening the division of work and co-ordination between Hong Kong and Guangzhou, construction of the Western Corridor and Hong Kong-Zhuhai-Macao Bridge, considering the setting up of an off-shore Renminbi centre in Hong Kong, studying the QDII scheme actively, promoting the co-operation and development of the Pan-Pearl River Delta Region and so on. All these help to boost the confidence of the Hong Kong society greatly and revive the Hong Kong economy.

Under the support of the Central Authorities and the efforts of the SAR Government, there are conspicuous signs of revival for the Hong Kong economy. We see restored activities in the property market and the stock market, reduced number of negative asset owners, gradual downward adjustment in the unemployment rate, deflation being slackened, and the Consumer Confidence Index has already risen to the second highest level over the past six years. The consumption-based internal economy accounts for 60% of the Gross Domestic Product (GDP) of Hong Kong. And at present, the ratio of internal economy to the GDP of Hong Kong has already exceeded that to foreign trade. This means that the state of the Hong Kong economy, of being warm outside and cold inside, is reversed. And now the economy is warming up both in and out. This is a realization of the revival of economy being fortified and strengthened. Since this kind of desirable situation is hard to come by, we have to treasure it. Only if we are really working for the good of Hong Kong, we should "help each other in seeking development, and be united to work for our prosperity", instead of further appealing to the public for taking to the streets, thus rendering our society widely politicized once again.

Madam President, in terms of constitutional development, the release of the third report by the Constitutional Development Task Force marked the new stage of constitutional development entering into the discussion of specific options. It will only be beneficial to constitutional development if there is rational and pragmatic in-depth discussion on the area of constitutional reform proposed in the report, with the focus on the specific options concerning the elections in 2007 and 08. In order to study the reform options on the three principles of complying to the actual situation, application in a gradual and orderly way, and balanced participation, we need to do away with any contention, ironing out differences and put away all preconceived ideas. We should try to build up a consensus through seeking common ground on major issues while leaving aside minor differences and be mutually accommodating.

At present, sincere dialogue should replace vigorous attacks, while pragmatic and rational discussion should take the place of emotional struggle. Only if we are working for the good of Hong Kong, regard the long-term interests of Hong Kong and the well-being of the public as the basis, take universal suffrage as the ultimate goal of our democratization process, we can make good use of opportunities in front of us for promoting constitutional development. When we draw on collective wisdom and absorb all useful ideas, we will be able to map out the best specific option which can accommodate various interests and wishes of the community.

Madam President, these are my remarks.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, last year, Mr LEE Cheuk-yan also raised a similar motion in this Council. This year, the motion includes three main points: first, to strive for universal suffrage; second, to defend the core values of Hong Kong; and third, to enhance the determination of improving the governance of the Government and people's livelihood.

In regard to striving for universal suffrage, on 26 April, the Standing Committee of the National People's Congress (NPCSC), already made a decision on the electoral arrangements in 2007 and 08. Although many Hong Kong people were disappointed with the NPCSC's decision — of course, including me, we have to be practical. We should examine the prospect of the constitutional development of Hong Kong in a rational and pragmatic way. Citing from the analysis of an academic made recently, facing this decision of the Central

Authorities, Hong Kong people only have two choices: first, to carry out a revolution and overturn the Central Government by force; second, to carry out a reform, expanding the democratic composition under a feasible framework so that universal suffrage can be implemented as early as possible. I personally believe that although most of the Hong Kong people have grievances, they will still opt for carrying out a reform. In a rational and pragmatic manner, they can analyse the shortcomings of the present governance of the Government and then propose to carry out corresponding reform. After building up the greatest consensus from various strata of society, it is hoped that the ultimate goal of implementing universal suffrage in the Chief Executive election and the Legislative Council election can be achieved as early as possible.

On 19 May, during the debate of this Council on "Regretting the decision of the NPCSC to rule out universal suffrage in the years 2007 and 2008", I pointed out that the starting point of carrying out a constitutional reform should be to review the weaknesses of the system in the first place. After that, we should examine whether the reform proposed is well focused. Otherwise, it will be tantamount to trying all kinds of medicines without knowing their effectiveness. However, no matter what kind of reform measures the Government is going to carry out to strengthen the accountability of its governance, during each constitutional review, universal suffrage in the Chief Executive election and the Legislative Council election should be one of the options. In that case, the public can discuss whether it is the appropriate time for implementing universal suffrage. This, in turn, can help build up the greatest consensus of society for carrying out the reform, until universal suffrage in the Chief Executive election and the Legislative Council election can truly be implemented. This is the ultimate goal that cannot be abandoned.

Next, in regard to defending the core values of Hong Kong, I notice that 294 academics and professionals from different occupations published a joint declaration this Monday, openly defending the core values of Hong Kong. These core values include: liberty and democracy, human rights and the rule of law, love and peace, integrity and transparency, plurality and accommodating, respect for individuals, upholding professionalism. Madam President, for these values which are internationally and widely accepted recently, I believe that not many people will object to them. Some people may want to add in certain moral values like perseverance and hardworking which are more acceptable to the older generation. Nevertheless, when these moral values are being placed in the actual society, different social groups will have different judgement. And

it is not surprising that the seven core values mentioned above may even be mutually exclusive.

Take the debate in this Chamber as an example. Every time when we discuss the topic of democratic election, Members elected through functional constituencies would be immediately labelled as "having political free lunch". How can individuals seen to be respected? Every time when we discuss any topic on people's livelihood, such as regular maintenance of buildings or review on the rental policy of public housing, professionals would be derided as defending for the interests of their respective sectors. How can plurality and accommodating be found?

Madam President, as a professional brought up in a grass-roots family, like other middle-class people, I am also very concerned about the education of the younger generation. In recent years, the education sector has been advocating "happy learning", encouraging to conduct less examinations and reciting, so that students can search for knowledge themselves through "activity learning". Recently, the Government has released an announcement of public interest (API) on education and the theme is "learning is more than scoring". Actually, this kind of advertisement is quite common. After a period of time, it will be replaced by another API of another theme. However, a member upholding the core values of Hong Kong wrote a passage on the Internet, and I quote: "However, for the Hong Kong community to work with 'one heart' and to strive for a greater consensus on the education reform, we have to establish a new set of core values first. Let us use 'learning is more than scoring' as an example. This has given rise to the 'core' argument on core values. After the release of this API, parents are very shocked: How can students ignore the scoring place in examinations when pursuing their studies? How can they not be concerned about scores when learning? .....This has given a wrong message to the young indeed." (end of quote) This has suddenly overturn the concept and consensus so strenuously built up over the past few years.

Madam President, professionals always have diverse views on public affairs. It is not surprising that 10 lawyers may have 11 views towards the same issue. However, we will have an appropriate forum for us to have rational communications and discussion in order to seek a closer consensus, while professional bodies can always provide platforms for reasonable discussions. Therefore, in the policy address this year, the Chief Executive said that more emphasis would be placed on the views of the middle class and would appoint

more professionals to the advisory bodies of the Government. I suggest that when the Government considers the appointment, the candidates should be nominated by the professional bodies and institutes, so that the persons appointed would be accountable to their respective bodies and institutes, thus bringing the professional voices of these institutes into the advisory framework. At the end of April this year, when the Government appointed members to the Harbour-front Enhancement Committee, it accepted this advice by appointing a number of representatives from the institutes of construction industry to that Committee. In the past, reclamation project is a very controversial topic in the community. Since the appointment of some representatives from professional institutes, voices of argument seem to be minimized. We can see that voices of professional sectors are being respected. This can reduce unnecessary suspicion and can help building up consensus. We can thus see that since the march on 1 July last year, the Government of the Special Administrative Region has made some improvement in this aspect indeed, and this should be acknowledged.

Madam President, as in last year, I respect the legal right of Hong Kong people in assembly and taking to the streets, no matter the number of people is 50 000, 500 000 or a million. However, since I do not agree with the content of Mr LEE Cheuk-yan's motion, I will not support the appeal, made in the name of the Legislative Council, to the public for participating in this march. I so submit.

**MISS MARGARET NG:** Madam President, I would like to join my colleagues in urging Hong Kong people to take part in the march for democracy on 1st July. In this way, we can stand together and demonstrate our conviction and commitment to democracy in Hong Kong, in an open, peaceful and dignified manner.

Peaceful demonstration is our right; universal suffrage is a goal recognized by all rational people. Yet, the most cynical motives are attributed to those who choose to exercise their rights in Hong Kong today. We should not allow these voices to deter us. More than ever, this is an important moment to stand up and be counted. Following the march of half a million last July, a campaign has been mounted to play down its significance. It is said that there were many motives behind that march: most people marched because they were fed up with the economy, and the demand for democracy was that of only a minority. We can show the world how far this is from the truth.



There are those who blame the demonstration last July for Beijing's decision to take a hard-line policy against Hong Kong. This is attacking those who are bullied instead of stopping the bullies. It is not only unfair and unreasonable, but also, it sides with force and power and applauds injustice. If we are cowered into silence, we would only encourage further suppression. Does anybody really believe that Hong Kong will be given democracy on a plate if only we would stop demanding for it?

People are watching the numbers, ready to announce that the smaller turnout shows that Hong Kong people no longer want universal suffrage for 2007 and 2008, now that Beijing has prohibited it pre-emptively.

Madam President, Beijing's veto may mean that universal suffrage is no longer achievable for 2007 and 2008. After all, Beijing has the final say. But it does not mean that it is no longer the desire of the people of Hong Kong. By marching on 1st July, we will prove in the most visible way that universal suffrage remains our hope and our desire, and we remain convinced that Hong Kong is ready for it in 2007 and 2008. We should be prepared to stand up against injustice and unfairness, and for the core values of Hong Kong which is our home.

Numbers do matter. We must not allow anyone to think that we only have to be intimidated to back down from what we consider to be right for Hong Kong and its people.

With these words, I support the motion.

**MS MIRIAM LAU** (in Cantonese): Madam President, Mr LEE Cheuk-yan obviously had in mind the rally of the largest scale since the establishment of the SAR on 1 July 2003, which aroused the concern of the SAR Government, the Central Authorities and the world, when he moved this motion. The massive rally on 1 July last year was one in which members of the Hong Kong public took part spontaneously to express their discontent with the various blunders made by the SAR Government in its governance. Although there were as many as 500 000 people in the rally, the rally was orderly and it fully demonstrated the rational nature of Hong Kong people as well as the fact that the Hong Kong society is free.

I believe Members of various parties and factions in the Legislative Council all have respect for the views expressed and actions taken by the general public on 1 July last year. The Legislative Council is part of the constitutional framework of the SAR and this incident is a wake-up call to all Legislative Council Members.

Concerning the need for the Legislative Council to defend Hong Kong's core values, we should of course urge the Government to defend the freedom of the press and of speech as well as other core values, but we should also take greater initiative and set examples in communication and social harmony in view of the polarization in society arising as a result of the controversy over constitutional development, so as to avoid taking society to different extremes. So long as we can work for the common good with concerted effort, there will be high hopes of finding a way forward for the total democratization of the political system. What we have to avoid is a situation of "you lose all and I win all". We Hong Kong people are flexible, creative and attach great importance to the spirit of negotiation. It is important to consider how this spirit can be reflected in the Legislative Council. In particular, regarding the constitutional development in 2007 and 2008 and thereafter, if we want to fight for the earliest, stable and gradual timetable for a definite constitutional development, so as to turn universal suffrage into a reality, then we have to reflect the views of all parties among the general public, monitor the SAR Government and lobby the Central Authorities. The endeavours made by the three parties are all indispensable. It is obvious how difficult and immense our responsibilities are, furthermore, our unstinting co-operation is a responsibility that cannot be shunned away from.

We in the Liberal Party also support the quest for universal suffrage, however, we also hope that all parties and factions in the Legislative Council can take an overall and macro perspective in achieving the conditions ripe for universal suffrage. We have to strive to groom large numbers of quality political talents, to forge a harmonious co-operative relationship between the executive and the legislature, political parties have to come up with ideas on governance and adopt a pragmatic attitude, and as far as members of the public are concerned, they have to raise their political awareness, and have the courage to support, trust and join political parties, while actively taking part in public affairs. If the work in these areas can be accomplished in the next few years, then universal suffrage will naturally fall into place after 2007 and 2008.

This time around, the motion moved by Mr LEE Cheuk-yan calls on the Legislative Council to appeal to the general public of Hong Kong to demonstrate the people's power "once again" on 1 July this year. The "last occasion" he has in mind is the rally held last year, and by "once again", he is also talking about marches and protests.

In fact, ever since the reunification, groups and members of the public always celebrate on every 1 July whereas other social groups and members of the public would hold demonstrations. This is an indication of the diverse opinions and the freedom of speech in our society and speaks volumes about "getting along harmoniously in spite of disagreements". Taking part in marches and protests is the right of the public and what is more, we should respect the spontaneity of the public in exercising this right. If the general public want to exercise this spontaneous right of their own accord, be it on 1 July or other days, why would it be necessary for the Legislative Council to make an appeal, offer supervision and organization?

In view of the polarized and distrustful atmosphere as a result of the controversy over the constitution in society, the Legislative Council should actively alleviate the tension in society and lead it towards a consensus on constitutional development. Would this not be more meaningful than appeal to members of the public to take part in marches and protests?

The Liberal Party steadfastly supports the quest for universal suffrage in a step-by-step manner without delay. It also supports the defence of the core values of Hong Kong people to act freely and spontaneously. It also wants to, in co-operation with other political parties and independent Members, compel the Government to improve governance and people's livelihood. We find it hard to believe that it is the responsibility of the Legislative Council to appeal to, organize and direct Members of the public to achieve the demands by means of marches and protests. We in the Legislative Council should attach importance to the various demands of the public and respond to them positively and constructively, as well as making concerted efforts to represent members of the public in the legislature, co-operate with each other and make the greatest efforts. Only in this way will we live up to the expectations of voters.

With these remarks, Madam President, the Liberal Party will abstain from voting on the motion.

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

**MR ANDREW WONG** (in Cantonese): Madam President, I speak in support of Mr LEE Cheuk-yan's motion. Madam President, I believe you are aware that lately (starting from March), I have been chatting with people on ICQ on the Internet every Monday. The topics discussed invariably revolve around politics, constitutional reform, and so on. I wish to read out some of the discussions for the record and from them my views on constitutional reform can be gleaned.

On 10 May, someone called Ah Shun asked me, "What are your views on the decisions made by the NPCSC? I am a bit disappointed." I replied, "I believe the decisions made by the NPCSC are unwise. The decisions of the NPCSC that the Chief Executive and the Legislative Council will not be elected by universal suffrage in 2007 and 2008 respectively and the proportion of seats returned by universal suffrage and by functional constituencies in the Legislative Council should remain at 50:50 are extremely conservative and do not respect the political maturity of Hong Kong people. This is disappointing."

I also want to read out another message from a friend called Ah Suet which came on 24 May, "In fact, I very much want to know why we Hong Kong people cannot be given greater say over constitutional reform and why is it that when the NPC said we were not allowed to have universal suffrage, we have to oblige? Is it really true that Hong Kong people cannot even have a little scope in deciding for or against anything?" I replied, "In theory, we have the scope, but legally speaking, we do not. This is because the power to make the final interpretation on any Chinese law rests with the NPCSC, in the hands of the Central Authorities." Ah Suet said, "What? Does that mean Hong Kong people always have to do the biddings of China, that is, we can only listen and obey, and the freedom of speech is only for show?" My reply was, "Although naked power can often overcome truth, it can never replace the truth. Truth exists only by insisting on it, by expounding on it with justifications and insisting on the freedom of speech."

On 31 May, a friend called KIAN the Second asked me, "What are your hopes for Hong Kong's political future? I feel very helpless because young people nowadays are really immature, and I also lament the lacking in real political talents in Hong Kong." To him I replied, "Universal suffrage for the Legislative Council should have been implemented ages ago, however, the

number of seats returned by universal suffrage cannot be increased between now and 2008, and this is really disappointing. My hope is that in view of the decisions made by the NPCSC, we still have to lobby with our justifications, however, in lobbying, we still have to emphasize communication and not struggles. Of course, we have to hope that the Central Authorities will trust Hong Kong people and communicate with us. It was already a big failure for Head of the United Front Work Department to come to Hong Kong without meeting people from the pro-democracy camp. Here I hope the Central Authorities can make amends as it is still not too late to hold peaceful dialogues with people from the pro-democracy camp. I have already written to Mr ZHU Yucheng, Chairman of the Institute of Hong Kong and Macao Affairs of the State Council in my capacity as the Chairman of the Panel on Constitutional Affairs to invite him to exchange views on constitutional reform with my Panel, which includes Members of the pro-democracy camp, and hope that he can make an arrangement as soon as possible."

This Monday, that is, on 7 June, a friend called Ah Man asked me, "Do you think that democracy in Hong Kong will disappear in the course of time? This is because some celebrated radio talk show hosts have already gone off the air, probably because of political pressure." To him I replied, "Going off the air is related to the issue of freedom. Regarding democracy, Hong Kong has not yet achieved it and the incident of going off the air may have undesirable effects on establishing democracy." Ah Man asked further, "Why was democracy not established in Hong Kong? What has to be done to establish democracy in Hong Kong?" I answered, "In a so-called democratic political system, the main thing is to have the legislature elected by universal suffrage or have a legislature in which the majority of members are elected by universal suffrage. The NPCSC has now decided that in 2008, things will stay put and only half of the seats will be returned by universal suffrage. This is disappointing. The NPC and its Standing Committee are the highest organs of power. Although we have no power to overturn their decisions, we should still lobby with our justifications and convey to them the actual situation and issues in Hong Kong to illustrate that we are in dire need for a democratic political system. We still have to communicate with the Central Authorities, emphasize that mutual trust between the Central Authorities and local governments is necessary in order to give a new lease of life to democracy as well as to Hong Kong."

Madam President, the point I want to make by saying all these is that if one does not speak with a view to raising eyebrows, probably no newspaper will give

coverage to what he says, but I have always been a matter-of-fact person. I believe there is a need to communicate, but I have to point out that the issue now is probably that the Central Authorities have no trust for Hong Kong people rather than the reverse. This is precisely the core of the problem.

Concerning matters such as 4 June or 1 July, a lot of my friends asked me, as did people in ICQ chats, whether I would take part in the rally. My answer was that I had never taken part in any of them, not on 21 May 1989 nor on 4 June, because that was not my style. However, I neither object to them, nor will I dissuade people from taking part. The most important thing is that these marches and protests have to be held peacefully.

Recently, in a forum for secondary school students attended by Ms Emily LAU and I, I said on that day, "This is precisely my style. However, in spite of this, this year I am considering if I should change my style and my usual practice to take part in the rally on 1 July this year. I am still thinking about this but hope that this will not become a reality." My speech may sound odd because this has always been my way of speaking, nevertheless, I still support Mr LEE Cheuk-yan's motion. Frankly speaking, I am still thinking over this matter and I consider this to be very important.

I fully agree with every word that Mr LAU Chin-shek has said. I believe it is now time for the Central Authorities to trust Hong Kong people. I believe that now we have to adopt a rational attitude which is trustful of the way that the Central Authorities handle matters in the hope that the Central Authorities will also trust us. Only in this way can wounds be healed and a new lease of life be given to Hong Kong.

With these remarks, Madam President, I support the motion on the 1 July march moved by Mr LEE Cheuk-yan. Thank you, Madam President.

**MR TAM YIU-CHUNG** (in Cantonese): Madam President, Hong Kong is a pluralistic society. It is normal to find different political demands among the general public. As responsible persons having a part in public affairs, we should respect these divergent views but should not instigate any antagonism, still less should we try to incite the public and seek popularity by doing or saying anything sensational, exaggerating the facts or creating panic. We must be pragmatic when handling any conflict in society, have mutual respect and discuss

issues together in a cordial and harmonious manner. Otherwise, in the final analysis, Hong Kong society will be the one to suffer. Only through rational behaviour, dialogue and tolerance can harmony and stability prevail in Hong Kong society.

At present, fostering the economic development and improving the livelihood of Hong Kong people are the foremost tasks for the SAR Government and also essential measures in promoting the development of Hong Kong. The SAR Government must make vigorous efforts to achieve good governance, enhance accountability and keep abreast with the times. Only in these ways can its administration be improved and the living standard of the people raised. At present, Hong Kong is undergoing economic restructuring as well as industrial structure adjustment and the unemployment rate is high. Grass-roots members of the public are still having problems in finding employment and wages are decreasing. In order to solve these problems, a stable social environment is called for to promote rapid economic recovery and create more employment opportunities. Recently, rating agencies and the magazine *The Economist* have expressed concern about the intention of the opposition camp to paralyze the Government. It can be seen that the stability of Hong Kong society has aroused international concern. Therefore, anybody in Hong Kong who loves Hong Kong ardently and wishes to see Hong Kong prosper will definitely not wish to see anyone jeopardizing the stability of Hong Kong. The DAB has recently launched a publicity campaign that has as its slogan "破壞容易，珍惜建設" (It is easy to destroy. Let's cherish and build.)

What Hong Kong needs is passion in reviving the economy, not sentimentalism; the affection of living together in peace and harmony, not sensationalism. Only with mutual respect, rationality and tolerance, and concerted efforts, as well as by giving Hong Kong a boost from our different positions will Hong Kong have a better tomorrow.

With these remarks, I oppose the motion.

**MR FREDERICK FUNG** (in Cantonese): Madam President, it was in the '70s when I started to work in society. In those years, Hong Kong was governed by the British colonial Government. Basically, there was not any formal or legal channel for Hong Kong people to express or convey their views directly to policy-makers.

In order to strive to bring improvements to one's living conditions and to social issues, many pressure groups came into existence in the '70s. There were pressure groups concerned with housing, with education or with health care. In those years, I worked for one of these pressure groups. Since members of the public who had grievances had no course for redress for them, these pressure groups, through various means such as holding press conferences, residents' meetings, petitions, marches and sit-ins, relayed the problems and made suggestions to the Administration, in the hope of causing policy-makers to listen to their views, take their views on board and improve their livelihood. Therefore, during the earlier days, the colonial government treated actions such as rallies and petitions as though it were confronting a great menace. A lot of plain-clothes officers would follow some of the organizers and uniformed officers would accompany the marching procession, while the purpose of following these people was not to maintain order but to arrest those found to have breached the law.

In the course of more than 30 years, rallies and petitions have actually developed into ways of expression accepted by the Government and the Hong Kong public. Rallies and petitions are part of the culture of the Hong Kong public and have become a fundamental and important means by which they seek to make improvements to issues relevant to their interests and to social issues. During this period, social actions or rallies were characterized by the following features: firstly, most of the participants share the same interests or their interests were compromised in areas such as housing, labour rights or education; secondly, most of the participants were mobilized, either by people among themselves or were assisted by some social workers. They were mobilized by groups the members of which had their interests compromised or by lobby groups to express their views through social actions or marches. Thirdly, apart from those relating to the 4 June incident (I do not classify the 4 June incident as the social incidents of those years), the number of people taking part in most of these rallies can range from several persons to over 10 000 persons. Fourthly, the situation has evolved from one in which participants did not know how to make applications, in which there was no legislation regulating such actions and participants had great difficulty in applying for permission to hold legal marches to one in which there is clear legislation permitting Hong Kong people to express themselves in these ways. More and more people have taken part in marches according to the law, including making applications to the police and arranging their own marshals to maintain order. The fifth characteristic is that the great majority of rallies are held legally and peacefully without the emergence of any violent incident.



How did the 1 July rally last year depart from these characteristics? Madam President, I think there are some differences. The march by over 500 000 people on 1 July is clearly different in the following ways: firstly, their concern was either the dissatisfaction with the governance of the SAR Government or opposition to the legislation under Article 23 of the Basic Law. Although some of the discontent was directed towards various policies, in the final analysis, it can be traced to the desire for the right to elect our own Chief Executive and Legislative Council Members to represent us in the policy-making process, in the implementation of government policies and in the governance of Hong Kong. As a matter of fact, the demands have elevated from those on social policies and social issues to political ones, and this political demand has transcended the material or personal interests that pressure groups in the '70s lobbied for.

Secondly, an overwhelming majority of participants took part voluntarily and spontaneously. Those who were mobilized by groups, be it pressure groups, political parties or residents' groups, in fact accounted for only a very small number.

Thirdly, the number of people is innumerable and 500 000 is in fact merely an estimate. I can only say that there were many, many, many Hong Kong people.

Fourthly, no unpleasant incident emerged during the march. Despite the large number of people who took part, the participants could still uphold the culture characterizing rallies over many years, that is, peacefulness, rationality and sanity.

The march on 1 July differed from those in the past and has conveyed several important messages. Firstly, different people, no matter from whatever walk of life, by taking part voluntarily, have elevated their demands to a political one. This is something that was not achieved in any rally in the past. Since the political demand is so clear, I think the Government should be able to hear it, including the SAR Government and the Central Government.

Secondly, although this can be described as a demand made by some 500 000 people, if the relatives and friends of these 500 000 people, the coverage in society and the positive evaluation of the rally are also taken into account, the influence of the rally is very great. I can even say that the great majority of Hong Kong people basically agree with the political demands made in the march.

After making the political demands, how did the SAR Government respond? How then did the Central Government respond? What we saw was the implementation of a series of economic policies or strategies aimed at improving the Hong Kong economy, for example, CEPA, the Hong Kong-Macao-Zhuhai Bridge and other policies. However, what are the responses to the political demands? They were the reinterpretation of the Basic Law and the decisions of 26 April. Economically, Hong Kong people were given greater scope, but politically, it can be said that the demands made on 1 July have been repressed.

Madam President, in this way, no response whatsoever was made to the demands raised on 1 July. I do not think Hong Kong people would find this acceptable or think that the demands can be met by economic means. To face up to the problem, it has nothing to do with confrontation or communication, but rather, whether the people who govern, who are in power, and who are in the relevant positions are truly willing to face up to the demands made by the public. If the SAR Government is unwilling to face up to them, nor is the Central Government, then this will only make the 1 July rally go on year after year and become another 4 June rally.

Madam President, I hope the SAR Government can hear what we have said.

Thank you, Madam President.

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

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, I have an ardent love for democracy, for Hong Kong and for my country. Human rights, freedom, the rule of law, justice, equality, integrity and democracy are Hong Kong's core values. They are also values that I am trying my utmost to uphold in my political career. On 1 July last year, I took part in the rally. On 1 July this year, my family and I will continue to take part in it. The message that we want to convey is very simple: a democratic Hong Kong is beneficial to both Hong Kong and the country. Democracy does not mean confronting China. China is also developing into a democracy. The Chinese Government has also said that some people could get rich first. By the same token, the pace of democracy

on Chinese soil can be different. Hong Kong, which is on Chinese soil, is more mature in many areas, such as in the economy and in educational level, therefore, it is a place very suitable for practising democracy. This is also in line with the principle of "one country, two systems" and the stipulations of the Basic Law.

Recently, many people said that the Central Government did not trust Hong Kong people. Actually, I feel that this can be attributed to the aberrations in the Central Government's understanding of Hong Kong or of some values and concepts of Hong Kong people. If we look from another perspective, Hong Kong people were all receivers of British colonial education in the past century. Frankly, we have a rather low awareness of our country and we may not be able to understand the point of view of the Central Authorities. We may not be able to appreciate the difficulties that the country is facing as it is charged with the responsibilities of a big family with 1.3 billion people. Communications should be bilateral, without any pre-condition laid down for communications or asking the other party to give up certain principles first. Communications should be predicated on mutual respect for each other's differences. The differences can then be gradually identified and a way forward beneficial to the long-term interests of Hong Kong and China can then be sought.

Have the disputes over the constitution in the past months caused any political turmoil? Any claim to this effect is rather exaggerated. Frankly speaking, before 1997, Hong Kong people squabbled daily, so much so that even the stock market was inured to this. The problem that emerged after 1997 is that there have been many administrative blunders. Hong Kong people, apart from feeling tired of the controversies, are becoming inured to them. To put it a little more colloquially, Hong Kong people are no longer skittish and are not longer too worried about anything. The most important thing is to find a solution to this impasse and to solve this problem of how to find a way forward. Does ruling out universal suffrage for the 2007 and 2008 elections through the reinterpretation of the Basic Law mean that the problem has been solved? Quite on the contrary, it has not. Frankly speaking, in a fully democratic society, the issues that people discuss all revolve around the economy. In many countries, people will deal with issues of governance and administration first after democracy has been established. As some colleagues have said a moment ago, attention would then return to how economic issues should be tackled.

It is precisely because of the presence of this issue on democracy that many people who have taken part in public affairs have focused their efforts on

dealing with the development of the political system and neglected issues of economic development. We may disagree on whether we should first deal with economic development or the issues of democracy, however, insofar as Hong Kong people are concerned, many of them are dissatisfied with the governance in the past seven years because the standard of governance is indeed poor. Moreover, the Government was not chosen by me, and I am not given the right to do so. No matter if it has done a good or poor job, all I can do is to complain, and for those who are angry, to rail against it. This is not a healthy trend. Hong Kong people can only stand united and hold a rally to show their love for Hong Kong, for democracy and for their country, as well as telling people in the world and our country clearly about our requests. We understand and in particular, we also wish our country to understand that our rally is not intended to confront China. We have only wanted to express a small request. With these remarks, I support Mr LEE Cheuk-yan's motion.

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

**MR ALBERT HO** (in Cantonese): Madam President, in any country or any region, it is a righteous thing for people to resort to peaceful, rational and orderly demonstrations to express their demands. Last year, on 1 July, half a million of Hong Kong people, braving the blazing sun and withstanding shimmering heat at a temperature of 33 degree Celsius, completed this historic march in almost six hours. During the march, not a tiny stone was thrown, not a piece of glass was broken, and not a vehicle was overturned. No petrol bomb was thrown and not a single policeman maintaining order was being pushed. In fact, the people of Hong Kong should be proud of this; so should the Chinese people. This is not what we Hong Kong people have claimed but acclaimed by comments from all over the world. This is indicative of the good quality of Hong Kong people. In fact, if this is a government belonging to the people, it should likewise feel proud. Only a government that departs from or goes against the people should find itself in fear and repugnance.

At present, one of the objectives of the 1 July march is to demand for the return of power to the people. This is exactly the reason why organizers of the march come under attack, and some even made allegations that we were promoting independence. However, history speaks for itself. In the past 20 years, the democratic camp in Hong Kong had been striving for political democratization incessantly. By the "power" which we demanded to be

returned to the people, we mean the administrative power on public affairs. To be specific, to demand for the return of power to the people is to request for the return of administrative power. This is the original meaning of democratization.

Democratization in Hong Kong, in the legal context, may not necessarily be interpreted as a process that involves a change in our constitutional status. Democratization in Hong Kong means the return of power to the people within the scope of Hong Kong's power of autonomy enshrined in the Basic Law. This has entirely nothing to do with promoting independence or semi-independence. Hence, really, I do not wish to see that in future the demand for return of power to the people expressed in the march on 1 July besmeared as exaggeratedly as can be.

We are not using the 1 July March to challenge the Central Authorities, to provoke political conflicts or to create social division. This was not so last year and will not be so in the years to come. Again, we have to state it clearly. When taking to the streets, people have to adopt a peaceful and rational manner in expressing their aspirations, including those of their demand for democratization, improvement of people's livelihood and governance, and the upholding of our core values. In this political deadlock, let us air our grievances today. The 1 July march in Hong Kong will once again manifest the sincerity of the people of Hong Kong in pursuing their ideals and striving for new hopes, and such a pure and dignified heart is few and far between.

The 1 July march is a manifestation and demonstration of the spirit of Hong Kong we often mentioned, the spirit of not braving failures, not backing off and not giving up. If we have ideals, we should strive for our ideals incessantly. In places outside Hong Kong, many consider Hong Kong a very materialistic city, a cultural desert which have no cultural ideals. The march has exactly brushed off this impression. We did not take part in the march out of any quest for interests; we took to the streets to the dignified pursuit of our ideals. Only when the core values we are striving for are upheld and safeguarded then our economy can genuinely flourish. We are looking for a free, open and advanced society, and an economic system that really offers a level playing field. Only under these circumstances can development in Hong Kong be sustainable in the long term.

Madam President, our aim to uphold our core values in the 1 July march is evergreen and remains true all the time. In a backward and enclosed society

where there is no democracy, we must fight to uphold the values of our people. But in an open and advanced democratic society, we still have to hold on to and foster these values, for these values may be eroded and dwindled by many other factors.

Thus, I hope that the people of Hong Kong will take part in the coming march on 1 July with such a heart and from this perspective. I also urge Mr Andrew WONG to hesitate no more. I look forward to seeing you on 1 July. I also urge Members from the Democratic Alliance for Betterment of Hong Kong and the Hong Kong Progressive Alliance, as well as other colleagues to be more far-sighted and open-minded to take part in this march of the people of Hong Kong, so that they may truly feel the heart, the passion, hopes and ideals of Hong Kong people. I hope that one day, when democracy is established in Hong Kong, our march will be celebrating the anniversary of the reunification concurrently. By then, the hue and cry of protesting slogans will be replaced by harmonic and majestic music and songs. I hope that day will come.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

**SECRETARY FOR CONSTITUTIONAL AFFAIRS** (in Cantonese): Madam President, Mr LEE Cheuk-yan's motion mentioned about the core values of Hong Kong. A few days ago, a group of people coming from different sectors issued a joint declaration, stating the determination to defend the core values of Hong Kong.

To us, the core values of Hong Kong include an accountable, professional and transparent public administration system, a sound legal system, various kinds of freedom that Hong Kong treasures (including freedom of speech and freedom of the press), a fair and clean election system, and an impartial Judiciary which upholds human rights.

We also have to promote the democratic development of Hong Kong according to the Basic Law. For the above, they have been discussed by

Members time and again over the past years and mentioned many times in this debate.

These are not only the cornerstones upon which the success of Hong Kong relies on, but are also the mainstream values which the Hong Kong people generally recognize. Without these core values, Hong Kong will no longer be the same Hong Kong which is free and open, vibrant, fair and caring that we know so well.

Recently, there are some incidents in Hong Kong which made some people feel that these core values might be eroded. Over the past few weeks and on different occasions, the Chief Executive and some principal officials already stated the position of the Government of the Special Administrative Region (SAR).

Here, I can reiterate the point of view of the SAR Government affirmatively to Members. These core values are the achievements of the Government and members of the public through our concerted efforts and hard work all these years. They also form the important foundation for promoting the future development of Hong Kong.

We deeply understand that these achievements are not easy to come by. Therefore, same as all members of the public who regard Hong Kong as their home, officials of the SAR Government treasure very much and attach high importance to these core values. We will try our very best to make sure that they are intact and not to be shaken.

Madam President, in regard to the issue of freedom of speech, recently, three radio talk show hosts went off the air one after the other, to the concern of the public. Freedom of speech in Hong Kong is one of the civil rights safeguarded by the Basic Law. And the hosts of and callers to the radio phone-in programmes can continue to express their views freely through the airwaves.

Although three talk show hosts have departed, there is a group of new programme hosts taking over the talk shows. And every day, my colleagues in the Government continue to answer their questions and explain the position of the Government. Freedom of speech still exists soundly in Hong Kong.

Not long ago, the Chief Executive has made an enquiry of the related departments of the Central Authorities, and the Central Authorities guaranteed that they would fully support the SAR Government to take any actions according to the law to defend freedom of speech and freedom of the press in Hong Kong.

Besides, colleagues in the police have also made contact with the three talk show hosts and have commenced investigation into the incident. The police will not let go any clue. If the media coverage or other information show that someone can provide further data or evidence which is helpful in investigating the case, the police will contact the persons concerned one by one.

Madam President, freedom of speech and freedom of the press are the life lines of Hong Kong. We cannot imagine what Hong Kong will look like without freedom of speech and freedom of the press.

Although the Government is unable to totally accept every criticism that the Hong Kong media made on us, we will try our very best to defend freedom of expression, and to maintain the special nature of Hong Kong as a liberal, open and pluralistic society. The SAR Government will never forsake freedom of speech.

Madam President, rule of law can ensure political and economic stability of the Hong Kong society. This is an indispensable element and is one of the most precious assets of Hong Kong.

Under "one country, two systems", one of the most prominent difference between the Mainland and Hong Kong is that the legal systems between the two places are not the same. And also because of the difference between the two legal systems, we need a period of time to grind in so that we can co-ordinate much better.

After reunification, Hong Kong was given the Basic Law, which now becomes the statutory constitution of the SAR. This has brought substantial changes to the legal system of Hong Kong, and this kind of changes is the natural result of our country resuming the exercise of sovereignty over Hong Kong. The constitutional system has to be changed so that Hong Kong can live up to its legal status after reunification.



Under the new constitutional arrangement, the Standing Committee of the National People's Congress (NPCSC) possesses the right to interpret the Basic Law, while the Court of Final Appeal (CFA) of Hong Kong has the power of final adjudication over local court cases. This constitutional arrangement is completely appropriate, and has also catered for the special conditions of Hong Kong.

To the Hong Kong society and people who are already accustomed to the common law, the mainland system of having the laws interpreted by the legislature is new to us. It is because under the common law system, the Courts and the legislature work in co-operation with a due division of work, and only the Courts can explain laws.

However, Hong Kong has now been returned. On the interpretation of the Basic Law, the NPCSC has its constitutional status and role, and this is part of our constitutional system. In April, the NPCSC made an interpretation on the Annexes to the Basic Law. This helps in our clarifying and dealing with some procedural matters relating to the amendment to the method of election, and also facilitates us in pushing forward the work on constitutional development.

After reunification, the CFA and Courts of the SAR have been, according to the power given by the Basic Law, interpreting the related provisions of the Basic Law when dealing with cases. For example, the Courts of Hong Kong have handled the legal status of the Provisional Legislative Council, and have also dealt with the identity and rights of overseas civil servants, as well as matters relating to regional flag and emblem. These further prove that the legal system of Hong Kong is running effectively every day.

Since reunification, the Courts and the Judiciary of Hong Kong have dealt with 1 900 judicial review cases. This goes to show that before the law, the SAR Government and the public of Hong Kong are completely equal, and the position of the SAR Government can be challenged in court according to law. The legal system in Hong Kong is still sound.

Madam President, what I want to mention next is our election system. Although universal suffrage is yet to be implemented in Hong Kong, we have a fair, open and clean election system which all Hong Kong people would be proud

of. The SAR Government will definitely not tolerate any illegal act to tarnish the reputation built up by Hong Kong in this aspect over all these years with concerted efforts.

Hong Kong has a comprehensive legal system to safeguard a fair and open election system. In case anybody or any member of the public feels that he is being intimidated, he should immediately report to the Independent Commission Against Corruption (ICAC) and the law enforcement authorities concerned.

As before, the Electoral Affairs Commission will work closely with the ICAC and the police in ensuring that the Legislative Council Election in September this year will be fair, open, impartial, legal and clean. We will not tolerate any illegal or corrupt practices to affect this system.

In response to the recent report that certain people were suspected to have illegally filled in the voter registration forms, the police are very concerned about this and have immediately taken some actions. They will actively follow up these cases.

Madam President, on the other hand, we are presently scrutinizing, together with the Subcommittee of the Legislative Council, the subsidiary legislation related to the Legislative Council Election in September. Our colleagues and members of the Subcommittee are now discussing how to deal with matters of various aspects, one being the arrangement to safeguard the confidentiality of voting, while the other being the ways to prevent people from using mobile phones illegally in polling stations. We will be glad to continue discussion with Members on how to take further measures to ensure that the public have confidence in the polling arrangement.

Madam President, the motion today is actually related to the governance of the SAR. The Chief Executive and all accountable officials know clearly that the public earnestly expect that the Government will continue to improve our governance with efforts.

On the economic front, with the concerted efforts of the Hong Kong society and public over the past few years, and under the support of the Central Government, we begin to see some achievements in the economic restructuring of Hong Kong. And the Hong Kong economy has also started to revive.

During the past six months, we see that the market conditions began to flourish, consumption was very active and the investment atmosphere also turned better.

In terms of the labour market, employment opportunities have increased. The unemployment rate has dropped from 7.3% in the third quarter of 2003 to 7.1% between February and April this year.

We estimate that with the continual economic growth which may attain 6%, in terms of market prices, the deflation which has been harassing Hong Kong for years will gradually diminish.

In June last year, we signed the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) with the Mainland. This new arrangement is mutually beneficial. It has created unprecedented business opportunities for various trades and occupations, and has provided the professionals of Hong Kong a larger room for further development.

Following CEPA, we, together with the authorities in Shanghai, convened the first round of meetings of the Hong Kong/Shanghai Economic and Trade Co-operation Conference last year. And we have also just convened the first Pan-Pearl River Delta Regional Co-operation and Development Forum with nine provinces and Macao last week.

Apart from the few points that I mentioned above, the implementation of Individual Visit Scheme and the commencement of the Renminbi business have further promoted economic integration between Hong Kong and the Mainland, bringing along booming market conditions and economic recovery to Hong Kong.

Madam President, when I mention all these, I want to explain to Members that on the economic front, the SAR Government has been working hard and has given a lot of thought and consideration to the matters concerned. We continue to have discussion with local authorities and provincial governments, gradually pushing forward, in the hope that there will have some improvement and achievement. It is hoped that when the economic conditions turn better in 2004, members of the public can be benefited and the living of the Hong Kong society can be improved.

Madam President, before I conclude, I would like to respond to some of the points mentioned by a few Members. A moment ago, Mr Michael MAK, in his usual way of trying to impress everyone with his striking remarks, seemed to be a bit sensitive to my not looking at him when he spoke. However, I can tell Members my usual practice in this Chamber when listening to the debate of Members. That is, I would always keep my head down, either to jot down some notes or to think about the arguments of Members.

Going back to a more important point, a few Members mentioned about the independence of Hong Kong today. Madam President, in fact, during the motion debate on 19 May, I already expressed and reiterated the position of the SAR Government. I shall repeat two points that I mentioned that day.

Firstly, we reckon that most of the Hong Kong people are patriotic, in support of reunification and in agreement with the development of the country. Secondly, we also believe that any stance advocating the independence of Hong Kong has no market in the Hong Kong society and will not gain any support from the public. Therefore, on this issue, our position is very clear.

Madam President, turning back to the issue of constitutional development, we indeed have to discuss with the Central Authorities. Colleagues of the Central Authorities are also very concerned about the constitutional development of Hong Kong. They urged that we have to be prudent and think thoroughly, and make sure that Hong Kong will not become a political testing ground.

Indeed, I believe that the quality of the Hong Kong society is very high. Only if we can keep calm, work together and build up consensus, it is possible that we can handle this sensitive issue of constitutional development very well. We still have room, and the distance between the existing electoral system and the ultimate goal of universal suffrage can be narrowed.

In order to promote constitutional development successfully, we have to build up a consensus within the Hong Kong society first. On the other hand, we also have to fight for recognition from the Central Authorities. Earlier on, the Constitutional Development Task Force organized the first seminar with the Central Policy Unit. And this is the first step of assisting the Hong Kong society in building up consensus.

During the seminar on that day, representatives from different sectors, also including a number of Members here, have peaceful and rational exchange on various options. If the discussion can continue in this direction, I believe we are hopeful that the issue of constitutional development can be dealt with properly.

The second round of the seminar will be held this Friday. We hope that Members here, different political parties and organizations can continue to participate.

Madam President, at present, various kinds of proposals are being discussed in the Hong Kong community. On the issue of constitutional development, there is yet to have an option with a wide consensus. Since Hong Kong is a pluralistic society, in order to look for a widely acceptable option from various proposals, there is bound to have a compromising procedure. Thus, there should be compromise, more communication and more dialogue.

In conclusion, for the good of Hong Kong, economically speaking, we have to make good use of the advantages peculiar to Hong Kong, co-ordinate with the development of the Mainland and explore the international market.

In dealing with the issue of constitutional development, we have to take the Basic Law as the basis, build up consensus within Hong Kong, communicate more often with the Central Authorities, and build up mutual trust and understanding.

The Constitutional Development Task Force calls upon various sectors in the community to make good use of the existing channels. By participating in seminars and submitting representations, they can express their views directly to the Task Force.

Madam President, in regard to this motion debate, Members have used a lot of time to discuss the issue of core values. Overall speaking, these core values are human rights, rule of law, freedom and democracy.

In fact, our colleagues in the Government of this generation are the same as many Members here, also brought up and started working in society in the

'60s and '70s. Over the past 30 years, we have experienced a lot of changes. From the decision of Hong Kong returning to the mother country, to the implementation of the Sino-British Joint Declaration, to the implementation of the Basic Law today, we are all involved.

During such a lapse of time, we have tried our very best in various aspects to strengthen the system of Hong Kong. We have established the ICAC, adopted the Bill of Rights, set up the CFA. These various measures help in consolidating the system of Hong Kong, strengthening and enhancing the spirit of rule of law in Hong Kong, and safeguarding the core values of Hong Kong.

The SAR Government will not allow anyone, no matter of whatever background, to weaken the organizational system and protection of Hong Kong in this respect. In this regard, the SAR Government and the Hong Kong people are on the same front and we will never retreat.

Madam President, on these issues and other subject matters, the SAR Government very much welcomes the Hong Kong public to express their views to us through existing channels.

With these remarks, I ask Members to oppose the motion. Thank you, Madam President.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan, you may now speak in reply. You have seven minutes 30 seconds.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, just now, I am really stunned by Mr Andrew WONG who said he has never taken part in any march before. I hope, and I earnestly hope that he will devote his maiden march to the 1 July rally this year. I sincerely urge him to do so. I believe if he is to devote his maiden march to the 1 July rally this year, more people who have never taken part in any march will be encouraged to come forward. He may, in particular, ask why he has to devote his maiden march. Well, I will say that owing to the remarks he quoted from the ICQ, I think he should devote his maiden march to those making the remarks.

He should devote his maiden march to Ah Suet. Ah Suet asked him whether the people of Hong Kong could have greater power over the decision on its constitutional reform. I think, for the sake of Ah Suet, Mr Andrew WONG should take to the streets. He should also do so because of Ah Man who asked what should be done to achieve democracy. I believe that taking part in the 1 July march is one of channels to achieve democracy and express our aspirations. Of course, we cannot rely on a single march or by taking to the streets to.....

**MR ANDREW WONG** (in Cantonese): Madam President, I want to clarify a point. I have not said that sentence just now.

**PRESIDENT** (in Cantonese): Mr Andrew WONG, even if you want to clarify, you should not interrupt. Mr LEE Cheuk-yan, please continue.

**MR LEE CHEUK-YAN** (in Cantonese): Thank you, Madam President. I am only quoting the remarks from Ah Suet and Ah Man just now. Taking to the streets on 1 July is a way to express one's aspirations. Of course, we can neither rely on a single rally to solve all the problems, nor to achieve democracy. If we, the people of Hong Kong, adopt this method and adhere to our beliefs, and if we believe that universal suffrage will help to improve the governance of Hong Kong and provide a more stable political environment favourable for development to us and our next generation, I think we have to hold on to this ideal and be determined to take to the streets to express our aspirations.

On the other hand, I have to thank Mr LEUNG Fu-wah for his remarks given just now. I believe his remarks will be helpful in calling on more people to take to the streets. Why I say they are helpful? Because he has just said one sentence to the effect that we had distorted the will of voters. In other words, he has said that Hong Kong people are apparently not keen about universal suffrage, it is only that we have severely distorted their will for we said that they are very eager for the introduction of universal suffrage. Since he said that, people have more reasons to take to the streets. The public has to take to the streets to tell the Government and the Central Authorities they demand for universal suffrage. No one can distort the will of the public and they have taken to the streets to express it themselves. Instead, our will may have every possibility to be distorted if we do not come forward to express it ourselves.

I distinctly remember that, after 1 July last year, some people commented that the march of over half a million of people meant that over 6 million people were not in support of it. That means if we do not come forward, our will will be distorted, just by coming forward, our will will not be distorted. I thus appeal to all those supporting universal suffrage, all those discontented with the governance of the Government and all those dissatisfied with the present livelihood to come forward. By doing so, no one can distort your desire. I also call upon everyone to take to streets, expressing your opinions with your own protesting placards, so that no one can distort your will. However, I can be sure that everyone coming forward do have the common goal of hoping that Hong Kong will advance on the road to democracy and better governance.

Actually, the remarks made by Mr LEUNG Fu-wah just now were contradictory. He said we seemed to have distorted the will of the people by saying that they were in support of universal suffrage. However, he quoted the result of a survey which indicated that the percentage of respondents supporting the selection of the Chief Executive by universal suffrage in 2007 has dropped from over 70% in the past to 55% recently, while the percentage of respondents supporting the introduction of universal suffrage in 2008 for the Legislative Council election has dropped from 70% or more to the present 66%. Actually, it is obvious that from the survey quoted by him that some 50% to 60% people still insisted on expressing their desire despite the fact that the National People's Congress (NPC) had ruled out dual elections by universal suffrage. This is very valuable and also shows where the hearts of the people of Hong Kong lie. Thus, by quoting such survey results, he has made it clearer that Hong Kong people are basically in support of universal suffrage.

Last year, Mr LEUNG Fu-wah referred to Rev Joseph ZEN Ze-kiun of the Catholic stream, as a pathological disciple, and many people have taken part in the march just because of this remark. This year, he said that Mrs CHAN had made some threatening remarks. I do not know whether people will participate in the march because they are not satisfied with his remarks. Actually, what kinds of remarks are threatening? I do not understand. As a matter of fact, Mrs CHAN has just said that the people of Hong Kong attached great importance to the freedom of expression, and that she did not want to see people associating the situation with the Cultural Revolution. Why should these remarks be quoted as threatening?



Mr TAM Yiu-chung of the Democratic Alliance for Betterment of Hong Kong (DAB) passed a remark, the slogan of DAB, to us earlier, saying "destruction comes easy, so cherish our establishment". However, the question is who has caused the destruction. If this question is put to the public, they will certainly give a three-syllable answer, that is, TUNG Chee-hwa. The answer is as simple as that. Who is actually destroying our establishment? When we talk about cherishing our establishment, every one of the some 6 million people in Hong Kong has the wish to cherish our establishment. They take part in the march to express that, all along, the people of Hong Kong have cherished their core values they possess, and the present Hong Kong they have established. They do not want Hong Kong to suffer any damage. I consider the march a positive move, and not destruction to our stability, as some colleagues have said.

Finally, I would like to respond to Stephen LAM's remarks. Firstly, he said that the Central Authorities had grave concern that Hong Kong should not become a testing ground of political experiment. I wonder if he had told the Central Authorities that we had in fact been the subjects of experiment for seven years. For seven years, we have been under the governance of TUNG Chee-hwa. TUNG Chee-hwa, returning from small coterie election, has been in office for seven years. If this is not regarded as a political experiment, what else can this be? Moreover, he said earlier that throughout the entire process in dealing with the Central Authorities, there should be a certain degree of compromise, more communications and more dialogue. Indeed, we do want to have communications and we are eager to enter into dialogue. However, before the NPC made its decision, to what extent have communications been conducted? To what extent has dialogue been entered into? What has he done? What has he said on behalf of the people of Hong Kong? In what way has he helped Hong Kong people to strive for more room to manoeuvre? Has he just been subservient and servile, ever ready to accept a birdcage of whatever size placed upon him? Has he done anything about this? As for communication and dialogue, all along, we have been saying that the NPC should communicate with Hong Kong people before any decision was made. However, to what extent have communications been conducted? Communications conducted have only been limits to ordained communications. Is ordained communications a form of good communications? I do not know what Stephen LAM has done in this respect as the Secretary for Constitutional Affairs.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEE Cheuk-yan 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 LEE Cheuk-yan rose to claim a division.

**PRESIDENT** (in Cantonese): Mr LEE Cheuk-yan has claimed a division. The division bell will ring for three minutes. And then Members will proceed to vote.

**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 motion.

Dr Raymond HO, Dr LUI Ming-wah, Mr CHAN Kwok-keung, Mr WONG Yung-kan, Mr Timothy FOK, Mr Abraham SHEK, Mr Henry WU, Mr LEUNG Fu-wah, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the motion.

Mr Kenneth TING, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU and Mr Tommy CHEUNG abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI , Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, 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, 23 were present, six were in favour of the motion, 10 against it and seven abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 27 were present, 16 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.

**PRESIDENT** (in Cantonese): Second motion: Enhancing the attractiveness of Hong Kong to tourists.

## **ENHANCING THE ATTRACTIVENESS OF HONG KONG TO TOURISTS**

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

The Hong Kong Tourism Board (HKTb) estimates that the number of tourists visiting Hong Kong will break through the high record of 20 million this

year. With the gradual relaxation of the Individual Visit Scheme for mainlanders, the number of mainland tourists will continue to increase, accounting for almost 60% of the total number of tourists. The World Tourism Organization expected last year that by 2020, Hong Kong would rank fifth among the world's most popular tourist spots. Because of these good news, we are all looking forward to a more prosperous future development for the tourism industry.

However, apart from the Hong Kong Disneyland which is due to open next year and the Tung Chung Cable Car system, Hong Kong will not be seeing the completion of any large scale tourist facilities in the near future. Some newly proposed tourist projects, for example, the Aberdeen Fishermen's Wharf, the West Kowloon Cultural District, the construction of a cruise terminal, and so on, are still being repeatedly studied and consulted. In the neighbouring areas, however, new tourist facilities are coming up one after the other. Take Macao as an example. Since the liberalization of Macao's gambling monopoly, it has successfully attracted various overseas conglomerates to go there to extensively develop its tourism and entertainment industries. Apart from the Sands Macao which opened only recently, there will also be super deluxe hotels, convention and exhibition centres, sports grounds of world class, betting entertainment grounds, performance venues, theatres, spas and shopping malls. These large scale projects will be completed one by one. The Macao Gaming Company which is being affected will also be spending money to construct theme parks, playgrounds, fishermen's wharf — regarding this fishermen's wharf, they will be headhunting in Hong Kong, inviting people in the tourism industry to "move over" to run it — and to extend Hotel Lisboa so as to provide new casinos, and so on. It is expected that all these projects will be completed in five years to consolidate its competitive power.

In future, the Pearl River Delta Region will also be actively developing tourism. We can thus see that Hong Kong is facing new challenges. If Hong Kong fails to take on an active attitude to increase its tourist facilities and enhance its attractiveness and competitiveness, I believe our status as a tourist spot in Asia will be surpassed by the neighbouring regions, and the prediction of the World Tourism Organization may not come true. Therefore, if Hong Kong is to maintain its established edge in tourism, it has to keep pace with the circumstances and make improvements in various aspects. This includes the stepping up of external publicity by the Government to promote Hong Kong as an international tourist centre, conducting an overall review in respect of the

various ancillary tourist facilities, and enhancing and strengthening its attractiveness and competitiveness to meet the increasing demands of tourists. More should be done to attract more tourists with high spending power to visit Hong Kong.

Regarding the increase of tourist facilities, I hope the Government can as soon as possible bring into being the new cruise terminal. Discussion on its construction has begun in as early as 1998. Despite this, after six years, the matter is still unresolved. Travelling on cruise ships is a world trend and presently, it is developing rapidly. According to the estimation of the HKTB, by 2010, tourists visiting Hong Kong on cruise ships may break through the 1 million mark. Tourists travelling on cruise ships are those with high spending power and can bring to Hong Kong \$1.3 billion to \$3.3 billion each year. In the face of this handsome source of revenue, the construction of the cruise terminal is in fact of great urgency. With the rapid development of the cruising industry in sight, Shanghai will be spending RMB 2 billion yuan to construct an exclusive cruise terminal, with the hope of obtaining a share in the industry.

Nonetheless, every year, a lot of cruise ships pass through Hong Kong without berthing. This is because our only Ocean Terminal which is of a larger scale fails to accommodate demands. Even if the tourists are "lucky" enough to disembark and embark at the Terminal, most of them find the facilities there unsatisfactory and poor. As there are insufficient berths, some cruise ships are forced to berth at the container terminal in Tsing Yi. For example, last month, the five-star super deluxe Crystal Serenity visited Hong Kong. Its Swedish captain expressed to a magazine that when the deluxe cruise ship berthed at the container terminal in Tsing Yi, he had an awkward feeling and found it difficult to explain to the tourists why Hong Kong had come to such a situation.

Hong Kong is a cosmopolitan city, but we do not have a well equipped cruise terminal. This is somewhat absurd. Apart from causing inconvenience to tourists, the berthing of deluxe cruise ships in the container terminal or in the middle stream may also lead to safety problems. The first impression of Hong Kong to the tourists will be marred, blemishing the image of Hong Kong as an international tourist centre. If Hong Kong still delays the construction of a new cruise terminal, more cruise ships will just pass through without stopping to visit, and Hong Kong will only stand to lose more tourists with high spending power. An example is the newly built Queen Mary II. Originally, its tourists should have a chance to come next year.

In my opinion, following the opening of the Hong Kong Disneyland next year, there is the need to strengthen tourist infrastructure and ancillary facilities. Authorities on the Mainland are negotiating with Hong Kong, hoping to run direct shipping lines and throughtrains to provide direct access to the Hong Kong Disneyland. It is believed that this can attract more mainland tourists to Hong Kong. The HKTb should take advantage of the momentum created by the opening of the Disneyland and step up external publicity jointly with Guangdong and Macao. Facing an upcoming multiple increase in the number of tourists, the authorities should also see if the ancillary tourist facilities of the Disneyland, such as hotels, transport network, and even the ancillary facilities and tourist infrastructure in the surrounding, are adequate to meet demand. It should make early planning and strengthen the facilities so that everything works smoothly when it is open. After its opening, I hope the Government can, having regard to the rate of increase of tourist admission, conduct a review as soon as possible. If admission really turns out to be better than expected, the Government can consider starting the second stage of the works on the Disneyland soon, or even bring the works to advanced completion.

At present, Hong Kong mainly relies on mainland tourists, but a healthy development for tourism should be one which attracts tourists of different kinds. This includes tourists from different strata and sources, especially the business tourists with high spending power, they include businessmen coming to Hong Kong for business negotiations, participants of international conferences, or exhibitors of large scale exhibitions, and so on. Very often, they will bring along their family members. They stay longer and their average consumption is higher than that of the tourists in general. There are even reports that their consumption can be as high as \$10,000 per person. If they can be attracted to Hong Kong, it will surely be of help to our economic growth. Apart from hoping that the new exhibition centre at Chek Lap Kok can be completed as scheduled, I also suggest that more diversified entertainment facilities be provided. Moreover, a large-scale, permanent venue for staging performances should also be made available to meet the needs of different tourists. Although Hong Kong has all along branded itself as an international tourist centre, our entertainment facilities are nonetheless not diversified enough. In the meantime, we do not have sufficient large-scale, permanent performance venues. Therefore, the Liberal Party suggests that in order that tourists can have more choices and Hong Kong can have more exciting entertainment facilities, the Government should attract more entertainment facilities to Hong Kong. This includes the spa resort mentioned by the *Hong Kong Economic Times*, or even

high-class entertainment venues like the famous Lido and Moulin Rouge in Paris. The Government can also consider the proposal made by some industries to which I find contentious, that is to allow hotels to operate small entertainment and betting venues. These are exclusively for tourists to pass their time at night, with the hope of attracting some tourists with high spending power to prolong their stay in Hong Kong. Meanwhile, we also urge the authorities to make a final decision on the West Kowloon Cultural District project soon so that more permanent and large scale venues for entertainment performances will be made available, and the cultural and artistic aspect of Hong Kong can be more diversified.

In addition, the authorities should also provide more diversified tourist programmes for tourists to meet their varying preferences. Eco-tourism and cultural heritage tourism are programmes which are worth promoting. Hong Kong has many natural resources and sights of ecological value. For example, Po Toi, Tung Ping Chau, and so on, are very popular with locals. If we can have more publicity and promotion, as well as appropriate ancillary facilities, such as professional tour guides, transport facilities, recreational pavilions, toilets, and so on, we can definitely attract overseas tourists and promote family tourism. We have also proposed that the Government should allow developers to build new golf courses on an extensive scale. I know some Bureau Directors do not agree with this, but the tourism industry is very much for this idea because overseas tourists and local consumers may then spend more time in Hong Kong, or spend more money in Hong Kong for a few more days.

As regards culture and heritage, because of its unique historical background, Hong Kong still has a lot of buildings of historical value. The Government should make an effort to protect these cultural relics and buildings because whether from a historic or tourism angle, such monuments have their value of existence. Thus, the Liberal Party has all along urged the Government to open more attractions to tourists, for example, the former Government House, in order to enrich our tourist spots. As regards the conservation of monuments, buildings such as King Yin Lei as covered by the media now should not be the only ones which should be conserved. Rather, the Government can even consider conserving the entire street, such as Shek Tong Tsui, Temple Street and Sham Shui Po which have a long history as scenic spots to attract tourists.

In conclusion, in order to consolidate Hong Kong's tourism, we should not only develop new tourist attractions, but should also bring in new elements and

mindset. At the same time, we should set up perfect ancillary tourist facilities. Very often, travel agents complain to me that popular tourist spots, such as the Peak, Stubbs Road, Temple Street or Repulse Bay are seriously short of parking spaces for coaches, causing much inconvenience to tourists. If such conditions see no improvement, Hong Kong's impression to tourists will naturally be undermined. Of course, apart from hardware, we should also have matching software. Although this is not the theme for today, the Government should also encourage those who are serving on the front line to constantly enrich themselves so as to improve the quality of their service. If we remain where we are, in a stage of having discussions but not reaching any decision, Hong Kong's status as an Asian tourist spot will very soon be caught up by our competitors. Even if we have to co-operate with the neighbouring regions, we should still have our own "selling points". Therefore, I urge the Government to conduct an overall review of the existing tourist facilities and ancillary facilities, and to implement as soon as possible all the tourist projects being studied.

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

**Mr Howard YOUNG moved the following motion: (Translation)**

"That, in view of the immense efforts of Hong Kong's neighbouring territories in enhancing the attractiveness of their tourist facilities and the opening of Hong Kong Disneyland next year, this Council urges the Government to step up its external publicity in promoting Hong Kong as an international tourist centre, and to comprehensively review, enhance and strengthen the attractiveness and competitiveness of various ancillary tourist facilities so as to cater for the increasing demands of tourists, and to devote all its effort to attract more tourists with high spending power to visit Hong Kong."

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

**PRESIDENT** (in Cantonese): Mr CHAN Kam-lam will move an amendment to this motion. Ms Miriam LAU will move an amendment to Mr CHAN Kam-lam's amendment. The two amendments have been printed on the Agenda. The motion and the amendments will now be debated together in a joint debate.



**PRESIDENT** (in Cantonese): I will first call upon Mr CHAN Kam-lam to speak and move his amendment to the motion.

**MR CHAN KAM-LAM** (in Cantonese): Madam President, I move that Mr Howard YOUNG's motion be amended, as printed on the Agenda.

The China National Tourism Administration (CNTA) announced that in the first four months of this year, mainland tourist arrivals amounted to 4.06 million, an increase of more than 50% as compared with that of the same period last year. Meanwhile, an increase has also been recorded for mainland-bound tourists. Just as the CNTA pointed out, the pattern of the Mainland and both Hong Kong and Macao being the source of supply of each other's tourists has been formed, and the rapid development will be furthered. In the Pan-Pearl River Delta Regional Co-operation and Development Forum which has just concluded, it has been emphasized that there should be mutual co-operation among all the parties involved to enhance the name and competitiveness of the Pan-Pearl River Delta (PPRD) Region on the international tourism market. With the Mainland gradually opening its door to the external and vigorously raising the attractiveness of its tourist facilities, Hong Kong should no longer impose its own bounds. It should grasp the opportunity to co-operate with the PPRD Region to complement each other's advantages. This is the way out for developing into an international tourist centre. Therefore, we have included in the amendment the proposal that the Hong Kong Government should strengthen communication and co-operation with the Mainland.

The CNTA brought up the "Nine plus Two" tourism co-operation proposal which includes the setting up of the system of conference of the highest administrative chiefs, the system of agreement of the government Secretary-generals, and the system of co-ordination among departments. After the meeting, we see that Guangdong Province immediately expressed that a leading team for co-ordination would be established soon, and a regional co-operation office would be set up under the Guangdong Development and Reform Commission. The Governor of Sichuan Province even took the initiative to propose the hosting of the Forum by Sichuan next year. We can thus see the eagerness and efficiency of the partners in the PPRD Region. In our opinion, what is most pressing for the Hong Kong Government is the acceleration of the work to be done and the choice of persons, the early

co-ordination and commencement of work, and the pushing for the setting up of the secretariat for regional co-operation and agreement in Hong Kong actively.

The agreement also mentioned that all parties of the "Nine plus Two" should design their respective fabulous tourist products and itineraries, and should jointly create an image as a destination for tourists for the PPRD Region. Within the PPRD Region, the relative advantage of Hong Kong is its internationalization, and the more perfect network infrastructure and facilities it possesses. This is exactly what the regional cities within the Region need for their external development. The Government of the Hong Kong Special Administrative Region (SAR) should clearly realize its strength and actively develop business travel in Hong Kong to demonstrate our specialty in external publicity and promotion. Our recent success in bidding for the hosting of the International Telecommunication Union's TELECOM WORLD 2006 and the 6th Ministerial Conference of the World Trade Organization proves that Hong Kong possesses the conditions for developing business travel. The hosting of more large-scale conferences and exhibitions is not only able to bring extra benefits to Hong Kong but also raise our international image. More importantly, it can also consolidate Hong Kong's role as a "front counter" in the PPRD Region and strengthen Hong Kong's function in assisting mainland provinces and municipalities to set their foot on the international market. This is beneficial to our striving for more chances for co-operation in the Region.

Furthermore, for the PPRD Region to co-operate effectively in respect of tourism, the most fundamental is to have a smooth flow of people. The Democratic Alliance for Betterment of Hong Kong (DAB) proposes that the implementation of CEPA should be further promoted, and the applicability of the Individual Visit Scheme be expanded gradually to the main cities of nine mainland provinces. Meanwhile, action should be taken to expedite and implement the construction of the Western Corridor and the Hong Kong-Zhuhai-Macao Bridge, and to introduce the co-location of immigration and custom facilities at boundary control points other than the Western Corridor as soon as possible to ease the flow of people and to provide convenience for them. Moreover, since the flow of people between the two places is getting heavier, the authorities should soon look into the need of opening new boundary control points. It can consider Lin Ma Hang which is between Man Kam To and Sha Tau Kok. As we understand, the Government of the Shenzhen Municipality has in its future planning outline reserved space in Liantang for a comprehensive

passenger and cargo boundary control point. Since Lin Ma Hang is geographically closer to Man Kam To, if a new boundary control point is to be located there as an ancillary facility, it can bring about a more effective streaming effect.

Madam President, even with the provinces and municipalities of the PPRD Region as the hinterland for the development of tourism, Hong Kong should also improve itself and optimize its internal ancillary tourism software so that the internal and external conditions can match each other before it can enhance its attractiveness to tourists. Below, I will discuss how the tourism software facilities of Hong Kong can be improved.

Talking about hardware, we cannot miss the opening of more large-scale tourist attractions. The Disneyland which has been regarded as a project of great importance will definitely be ready for opening next year. It is foreseeable that the Disneyland will be an important selling point to attract tourists from the Mainland and neighbouring countries, and this is also what we expect. As the Disneyland is rather far away, the importance of transport arrangement has been obvious. However, in transport planning of the Hong Kong Government, only the needs of the locals and the overseas tourists are taken care of as the road linking the airport is connected by the mass transit railway. To the mainland tourists, at present, the boundary control points at Lo Wu and Huanggang are already very busy, but the Hong Kong-Shenzhen Western Corridor and the Hong Kong-Zhuhai-Macao Bridge will not be ready for use when the Disneyland opens. Regarding how the mainland tourists' visit to the Disneyland can be facilitated, we can see that the attitude of the Hong Kong Government seems to be one which is leisurely.

On the contrary, the Government of the Zhuhai Municipality has earlier expressed that it would contact the SAR Government on its initiative to look into the possibility of operating direct shipping service from the Zhuhai Jiuzhou Port to the Disneyland. The Shenzhen Tourism Bureau is also thinking of running cross-boundary coaches to match the development. The attitude of the Mainland is comparatively more active. It is known that Hong Kong and Guangdong are beginning to discuss how transport arrangement connecting the Disneyland can be improved. We do not know what the attitude of the Hong Kong Government is. We also hope that they can make the best use of the remaining time to do a good job.

Software usually refers to services. The number of complaints reflects the quality of service. The mainland market accounts for the largest share of Hong Kong's tourism. The study released by the Hong Kong Tourism Board in February pointed out that the overall image of Hong Kong to mainland tourists is a shopping paradise, and shopping is the major force for their coming to Hong Kong because things in Hong Kong are reliable and are of attractive prices, and we offer quality service. However, the Consumer Council announced that complaints from mainland tourists last year saw a 40% increase as compared to that of the previous year. In the first three months of this year, there were 46 complaints by tourists coming on an individual basis, mainly about buying things which were overpriced from "black shops". In the meantime, the Consumers Association on the Mainland expressed that last year, there were around 20 000 complaints lodged by tourists on return about services received and commodities bought during their stay in Hong Kong, and they were mostly dissatisfied about the prices of commodities not being clearly marked. In the past, the Government insisted on handling the matter positively, for example, educating tourists on what they should know when shopping, but the fact proved that this could not stamp out unscrupulous business practices. We urge the Government to resort to tougher means to crack down on black shops in order to safeguard the interests of consumers and uphold the reputation of Hong Kong as a shopping paradise.

The DAB has over and again urged the Hong Kong Government to treat this agreement with the PPRD Region positively because this "Nine plus Two" agreement on co-operation is not binding, all parties have the right to decide on their own whether to participate in some or all of the co-operation programmes. If Hong Kong continues to take on the attitude that it will be most sought after, it will only miss the chances of co-operation. Therefore, Hong Kong must have an in-depth understanding of the features and needs of the different provinces and municipalities, communicate actively with partners within the PPRD Region and propose on its own initiative specific options for co-operation which are of mutual benefits. By doing so, Hong Kong will be able to count on the advantages of the PPRD Region to increase its attractiveness to tourists.

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

**Mr CHAN Kam-lam moved the following amendment: (Translation)**

"To add "; at the same time, this Council urges the Hong Kong Government to accelerate its communication with other governments in the Pan-Pearl River Delta (PPRD) Region to materialize, as early as possible, the co-operation and development in tourism within the PPRD Region and synergize the complementary advantages of the various regions" after "demands of tourists".

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHAN Kam-lam to Mr Howard YOUNG's motion, be passed.

**PRESIDENT** (in Cantonese): I now call upon Ms Miriam LAU to speak and move her amendment to Mr CHAN Kam-lam's amendment.

**MS MIRIAM LAU** (in Cantonese): Madam President, I move that Mr CHAN Kam-lam's amendment be amended, as printed on the Agenda. Hong Kong has just signed the Framework Agreement on Regional Co-operation in the Pan-Pearl River Delta (the Framework Agreement) with 10 other provinces in the Pan-Pearl River Delta (PPRD) Region, with the strengthening of co-operation in respect of tourism being one of the agreements. Therefore, in future, communication and co-operation between Hong Kong and the PPRD Region on tourism will only increase. Improving the border transport network and strengthening the ancillary transport infrastructure in the PPRD Region to consolidate the status of Hong Kong as the "cosmopolitan tourist centre" is naturally the most pressing task. This is the main purpose of my proposing this amendment to amendment today.

In the near future, although we are going to have the completion of a series of cross-boundary infrastructural projects, for example, the Hong Kong-Shenzhen Western Corridor, the Deep Bay Link, the Lok Ma Chau Spur Line, and the expansion of the Lo Wu Terminal Building is now underway, these projects have all been decided before the implementation of the Individual Visit Scheme, without taking into account the need for clearance upon reinforcing co-operation with the PPRD Region.

As for projects which are under planning, for example, the Hong Kong-Zhuhai-Macao Bridge, although it has been mentioned in the recently signed Framework Agreement that the planning, the debate and discussions and the pace of construction of the Bridge should be expedited, I still hope that the SAR Government would conduct close negotiations with the mainland authorities for the early fulfilment of the plan to construct the Bridge. Then, the cross-boundary facilities of Hong Kong can be continuously developed and perfected to handle the steady flow of tourists from the Mainland.

Therefore, we think that the acceleration of the construction of a comprehensive transport network which can adapt to co-operation within the Region, the further perfection of regional railway development plan, the strengthening of the convergence of provincial expressways, and the co-operation between airline companies and airports as mentioned in the Framework Agreement are all in the right direction and are worth supporting. Apart from having a positive bearing on the development of tourism within the PPRD Region, it will also be beneficial to the boosting of passenger flow and cargo flow in the PPRD Region in the long run.

Nonetheless, it is going to take some time before the infrastructural projects as mentioned above will be completed. In the short term, we have to think of ways to improve the existing problem of congestion in regard to immigration and customs clearance to cope with the substantially increased cross-boundary passenger flow. In my opinion, the authorities should first solve the immigration and customs clearance problem at land crossings because according to information provided by the Immigration Department, nearly 70% of the mainland tourists come to Hong Kong through land border control points. Among such tourists, 45% of them arrive at Lo Wu, and 14% at Lok Ma Chau.

Ever since the introduction of the round-the-clock clearance operation at Lok Ma Chau on 27 January last year, the number of tourists using the Lok Ma Chau control point has been on the rise. The average number of people crossing the border by way of Lok Ma Chau every night has increased from the initial 6 370 person-trips from January to June last year to 9 800 (this of course refers to each day) from last July to this February. The number has almost doubled. Thus, we can see that the demand for round-the-clock boundary crossing service is very keen, and certainly, the previous worry of the authorities that there might be too few people and that no one would be crossing the border at night is not true.

I believe with the increase in the number of tourists visiting Hong Kong on an individual basis, and the stimulus by factors such as the opening of the Disneyland next year, the pressure on immigration and customs clearance for both China and Hong Kong would only escalate. Therefore, the Liberal Party urges the authorities of the Hong Kong Government to discuss with the Chinese side arrangements for extending the round-the-clock clearance measure to the other land crossings as soon as possible so that tourists can design their itineraries according to their own needs with greater flexibility.

As a matter of fact, the utilization rate of both the Man Kam To and Sha Tau Kok crossings, and the volume of cross-boundary vehicular traffic have seen substantial increase, with the latter approaching capacity. Thus, we propose that while improving the cross-boundary ancillary facilities of Man Kam To and Sha Tau Kok, the authorities can at the same time extend the service hours for immigration and customs clearance. Of course, it is most ideal to have round-the-clock clearance service as I have earlier mentioned. As regards the other proposals on improving cross-boundary congestion on both the Chinese and Hong Kong sides, for example, early implementation of co-location of immigration and custom facilities at all boundary control points, or the opening of an extra exit and entry point at the earliest possibility, increasing the quota of express bus services, reinforcing through train services and running through train services between Shenzhen and Hong Kong are all feasible measures. Just as the Governor of Guangdong Province HUANG Huahua said earlier, "money comes smoothly with smooth traffic", we can see that transport network plays a decisive role in both the development of tourism and the economy.

Moreover, logistics between China and Hong Kong is getting busier. If inadequate cross-boundary clearance facilities result in a competition for resources between passenger and cargo flows, thereby affecting the speed of tourists getting through immigration and customs clearance, the development of Hong Kong's tourism will be undermined.

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

**Ms Miriam LAU moved the following amendment to Mr CHAN Kam-lam's amendment: (Translation)**

"To add ", including perfecting the transport infrastructure, improving boundary-crossing facilities and alleviating the congestion problem at the

boundary," after "within the PPRD Region"; and to add "reinforce Hong Kong's position as a 'cosmopolitan tourist centre' and" after "various regions, and to".

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mr CHAN Kam-lam's amendment, be passed.

**MR LEUNG FU-WAH** (in Cantonese): Madam President, last year, tourism brought \$74.9 billion to Hong Kong. Its potential in creating wealth is beyond doubt. With tourist arrivals reaching a high of 1.73 million in April, the Hong Kong Tourism Board (HKTB) is expecting that the target of having 20.5 million tourist arrivals for the whole of this year can be achieved. According to conservative estimation, the number of employees in the tourism industry and the number of jobs in tourism-related industries, including hotels, retailing, transport and catering reach a total of almost 1 million, providing a vast amount of employment opportunities in Hong Kong. Therefore, the Government of the Hong Kong Special Administrative Region (SAR) should treasure this smokeless industry, and should find a solution for the structural unemployment problem which resulted from economic transformation.

Recently, the HKTB has organized large-scale tourist programmes such as "A Symphony of Lights", a "Shopping Paradise for Genuine Goods", the Avenue of Stars and the Hong Kong Shopping Festival which will begin from 26 June. Together with the new attractions like the Disney theme park and the Tung Chung Cable Car which are to be completed next year, Hong Kong has been rated the most attractive city in Asia and we truly deserve this.

However, all along, there is nothing as seniors or latecomers with regard to tourism. It is only by building up our attractiveness that tourists will be attracted and retained. Information provided by the HKTB shows that among the tourists in April, half of them are from the Mainland, and since the implementation of the Individual Visit Scheme last July, over 1.6 million mainlanders have visited Hong Kong, bringing about \$9 billion to Hong Kong. To them, Hong Kong's image as a "shopping paradise" is still the largest selling point, and good business reputation and service quality of a high level are of utmost importance. The tourism industry has always made great efforts to



uphold this, but the "visitors' price" of restaurants and the unscrupulous business practices of audio-visual appliances shops can still be heard now and then. The authorities and the industry should continue to crack down on these.

Being innovative and providing a feeling of freshness are necessary for developing tourism. Unfortunately, regardless of whether it is conserving the advantages of local tourism or developing human resources, the SAR Government lacks the vision of considering things on a macro basis. If early improvements cannot be made, not only will Hong Kong's tourism industry be unable to make advancement, but also, when our past gains are exhausted, our throne as the most attractive city in Asia might be lost to the many competitors in the region. The long missed Bun Festival of Cheung Chau and the International Dragon Boat Races, which are of characteristics but which may have been forgotten by the people, have become the focus of media attention recently. This is because everybody thinks that they are of tourism value. While the public is consciously adding value to Hong Kong's tourism, I hope that the government departments would be more concerned about this and would strive to bring their policies in line, working to fulfill the mission of really turning Hong Kong into an international tourist centre.

Madam President, the more important reason for me to support this motion is that enhancing the attractiveness of Hong Kong to tourists will bring great advantage to improving the employment condition of Hong Kong.

With these remarks, I support the original motion and the amendment.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, although Hong Kong's tourism industry has seen growth each year in recent years, mainland tourists have made up the bulk of visitors coming to Hong Kong. International tourists who used to be the majority in the past are gradually reducing in number.

Hong Kong should re-examine its status or position in the tourism market, enhance its competitiveness, and portray its unique characteristics to attract more international tourists. In respect of positioning, since Hong Kong is Asia's shopping and gourmet paradise, the Government of course has the responsibility of stepping up law enforcement to protect tourists from being cheated by unscrupulous shops. Furthermore, Hong Kong should also enhance its

competitiveness, develop on-line tourism with the Mainland, conduct studies into eco-tourism and re-establish local tourist features.

With regard to the cracking down on tourist frauds and counterfeit goods, although Hong Kong has all along enjoyed the reputation of being a shopping paradise, many tourists have in recent years complained of being cheated while shopping or patronizing restaurants. In Hong Kong, among the shops selling audio-visual appliances, jewellery, dried seafood and Chinese herbal medicine, or even among restaurants, many bring disgrace to us by cheating tourists. In 2002 and 03, there were 519 and 728 complaints respectively from tourists about shops in Hong Kong. As for the first three months of this year, there were 259 complaints. Among them, some restaurants employ the "one shop, two prices" trick. They have two price lists, one of which is shown to local customers while the other charging higher prices is "reserved" for tourists. In the first three months of this year, there were already 207 complaints involving restaurants, an increase of about 30% as compared with that of the same period last year.

To protect the interests of tourists, we have over and again proposed to the Government that a hotline for complaints be set up. Once unscrupulous shops are proved to have cheated their customers, the Consumer Council can immediately make an announcement through the Internet or refer the cases to the law enforcement departments for prosecution, so as to uphold Hong Kong's reputation of being a shopping paradise. Besides, we also demand that the police and the Customs and Excise Department (C&ED) step up their efforts to crackdown on counterfeit goods.

In recent years, more and more international brand names are coming to Hong Kong, and the boutique shops are getting bigger and bigger. At present, among the 70 international brand names around the world, over 50 have entered Hong Kong. Apart from standing to gain on our part, their confidence in Hong Kong comes from strict and effective local law enforcement and the importance Hong Kong attaches to intellectual property. Therefore, if we hope to attract more tourists and to reinforce more effectively the confidence of tourists, the C&ED and the police must deploy more resources to clamp down on the piracy black spots in various districts, increase penalties and deterrence, and distribute promotional leaflets in districts frequented by tourists to warn them, thereby cracking down on counterfeit products.

Earlier, a few colleagues mentioned about tourism opportunities brought about by the Pan-Pearl River Delta (PPRD). In enhancing competition in tourism, the Democratic Party and I consider that we should not only attract mainland tourists. More importantly, if we are viewing from the angle of "Nine plus Two", the Mainland all the more hopes that Hong Kong can bring more in international tourists to it because in this way, the Mainland can earn foreign exchange. With respect to on-line tourism between China and Hong Kong, our Government should step up development of tourist hot spots or re-establish local itineraries with special features. Once the co-operation basis for "Nine plus Two" comes into effect, Hong Kong's tourism industry should grasp the opportunity to develop on-line tourism, enabling mainland tourists to take Hong Kong as a tourist centre and a support centre. To put it simply, we hope to fight for Hong Kong to become the first stop for international tourists going to the Mainland, allowing them to spend two or three days first in Hong Kong for sight-seeing or treat Hong Kong as an interchange, before making their trip to the Mainland.

With regard to policies, the Hong Kong Government and the Mainland should formulate co-ordinating policies. At present, tourists from Japan, Burma and Singapore can enjoy visa-free treatment for 14 days. Of course, it would be more difficult to request all countries to grant visa-free treatment, but is it possible to relax this gradually? For example, carry out discussion with the Central Authorities to see if there can be visa-free treatment for people entering Shenzhen from Hong Kong, or even expand this to other provinces, such as the nine provinces. If so, the business opportunities for tourism will be substantially increased.

With regard to transport, the authorities should also make planning in accordance with the closer links between Hong Kong and the Mainland, and expedite the construction of the Hong Kong-Zhuhai-Macao Bridge. In the past, the Democratic Party has expressed the hope that railway research be incorporated into the process of the consideration of the Bridge to reduce the travelling time of tourists travelling to and fro the two places. This can help tourists move from one place in the region to the other places, increasing their stay in the PPRD Region.

With regard to air transport, we consider that the Government should gradually open up the air space to allow more airline companies to use Hong Kong as a place for the transfer of passengers and cargoes and a final destination, thus turning Hong Kong into an international aviation hub. Meanwhile, the

Government should also conduct a joint study with the tourism industry to provide mainland tourists with one-stop packages, and to provide medical, transport and legal support in the case of accidents, using Hong Kong as a support and advice centre for mainland travel.

With regard to the development of travel hot spots, the different parts of the Lantau Island have different potential for development. The northern part has various economic facilities, including the future logistics park, the airport, the Hong Kong-Zhuhai-Macao Bridge. As for the eastern part, the Disneyland will be completed next year, and further consideration could be given as to whether the area can be developed into other entertainment or recreational tourist centre.

Madam President, there are still many other things which can be done. Recently, because of an increase in mainland travel, some places which may not be hot spots for tourist in the past, including the walled villages in Yuen Long, the jade market in Yau Ma Tei and the antique street and the Temple Street, have one after the other become hot spots. The Government should also consider carefully how to beautify these streets to give them more flavour for tourists.

Madam President, I have recently discussed with owners of travel agents the "Nine plus Two" issue which Mr CHAN Kam-lam is concerned about. In fact, there are two main problems in opening up the mainland market in Hong Kong. The first has to do with foreign exchange. Even if the travel agents recruit their customers on the Mainland, the money cannot be transmitted to Hong Kong. This may not be a problem which can be solved by the Tourism Commission, but is still a problem to be considered. Second, after the mainland tourists have come to Hong Kong, if they want to go overseas, they do not have passports and visas. If these two problems cannot be solved, it would be very difficult to develop the business opportunity of PPRD travel.

**MISS CHOY SO-YUK** (in Cantonese): Madam President, as consumption expenses by mainland visitors in Hong Kong increase, the total amount of retail sale continues to soar. According to the latest figures announced, total retail sales reached \$15.6 billion in April, a significant increase of 23% comparing to that of the same period last year. This is nine month in a row that a rise is recorded. The *per capita* spending of mainland visitors staying overnight in Hong Kong has increased to over \$6,000, enabling them to stay at the top of list

of visitors with the highest spending. Based on the number of mainland visitors entering Hong Kong last year, it is estimated that their spending in Hong Kong reached \$34.3 billion, reflecting the promising prospect of the tourism industry in Hong Kong.

However, we should not be complacent. In fostering our competitive edge on the one hand, we should not lose sight of the importance of exploring development in other aspects on the other hand to avert being overtaken by our neighbouring regions.

First, it is undeniable that the Individual Visit Scheme is of great convenience to mainlanders visiting Hong Kong. However, as Hong Kong is already a part of China, to offer greater convenience to the 40 million potential visitors in the Pearl River Delta (PRD), I urged the Government of the Hong Kong Special Administrative Region (SAR) in this Council, in as early as the end of 2001, to issue "travel permits for visiting Hong Kong" to registered residents in the PRD Region. These travel permits, similar to the Home Visit Permit, will allow holders to travel to Hong Kong for sightseeing, visiting relatives or business for an unlimited number of entries before their permits expire. The implementation of this proposal will not only be favourable to stimulating development in different industries, but will also have a positive bearing on accelerating our integration with the PRD.

Frankly speaking, competition is existing between Hong Kong and its neighbouring regions, but there is still ample room for collaboration. Hong Kong is a well-known international city of tourism. However, provided with our existing tourist attractions alone, our capability to attract more overseas tourists is restricted. In fact, the recent increase in the number of tourists is mainly brought about by the increase of mainland visitors. The staging of the Pan-Pearl River Delta Regional Co-operation and Development Forum on the conglomeration of nine provinces and two regions, and the signing of the Framework Agreement on Regional Co-operation in the Pan-Pearl River Delta for promoting co-operation with the Pan-Pearl River Delta (PPRD) Region institute a safeguarding system, under which tourism is also covered. In this connection, the SAR Government needs to get fully prepared for this great business opportunity. It should capitalize on the opportunity to promote Hong Kong rigorously under the concept of regional coalition on tourism of the PPRD Region, with Hong Kong acting as a springboard for attracting tourists to the PRD Region from around the world. The Mainland may also make use of

organizations of Hong Kong stationed overseas to promote their tourism. For example, the Hong Kong Trade Development Council, with offices located at some 40 cities around the world, is perfectly competent in providing a promotion platform for PPRD travel.

However, in attracting the attention of tourists from all over the world on the one hand, the SAR Government should focus its efforts in perfecting its complementary facilities and systems on the other. For it should prevent black sheep, though in a tiny minority, from sullyng the good reputation and image of Hong Kong, thereby discouraging tourists to spend in Hong Kong.

Last year, the Consumer Council received 728 complaints from mainland visitors, among which subjects of 106 cases were visiting Hong Kong under the Individual Visit Scheme, involving an amount of some \$3.8 million. In view of this, the Government and the tourism sector have expressed that they would face the problem squarely. The measures to be taken include the setting up of a mechanism for dealing with complaints from visitors, and informing visitors on arrival of shopping protection and complaint channels available by means of leaflets, pamphlets and advertising signboards. However, the goodwill of Hong Kong is a very important yet extremely delicate asset. A tiny minority fishing in troubled waters is sufficed to shatter tourists' confidence in Hong Kong, and may even discourage them from shopping in Hong Kong. We thus have to implement more proactive measures to prevent unscrupulous businessmen, though constituting only a tiny minority, focusing only on immediate gains but disregarding the consequences, from willfully deceiving tourists. The Government, the Hong Kong Tourism Board (HKTB) and the trade should join hands to promote the full cash refund arrangement within 14 days of purchase and to further promote the territory-wide implementation of the Q-mark system. A comprehensive system for the handling and following up of complaint cases should also be set up, so that tourists having to leave Hong Kong will not regret about the absence of channels for lodging their complaints.

Finally, with the launching of the Individual Visit Scheme in more and more provinces and municipalities in the Mainland, the Hong Kong community has voiced its growing concern over the worsening of illegal labour and prostitution problems. These worries are understandable. However, in reality, according to figures provided by the Security Bureau, the number of crimes committed by visitors under the Individual Visit Scheme is very low, only one in every 10 000 of them commit crimes in Hong Kong. As visitors under the Individual Visit Scheme are only allowed to stay a week in Hong Kong,

mainlanders intended to commit crimes in Hong Kong may travel on business permits mainly. In this connection, Guangdong Province has already announced the issue of a new one-off type of business permits that only valid for a week. Furthermore, the scope of permits issued to mainlanders for visiting relatives has also been tightened up. All these measures aim to hold back unlawful elements by imposing extra costs and procedures. Obviously, despite all these measures, the SAR Government definitely cannot be complacent, lest the law and order of the territory be undermined.

Madam President, I would like to talk about the tourist attractions at Aberdeen. The subject has been put forth for quite a long time. At one point, the DAB submitted a very detailed proposal to the Government on developing Aberdeen into a new tourist spot, and even took government officials and members of the HKTb to visit Aberdeen. However, the Government has until now failed to give any indication of implementing the proposal.

Alternatively, I would like to thank the Government for taking into account the suggestion made by the DAB on the development of Stanley in improving the waterfront promenade at Stanley. We hope that Stanley will be developed to a better tourist attraction. Then, I would like to raise the issue of the organization of Hong Kong International Dragon Boat Races. I cannot see why the Government, owing to the mere shortage of several millions dollars of operational expenditure, give up organizing the Hong Kong International Dragon Boat Races which is in fact a good local event strong in showing Chinese characteristics. I hope the Government will seriously consider organizing this event.

**MRS SOPHIE LEUNG** (in Cantonese): Madam President, I fully support that Hong Kong should develop diversified tourist programmes or tours to attract tourists. In particular, since Hong Kong has plenty of natural resources and sights of high ecological values, plus its unique historical background, it is possible that the development of ecological and cultural tourism in Hong Kong be considered. If the Administration can launch more promotional and publicity programmes and provide suitable ancillary facilities, it will certainly attract both overseas and domestic tourists to visit Hong Kong and promote family tourism.

For example, the fourth butterfly valley in Hong Kong was discovered earlier in Deep Water Bay, Hong Kong Island. Over 10 000 Danaidae,

including *Parantica melaneus*, the species rarely found in Hong Kong, were roosting there to spend the winter, which indeed made a splendid scene. The sight of butterflies spending the winter is rare. In Southeast Asia, only Hong Kong and Taiwan have had such records. With more publicity, these butterfly valleys will certainly become attractive sightseeing spots, which may even be comparable to the El Rosario Monarch Butterfly Sanctuary in Mexico, a must-see for tourists.

Moreover, Hong Kong has plenty of precious or unique animals or plants, for example Chinese White Dolphins, Romer's Tree Frogs (*Philautus romeri*), Incense Trees (*Aquilaria sinensis*), Big-headed Frogs (*Rana kuhlii*), Japanese Long-winged Bats (*Miniopterus schreibersii*), stony corals, and so on. Furthermore, Hong Kong also has many scenic country parks which are in close proximity to the urban areas. Many visitors, including Japanese visitors, are attracted to come to Hong Kong to hike because they think that it is very convenient. In addition, the Hong Kong Wetland Park in Tin Shui Wai, which the Government has spent \$520 million on its construction in recent years, is due to completion at the end of next year. Besides, the entire garden project of the Chi Lin Nunnery is expected to attract hundreds of thousands of visitor-times a year. In all aspects, it is reflected that Hong Kong does have the conditions to develop ecological tourism. The Liberal Party also believes that the development of ecological tourism will create employment opportunities in Hong Kong and attract visitors of different interests. In addition to economic benefits to be brought about, it will also help promote the ecological knowledge of the public and the visitors with the support of proper education and publicity. In the long run, it will be beneficial to environmental protection.

As regards cultural tourism, Hong Kong still has a number of heritage items and buildings of historical values due to its unique historical background. However, the Government is slow in the conservation of the built heritage. Until now, there are only 70-odd buildings declared as monuments, and another 9 000 items on the list pending assessment. In our memories, we have already lost the original Tiger Balm Garden inside the Haw Par Mansion and almost lost the Kom Tong Hall. Our recent concern is King Yin Lei. We are again worried that it may disappear. These monuments have their values in terms of both history and tourism. I hope the Government will encourage private developers to preserve the built heritage of historical values and then open them to visitors.



In addition, the Government should strengthen the promotion of some traditional cultural activities. For example, the recent Bun Festival held in Cheung Chau has attracted a record high number of visitors. It is a pity that the traditional rite of "snatching the bun towers" could not be resumed. Besides, Cheung Chau still has plenty of cultural treasures with special characteristics. Although Cheung Chau is only about an hour's ferry ride from Hong Kong's Central District, it has an atmosphere of a fishing village, which is completely different from the prosperity and commercial taste of the urban areas. Moreover, Cheung Chau offers the history of Cheung Po Tsai Cave and pirates, beautiful beaches, green hiking trails, and so on. After re-packaging, such varied features may also become exclusive tourist spots and programmes.

I suggest that the Government should support these folk activities and local characteristics by setting up a co-ordinating committee to help local groups plan and promote such folk activities and local characteristics as Hong Kong's tourism products.

Madam President, I regret to say that last year a group of enthusiastic young people proposed to hold a very special international event in Hong Kong, named "International Street Artists Festival", which would not cost much. They also proposed a complete set of ancillary facilities, and explained about its implementation. They suggested that when local groups travel overseas, they could take the chance to recruit so-called street artists to come to Hong Kong to participate in this special performance. Yet this proposal was eventually rejected all at once.

It has recently been reported that the Hong Kong International Dragon Boat Race might be suspended due to insufficient funding. The organiser said that they had sought help from the Government, but the Government was completely indifferent. I hope we can seriously examine this event because "dragon boating" is a traditional Chinese characteristic, and the race has already become an annual big event in Hong Kong, which attracts many overseas teams to come to participate, and such can enhance Hong Kong's publicity. Furthermore, the sponsorship is not much, but in exchange, a lot of Chinese and overseas participants and visitors will come to visit Hong Kong and spend money. It is well worth the efforts. I hope the Administration could examine this event in detail again.

In fact, in addition to new ideas such as ecological and cultural tourism, there are still plenty of visitors coming to Hong Kong for crazy shopping. It is a pity that Mrs Selina CHOW is not in Hong Kong today, or otherwise she must have a lot to say on this issue. In fact, we should not forget the fact that worldwide branded fashion labels have recently all set up their flagship stores in Hong Kong one after another. Let us take a look at all the world cities that are filled with so many branded fashion labels. Only a few places in the world can be comparable to us. Although Hong Kong is such a tiny place with a population of only several millions, the number of branded labels which Hong Kong has attracted can be comparable to trendy fashion cities such as London, New York, Paris, and so on. It illustrates the strong potential of Hong Kong as Asia's fashion city and recognises the efforts contributed by the clothing industry for years to establish Hong Kong as a fashion centre. I hope the Government can really strengthen the promotion of the concept of establishing a "fashion and design centre" so that our industry and the tourism industry can work together to bring out the best in each other.

Moreover, I hope that the Administration can be more creative in the promotion of tourism by exploring more diversified tourism products and combining Eastern and Western cultures in Hong Kong, so as to add colours to Hong Kong, a cosmopolitan tourist centre.

Thank you, Madam President.

**MR MARTIN LEE** (in Cantonese): Madam President, I fully share the views of Miss CHOY So-yuk and Mrs Sophie LEUNG regarding the fact that we are unable to organize the International Dragon Boat Race this year. I reckon that the Government has again let go of a good chance. To my understanding, the amount of money required is actually not too much. Why cannot we do it? Why are we going to let our "young brother SAR" — Macao steal the limelight once again?

If necessary, I can donate \$100,000 in the name of the Democratic Party to lend support to the race because I think Hong Kong has no excuse not to organize the race when we can spend a lot of money on certain events or drop money into the sea. Yet this is an event that many people from all over the world are interested to participate in. Why shall we give up?

Thank you, Madam President.

**MR HENRY WU** (in Cantonese): Madam President, tourism industry is one of the four major pillars of Hong Kong economy. In fact, in the past year, tourism industry is vital to the recovery of Hong Kong economy. Therefore, enhancing the attractiveness of Hong Kong to tourists is crucial to the prosperity and stability of Hong Kong economy as a whole.

Having just heard Members talking about the International Dragon Boat Race, I believe many people in Hong Kong, including the Chinese General Chamber of Commerce, are very concerned about it. To my understanding, some other parties also have the same concern. In fact, I can briefly respond to this concern. To my knowledge, it requires about several millions to organise such a dragon boat race. Since this amount may be a bit too much, the organiser has probably not yet raised sufficient fund this year. Yet I believe or hope we will soon have some good news. In this regard, we still have to be patient.

Talking about tourism in Hong Kong, I am obliged to mention the world famous top tourist landmark — Ocean Park. And I also have to first declare that I am a member of the board of the Ocean Park Corporation.

Since its opening 27 years ago, Ocean Park has successfully established its position as a popular tourist spot in Hong Kong. Particularly for mainland tourists, Ocean Park is a Hong Kong brand which almost everybody knows, and has always been an important tourist attraction.

According to Ocean Park sources, since the implementation of the Individual Visit Scheme by the mainland Government last year, park visitors from the Mainland have increased almost 20%, which mainly are family tourists. According to the results of a survey conducted during this Chinese New Year, mainland family visitors under the Individual Visit Scheme accounted for 61% while those on package tours accounted for 29%. The relevant statistics prove that Hong Kong not only attracts business and shopping tourists, but also gets family tourists who also constitute an important potential market for Hong Kong tourism industry. Therefore, the Government should implement stronger measures to further reinforce the market position of Hong Kong as a top family tourist destination, so as to attract more family tourists from all over the world to come to visit Hong Kong.

In order to pose attraction to more visitors, Ocean Park has, in recent years, actively launched various new activities, including entertainment blended

with education, encounters with animals, festive activities, and so on, so that visitors can enrich their knowledge on the conservation of natural environment in the course of close encounter with animals, keeping in line with the aim of Ocean Park, which is to propagate the message of conservation of wildlife and natural environment. These activities not only attract the locals, they are also major selling points to promote Hong Kong as an international tourist destination.

In addition to launching more new activities to attract visitors in short term, Ocean Park is planning to build a new Ocean Park as its long-term goal. It will maintain the same position, which is based on the education and conservation of marine wildlife and natural environment, and continue to ensure that Ocean Park remains one of Hong Kong's major flagship for tourism brands and tourist spots.

However, peripheral ancillary facilities are also very important to the long-term development of Ocean Park. At present, during holidays and tourist seasons, visitors have to suffer from heavy traffic congestion on the way to and back from the Park. Congestion even extends all the way from the main entrances of the Park to Aberdeen Tunnel, resulting in park visitors and other road users being trapped in traffic and wasting much valuable time, and even causing a hindrance to visitors travelling to tourist spots in southern Hong Kong Island.

Madam President, the implementation of the long-term strategic development plan of Ocean Park must obtain the full support of the public, the Government and the Legislative Council. More important tasks to be carried out include the revision of the Ocean Park Corporation Ordinance enacted in 1977 with a view to relaxing the requirements on daily operation to allow the Park to run a more flexible and comprehensive business operation. Moreover, consideration should be given to offering Ocean Park the same kind of support as given to Hong Kong Disneyland, such as the financial support, large-scale infrastructure facilities and transport network systems to be required to rebuild the Ocean Park in the future.

It is expected that the long-term strategic development plan of Ocean Park will be submitted to the working group led by the Financial Secretary in October. I hope the authorities concerned can then carry out a detailed study and expeditiously submit and implement a practical proposal, so as to further enhance the attractiveness of Hong Kong to tourists, promote the long-term development

of Hong Kong economy and maintain Hong Kong's vital position as an international tourist centre.

With these remarks, Madam President, I support the motion.

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

**MR TAM YIU-CHUNG** (in Cantonese): Madam President, since the second half of last year, following the implementation of the Individual Visit Scheme, the Hong Kong tourism industry has been rapidly recovering. According to the statistics published by the Hong Kong Tourism Board yesterday, although the economy was affected by SARS last year, the recovery in the second half resulted in an increase in the proceeds from tourism. The spending of visitors in Hong Kong in commercial products and services amounted to \$59.6 billion, up 2% from 2002.

The rapid growth of the tourism industry has simultaneously brought forward some pressing issues, including inadequate ancillary facilities for tourism, lack of freshness of sightseeing spots, and so on. In order to enhance the attractiveness of Hong Kong to tourists, it is necessary to develop more new tourist spots. In addition, we have to continue to strengthen the reputation of Hong Kong as a "shopping paradise".

Following the completion of the Hong Kong Disneyland and the Tung Chung Cable Car System in the future, Lantau Island will become a new popular tourist spot. However, due to a lack of planning, such large-scale development projects have not brought along the restructuring and development of the surrounding tourist spots. Tai O is the only existing tourist spot in Hong Kong which offers a comparatively well-preserved fishing village, but is now left unattended. There is neither any development plan nor any signage or a proper pier. In the southeast, Mui Wo also suffers the same problem. At the beginning of the year, I visited Mui Wo, which was once a popular tourist spot Hong Kong people frequently visited. The local rural committee and residents' organisation told me that in order to revitalise the local tourism industry, they had already submitted to the Government a series of development proposals, including the improvement of beaches, the establishment of a water sports centre, the promotion of Silver Mine Cave tour, and so on. They actively contacted a

number of relevant government departments, but the Government was indifferent and adopted dilatory tactics. As time goes by, this special tourist spot with rich local customs and practices has been forgotten.

Hong Kong is not only a prosperous commercial city, it also has abundant leisure and eco-tourism resources. The outlying islands not only offer sunshine and beaches, but also green mountains and lush fields, caves and streams, as well as rich local customs. With proper planning, we can build up a cultural tourist district suitable for both energetic and inactive tourists. Therefore, when the Government launches a large-scale tourism development plan, it should consider altogether the development of surrounding tourist spots so as to offer more variety both in the travel style and in sightseeing spots to attract different kinds of tourists.

In fact, the promotion of tourism on the outlying islands may even directly help improve the local economy and increase the employment opportunities for the locals. Since last year, Cheung Chau Island Women's Association Limited has started to launch a women employment scheme to train the middle-aged women on the island so that they can grasp all sightseeing routes and anecdotes to enable them to be employed as tourists guides by tourists who need guides. Basically, the outlying islands lack employment opportunities. If the grassroots have to travel a long way to the urban areas to work, they can hardly earn enough to cover the expensive travel expenses. Therefore, the only way to increase the employment opportunities is to develop the tourism industry with a view to promoting the local economy. For this reason, the Government should identify, as early as possible, the development of the tourism industry on the outlying islands as a major development project, so as to enhance the attractiveness of Hong Kong to tourists and promote the local economy of the outlying islands.

With these remarks, I support the original motion and the amendments.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr Howard YOUNG, you may now speak on the two amendments. You have up to five minutes to speak.

**MR HOWARD YOUNG** (in Cantonese): Madam President, in respect of the amendments today, I would like to first talk about Mr CHAN Kam-lam's amendment, which mainly suggests to communicate with other governments in the Pan-Pearl River Delta (PPRD) Region to materialize the co-operation and development. I think this is quite natural. In fact, the Hong Kong tourism industry and the Hong Kong Tourism Board have long (about some years ago, as I can recall) started such work, which covers not only inbound travel, but also outbound travel.

I can tell Mr CHAN and Members that last week the Travel Industry Council and the Guangdong provincial tours just visited France together, and I was accompanying them. French Tourist Office has already viewed the Pearl River Delta Region and Hong Kong, including Taiwan, as a whole, and changed the name of the relevant office to Greater China Tourism Development Office. We were told that the number of visitors to France from Guangdong Province had now exceeded 300 000, from Hong Kong 150 000, and from Taiwan 150 000. The total number of visitors from all three places has already exceeded the number of visitors from Japan. For this reason, France has attached great importance to our tourism business as a whole, in terms of outbound travel.

As regards inbound travel, we can tell from various statistics that visitors visiting Singapore or Hong Kong stay on average less than three days while those visiting Bangkok, however, stay more than five days. What are the reasons? It is because tourists can easily go from Bangkok to Pattaya, and from Pattaya to other neighbouring regions. However, once tourists arrive in Singapore or Hong Kong, it is not so easy for them to go to other places. Nevertheless, in order to encourage tourists to stay longer time, we can co-operate with other regions. Just now a Member mentioned the visa-free arrangement. In fact, Guangdong Province already implemented this measure earlier. But it simply has not generated much publicity in society. About two and a half to three years ago, Guangdong Province already declared that foreign tourists entering via Hong Kong to any of the 14 cities within the Pearl River Delta would need no visa. For this reason, this amendment only proposes a natural fact. I think it perfectly matches today's issue.

Moreover, whenever Ms Miriam LAU talks about the co-operation with Guangdong Province, she certainly talks about transport matters. Of course, Ms Miriam LAU's argument is that if we materialize the co-operation and

development, it is even more important to communicate with the regions to co-ordinate the development. In this case, it is necessary to develop the transport infrastructure, including the facilities in various port areas.

Two Members have also proposed to provide 24-hour clearance in more port areas and install more co-location facilities. I think these proposals are very important and reasonable to the development of tourism with Hong Kong acting as a gateway for tourists travelling to the Pearl River Delta Region, the Great Pearl River Delta Region or the PPRD Region. For this reason, I support the amendments of both Members because both amendments tie in perfectly with today's issue.

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

(in the absence of Secretary for Economic Development and Labour) (in Cantonese): Madam President, first of all, on behalf of the Secretary for Economic Development and Labour, I would like to thank Mr Howard YOUNG for moving the motion on "Enhancing the attractiveness of Hong Kong to tourists", and Mr CHAN Kam-lam and Ms Miriam LAU for moving their amendments. Moreover, I would like to thank Members for their valuable opinions mentioned in their speeches earlier.

Round about this time last year, Mr Howard YOUNG moved the motion on "Revitalizing tourism and encouraging spending". At that time, the SARS epidemic was just over, and the Government had introduced various relief measures. SARS has dealt a heavy blow to the economy and the tourism industry bore the brunt. The number of tourists saw a drastic plunge. After the launching of a series of activities to promote tourism and stimulate spending, and the introduction of the Individual Visit Scheme by China in late July last year, tourism recovered rapidly in the latter half of 2003. This is something which excited us all. Last year, the overall visitor arrivals stood at 15.5 million. This represents a slight decrease of 6% as compared with 2002, and is the second highest record over the years.

This year, the Hong Kong Tourism Board (HKTb) estimates that there will be over 20 million tourist arrivals for the whole year. From January to April this year, an accumulated 6.6 million tourists have come to Hong Kong, an almost 40% increase over the same period last year. During the same period, the number of mainland tourists has increased substantially by more than 50% to



3.8 million tourist arrivals. Apart from a sharp increase in mainland tourists, tourists from other long-haul markets have also rebounded. Basically, the number has gone back to the pre-SARS level. From January to April this year, the average occupancy rate of hotels stood at a high of 85%; the retailing industry also benefited from the tourism boom, recording a growth of 8.4% in the first quarter of 2004.

In the wake of this good momentum of the tourism industry, we continue to push forward actively the development of tourism. Just as Mr Howard YOUNG mentioned in his motion, the Government has kept on enhancing ancillary tourist facilities to reinforce Hong Kong's attractiveness and competitiveness as the number one tourist destination in Asia to cope with the ever-increasing demand of the tourists in the future. To this end, we will continue to adopt three main strategies:

- (i) to continue to invest in large-scale tourist infrastructure, improve existing ancillary tourist facilities, discover new major tourist programmes to maintain Hong Kong's attractiveness and competitiveness;
- (ii) to raise the service quality of the tourism industry, promote the hospitality culture so that tourists will have the best travel experience; and
- (iii) to step up efforts to publicize and promote Hong Kong so as to attract more tourists to Hong Kong.

In respect of investing in and developing tourism programmes, the tourism industry is the major source of power for the development of Hong Kong's economy. In 2003, the aggregate expenditure relating to inbound travel was estimated to exceed \$70 billion. In order to promote the sustained development of the tourism industry, the Government has continued to invest heavily in tourist infrastructure, including the construction of the Hong Kong Disneyland, the Tung Chung Cable Car development project, the Hong Kong Wetland Park, the introduction of the heritage tourism development at the Central Police Station Compound, and the various improvement and beautification plans to existing tourist hot spots, investment of which totals almost \$25 billion. These large-scale tourist projects will be completed one after the other in the next two years.

The Hong Kong Disneyland project is progressing in full swing. According to progress in the present stage, it can hopefully be ready by the end of next year. The Tourism Commission has begun to make overall planning for its opening, co-ordinating the preparatory work of the concerned departments and organizations to ensure that related work can tie in with each other and can be finished on schedule. These preparatory work mainly include transport, publicity and promotion, matters relating to the opening and emergency contingent arrangements. The development programme for the Tung Chung Cable Car System has also started, and is estimated to be operational in early 2006. Together with the other projects, for example, the Theme Village at Ngong Ping and the Heart Sutra Inscription, the attraction of Lantau to tourists should be further increased. The Hong Kong Wetland Park in Tin Shui Wai will be the largest artificial wetland park in Asia. The construction works are in good progress and are expected to be completed by the end of 2005. Together with the Ocean Park — Members have just had a detailed introduction of its plans from Mr WU — which will be completing its development programmes by the end of next year, we hope that the Park can bring some new driving force to Hong Kong's family tourism.

In addition to the construction of new, large-scale tourist development projects, the Government has at the same time made improvements to existing ancillary tourist facilities, carrying out various plans to improve and enhance hot tourist attractions. The phase I enhancement works for Sai Kung waterfront and Lei Yue Mun have been completed; the improvement plans for Central and Western District will begin sometime this year; works at the Tsim Sha Tsui promenade and Stanley waterfront will begin soon. Other projects which are under planning include improvement works to the tourist area on the Peak, construction of a transport link in Tsim Sha Tsui East, and development of the interchange at the Star Ferry into an open square, and so on. Moreover, by year's end, the installation of tourist signs in the 18 districts of Hong Kong will be completed. Tourists will then be provided with more convenient and clearer road signs and information when touring the major attractions and scenic spots of Hong Kong.

In order to maintain Hong Kong's attractiveness to tourists in the long term, and to enhance the competitive advantages of Hong Kong in the international tourism industry, the Government will continue to put in resources to develop new tourist programmes. For example, this January, "A Symphony

of Lights" which is a multi-media light and sound show is staged every night on the Victoria Harbour. Meanwhile, the "Avenue of Stars" on the Tsim Sha Tsui promenade is open this April. These two new tourist programmes are greatly welcomed by tourists, local people and the tourism industry.

Besides, we are also actively promoting the development of green tourism, culture and heritage tourism, and the like. This includes plans to launch pilot programmes on Tung Ping Chau and in Tolo Harbour focusing on green and cultural tourism, and to provide the necessary ancillary and tourist facilities to make sure that we can continue to use Hong Kong's natural resources well for tourism development. All the concerned organizations, including the Agriculture, Fisheries and Conservation Department, the Leisure and Cultural Services Department (LCSD), the HKTb, and so on, have also actively promoted and publicized the natural and cultural features of Hong Kong through different channels. Mrs Sophie LEUNG mentioned eco-tourism. Of course, in this regard, we have 400 hectares of country parks and many beautiful marine parks which are valued by international tourists. Talking about Japan, I believe several of our Policy Bureaux are pushing ahead respectively in this aspect. As regards the development of the fishing village at Tai O and Mui Wo on Lantau as mentioned by Mr TAM Yiu-chung, they belong to the overall tourism development of Lantau which we will consider.

In developing heritage tourism, conservation of heritage and buildings of historic value is not to be ignored. In May 2003, the Government has awarded the project which is to conserve the site of the former Marine Police Headquarters and to develop it for heritage tourism purpose. It is expected that the site could be developed into a heritage hotel in 2007, with attached catering and retail facilities. Also, we will soon invite tender for the project of conserving and developing the Central Police Station, Victoria Prison and the former Central Magistracy Compound for heritage tourism.

We have always followed the market closely to understand the needs of different tourists in order to expand the scope of Hong Kong's tourism products to satisfy the needs of tourists of different consumption levels. We will soon commission a consultancy study on the development potential of spa and recreational resort facilities, and explore the options of developing related facilities (including golf facilities) in Hong Kong, thereby assisting us in the formulation of tourism strategy in this respect.

Meanwhile, in view of the fact that the cruise market has a great potential for development in the Asian region, the Government has actively promoted long-term development, making Hong Kong the cruising centre in the Asian Region. Earlier, Mr Howard YOUNG has shown his concern in this regard because he hopes that there could be actual action on this matter. In fact, the Hong Kong Government is reviewing the future development of South East Kowloon. The whole planning review process takes time, and is expected that it will not be finished until 2007. This will affect the timetable for developing tourist spots in South East Kowloon and the plan for a modernized cruise terminal. In the long run, we still plan to build a cruiser terminal in South East Kowloon. However, to cope with the rapid growth of the present cruising industry and market needs, before the completion of the facility in South East Kowloon, we are actively identifying extra or short-term berthing facilities for cruiser to meet market needs. We are considering to openly invite interested organizations in the latter half of this year to make proposals on the site, development and mode of operation of the cruiser terminal for the early construction of the terminal to meet middle-term needs. The related process will be carried out in accordance with the principle of open and fair competition.

Ms Miriam LAU proposed in her amendment that the Government should perfect the transport infrastructure, improve boundary-crossing facilities and alleviate the congestion problem at the boundary. Actually, apart from developing projects related to tourism, the Government has now and then reviewed arrangements relating to facilities at the border control points and the ancillary facilities to cope with the flow of tourists. In view of the implementation of the Individual Visit Scheme and the large number of mainland tourists visiting Hong Kong, we have established a notification mechanism with the relevant department of Guangdong Province and have maintained close contact, particularly exchanging information during the peak periods of cross-boundary passenger traffic. This ensures that information on the flow of tourists will be effectively controlled and proper arrangements will be made to the ancillary facilities, including the deployment of more manpower and the increasing of frequencies of transport services. Moreover, the Government has also taken various measures, including improving the two busiest land control points of Lo Wu and Lok Ma Chau, and simplifying immigration formalities. New technologies will also be used to facilitate passengers and vehicles to get through immigration and customs clearance. In the long run, the SAR Government should consider opening new control points to cope with the ever-increasing tourists. Of course, when making considerations, we must

fully co-operate with the Mainland, and should consider the feasibility, allocation of resources and geographical problems in all aspects on the Mainland. At present, we are pressing ahead with the Shenzhen-Hong Kong Western Corridor, the Lok Ma Chau Spur Line, the new boundary bridge between the Lok Ma Chau Control Point and Sha Tau Kok Control Point, and the project to put up more private car kiosks at the Lok Ma Chau Control Point. We are actively pushing forward the works on the early stage of the Hong Kong-Zhuhai-Macao Bridge project together with the Guangdong Provincial Government and the Macao SAR Government, and conducting a positive study on the Guangzhou-Shenzhen-Hong Kong Express Rail Link with the Ministry of Railways of the Mainland.

The enhancement of service quality and the publicity on hospitality culture is our second strategy. The tourism industry is one which relies on public praises. The industry has to provide tourists with services which satisfy them and which give them a homely feeling so as to attract them to come again. At the same time, they will share with their friends and family members their happy and unforgettable experiences in Hong Kong, and recommend Hong Kong as a destination for travel. The Tourism Commission, the HKTB and the industry will take a series of measures to further enhance the service quality of tourism-related industries and promote the hospitality culture.

Just now, Mr Howard YOUNG mentioned that there must be improvements in software. Earlier, the Government has provided \$16 million to subsidize the sector in organizing training programmes for in-service tour guides. A total of some 5 000 in-service tour guides have joined these programmes and completed the required examinations. From July this year, all travel agents must employ certificated tour guides to serve in-bound tourists to ensure quality of the tour guides.

To deepen public awareness of the importance in the development of the tourism industry and to promote the hospitality culture, we will extend the educational activities of "A Hospitable Hong Kong" Campaign. We will also organize activities such as the quality service seminars to assist tourism-related industries to establish quality service level, in order to ensure that their services are of a high quality and are up to the expectation of tourists.

With respect to the protection of consumer interests of tourists in Hong Kong, the HKTB has enhanced its Quality Tourism Services Scheme, including tightening up the basic requirements for shop owners to join this Scheme,

encouraging shop owners to enhance service quality, and handling complaints lodged by consumers effectively. In the coming year, the HKTb will positively recruit a number of shop owners to join the Scheme, and will explore the possibility of extending this Scheme to other industries. Publicity in Hong Kong and around the world will be stepped up to build up the confidence of tourists spending in Hong Kong. Earlier, a few Members referred to an increase in tourist complaints which undermined the image of Hong Kong as a shopping paradise. Actually, last year, the number of tourists was as high as 15.54 million, and the complaints from tourists received by the Travel Industry Council of Hong Kong and the Consumer Council accounted for 0.003% and 0.008% respectively of the number of tourists visiting Hong Kong over the year. Judging from the number of visiting tourists, the abovementioned complaints should not serve to weaken the confidence of tourists coming to shop in Hong Kong. Recent findings reveal that shopping remains one of the most welcomed activities for the majority of tourists visiting Hong Kong. Of course, we will continue to work hard in this regard and will not be complacent. If Members want to know what the complaints are about, I hope I can reflect it to the HKTb.

Publicity on and promotion of Hong Kong is our third strategy. The HKTb will press ahead with work in this area. To attract more tourists to Hong Kong, the HKTb will step up publicity, promoting Hong Kong's tourism features overseas and on the Mainland.

In addition to market promotion and publicity, maintaining a balanced composition of market source for tourists is very important to the long-term development of the tourism industry. The HKTb has identified 16 major markets and has effectively deployed resources for promotion according to the attributes and needs of the tourist sources. Taking the major market of the Mainland alone as an example, it has great potential for development, and the geographical location of Hong Kong has enabled us to secure an advantageous position. With the implementation of the Individual Visit Scheme and its gradual expansion, the HKTb will focus its publicity on consolidating Hong Kong as the largest and leading market for overseas travel. It will target at tourists coming on an individual basis, and will resort to different media and formats to disseminate more tourism-related information to assist local tourists to understand Hong Kong and plan their own itinerary.

In the meantime, the HKTb will continue its efforts to develop other long-haul markets and expedite their pace of recovery, thereby consolidating the

position of Hong Kong in the local market in the long run. I wish to reiterate to Members that our objective remains the maintenance of a balanced composition of market source for tourists for promoting the long-term development of the tourism industry.

As regards the categorization of tourists, the HKTb will continue to target at the high-yielding tourists who have great potential for development. Business tourists are the most important group among the high-yielding tourists, to be followed by tourists who are attending conferences and exhibition activities. Every year, among the tourists visiting Hong Kong, business tourists account for around 30%, and their average expenditure in Hong Kong exceeds that of the general tourists who come for leisure by 30%. Hong Kong is the Mainland's doorway city. Upon signing CEPA with the Mainland, there will bound to be more business tourists coming to Hong Kong. Meanwhile, the convention and exhibition industry continues to prosper, and will also attract more tourists to Hong Kong. The HKTb will grasp this advantage and continue to co-operate with the industry to provide business tourists with some creative and attractive concessionary packages. Then, it can develop business cum leisure tours, extend their stay in Hong Kong and attract them to bring along their friends and family members or spouses, thus boosting domestic consumption.

Family tourism is also one of our major tourism target in the future. To welcome the opening of the Hong Kong Disneyland in 2005, the HKTb will step up publicity. It will re-package existing attractions and activities with distinctive features, promote Hong Kong as a great place for family tourism, and provide more special offers for family tourists so as to deepen their shopping, eating and entertainment experience.

A few Members earlier inquired about the support given by the Government to Hong Kong's International Dragon Boat Races. In fact, all along, the Government has been very supportive of this event. Apart from funds raised by the organizer from different sponsors, funding for the event also comes from subsidy of the Hong Kong Sports Development Board, which is about \$400,000 each year. This year, despite budgetary constraints, the LCSD has also provided the Races with the same amount of subsidy. Actually, this event has always been held and was only suspended last year because of SARS. Therefore, as we understand, this year, the organizer will also spare no effort to

look for business sponsorship and will continue to hold the event. The Home Affairs Bureau also hopes that this event of Chinese culture and the characteristics of Hong Kong can continue to be held successfully. Just now, Mr Martin LEE has put it into action and donated \$100,000 on behalf of the Democratic Party. To this, we express our deepest gratitude. We hope that this atmosphere can prompt the business organizations in Hong Kong to do the same. Then, we can raise sufficient funds to hold the event. We believe the HKTB will do all it can overseas to publicize and promote the event.

With regard to co-operation in tourism in the PPRD Region, Mr CHAN Kam-lam has moved an amendment. In the Pan-Pearl River Delta Regional Co-operation and Development Forum held early this month, it has been worked out in what areas the nine mainland provinces, Hong Kong and Macao are to co-operate, and framework tourism is one of them. We hope that through the PPRD channel, interaction in the sources of tourists between the SAR and the provinces can be boosted further, and the tourism concept of "multi-destination itinerary" which we, Guangdong Province and Macao have always been promoting actively overseas can be strengthened. We can make the best use of the rich tourism resources of the provinces, and introduce new suggested tours to provide overseas tourists with more choices, thereby increasing our overall attractiveness.

According to the forecast of the World Tourism Organization, presently, the Mainland is the world's fifth largest destination for inbound tourism, but by 2020, it will move to the top position. By then, it is estimated that as many as 130-odd million people will travel to the Mainland annually. In 2003, a total of 2.72 million overseas tourists visiting Hong Kong moved on to the Mainland via Hong Kong. This accounted for 38% of the overall number of overseas tourists visiting Hong Kong, and this ratio is on a rising trend. Joining tours with "multi-destination itinerary" is even the trend in the development of tourism around the world. The potential for the development of the mainland tourism market is beyond doubt. If Hong Kong establishes closer partnership with the Mainland, especially strengthening co-operation in respect of jointly promoting the tourism concept of "multi-destination itinerary" externally, it will be beneficial to the long-term development of Hong Kong's tourism industry. We will grasp this opportunity tightly and will join hands with the industry to further develop our tourism industry.



Madam President, I believe Members will agree that in the last few years, Hong Kong has been making efforts to invest in new tourist projects, and the rapid development in hardware and ancillary facilities is not to be doubted. We also attach great importance to the service quality of tourism, hoping that tourists would have the most pleasing and satisfactory tourism experience. The HKTb will continue to shoulder the heavy responsibility of promoting Hong Kong, striving to attract more tourists from around the world to Hong Kong.

We hope Members will continue to support the Government in promoting the development of the tourism industry, and the industry will put in joint efforts to enhance service quality. Moreover, we also hope that different sectors of the community and the public will demonstrate hospitality for tourists to experience deeply the charm of Hong Kong as a cosmopolitan city of Asia, so that they will be happy to stay in Hong Kong and will love to stay in Hong Kong. Thank you.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the amendment, moved by Ms Miriam LAU to Mr CHAN Kam-lam's amendment, 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): I now put the question to you and that is: That Mr CHAN Kam-lam's amendment, as amended by Ms Miriam LAU to Mr Howard YOUNG's motion, be passed.

**PRESIDENT** (in Cantonese): 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): Mr Howard YOUNG, you may now reply and you have two minutes 41 seconds.

**MR HOWARD YOUNG** (in Cantonese): Madam President, I have just noticed that Mr LEUNG Fu-wah, Mr SIN Chung-kai and Miss CHOY So-yuk are all very concerned about tourists being cheated in Hong Kong and how we can rebuild the confidence of tourists when shopping in Hong Kong. I believe such issues are well worth our attention. However, as Mrs Sophie LEUNG said, Mrs Selina CHOW is not in Hong Kong today, otherwise she may have lots of opinions to express. Maybe these problems belong to another debate issue, but they are also the concerns of the tourism industry.

Moreover, I have noticed that Mr Martin LEE, Mrs Sophie LEUNG and other Members have also talked about the problem concerning the International Dragon Boat Race. Yet the Secretary has not yet responded. I do not know the reason. Maybe the problem (as Mr Henry WU said) in fact is not whether it is possible to raise \$80,000 or \$100,000, but whether it is possible to smoothly run the event in two weeks' time even if Heaven now drops down \$4 million. I myself also doubt it. So all I can do is only to hope that this grand event will not simply be suspended and hardly able to continue.

Furthermore, Mr TAM Yiu-chung has just mentioned the fishing village of Tai O, which is indeed comparable to the Thailand tours of waterfront villages. In this regard, I think we really need to develop diversified tourism. Finally, I would like to respond to Mrs Sophie LEUNG's proposed cultural tourism — King Yin Lei. Members of the tourism industry have also questioned why the Government does not submit a bid. If it is the Government who can successfully bid for King Yin Lei, the problem of the restrictions on parking spaces for tour coaches on Stubbs Road will be solved. Moreover, King Yin Lei can also be transformed into a museum or a venue open to visitors. I think all these proposals are worth considering.

Madam President, last year, when Hong Kong was having a crisis, the Government was prompt in action. For example, it promptly implemented relief measures, waived licence fee and so on. It is obvious that we all value tourism. Next year, the Hong Kong Disneyland will be completed. By that time, we may have favourable conditions. And there will still be tours from the Individual Visit Scheme. However, we should not take action only when we are having a crisis. As regards the cultural district and the cruiser terminal mentioned earlier, I thought they would be completed in 2007. Yet it is only scheduled to complete the study in 2007. When will they be completed then? I hope the Government will expeditiously implement measures to promote tourism, regardless of the circumstances. Today, in the Legislative Council, we can see that we fully attain a consensus on this issue. I believe we have already expressed our consensus even without voting. Therefore, we shall continue to develop tourism through mutual co-operation. Thank you.

**PRESIDENT** (in Cantonese): I now put the question to you and that is : That the motion moved by Mr Howard YOUNG, as amended by Mr CHAN Kam-lam and Ms Miriam LAU, be passed.

**PRESIDENT** (in Cantonese): 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.

#### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 16 June 2004.

*Adjourned accordingly at one minute past Ten o'clock.*

## Annex

## HONG KONG SPORTS DEVELOPMENT BOARD (REPEAL) BILL

## COMMITTEE STAGE

Amendments to be moved by the Secretary for Home Affairs

<u>Clause</u>	<u>Amendment Proposed</u>
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9	By deleting subclause (2).
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New	By adding -
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**"9A. Continuous employment**

(1) This section applies to any employment by the Government that was employment by the Board or the Committee immediately before the commencement and has become employment by the Government by virtue of this Ordinance.

(2) Notwithstanding section 66 of the Interpretation and General Clauses Ordinance (Cap. 1), the Employment Ordinance (Cap. 57) applies to any employment to which this section applies.

(3) For the purposes of the Employment Ordinance (Cap. 57), nothing in this Ordinance breaks the continuity of any employment to which this section applies.

(4) For the purposes of the Employment Ordinance (Cap. 57), any employment to which this section applies is to be taken as employment by the same employer."

ClauseAmendment Proposed

12

By adding -

"(7A) Where the former Chairman is not available for the purposes of any subsection of this section due to sickness, absence from Hong Kong or any other reason, a reference to the former Chairman in that subsection shall be taken as a reference to the former Vice Chairman."

12(8)

By adding -

"former Vice Chairman" (前副主席) means the person who held the office of the Vice Chairman of the Board by virtue of section 3 of the repealed Ordinance immediately before the commencement;"

**Appendix****WRITTEN ANSWER****Written answer by the Secretary for Financial Services and the Treasury to Ms Miriam LAU's supplementary question to Question 1**

As regards whether the Government would review the guidelines issued to government drivers with a view to helping them to deal with blackmail incidents while on duty in the Mainland, the Government Logistics Department (GLD) has taken the following actions:

- (a) a memo was issued to all bureaux and departments with cross-boundary vehicles on 10 June 2004. The Departmental Transport Officers (DTOs) were reminded to report any incidents including traffic accidents or blackmail cases, and so on, to the GLD and that the DTOs and drivers might seek assistance from the GLD whenever necessary;
- (b) a memo was issued to all cross-boundary drivers with a copy to the DTOs concerned on 18 June 2004. The memo set out details on the procedures and guidelines that the drivers should follow in handling traffic accidents and other special incidents, for example, vehicle breakdown in the Mainland. In particular, the drivers were reminded to report to the mainland police in case of traffic accidents or blackmails;
- (c) a memo was issued to all bureaux and departments on 18 June 2004. The DTOs were reminded to follow the Civil Service Bureau Circular No. 6/2004 and to make prior arrangements with their mainland host authorities/organizations whenever they used the GLD or their departmental cross-boundary vehicles. This would help to ensure that the drivers could obtain assistance required in the event of emergencies whilst performing driving duties in the Mainland. The DTOs were also requested to provide identification document certifying that the driver concerned was a staff of the Government of the Hong Kong Special Administrative Region. Moreover, the memo suggested that the DTOs should advise the drivers to telephone them upon arrival at destinations in the Mainland and the DTOs should telephone the drivers to ensure their safety if they did not receive the call from the drivers; and

**WRITTEN ANSWER — *Continued***

- (d) apart from issuing clear guidelines to drivers and departments, the management also met the drivers' unions on 15 June 2004 to elaborate on the guidelines to address their concerns.

The above follow-up actions reinforce the support given to drivers of cross-boundary vehicles in handling traffic accidents or other incidents while performing driving duties in the Mainland. The GLD will continue to keep in close touch with all cross-boundary drivers and their DTOs to ensure that their concerns are promptly taken heed of.