

**OFFICIAL RECORD OF PROCEEDINGS****Thursday, 13 January 2005****The Council met at Three o'clock****MEMBERS PRESENT:**

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.ST.J., 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 MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE 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, J.P.

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

THE HONOURABLE WONG YUNG-KAN, J.P.

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 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, 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 TIMOTHY FOK TSUN-TING, G.B.S., J.P.

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

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

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, J.P.

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H.

DR THE HONOURABLE JOSEPH LEE KOK-LONG

THE HONOURABLE DANIEL LAM WAI-KEUNG, B.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE MA LIK, J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

**MEMBERS ABSENT:**

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

THE HONOURABLE LEUNG KWOK-HUNG

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE FINANCIAL SECRETARY

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

THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.

SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.

SECRETARY FOR EDUCATION AND MANPOWER

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

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.  
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

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

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

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

THE HONOURABLE AMBROSE LEE SIU-KWONG, I.D.S.M., J.P.  
SECRETARY FOR SECURITY

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

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S., J.P.  
SECRETARY FOR HEALTH, WELFARE AND FOOD

PROF LAU SIU-KAI, J.P.  
HEAD, CENTRAL POLICY UNIT

## **CLERK IN ATTENDANCE:**

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

PURSUANT TO RULE 8 OF THE RULES OF PROCEDURE, THE CHIEF EXECUTIVE, THE HONOURABLE TUNG CHEE-HWA, ATTENDED TO RECEIVE QUESTIONS.

**THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION ON THE POLICY ADDRESS**

**PRESIDENT** (in Cantonese): Members will please remain standing for the Chief Executive.

**PRESIDENT** (in Cantonese): The Chief Executive will now answer questions on the policy address raised by Members. A Member whose question has been answered may, if necessary and for the purpose of elucidation only, ask a short follow-up question.

Now, 27 Members have already pressed the "Request-to-speak" button, I will invite Members to raise their questions one by one. Members will please stand whilst asking questions, and be seated to wait for the Chief Executive to give his answer.

**MR LEE WING-TAT** (in Cantonese): *Chief Executive, in the policy address, you said that government policies in the past no doubt had caused the public pain and unease, and that the Government would oppose collusion between business and the Government and any transfer of benefits. May I ask the Chief Executive whether he considers the award of the operation of the Cyberport project to the LI's family without tendering a transfer of benefits? The single-tender arrangement adopted for the West Kowloon Cultural District development is widely opposed by the public, but the Government still insists on adhering to this approach at the moment. Is it not an indication of collusion between business and the Government? In fact, may I ask the Chief Executive how the "twins" of collusion between business and the Government and the transfer of benefits can be totally avoided if we lack a democratic system to monitor the Government?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEE, the success Hong Kong nowadays should be attributed to the high transparency of the operation of the Government. Hong Kong is so successful because we earnestly uphold the free market principle. Hong Kong is so successful because we uphold our principle in the handling of certain fundamental issues. We emphasize concepts and values. If the Government or anyone goes on the wrong track, it will have an important bearing on Hong Kong, causing great calamities. All my colleagues

and I will not allow this to happen. We are subject to the monitoring of 60 Members as well as the active and capable media. I do not see any collusion between business and the Government, nor do I see any transfer of benefits. Once again, I have to stress that if anyone should have any evidence, no matter what the incident is, he may produce it. I am prepared to follow up.

**MR LEE WING-TAT** (in Cantonese): *Madam President, this is a public occasion, so I believe the Chief Executive knows the answer to my question. Four years ago, the Cyberport project was awarded to the LI's family for operation without any tender exercise, thus enabling them to reap handsome profits. May I ask then, if this is not a transfer of benefits and collusion between business and the Government, what kind of phenomenon it is? The Chief Executive has not given an answer to this part of my question in his reply. Actually, society has to a great extent formed a collective opinion on the incident, considering this as the strongest evidence for collusion between business and the Government and transfer of benefits. Perhaps the Chief Executive may, on this public occasion, explain once again to the public: Why the Cyberport project is neither a collusion between business and the Government nor a transfer of benefits?*

**CHIEF EXECUTIVE** (in Cantonese): Be it the Cyberport project — actually, the Cyberport project is not a lone project of its kind. All along, before and after the reunification, projects of this kind have been introduced. The most important point is that we act in accordance with the rules and regulations and with high transparency. There has been no question of transfer of benefits.

**DR DAVID LI** (in Cantonese): *Madam President, may I ask the Chief Executive, in the next two years, what strategy he will adopt to secure the support of the Legislative Council to enable the expeditious passage of motions? (Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): Members have the answer for me, have they not? *(Laughter)*

I believe the improvement of the relationship between the executive and the legislature is the hope of the general public. I would like to tell you all, the

improvement of the relationship between the executive and the legislative is also the hope of all our colleagues. Recently, Members of the Legislative Council have raised some questions and requested that late provision of papers by the Administration should be avoided, and we have responded to their request actively. Members have also asked about the possibility of the early submission of certain important issues to the panels and the holding of advance discussion before the submission; we have also made positive responses. Members have also questioned the diligence of our Principal Officials and whether their attendance at panel meetings and Council meetings were adequate. We have been doing our level best; all we are looking for is improvement of the relationship between the executive and the legislature. Thus, I earnestly hope that Members of the Legislative Council will work together with me and my colleagues to improve the relationship. Fostering a good relationship is the prerequisite for an easy solution to other problems. If both the Members of the Legislative Council and government officials can base on a people-based approach in governance, I think many problems can be solved more readily.

**MR FREDERICK FUNG** (in Cantonese): *Madam President, I would like to ask the Chief Executive about the establishment of a commission to alleviate poverty he mentioned in the 44th paragraph of the policy address. May I ask whether the commission is a commission vested with decision-making power or an advisory framework? For example, if the commission considered it necessary for Hong Kong to establish a poverty line, to implement certain policies and to designate certain bureaux to take charge of the work, can the Commission make the decision on its own and require other bureaux to act in accordance with its decision? Or is it that the commission can only tender its advice to the relevant bureaux, and that the bureaux concerned may reject the suggestion of the commission after study? Actually, the establishment of a poverty line mentioned by me earlier is one of the examples. Is the commission an advisory body or an institute vested with solid power?*

**CHIEF EXECUTIVE** (in Cantonese): First of all, Mr FUNG, we attach great importance to the work of this commission to alleviate poverty. Financial Secretary Henry TANG is appointed the chairman of the commission to indicate our weight attached to the commission. The commission is an advisory body. However, owing to its extensive representation, I believe recommendations made by the commission in consensus will be greatly valued.

**MR FREDERICK FUNG** (in Cantonese): *Madam President, I would like to follow up. As the commission is only an advisory body, in other words, recommendations put forth by the commission in future may meet opposition or objection of individual bureaux. If such circumstances arise, will the Chief Executive intervene, requiring the relevant Policy Bureau to accept the recommendations of the commission? Do you have absolute power over this?*

**CHIEF EXECUTIVE** (in Cantonese): Mr FUNG, if the commission proposes certain recommendations to the Government, the Government, as an entity, rather than individual bureaux or directors, will make the decision. We will study the recommendations as a whole; for we have to take account of many other factors and give full consideration to them before a decision is made. I do certainly care about this issue.

**DR LUI MING-WAH** (in Cantonese): *Madam President, Mr TUNG, the eighth policy address delivered by you is generally recognized by society. It is considered to be pragmatic, realistic and close to the pulse of the public. However, no matter on the work of helping the poor and needy, developing education, reducing inter-generational poverty or helping the poor and the disadvantaged, an enormous amount of money is required. But, where are you going to get this money? In Mr TUNG's policy address, no specific measures are proposed in the part related to economy, and only a small part is devoted to this aspect. Even for the cultural and creative industry, Mr TUNG's favorite, support for the manufacturing sector to act as the vehicle producer is required; otherwise, Hong Kong will not be able to benefit from the creativity. Mr TUNG, how are you going to explain this?*

**CHIEF EXECUTIVE** (in Cantonese): Dr LUI, many problems now faced by Hong Kong can be solved with the development of economy. With better economic development, more livelihood problems can be solved. With better economic development, the unemployment problem can also be solved. Therefore, to me and the Government, improving the economy is the primary task. In the policy address, I have given a detailed analysis on our achievements and inadequacies. On the economic front, I have put forth the direction of our policy and our future development. I think all we intended to do aims at fostering the sustained growth of our economy.

In respect of the cultural and creative industry as well as urban renewal, it is not my own opinion but a conclusion derived from the opinions I have heard from many others. Dr LUI mentioned the manufacturing sector. Actually, I do hope that manufacturers will really come to Hong Kong, taking advantage of our strengths to further their development. I have had detailed discussions with some large-scale Taiwan manufacturers with good reputation and engaged in high-technology development. I have asked them of the possibility of coming to Hong Kong to gain an understanding of our strengths. At the moment, they do not see our competitive edge. I know Dr LUI may ask: Will the Government offer some concessions to them? In fact, I believe the problem has yet to reach that stage. When the opportunity arises, we will definitely find a way to achieve this. However, we do not think the opportunity has come. We will continue to make an effort to this end.

**DR FERNANDO CHEUNG** (in Cantonese): *Madam President, Chief Executive, our economy has started to rebound. As you said in your policy address, many economic indicators have shown double-digit growth. I believe you and the people around you must be living a very good life. But, meanwhile, many grassroots in Hong Kong are in deep waters. If defined by the international poverty line, 18% of the households in Hong Kong are still living in poverty, that is, over 1.2 million people indeed. Many of our young people are non-engaged today. They see no prospects, they have no jobs, and they are at a loss. Many elderly are living on the few hundred dollars of old age allowance. As for wage earners, the wages some of them are earning now are not even enough for the opening of a bank account. May I ask Mr TUNG, as our Chief Executive, how you can bring hope to the people of Hong Kong?*

**CHIEF EXECUTIVE** (in Cantonese): Dr CHEUNG, our economy is reviving, and I hope it will continue to thrive this year. However, I know very, very clearly that as at today, the recovery of our economy in the past 18 months has yet to benefit all Hong Kong people. Indeed, many Hong Kong people have not yet benefited from it. Our unemployment rate still stands at 6.7%. I do understand the problem. The basic approach to address this problem is to do our level best to enable the economic growth to sustain. I think this is of the utmost importance. Second, we have to work out all kinds of methods, creating job opportunities by every possible means. With growth in economy, there will be more job opportunities. What the Government can do in addition to the

promotion of tourism is involvement in other areas, such as greening, environmental protection and nullah decking. Apart from considering the necessity of each project, we will also take into account the employment factor, hoping that more job opportunities can be created to give impetus to economic growth. This is the most fundamental solution.

On the issue of poverty, as I said, owing to rapid economic restructuring, we are now facing with the globalization of world economy which will certainly deal a heavy blow to some people. Therefore, in this respect, we have established a commission to alleviate poverty. The objective of the commission is to examine how our society can do a better job under the present circumstances to help those suffering from the further blow.

**DR FERNANDO CHEUNG** (in Cantonese): *Chief Executive, you mentioned just now that promoting economic growth was a major solution, but we notice from the economic growth in the past that the grassroots failed to benefit from it. May I ask the Chief Executive to explain briefly how you can enable the grassroots to benefit, sharing the fruits of economic growth?*

**CHIEF EXECUTIVE** (in Cantonese): As I explained earlier, Dr CHEUNG, in a knowledge-based economy, to ensure that everyone can benefit is definitely quite a tall challenge. However, as I said just now, by promoting the tourism industry, we exactly hope that more people can be benefited. The many construction projects we carry out at the municipal level also aim at creating more job opportunities, so that workers with lower skill and lower qualification may still have opportunities.

**MR MA LIK** (in Cantonese): *Madam President, in his policy address, Mr TUNG has reviewed rather thoroughly the governance of the Government in the past few years. I consider such a conclusion conducive to the improvement of overall administration by the Government.*

*May I ask the Chief Executive, from his personal point of view, what advice he will give to persons intent to run for office of the next Chief Executive? In your opinion, how should they equip themselves in the next two years to be ready to succeed you?*

**CHIEF EXECUTIVE** (in Cantonese): Mr MA, I have never thought about this question. However, I think I may have to start to consider this in the near future, so that when I am posed with the same question, I will know how to answer it then. Nevertheless, I believe I may not necessarily discuss the topic in open, at least not so for the time being.

**MR LEE CHEUK-YAN** (in Cantonese): *Madam President, Mr TUNG, I was struck by the policy address yesterday when I noticed that Mr TUNG had chanted a slogan of ours: "resolutely against collusion between business and the Government", and urged us to report any case. In fact, Mr LEE Wing-tat reported your case earlier, saying that you were involved in the collusion between the Government and the business sector over the Cyberport project. I, too, want to report you. You said that evidence should be produced. Here is the evidence: You never care about the workers, in particular the room of survival for the lower-income groups; you care nothing about our life or death. In this policy address, you have made no mention of establishing a minimum wage and maximum working hours; you only said that study would be conducted. Actually, what is the definition of collusion between business and the Government? Let me explain it to Mr TUNG. Collusion between the Government and business refers to a government allowing its policy to be totally inclined to consortiums, to the business sector and adopting the mentality of businessmen. For this reason, the eventual implementation of those policies fails to provide assistance to workers.*

**PRESIDENT** (in Cantonese): Mr LEE, please come to your question.

**MR LEE CHEUK-YAN** (in Cantonese): *Now, I have reported Mr TUNG and presented the evidence. May I ask Mr TUNG whether he agrees that he is involved in collusion between the Government and the business sector, and that failing to establish a minimum wage and maximum working hours is the evidence of collusion between the Government and the business sector? Will you put your slogan, that is "resolutely against collusion between business and the Government", into action immediately, and establish a minimum wage and maximum working hours at once?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEE, actually, it is more than easy for me to say that we should establish a minimum wage and maximum working hours. But this is not the point. We have to consider how the implementation of the relevant policy will affect society as a whole. How the labour sector will be affected? We can see the positive impact of the implementation of this policy, but have we ever seriously studied its negative impact? Therefore, I really think that by inviting the Labour Advisory Board (LAB) to study the issue, which in fact it has started, and wait until the study is concluded before implementing the policy, a better result may be achieved. We keep an open mind in this regard, as I have stated clearly in the policy address. We adopt a very open attitude in inviting the LAB to study the issue. Once the study is completed and a conclusion is reached, we will again address the issue with an open mind. Our prime concern is the overall interest of Hong Kong. But, on the other hand, there should be the greatest protection for the interest of the labour sector against the impact of the globalization of world economy.

**MR LEE CHEUK-YAN** (in Cantonese): *Mr TUNG, you said just now that you would keep an open mind. In fact, "to keep an open mind" is tantamount to no conclusion. Now, may I ask whether the Government itself has arrived at a conclusion that it is resolute to implement such policy? If the Government does not have such resolve to do so, it is meaningless to wait for the result of the study conducted by the LAB, for the Government has neither any policy, nor decisiveness to indicate its stance on the issue. Mr TUNG, just now, when Dr Fernando CHEUNG asked you how the grassroots could share the fruits of our economy, you said that the restructuring of economy was a painstaking process. But you have been saying this for seven years. Our workers have been enduring the pain for seven years, but there is yet an answer to solve their problem. Let me give you the answer — one agreed by most members of the labour sector — the establishment of a minimum wage. We have been suffering for so many years, when will you be willing to implement this? Mr TUNG, I really hope that you can discard the idea and mentality of "collusion between business and the Government", for it may be this mentality that prevents you from establishing the minimum wage. If Mr TUNG does nothing about this, does not intervene — the Government has not made appropriate intervention apart from introducing some piecemeal and trivial reforms, it will not be helpful eventually. I very much hope that Mr TUNG will give me a more decisive answer. Will you prescribe a minimum wage?*

**CHIEF EXECUTIVE** (in Cantonese): I have said earlier that my answer is set out very clearly in the policy address. I have given full consideration to the interest of the labour sector as well as the overall interest of Hong Kong before I gave that answer. The Government knows only what to do when the relevant figures are available and a conclusion can be reached after discussion.

**MR ANDREW LEUNG** (in Cantonese): *Mr TUNG, in the policy address, you expressly stated that you would assist the development of the environmental industry. In addition to enhancing the sustainable development of Hong Kong, it may create tens of thousands of new posts. However, apart from mentioning the implementation of the construction of the Recovery Park, no specific explanation on other ancillary software projects is included. As the implementation of recovery policy falls within the purview of different government departments, for example, Secretary Dr Sarah LIAO, Secretary John TSANG and Secretary Stephen IP are all involved, has the Government considered the establishment of a top-level inter-departmental mechanism to bring into line and co-ordinate the relevant policies? Moreover, a lot of new legislation has to be enacted. Has Mr TUNG considered this?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEUNG, we do support the environmental industry. The primary responsibility of the Government, generally, is to conceive how to enhance our hardware and software. We will continue with our endeavour in this respect to promote the environmental industry. This is the first point.

Second, as I said in the policy address yesterday, the Government will give special consideration to supporting the environmental industry. But by what means are we going to provide the support? I also know that they are facing problems in various aspects, such as costs, so we have to consider how to render support.

Third, the issue falls within the purview of Secretary Dr Sarah LIAO, and I believe she should be able to handle this. The Secretaries of Departments and I will also pay attention to this, so it is not necessary to set up another inter-departmental body.

**MR ALAN LEONG** (in Cantonese): *Madam President, Mr TUNG, in the 21st paragraph of the policy address, you stated clearly that the Government would continue with its efforts to uphold the vision of "people-based" governance, so as to gauge the mood of the people more accurately and listened more closely to their opinions. First, I very much agree to this point of the Chief Executive, and consider this is what we should do. I do not know whether the Chief Executive has noticed the motion passed by this Council here in the same Chamber last Thursday, which is related to the West Kowloon Cultural District development and includes the following consensus: to extend the consultation period to six months; to withdraw the single-tender approach, the canopy should not be a mandatory component, and to formulate long-term and sustainable policies on Hong Kong's arts and culture. The motion was passed by a majority of Members, with 34 in support of it and three against it. According to my analysis, the motion comes more than the winning of rare support of the legislature; it represents the consensus of society. However, the Government responded to the motion with the remarks that "the Government regrets that it cannot act in this way". Will the Chief Executive explain to us this apparent inconsistency? According to the vision for governance stated in the 21st paragraph, is the remark "the Government regrets that it cannot act in this way" hardly justifiable?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEONG, as I said yesterday, the West Kowloon project was first raised to the Legislative Council by me in 1999, which proposed to develop West Kowloon into a district of culture, entertainment and art. I consider it a very good project and look forward to its early construction and completion. This is a good deed. All along, we have been striving to complete this project. I have repeatedly stated that we would listen to the views of the public and, based on the overall interest of Hong Kong, we will make a decision when the consultation period is over. I have also noticed the circumstances and voting results on that day. However, the consultation period will conclude only at the end of March. I think we should wait until the consultation period is over. We will respond to the issue at an appropriate time. The principle of our response will be in line with the spirit I stated in the 21st paragraph.

**MR ALAN LEONG** (in Cantonese): *Chief Executive, under the existing system, the Legislative Council is point of confluence of public opinion and a broadly*

*representative institution. Has the Chief Executive ever thought about what else he needs to wait? Even if the Government has to wait for more citizens to express their views, is it appropriate to respond to a motion passed by the Legislative Council with the remark "the Government regrets that it cannot act in this way"? May I ask the Chief Executive whether he considers the West Kowloon development project will serve as the best cut-in point for the Government to initiate society cohesion engineering? For the community at least has reached a consensus over the West Kowloon development project, that is, we utterly do not mind, and may even support, the project which will use proceeds from land sales to promote a set of sustainable policies on cultural and arts suitable for Hong Kong. Will the Chief Executive use this as a basis to lead Hong Kong to work together to complete the task, for action is much more practical than empty talks?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEONG, we have heard the voice of Members of the Legislative Council and attach great importance to their views. But consultation is actually in process and will only be over by the end of March. Once the consultation period is over, we will make the decision. I believe the decision will certainly be made, as I said, in accordance with the basis set out in the 21st paragraph of the policy address.

**MR FRED LI** (in Cantonese): *Madam President, I am glad to see that the Chief Executive's policy address is clad in a green cover, which is quite similar to the colour we used for the one issued by us.*

*Mr TUNG, I recall you have said in the past that you would only browse through certain reports made by the Democratic Party. This time, the title of our issue is crystal clear, that is, to eliminate poverty. Since you certainly have not mentioned the subject of implementation of universal suffrage, I will stick to the subject of poverty. I believe you have done more than just flipping through our version this time, for you have also devoted a substantial part of your policy address to the discussion on poverty, so you really have read our views.*

*In the 36th paragraph, you mentioned the reduction of inter-generational poverty. Mr TUNG, this is very important, as I have repeated many times. Regarding the children nowadays, particularly the some 120 000 child recipients of Comprehensive Social Security Assistance (CSSA) — I do not wish to wait until*

*the commission to alleviate poverty meeting to start the discussion of the topic for this will take a long time, and besides, it is only at the stage of consultation. I hope Mr TUNG will give a practical answer to the problem. Those children cannot even afford a pair of glasses or participation in school activities, and such experiences will greatly affect their development, preventing them from build up their confidence. To allow the problem to persist will lead to inter-generational poverty, causing devastating impact on the development of the children. As to how the problem should be addressed immediately, the Hong Kong Council of Social Service (HKCSS) has conducted a survey, and in fact, the measure required is to increase the funding for those children. Will the Chief Executive undertake immediately to do better for this group of children, to allocate more resources for them?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LI, as you mentioned this policy address just now, I would like to tell Members the characteristics of this policy address. Actually, I do have had exchanges with all parties, rather intense indeed. I have listened to the views of Members and many sectors of the community before I put forth this policy address and responded to the 11 issues of the utmost concern to you. Certainly, there may still be other issues. I also like to take this opportunity to show you our new approach: Once there is a question, I will answer it; after the question is raised, we will study it; and after the study is completed, we will give our response to you.

Second, another characteristic of this policy address is that after listening to the views of Members, I know the priorities of my work in the next two and a half years. As set out in the title of the policy address, we have to work together for economic development and social harmony. In a harmonized and stable society, better economic development can be achieved. As economy grows better, problems related to the people's livelihood and employment will be solved.

The third point I would like to talk about, which Members may probably have noticed, is on issues related to the cultural and creative industries and urban renewal as set out in the future direction of my work. I raised issues of all aspects with a view to capitalizing on the collective wisdom of the public, hoping they will give me more views and participate more actively, so that the final outcome will be the best. Therefore, I hope you have noticed that these aspects are the focuses of my policy address.

To answer Mr LI's question, as far as the issue of inter-generational poverty is concerned, I can tell Members that in the course of drafting the policy address, I have in fact devoted the most time to the issue of inter-generational poverty. I have not only held discussions with the relevant departments, but also taken on board the views and ideas of many members of the social work sector. First, for the development of children from infancy to the age of five, we have considered ways to consolidate the efforts of Maternal and Child Health Centres, nurseries and kindergartens. This is not only for the good of children, but also for their parents, for we can provide education, such as education on health care and child minding to them. The programme is targeted at needy families and family recipients of CSSA.

Second, for children between five and 15, in addition to normal schooling, we will allocate more resources and identify ways to provide additional assistance to them in their participation in after-school learning as well as activities in languages, computing, music, and so on. We will also help these children to deal with interpersonal problems, so that they will have greater confidence in their future. Additional resources will be allocated for this purpose and the work will be undertaken by social workers. I hope all those concerned will work hard to achieve our goal.

Third, for young persons between 15 and 24 years of age, as I emphasized yesterday, in the next few years, out of the 3.3 million working population, the professionals or executives population of 1.1 million strong initially will experience a shortfall of 100 000, while the low-skilled population will increase by 230 000. Therefore, in encouraging young persons to continue their studies, we will ensure they know well that poverty is not an obstacle to further studies, for we can certainly facilitate their pursuit of further studies.

Fourth, I would like to point out that the cultural and creative industry will actually provide an alternative way out for the youths.

For all these reasons, we are not going to wait for the commission to alleviate poverty to take action, but will actively get the work started in this respect. Certainly, the commission may have views about this, and will express how we can do more or better. We will also listen to its views.

**MR FRED LI** (in Cantonese): *Madam President, to promote harmony in society, we have to enable every stratum of society to share the fruits of our economy. However, according to our colleagues, the grassroots fail to get their share now. Madam President, in his reply to my question, Mr TUNG cited the 37th and 38th paragraphs of the policy address. In fact, I have read the entire policy address, Mr TUNG, and I have fully understood its content. The question is that according to an in-depth study conducted by the HKCSS, the basic allowance granted to this group of children currently is not adequate; I hope Mr TUNG will read that report. As for other aspects, I fully support the proposals put forth by Mr TUNG. But I have to reiterate, in addition to those measures, will Mr TUNG undertake to study the report of the HKCSS, for the basic allowance granted to those children is really not adequate? If you do agree with this, please adjust the basic allowance for this group of children as soon as possible.*

**CHIEF EXECUTIVE** (in Cantonese): Actually, I have read that report. I can read it again, fine? I will read it again. (*Laughter*)

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, in concluding the experience in administration, Mr TUNG considered that Hong Kong had failed to respond promptly to .....*

(Two men on the public gallery stood up and one of them shouted aloud)

**PRESIDENT** (in Cantonese): People on the public gallery should keep quiet.

If you do not follow my instruction, I will ask our security staff to lead you out of here. Security officers, please take him out of the public gallery.

(Several security officers approached one of the men and tried to stop him, but he continued standing and shouting, while another man joined in to shout at this moment)

**PRESIDENT** (in Cantonese): You just need to leave the Chamber orderly.

(The two men were taken out of the public gallery by security officers)

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, may I continue with my question now?*

**PRESIDENT** (in Cantonese): Mr TAM Yiu-chung, please continue.

**MR TAM YIU-CHUNG** (in Cantonese): *I will start all over again. In concluding the experience in administration, Mr TUNG considered that Hong Kong had failed to respond promptly to the Mainland's economic advances. The Democratic Alliance for Betterment of Hong Kong and the Hong Kong Federation of Trade Unions have all along advocated development of the boundary areas between Hong Kong and Shenzhen in order to enhance the co-operation between Hong Kong and mainland industries, thus driving the growth of Hong Kong economy. And this will also increase job opportunities in Hong Kong. However, in the policy address, Mr TUNG mentioned nothing in this respect. Madam President, will Mr TUNG tell us whether he will address the issue during his tenure?*

**CHIEF EXECUTIVE** (in Cantonese): Mr TAM Yiu-chung, the issue actually involves many aspects; it is hoped that we may do something about this. It is not only a matter related to the river loop zone, but one that may affect the development of the entire Pearl River Delta Region and the further development of the relationship between Hong Kong and Shenzhen. These are issues of more far-reaching implications that need to be studied. Given the opportunity, I really hope to make an effort in this respect.

**MR TAM YIU-CHUNG** (in Cantonese): *Madam President, I would like to follow up. At present, many places near the boundary are designated as prohibited areas, inhibiting their development. Will the Government consider this aspect together with the others?*

**CHIEF EXECUTIVE** (in Cantonese): Mr TAM Yiu-chung, you are right. This should be considered together.

**MR ALBERT CHAN** (in Cantonese): *Madam President, when the Chief Executive delivered his policy address yesterday, he said he was resolutely*

*against collusion between business and the Government and would curb transfer of benefits. At that moment, I had a strong feeling that the Chief Executive, having slept for seven years, eventually woke up; perhaps it was because after President HU Jintao had given him the advice to identify inadequacies that the Chief Executive took the advice and therefore finally saw the reality in society. Nevertheless, in the subsequent media session as well as in today's Legislative Council Chamber, the Chief Executive denied repeatedly that there was collusion between business and the Government. Has the Chief Executive actually fallen asleep again, or whether the vow he made yesterday was just an illusion, or it was a mirage which he himself could not distinguish from the reality? With regard to the pledge made by the Chief Executive yesterday, how resolute would he be as far as opposing collusion between business and the Government and curbing such transfer of benefits are concerned?*

**CHIEF EXECUTIVE** (in Cantonese): We would absolutely not accept collusion between business and the Government, nor would we accept transfer of benefits. Mr Albert CHAN, I have said that for many times, the Government will never do such thing. Please let us know and we will follow up.

**MR ALBERT CHAN** (in Cantonese): *Madam President, if the Chief Executive asks me to report such incidents, will he order the setting up of a committee and appoint me, Mr LEE Cheuk-yan and "Long Hair" as members of the committee, to investigate the hard facts of collusion between business and the Government as well as transfer of benefits in Hong Kong? If the Chief Executive is not going to set up this committee to look into the matter, how can we obtain the hard evidence and information to prove that collusion between business and the Government does exist here in Hong Kong? I do hope he can order the setting up of this committee and I am more than happy to accept the appointment as a member of this committee, Madam President. (Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): I am not going to answer this question. *(Laughter)*

**MR JAMES TO** (in Cantonese): *Can he not answer such question? He may give replies that we Members may disagree or find unsatisfactory, but Madam President, will you please rule whether the Chief Executive can decline to answer questions raised by Members?*

**PRESIDENT** (in Cantonese): It is up to the Chief Executive to decide how to answer a question, I should not teach him how to answer it, whilst Members should not present their opinions. There are heaps of reasons for the Chief Executive to refuse answering the question, but in my capacity as the President, it would be difficult for me to give any explanation on his behalf. Mr TO, you should remember that under normal circumstances, if a Member tells me that an official fails to answer his supplementary during question time, I will ask the official whether he has anything to add. Now I can, at best, ask the Chief Executive if he has anything to add.

**CHIEF EXECUTIVE** (in Cantonese): I have nothing to add.

**MR ALBERT CHAN** (in Cantonese): *Madam President, will the Chief Executive explain why he declined to answer my question? Is he discriminating against Albert CHAN as a Member of this Council? Or if he dislikes me because I asked him to step down .....*

**PRESIDENT** (in Cantonese): Mr Albert CHAN, you raised your supplementary without my consent. In fact, you do not have to feel that frustrated.

**MR ALBERT CHAN** (in Cantonese): *Madam President, I protest that the Chief Executive declined to answer my question. This is an insult to the Legislative Council. Madam President, I strongly denounce that and protest against TUNG Chee-hwa. I therefore walk out in protest.*

**MR VINCENT FANG** (in Cantonese): *Madam President, first of all, I wish to thank Mr TUNG for pledging in yesterday's policy address that a goods and services tax would not be introduced in the next two and a half years, which was a momentary joy to us. Nevertheless, the Financial Secretary has stated that it would take three years or more to prepare and promote such tax. Moreover, a government official disclosed to the public a fairly complete and well-considered implementation proposal through the media earlier this week, and in high profile. It is the wish of all business operators to do business with clear prospects. In this connection, may I ask the Chief Executive whether the*

*Government has any preconceived plan for the introduction of a sales tax? Although the Government would not introduce such tax in the next two and a half years, will the Government actively make preparations and arrangements during this period and implement such tax during the tenure of the third Chief Executive?*

**CHIEF EXECUTIVE** (in Cantonese): I have said that I would not implement such tax within my tenure of office. In fact, I have a good rationale for that. What is it? That is, I have seen that the economy of countries and regions could not recover within five or six years if they implement such tax at the early stage of their economic recovery period, and the country I mean is actually Japan. For that reason, I wish to emphasize that as our economy has just begun to recover, we should not introduce a goods and services tax, and this is my rationale. As to what the third Chief Executive would do, I am unable to answer that. You have to ask the third Chief Executive then. (Laughter)

**MR VINCENT FANG** (in Cantonese): *I wish to follow up. May I ask whether the Government would make preparations and arrangements actively in the next two and a half years?*

**CHIEF EXECUTIVE** (in Cantonese): Mr Vincent FANG, I think it is only right for any government to adopt an attitude of being vigilant in peace time. Nevertheless, within my tenure of office, the Government would not do anything about such tax.

**MS AUDREY EU** (in Cantonese): *Madam President, the Chief Executive mentioned small-class teaching in the 59th paragraph of the policy address and said that the Government would embark on a three-year study, involving the participation of 37 schools. He also said that "we believe small-class teaching is a positive development". Nevertheless, I have also heard Mrs Fanny LAW, Permanent Secretary for Education and Manpower, say that small-class teaching was a path of no return for its high costs. The Government has set up a steering committee to study small-class teaching and members of the committee has frequently stated on public occasions that the promotion of small-class teaching is tantamount to feasting on bird's nest delicacy under budgetary deficit, or not*

*even bird's nest, but whale shark's fin soup (something better than ordinary shark's fin soup). Moreover, she criticized small-class teaching as the "imperial court suction method", and that we Members were asking for too low a price. She also pointed out that the study demanded by us was equivalent to pouring money down the rathole, for once small-class teaching was implemented, it would turn into "uncompleted properties". May I ask the Chief Executive whether he considers such remarks equivalent to the "positive development" of small-class teaching as he said?*

**CHIEF EXECUTIVE** (in Cantonese): Let me repeat it again. With regard to the promotion of small-class teaching, we believe it is a positive development. We feel that the key to bringing the merits of small-class teaching into full play lies in the teaching method and the contents of instruction. We could learn from other places or international studies that if we promote small-class teaching too hastily, the results would not be satisfactory: some of them failed, while others achieved no specific good results. For that reason, we have carefully arranged for the participation of 37 primary schools to implement small-class teaching in the next three years, in order to find out a better arrangement through practical experience and to examine whether it is feasible. If it is feasible, we hope that we can obtain good results in implementation. That is all we hope for. As to whether three years are too long or too short, it is up to the experts to decide. Nevertheless, it is quite a good thing if we can find out whether small-class teaching is successful through a process.

**MS AUDREY EU** (in Cantonese): *When answering Dr David LI's question of how to secure the support of the Legislative Council, the Chief Executive said that he attached great importance to the relationship between the executive and the legislature, and just now Mr Alan LEONG's question was about issues concerning the West Kowloon Cultural District project. Similarly, this Council unanimously passed a motion on small-class teaching on 2 December last year, which urged the Government to progressively implement small-class teaching by districts. Nevertheless, with regard to the current attitude of the Government, will Mr TUNG consider that the Government shows no respect for the Legislative Council? Just now he cited the views of many experts and the education sector who generally supported small-class teaching, and a territorial-wide survey conducted in 2004 found that over 90% of the principals, teachers and parents supported the idea. Since the Chief Executive emphasizes "people-based"*

*governance, why can small-class teaching not be implemented as soon as possible?*

**CHIEF EXECUTIVE** (in Cantonese): I wish to emphasize once again that we believe small-class teaching is a positive development. What we are discussing now is the approach. You said that it might take one to two years to implement while I said it might take three years. Nevertheless, our experts and colleagues consider that if we take this path, that is, to follow our practical experience, the results to obtain could be assured. It is just an issue about approach and process.

**MR CHEUNG MAN-KWONG** (in Cantonese): *I wish to follow up the question raised by Ms Audrey EU. Mr TUNG, you said in the policy address that you believed small-class teaching was a positive development, I welcome your remark, and I wish to work together with you to promote small-class teaching. But unfortunately, shortly after you had delivered your policy address, some officials of the Education and Manpower Bureau briefed the media that they would not adopt the resolution passed by the Legislative Council. That is, they would adopt the mode of transition by district similar to that of Shanghai to promote small-class teaching. Everybody knows that the mode of transition by district is not only a resolution of the Legislative Council, but also the aspiration aired by some 5 000 parents last Sunday.*

*May I ask the Government, insofar as the issue of the promotion of small-class teaching is concerned, if it will listen to public opinions? Is the decision on small-class teaching based on the people, or is it based on the Government? Is Mr TUNG willing to let the Government, education sector and society to reach a consensus on small-class teaching?*

**CHIEF EXECUTIVE** (in Cantonese): Mr CHEUNG, I have discussed with you several times on issues of education recently, and I find that they are very constructive. I have explained that issue earlier, however, we are talking about the issue of timing and approach. I consider that my colleagues in the Government have to, firstly, ensure the successful launch of this policy, and secondly, to ensure the prudent use of taxpayers' money. They are dealing with this issue out of the above considerations.

**MR CHEUNG MAN-KWONG** (in Cantonese): *Madam President, does the crux of the issue about the means and method of implementing small-class teaching lie solely in the notion of specific government official, such that it is unworthy to take the opinions of the education sector, society and parents into consideration? Even the motion passed by the Legislative Council deserves no respect? Given Mr TUNG said that he attached great importance to the issue of inter-generational poverty, education itself is an important solution to eliminate inter-generational poverty, will you seriously listen to public opinions and implement small-class teaching in government secondary schools as soon as possible, instead of limiting the fruit of small-class teaching to students of Direct Subsidy Scheme schools and quality private schools?*

**CHIEF EXECUTIVE** (in Cantonese): Mr CHEUNG, I believe my colleagues must have listened to a lot of opinions with regard to the promotion of small-class teaching every day before they came up with such a decision, which includes the opinion of your goodself. It is not an easy decision, especially in view of strong reactions from you and Ms EU. We must have taken these opinions into consideration before we made the decision.

**MRS SOPHIE LEUNG** (in Cantonese): *Madam President, Mr TUNG has actually mentioned the setting up of a fashion and design centre in his previous policy addresses, so I am glad that he mentioned developing the cultural and creative industries in the 83rd to 89th paragraphs in this year's policy address. For that reason, I really hope that it will definitely include fashion design. Fashion design has been a key money-making business which earns foreign exchange among the existing industries in Hong Kong, and it can also create many jobs in Hong Kong, so I believe your idea is consistent with this. If we look at our role as a leader in export, Hong Kong will match the degree of mutual and complementary benefits between Hong Kong and China, and will help to upgrade our creative industries. At the same time, we can grasp the impetus of earning foreign exchange.*

*However, Mr TUNG, what I wish to ask is that since our proposal for a fashion design centre several years ago, there have only been scattered voices requesting the establishment of a fashion design centre in the SAR. What idea does Mr TUNG's have? How will he follow up this matter in future? No*

*matter they are called creative industries or whatsoever, how would the relevant work be taken forward and followed up? Creative industries in other places are taking off and running, but we are still making little headway. This is unacceptable.*

**CHIEF EXECUTIVE** (in Cantonese): I have specifically mentioned cultural and creative industries in several paragraphs in my policy address. In fact, the progress in some areas is not that smooth. What is the most important task now? That is, how we can commercialize the creativity and the unique culture of Hong Kong. Generally speaking, creative industries in Hong Kong encompass 11 categories, and design is one of them. The definition of design is rather broad, and it embraces all sorts of designs. Fashion design is also included, I believe. Nevertheless, how can they be commercialized? In fact, there are numerous factors, so we should make extra efforts to promote them and focus on key areas. Therefore I suggest that we should establish an advisory committee. The advisory committee led by the industry would make recommendations to the Government on how best promotion can be conducted in a more effective way. I hope the industry will actively join the framework, for while the Government can make an effort in the provision of hardware and software, we still need the industry's input in respect of how it should be launched and how it should take shape. For that reason, I cannot answer your question off hand.

**MRS SOPHIE LEUNG** (in Cantonese): *Mr TUNG, can I make some recommendations now? Right now a toys expo is being held at the Hong Kong Convention and Exhibition Centre, I suggest that more people should go there and take a look, because some creativities are already displayed there. Moreover, although we in the garment industry have very little involvement in the Institute of Vocational Education, we have highlighted the enhancement of creativity in fashion design and guided fashion design students to participate in a creative project, so that they would become a welcomed choice to employers when they look for jobs after graduation. If we attach importance to the leading role of Hong Kong in export and take Mr TAM Yiu-chung's recommendation into consideration, that is, the recommendation he made earlier concerning the establishment of a border industrial zone for creative industries, I hope Mr TUNG will .....*

**PRESIDENT** (in Cantonese): Mrs LEUNG, sorry, thank you for your recommendation. However, since our question time is rather tight, Members should not dwell at great lengths. I am really sorry.

**MRS SOPHIE LEUNG** (in Cantonese): *Will Mr TUNG consider from that two perspectives and push the entire SAR Government to conduct some solid .....*

**PRESIDENT** (in Cantonese): You can write down all your ideas and address them to Mr TUNG after this meeting, please? (*Laughter*)

**MR CHEUNG HOK-MING** (in Cantonese): *Mr TUNG, your vision for governance has been the vision of "people-based" governance all along. Nevertheless, with regard to New Territories affairs, I have not felt any "people-based" governance in the past seven years. With regard to New Territories affairs, many of them are still pending. May I ask the Chief Executive whether you will consider setting up an inter-departmental group to solve these problems? These problems include sewage system, emergency access, or even border development, rates and Government rent and so forth.*

**CHIEF EXECUTIVE** (in Cantonese): There are indeed lots of problems between the Government and the New Territories Heung Yee Kuk pending solution. From my personal point of view, it is not difficult to solve these problems, because we have to carry out several tasks at the moment. First of all, we have to make the New Territories part of the 21st century's world city, thus we should take all aspects into consideration and see how we can make it a better place in terms of environmental protection and planning, and so forth. Meanwhile, indigenous residents of the New Territories definitely have their own rights, which are protected by the law. On these major premises, I believe we can make an effort together. As to how we should deal with the problems, I hope our colleagues can find the opportunity to discuss these matters with Members.

**MR CHEUNG HOK-MING** (in Cantonese): *Looking back at the past few years, these problems did not stem from you, Mr TUNG, but from the co-ordination between government departments. The question I raised just now was: Will you consider setting up an inter-departmental group to study these matters in detail?*

**CHIEF EXECUTIVE** (in Cantonese): I wish to tell Members that Chairman LAU Wong-fat and Vice-chairman CHEUNG Hok-ming have reflected these problems to me for many times, so I understand where the problem lies and we will work them out together.

**PRESIDENT** (in Cantonese): Chief Executive, it is four o'clock sharp now, but a dozen of Members are still waiting for their turn. Can you please answer a couple of questions more?

**CHIEF EXECUTIVE** (in Cantonese): Fine.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, when Mr TUNG answered the question raised by Mr LEE Wing-tat, he said that we had a liberal and highly transparent Government which was monitored by the legislature and media, therefore a lot of policies could be launched, and in particular, he said the issue of transfer of benefits simply did not exist. Nevertheless, may I ask Mr TUNG, now we have a good example, that is the question Mr LEE Wing-tat asked you direct, but you did not reply directly, for you were either beating around the bush, or giving answers irrelevant to the question. From your perspective, how can we Members keep on monitoring the Government in future? Yesterday, you proposed a lot of policies in your policy address, and you kept on saying enhancement, unfortunately, a lot of existing policies focus on retrenchment, and education suffers the most apparent cut .....*

**CHIEF EXECUTIVE** (in Cantonese): Where was it?

**MR LEUNG YIU-CHUNG** (in Cantonese): ..... as far as education is concerned, you repeatedly said that you would give your utmost support to

*education and would make investment in education, but Prof Arthur LI has been expressing opposite views. He cuts the subsidy, no matter they are universities or future education projects, he simply cuts their subsidy. What breaks my heart most is, I do not know whether Mr TUNG knows that .....*

**PRESIDENT** (in Cantonese): Mr LEUNG, can you please raise your question direct?

**MR LEUNG YIU-CHUNG** (in Cantonese): ..... *in order to save \$70 million, 200 000 adults have to drop out from evening secondary and primary school courses .....*

**PRESIDENT** (in Cantonese): Can you please raise your question?

**MR LEUNG YIU-CHUNG** (in Cantonese): *For that reason, may I ask Mr TUNG if he could please look into what, given that the composition of the legislature has remained unchanged, has given rise to many of your faulty policies and made you admit that your policies had caused public unease and social instability when you summed them up yesterday? What experience have you summed up in yesterday's policy address? Can you speak on this issue?*

**CHIEF EXECUTIVE** (in Cantonese): I do not know what exactly your question is, but I will try my best to answer. I will answer the question about education first. Even at the most difficult time, the overall allocation for education was not cut, thus the issue of cutting the funding is groundless. At the most difficult time, the allocation one year earlier and the year before last was almost the same. To us, education is of the utmost importance. If your question is about the Hong Kong Institute of Education, I have in fact discussed the issue with the Secretary, and I am confident that he can take care of the issue properly.

With regard to the issue of collusion between business and the Government and transfer of benefits, I have to repeat that there is no such thing at all. Thirdly, you questioned me how to restore your confidence to do what you should do. In fact, in the past one and a half years, we have been summing up

experience and drawing on the lessons to see how we can do our jobs better. This is not empty talk, for we convene weekly meetings on the handling of specific issues, and we discuss ways to do a better job. Just because of that, we have to listen to more public opinions, thus our colleagues will conduct district inspection visits and attend radio programmes to listen to public opinions. All of these are ongoing efforts, and there is only one objective, that is, to implement "people-based" governance truly.

Of course, I wish to mention one more thing, that is, in the past seven years, two achievements were not easy to come by: First, the implementation of "one country, two systems". Just like today, it is not an easy task to maintain a free and diversified society and at the same time uphold the rule of law, thanks to the concerted efforts of every one of us; and second, it is also not an easy task to facilitate economic transformation within 18 months amid the economic doldrums. Nevertheless, there are still inadequacies, and we will keep on working hard to improve the inadequacies, and I have confidence that we can achieve it.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, Mr TUNG, the core question I wish to ask is the question you mentioned concerning how Members of the Legislative Council could monitor government operation. But in reality, you can see clearly how the Legislative Council carried out its monitoring work in the past seven years. Our monitoring effort has made you apologize to the public yesterday for launching faulty policies and making policy blunders. For that reason, have you summed up the experience to enable more effective monitoring of government operation to be carried out by the Council, so as not to embarrass the Government for launching faulty policies? For example, can the composition of the legislature be rearranged through the implementation of universal suffrage, so that views raised by every Member can reflect public opinions, and your policies can be more "people-based" in implementation?*

**CHIEF EXECUTIVE** (in Cantonese): With regard to constitutional development, since we have already set our direction, we will follow that direction and stride forward according to the Basic Law and the decisions made by the National People's Congress. I will work hard to improve the

relationship with you and 60 Members of the Legislative Council. Let us work hard together.

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr TUNG, when I was listening to your policy address yesterday, I really wanted to stand up and talk to you, but I was afraid that the President would disapprove my request because it would constitute a violation of order. For that reason, I therefore restrained myself from standing up. When you were speaking on "keeping close to the community" in the 27th paragraph, you summarized 11 issues and put employment at the top of that 11 issues. I felt good when I heard that, in particular the reality you mentioned in the 28th paragraph. Nevertheless, as soon as you finished the 29th and 30th paragraphs, I considered you had not solved the issue of working poverty that the Hong Kong Federation of Trade Unions (FTU) had been mentioning to you all along. I have added up these figures, perhaps you like the figure of 85 000, there are approximately 85 000 jobs, some of them being anticipated new jobs only. However, how can they match the existing 500 000 low-income people (you know these figures because during this Legislative Session, three FTU Members have met you twice and informed you of the issue of working poverty), and with regard to today's poverty issue, the prime culprit is the shortage of jobs which has caused low wages. This Mr TUNG is fully aware. Nevertheless, you did not mention that in the 27th, 28th, 29th and 30th paragraphs, and you did not mention that when you talked on poverty. Perhaps you will explain later that it can be solved through some kind of creativity industries or whatsoever means, but if you find that they cannot help to solve these problems (you shook your head just now, and I do hope that you mean it), if your policy address cannot pinpoint the working poverty problem raised by the FTU, I hope you can tell me whether it is due to the fact that your ability falls short of your wish, or it is because you still have two and a half years, or because you have to follow public opinion even more closely. What difficulties do you have? What is the reason? Three Members of the Legislative Council met you twice and brought up issues relating to working poverty and 500 000-odd low-income people, why have you not made any response? The first motion I proposed in this Legislative Session was about minimum wage, Mr TUNG, and you failed to respond. I hope you can answer this question.*

**CHIEF EXECUTIVE** (in Cantonese): With regard to the issue of providing assistance to the low-income group, it is actually the most frequently visited issue

when I discussed issues of aid the poor with some of my Policy Secretaries. I do not know how many times we have discussed this issue, precisely because we attach importance to public opinions and your opinions. In our final analysis, we find that there are a number of other considerations. They have nothing to do with whether or not I or this Government have the confidence, but because a lot of issues may cause greater impact on society at large. For that reason, I deliberately added one sentence in the 44th paragraph relating to a commission to alleviate poverty, that is, to explore practical ways to assist those who suffer from poverty, particularly those in low-income employment. That is, I have instructed Financial Secretary Henry TANG to start studying this issue thoroughly as soon as possible.

**MISS CHAN YUEN-HAN** (in Cantonese): *But it has not solved the problem.*

**CHIEF EXECUTIVE** (in Cantonese): I know, we will discuss that with all of you.

**PRESIDENT** (in Cantonese): Mr TUNG, please let her ask her follow-up question first, otherwise she will have no opportunity to raise it.

**CHIEF EXECUTIVE** (in Cantonese): I am sorry, I am sorry.

**PRESIDENT** (in Cantonese): Miss CHAN, please raise your follow-up question.

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr TUNG, the FTU had proposed an economic development strategy based on promotion of employment. In the 29th paragraph, I note that the major consideration of the SAR Government in governance is to promote employment, that is something I feel great. Nevertheless, no subsequent action has been taken. Now Mr TUNG said he would discuss with us, does it mean that he is prepared to organize a non-governmental Economic and Employment Council? This is what we insist*

*the Government should do. Is the Government prepared to do it? That is, will a non-governmental Economic and Employment Council be set up on the basis of proposals made by civil organizations?*

**CHIEF EXECUTIVE** (in Cantonese): On creation of employment, we have mentioned a lot in the policy address and I am not going to repeat it. Besides what have caught your attention, from greening initiatives to promotion of the environmental industry, and to decking of nullahs, municipal projects in various districts and promotion of urban renewal and redevelopment, one of the major considerations is to promote employment. As to the issue of working poverty, I believe the commission to alleviate poverty will make that a key consideration.

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

**DR JOSEPH LEE** (in Cantonese): *Madam President, Mr TUNG, we welcome your statement in the policy address that our health care policy puts equal emphasis on disease prevention and treatment, and your pledge to enhance community-based health services and to undertake studies within the next two and a half years to help lay a foundation for the formulation of long-term strategies. Nevertheless, with regard to Hong Kong's health care policy, as far as the allocation of resources is concerned, about 85% is allocated to treatment while only 15% is spent on prevention. Moreover, in the past few years, we have conducted a number of studies, such as "the Rainbow Document" in 1993, the Harvard Report in 1999 and the Consultation Document on Health Care Reform in 2001, and so forth. I have this question for Mr TUNG. What specific proposal or measure do you have to implement the health care policy which puts equal emphasis on disease prevention and treatment in future? Moreover, what studies could be undertaken or what necessary steps should be undertaken to enhance our health care policy?*

**CHIEF EXECUTIVE** (in Cantonese): My reply is divided into two parts. The first part is on health care financing, which is the question raised by Dr LEE. How should I face these 11 issues? Some of them could be solved since the Government will try our best to work on them promptly for there is a consensus in society. As to some other issues, if the Government considers that they could

be promoted, but despite the lack of consensus in society, we will still try our best to work on them as long as they appear to be feasible. But for some questions which lack consensus in society and a consensus is highly improbable, then nothing can be done. Furthermore, we have to take the time factor into consideration, as we have to see whether time is on our side for we have to prioritize our policies. As to health care financing, we have compiled several reports in the past, and I also understand that we cannot reach a consensus eventually. Can we reach a consensus on this within the next two and a half years? I think we should at least take the first step of completing the groundwork. With regard to the second point raised by Mr LEE, I fully agree that prevention is the best way to a healthy living. In this regard, I know the Secretary attaches great importance to this matter.

**PRESIDENT** (in Cantonese): Dr LEE, do you wish to follow up?

**DR JOSEPH LEE** (in Cantonese): *I wish to follow up one issue. If Mr TUNG also considers that important, when you introduce the community-based health service policy, will you consider setting up a community health service team consisted of pharmacists, nurses and therapists to undertake the role as a health care monitor of Hong Kong? Will you take this policy into consideration?*

**CHIEF EXECUTIVE** (in Cantonese): I cannot respond to this specific question for the time being. I will respond to your question after I have discussed it with the Secretary. Thank you.

**PRESIDENT** (in Cantonese): Chief Executive, thank you for spending one hour and 14 minutes to answer questions raised by 20 Members. Nevertheless, 14 Members have to go home with disappointment. I hope they can have an opportunity to raise questions on the next occasion.

The Chief Executive will now leave the Chamber. Will Members please stand.

(A dozen of persons in the public gallery stood up in a hubbub and displayed some banners)

**PRESIDENT** (in Cantonese): Persons in the public gallery, you should not cause a hubbub.

(A few security officers tried to stop the persons from making a hubbub, but they continued to stand up and cause a hubbub)

## NEXT MEETING

**PRESIDENT** (in Cantonese): Members, I now adjourn the Council until 2.30 pm on Wednesday, 19 January 2005.

(The President left her seat while the persons in the public gallery were still making a hubbub and displaying some banners)

*Adjourned accordingly at fourteen minutes past Four o'clock.*