

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 June 2005

The Council met at Eleven 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 MARTIN LEE CHU-MING, S.C., 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 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 TOMMY CHEUNG YU-YAN, 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.

THE HONOURABLE LEUNG KWOK-HUNG

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 LEE CHEUK-YAN

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

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

PUBLIC OFFICERS ATTENDING:

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

THE CHIEF SECRETARY FOR ADMINISTRATION, AND
SECRETARY FOR HOUSING, PLANNING AND LANDS

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

THE FINANCIAL SECRETARY

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

SECRETARY FOR EDUCATION AND MANPOWER

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

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

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>
Specification of Arrangements (Swiss Federal Council) (Avoidance of Double Taxation on Income from Aircraft Operation) Order.....	96/2005
Specification of Arrangements (Government of the Republic of Finland) (Avoidance of Double Taxation on Income from Aircraft Operation) Order	97/2005
Specification of Arrangements (Government of the State of Kuwait) (Avoidance of Double Taxation on Income from Aircraft Operation) Order	98/2005
Specification of Arrangements (Government of the Republic of Kenya) (Avoidance of Double Taxation on Income from Aircraft Operation) Order	99/2005
Specification of Arrangements (Government of the Republic of Iceland) (Avoidance of Double Taxation on Income from Aircraft Operation) Order	100/2005
Specification of Arrangements (Government of the Hashemite Kingdom of Jordan) (Avoidance of Double Taxation on Income from Aircraft Operation) Order	101/2005
Specification of Arrangements (Government of the Kingdom of Denmark) (Avoidance of Double Taxation on Income from Shipping Operation) Order	102/2005
News Agencies Registration (Amendment) Regulation 2005.....	103/2005

Newspapers Registration and Distribution (Amendment) Regulation 2005	104/2005
Legal Officers Ordinance (Amendment of Schedule 1) Order 2005	105/2005
Import and Export (General) Regulations (Amendment of Seventh Schedule) Notice 2005	106/2005
Immigration (Amendment) Ordinance 2005 (Commencement) Notice.....	107/2005

Other Papers

- No. 92 Independent Commission Against Corruption,
Hong Kong Special Administrative Region
Annual Report 2004
- No. 93 Independent Commission Against Corruption
Complaints Committee
Annual Report 2004
- No. 94 The Seventeenth Annual Report of The Ombudsman,
Hong Kong (June 2005)

PRESIDENT (in Cantonese): Clerk, a quorum is not present now. Please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): A quorum is now present, the meeting now starts.

ADDRESSES

PRESIDENT (in Cantonese): Addresses. Mr SIN Chung-kai will address the Council on the Independent Commission Against Corruption Annual Report 2004.

Independent Commission Against Corruption, Hong Kong Special Administrative Region Annual Report 2004

MR SIN CHUNG-KAI (in Cantonese): Madam President, as a member of the Advisory Committee on Corruption, I am honoured to have the opportunity to brief Members on the Independent Commission Against Corruption Annual Report 2004 (the Report) tabled at this Council today.

The year 2004 marked the 30th Anniversary of the Independent Commission Against Corruption (ICAC). It has been a challenging and productive year to the ICAC. The public's active participation in the ICAC's 30th Anniversary commemorative activities not only signifies their endorsement of the work of the ICAC in fighting corruption and promoting a probity culture, but also encourages all their staff to keep up their assiduous efforts in anti-corruption, so as to uphold Hong Kong as a "City of Probity".

For the third year in a row, the ICAC registered a decline in the total number of corruption reports, by 13% to 3 746 reports in 2004, against 4 310 reports in the previous year, representing a decline of 564 reports. Corruption in Hong Kong remains stable and under control, thanks to their sustained efforts in rooting a probity culture across the community. It is indeed inspiring to see the growing public awareness of the merit of corruption prevention.

On the investigation front, the ICAC continued to adopt a proactive strategy, through undercover operations, use of informants, and the development and analysis of intelligence, which led to the successful detection of many unreported cases. During the year, the ICAC successfully investigated several complex corruption-related fraud cases. The Financial Investigation Section conducted financial analysis and tracking of assets on more than 1 300 transactions and provided valuable advice and assistance to many investigations. To reinforce the pool of professional investigators as well as to replenish

manpower loss due to natural wastage, the ICAC recruited eight Investigators and 38 Assistant Investigators during the year.

On the community relations front, last year, apart from intensive integrity drives for the Civil Service and listed companies, the ICAC was equally conscious of the service needs of cross-boundary businessmen with the implementation of Mainland/Hong Kong Closer Economic Partnership Arrangement. In conjunction with six major chambers of commerce in Hong Kong, the ICAC organized a seminar on ethical management to help investors with cross-boundary operation to manage corruption risks. A tailor-made corruption prevention information kit, titled "Corruption Prevention Kit for Cross-Boundary Business Organizations", was also promulgated to provide practical advice on prevention measures and reference material for staff training. Moreover, the ICAC continued to conduct seminars and training for the hotel industry, travel agents, retailers, managers and front-line workers from the business sector; held workshops on corporate governance to promote this concept to university students; and reached out to kindergarten, primary and secondary students and instilled in them the evils of corruption and positive values. Meanwhile, the ICAC continued to employ the mass media to focus public attention on the evils of corruption. The "ICAC Investigators 2004" television drama series was telecasted in April and a web-based platform named the "ICAC Channel" was launched to disseminate latest ICAC news and developments to the public. In the run-up to the Legislative Council Elections, District Council Elections and Village Representative Elections, the ICAC organized various campaigns to disseminate "Support Clean Elections" messages to the public.

On the corruption prevention front, the ICAC completed 96 assignment studies on public departments and conducted workshops in 2004, in a bid to assist clients and their front-line managers in effecting corruption prevention measures and enhancing risk management. Drawing on lessons learnt from actual corruption cases, the ICAC produced two training videos during the year to highlight the corruption pitfalls in public procurement and the construction industry. Meanwhile, the ICAC continued to provide early preventive input to government departments and public bodies in the formulation of policies, new legislations and procedures; and continued its proactive approach in providing free, confidential and tailor-made corruption prevention services to private sector organizations. During the year, the ICAC responded to 369 private sector requests for advice on corruption prevention and organized a seminar on best

practice in building management jointly with the Hong Kong Association of Property Management Companies Limited to raise corruption prevention awareness in the industry.

Madam President, the Commissioner of the ICAC and I would like to take this opportunity of tabling the Report to the Legislative Council to thank Members and the public for their support to the ICAC, members of advisory committees of ICAC for their valuable contribution in the year, as well as each and every members of their staff for their unswerving fealty and full dedication to their duty.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG will address the Council on the Independent Commission Against Corruption Complaints Committee Annual Report 2004.

Independent Commission Against Corruption Complaints Committee Annual Report 2004

MR TOMMY CHEUNG: Madam President, as a member of the Independent Commission Against Corruption Complaints Committee (the Committee), I hereby table the Independent Commission Against Corruption Complaints Committee Annual Report 2004 (the Report) on behalf of the Committee.

This is a report on the work of the Committee for the year 2004. The Committee's major responsibility is to monitor, and where it considers appropriate to review, the handling by the Independent Commission Against Corruption (ICAC) of non-criminal complaints by anyone against the ICAC and its officers. To enhance public understanding of the complaint handling mechanism, the Report explains in detail the function and mode of operation of the Committee.

In the year 2004, the Committee held three meetings to consider the papers and investigation reports on the complaints received. The Committee formed its independent view on the investigation findings. Through examination of the issues brought up in the complaints, both the ICAC and the Committee have carefully scrutinized the relevant ICAC's internal procedures, guidelines and

practices to see whether they need to be updated, clarified or formalized, with a view to making improvements.

The publication of annual report enables the Committee to brief the public on its work on a regular basis. This is the 10th annual report published by the Committee. Should Members have any comments on it, they are welcome to forward their views to the Secretary of the Committee. The support of this Council and members of the public to the work of the Committee is much appreciated.

Thank you, Madam President.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Detention of Hong Kong Residents on the Mainland

1. **DR YEUNG SUM** (in Cantonese): *Madam President, a veteran journalist has been detained in the Mainland by the mainland authorities and forced to take residence under surveillance, resulting in loss of freedom. This has aroused much concern among Hong Kong people. In this connection, will the Government inform this Council:*

- (a) *whether it has relayed to the Central People's Government the concern of Hong Kong people and the signature campaign in support of the journalist; if so, of the Central People's Government's response;*
- (b) *whether it has assessed the impact of the incident on the international image of Hong Kong, including the reaction of and comments from the international community in respect of the efforts of the Government of the Hong Kong Special Administrative Region (SAR) in safeguarding Hong Kong people's basic rights, upholding the freedom of the press, and protecting official and unofficial information exchanges and contacts between the Mainland and*

Hong Kong against allegations of breaching mainland laws and regulations; and

- (c) *whether, under the principle of "one country, two systems", the Hong Kong authorities can enquire from the mainland authorities about the relevant circumstance of the detention of Hong Kong people in the Mainland, including the procedures through which the mainland authorities handle the case, such as whether unlawful handling has been involved and whether the families of the Hong Kong people involved and the SAR Government have been notified, arrangements for residence under surveillance, and the health conditions and lawful rights of the Hong Kong people involved; if they can, whether the Hong Kong authorities have drawn up guidelines in this respect to facilitate them, upon receiving requests for assistance from Hong Kong people detained in the Mainland, to ask the mainland authorities for the relevant information?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The case involving a veteran journalist subject to residence under surveillance in the Mainland has aroused much concern from the public and the mass media. In order to protect the privacy of the individual concerned, the SAR Government will not disclose the details of the case. In brief, the SAR Government is most concerned about the feelings of and request for assistance by the family of the journalist, and has been liaising with the family and has conveyed to the Central Government the requests and appeals of the family as well as the concerns expressed by various sectors in Hong Kong, including the Legislative Council Panel on Security, over this case. The Central Government has made it clear that it would handle the case strictly in accordance with the law and that the constitutional rights of the individual concerned would be fully respected. The SAR Government will convey any latest development on the case to the family concerned.
- (b) We do not believe that an individual case of a Hong Kong resident being detained in the Mainland will have any impact on the international image of or press freedom in Hong Kong. Under the

principle of "one country, two systems", Hong Kong residents including journalists should abide by mainland laws when they are in the Mainland. Persons suspected of committing criminal offences in the Mainland are dealt with by the mainland law enforcement agencies in accordance with the relevant laws in the Mainland. The SAR Government does not interfere with the law enforcement and the judicial process in the Mainland, just as the mainland authorities do not interfere with cases that fall within the jurisdiction of the SAR Government. Nevertheless, we are very concerned about the upholding of the legal rights of Hong Kong residents detained in the Mainland. Upon the requests of the detainees or their family, we will convey their appeals, including any suspected breach of rules and procedures, to the relevant mainland authorities in accordance with the established mechanism.

- (c) Under the notification mechanism, the Notification Unit in the Mainland (that is, the Ministry of Public Security) should notify the Hong Kong Notification Unit (that is, the Hong Kong police) of the imposition of criminal compulsory measures on Hong Kong residents by the public security authorities, the customs authorities, the People's Procuratorates and the Ministry of State Security. Information covered by the notification mechanism include the suspected offence of the detainees, the date of detention, the type of compulsory measure taken, the place where the compulsory measure is taken, the enforcement agency and the name and telephone number of the officer handling the case. The SAR Government will inform the family concerned as soon as possible after receiving a notification from the mainland authorities, so that the family can consider without delay whether or not to engage a lawyer to represent the detainee or to seek other assistance from the SAR Government.

As mentioned above, provided that the principle of "one country, two systems" is not infringed, we will contact the mainland authorities upon request of the family concerned to gather further information about the detention and to reflect to the relevant mainland authorities any queries about suspected unlawful detention. However, it must be stressed that under the "one country, two systems" principle, investigation of such cases are

conducted by the mainland authorities and they are not obliged to disclose details of the cases to the SAR Government. We, therefore, do not comment on the law enforcement and judicial processes in the Mainland. Any suspected breach of rules and procedures should be handled by the mainland authorities and the SAR Government should not interfere. Similarly, the SAR Government will investigate and handle any complaints about suspected breach of rules and procedures by our government departments.

The Immigration Department (ImmD) has published a leaflet entitled "Guide to Assistance Services to Hong Kong Residents in the Mainland" which sets out the assistance available to Hong Kong residents in distress in the Mainland. The leaflet is available in offices of the ImmD and can also be downloaded from the Department's homepage.

DR YEUNG SUM (in Cantonese): *Madam President, with the opening up of the Motherland, financial and economic information exchanges between the Mainland and Hong Kong have become more frequent. The XI Yang incident in the past and the present CHING Cheong case have been a cause for alarm to the people of Hong Kong. Will the authorities check with the Mainland the scope of coverage of the offence of espionage or the disclosure of State secrets, offences which Hong Kong people may easily commit? Will the authorities establish a mechanism in this connection with the mainland Government, so as to safeguard the freedom of the press, as well as the freedom and right to reporting?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the definition of the offence of espionage has been stipulated in the relevant legislation of the Mainland, which is public knowledge. It is not about whether or not we will check it up with the Mainland, as the mainland authorities concerned may well inform us that the relevant legislation is stipulated in the criminal law of China. Every citizen of Hong Kong travelling outside Hong Kong, including the Mainland, should learn the local laws to avoid contravening those laws.

DR YEUNG SUM (in Cantonese): *I am not talking about whether the relevant legislation has been set out. I ask whether the Government will establish, or consider establishing, a mechanism to safeguard the freedom and rights to reporting of the people of Hong Kong, which the people of Hong Kong do not enjoy at present. Will the Government conduct a study in this respect and establish such a mechanism?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not understand what kind of mechanism is Dr YEUNG Sum's supplementary question is referring to. What kind of reporting was he referring to when he said that some reporting would contravene criminal law? Was he referring to professional reporting or other types of reporting? I think the person concerned should pay attention to local laws when he or she does the reporting. It should not be left to the SAR Government to check with the counterparts the information on those laws, for the situation of every case is different.

PRESIDENT (in Cantonese): There are a total of 12 Members waiting to raise their supplementary questions. Will Members who have the opportunity to ask questions be as concise as possible.

MS MARGARET NG (in Cantonese): *Madam President, in part (c) of the main reply, the Bureau pointed out that the SAR Government would inform the family concerned as soon as possible after receiving a notification from the mainland authorities, so that the family could consider without delay whether or not to engage a lawyer. This is very important. This is particularly so as the SAR Government stated that all investigations would be conducted by the mainland authorities, so the lawyer has a very important role to play in safeguarding the rights of the client. However, in the case of CHING Cheong, his family is not allowed to engage a lawyer though they are very keen to do so. In this connection, may I ask what the authorities have actually done to provide assistance to him, so that he can really have a lawyer to represent him?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, this is an individual case and I do not wish to comment on it here. In respect of any request for assistance, we will immediately inform the family of the detainee in

Hong Kong once a notification from the mainland authorities is received. If they need to engage a lawyer, we will assist them by providing a list of lawyers in the Mainland. As to which lawyer they will engage and how they will engage the lawyer, it is the business of the client.

MS MARGARET NG (in Cantonese): *The Secretary has not mentioned what has been done to help the client to engage a lawyer. As far as we know, there are some cases where the families of the detainees did intend to engage a lawyer but their attempts to do so ended futile. There must be a reason for that. Therefore, I would like to ask what the authorities have done to enable families intending to engage a lawyer succeed in doing so.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, as I said earlier, if the families concerned intend to engage lawyers in the Mainland, we will provide a list of lawyers of different districts in the Mainland to them, as we have obtained the consent of the alliance of lawyers in the Mainland to provide this list. We will introduce the name list to the client. In respect of individual cases, if the client, for any specific reason, is unable to engage a lawyer, we will provide assistance in respect of individual cases wherever possible.

MR RONNY TONG (in Cantonese): *Madam President, I would also like to raise a question about part (c) of the main reply. Will the Administration inform us when will the mainland authorities notify Hong Kong, and whether the notification satisfies their requirements? When will the Hong Kong Government notify the family of the detainee, and whether the notification can satisfy their requirements?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, firstly, it is our policy that individual cases will not be discussed here. Secondly, in respect of this case, the family of the client wishes that the case can be handled in a low profile. Besides, as the personal information of the detainee is involved, I am not in a position to give an answer here.

MR RONNY TONG (in Cantonese): *Will the Secretary please inform us of the shortest and longest time required for the issuance of such notification? In respect of the said case, does the notification time fall within this range?*

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

SECRETARY FOR SECURITY (in Cantonese): Under normal circumstances, upon the receipt of a notification from the mainland authorities concerned, we will, as far as possible, give the relevant documents to the families of the detainees in Hong Kong within 24 hours without any delay. Of course, if we are unable to get in contact with their families, we can only inform them of the notification at the soonest time we can find them.

MR RONNY TONG (in Cantonese): *I am indeed asking the shortest and the longest time required. In respect of the present case, does the time required fall within this range? The Secretary only said that it would be handled immediately, but he stopped short of saying*

PRESIDENT (in Cantonese): Mr TONG, you may sit down. You only need to state the part of the supplementary question that the Secretary has not answered. Secretary, do you have anything to add?

SECRETARY FOR SECURITY (in Cantonese): Madam President, let me repeat it. Regarding the shortest time required for notification, we will be able to contact the family of the detainee within a couple of hours of receipt of the notification. As for the longest time required, as far as I can remember, unless we really cannot get in touch with the family concerned, we will be able to inform the family no later than the day following the receipt of notification.

MR LEE WING-TAT (in Cantonese): *Madam President, CHING Cheong is charged with espionage, which is a very serious offence. His wife has openly expressed that she has not been able to meet with her husband so far. May I ask the Administration, in this incident, whether the request of CHING Cheong's wife*

of meeting her husband has been conveyed to the Central Government? During this period of time, have any colleagues of the Secretary or at the Office of the Government of the SAR in Beijing (the Beijing Office) met with Mr CHING Cheong?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have to reiterate, I will not disclose the information of individual cases. However, I can assure Mr LEE Wing-tat that for every single request for assistance, we will definitely relay it to the relevant authorities in the Mainland. We will surely do so. As to whether colleagues of the Beijing Office are allowed to visit Hong Kong people detained in the Mainland, according to my understanding, there is no arrangement of legal or administrative basis to allow officials of the Beijing Office to visit people detained in the Mainland.

MR ANDREW CHENG (in Cantonese): *In part (b) of the main reply, the Secretary pointed out that the authorities did not believe that an individual case of a Hong Kong resident being detained in the Mainland would have any impact on the international image or press freedom in Hong Kong. However, the Secretary has to understand that we have the XI Yang case in the past and the CHING Cheong case now, and that Mr TSANG has also mentioned that Article 23 of the Basic Law seemed to be too lax in the past. Under such circumstances, how can the Secretary strike a right balance between "one country" and "two systems" without giving people the impression that particular emphasis is placed on "one country"? In respect of the definitions of some sensitive subjects, such as "state secrets", the spirit of maintaining "two systems" seems to be getting blurred. May I ask the Secretary, as the Secretary considers that press freedom has not been affected in this connection, how he can strike a balance in this respect?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, under the "one country, two systems" principle, I always lay the emphasis on "two systems", that is, the two different jurisdictions should have no subordinate relationship and there should be no intervention from either side. For cases investigated and adjudicated in Hong Kong, we do not wish to see interference by the relevant units of the Mainland. By the same token, for cases detected, investigated and adjudicated in the Mainland, the SAR Government should not

interfere. This shows exactly the spirit of "two systems" is being respected. In the case of Hong Kong, our freedom of the press, freedom of assembly and the freedom of procession are fully protected under the Basic Law. In recent years, we can see that owing to the freedom of press we enjoyed, the people of Hong Kong have managed to gain a good understanding of both international and local surveys. Therefore, in the main reply, I stated that this individual case would not have any impact on the press freedom in Hong Kong.

MR MARTIN LEE (in Cantonese): *Madam President, I would also like to follow up part (b) of the main reply. What evidence does the Government have to substantiate its view? For example, is there any evidence, such as editorials of overseas press, showing that the CHING Cheong incident does not have any negative impact on the international image of and press freedom in Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, Mr Martin LEE is asking me of the evidence in his capacity as a barrister. I may then take it the other way round*

MR MARTIN LEE (in Cantonese): *It should be in my capacity as a Member. I asked you in my capacity as a Member of the Legislative Council.*

SECRETARY FOR SECURITY (in Cantonese): *I am sorry. Regarding Mr LEE's question on evidence, Madam President, I do not see that there is any evidence showing that the incident has had negative or very negative impact on the international image of or press freedom in Hong Kong.*

MR MARTIN LEE (in Cantonese): *Madam President, the Secretary has not answered my question. In fact, I am not going to discuss the legal aspect with the Secretary. The present question is that the Secretary stated in his reply that "we (the Government) do not believe that, (this case) will have any (substantive) impact on the international image of or press freedom in Hong Kong". I asked him in the light of what evidence did he say so, but he turned it around by saying that there was no evidence showing that impact had been caused. He must have the evidence*

PRESIDENT (in Cantonese): That means you think the Secretary has not answered your question, right? Secretary for Security, do you have anything to add?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have nothing to add.

MS EMILY LAU (in Cantonese): *Madam President, there must be evidence. The media and culturati as a whole consider that the CHING Cheong incident will definitely create the "chilling effect". Thus, I am not sure whether the Secretary has not heard of or seen anything about this, or he has chosen not to bother about this. May I ask the Secretary whether he will liaise or discuss with them, facilitating the media to have discussions with the Mainland, so that this group of journalists who have to go to the Mainland every day to cover news will not be arrested as a result of walking into the landmines inadvertently, and their families will not be so helpless with nowhere to turn to for help?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, in part (a) of the main reply, I have already pointed out that the SAR Government attaches great importance to this case and we have conveyed to the mainland authorities the concerns of the people of Hong Kong. As far as I understand it, the Chief Executive did mention in his speech yesterday that he would reflect the case to the mainland authorities at an opportune time.

MS EMILY LAU (in Cantonese): *Madam President, the Secretary has not answered my supplementary question, as I asked the Secretary whether he would discuss this with the media. A lot of organizations have been set up within the media sector, and the Secretary may get to understand their worries via these organizations, provide assistance to them without interfering with the practice of the Mainland, and inform the Central Government of their worries direct.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have already received the views reflected by the media and we have conveyed their views to the Mainland.

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

MR ALBERT HO (in Cantonese): *Madam President, in part (c) of the main reply, the Secretary on the one hand pointed out that he would try his best to understand the specific situation of the detainee in each of the case, and "reflect any queries about suspected unlawful detention". But right after that, he went on to say, "the mainland authorities are not obliged to disclose details of the cases to the SAR Government, we (the Government) therefore, do not comment on the law enforcement and judicial processes in the Mainland." These two quotes are obviously contradictory. If the Secretary considers that the mainland authorities have utterly no responsibility to disclose details of the cases to the SAR Government, how can he understand the specific situation of the cases? How can he get any information enabling him to know or suspect that unlawful detention is involved in a certain case? If he considers that he is not in a position to make any comments, he will not have a view. If he does not have any view, how can he reflect the so-called suspected unlawful detention problem?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, under the existing notification mechanism, the relevant authorities of the Mainland have no responsibility to disclose the details of each case to us. Despite that, we still wish to understand the circumstances of each case. If the other party is willing to disclose the information, we will inform the client of the circumstances of the case. If the client wishes us to continue to seek clarification or if he wishes to lodge a complaint, we will certainly follow up the case.

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

MR ALBERT HO (in Cantonese): *He has not answered my supplementary question. If he has neither any comment nor view on the case, how can he reflect the existence of irregularities? He seems to have not responded to this point.*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have to add that if the client suspects that unlawful acts are involved and lodges a complaint to us when we relay the circumstances of the case to the client, we will refer the complaint to the relevant authorities.

PRESIDENT (in Cantonese): Second question.

Review Coverage of Entire Frontier Closed Area

2. **MR JAMES TIEN** (in Cantonese): *Madam President, in reply to my question in June last year, the Secretary for Security said that the authorities were reviewing the coverage of the entire Frontier Closed Area (FCA), while the police had drawn up proposed arrangements for opening up the Sha Tau Kok pier and consulted local residents in August 2003. However, the relevant arrangements and implementation timetable have not been announced yet. In this connection, will the Government inform this Council:*

- (a) of a chronological account and the latest progress of the work undertaken for the opening up of the Sha Tau Kok pier since August 2003, as well as why the relevant arrangements and implementation timetable have not been announced;*
- (b) whether it will consider taking on board the views of local residents that the entire Sha Tau Kok Market within the boundaries of Hong Kong should be opened up to promote economic recovery and employment opportunities in the area; if it will not, of the reasons for that; and*
- (c) of the timing for announcing the outcome of the review of the FCA coverage and the timetable for opening up the Sha Tau Kok FCA?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The Government has adopted a proactive approach to and examined feasible options of opening up the Sha Tau Kok pier to facilitate tourism development. In this respect, our principle is, without affecting boundary security, a limited number of tour groups may be allowed to use the Sha Tau Kok pier to access Kat O and other neighbouring islands for sightseeing during weekends and public holidays. To implement these arrangements, appropriate security measures need to be put in place to ensure that the police can continue to maintain an effective management of the boundary area.

In this regard, we proposed in August 2003 opening up the Sha Tau Kok pier and the area to the east of Shun Hing Street. Local residents were consulted on the proposal through the North District Office. Subsequently, we learned that some local residents had reservations about the security measures concerned and therefore did not accept the proposal.

Having regard to the views of Sha Tau Kok residents, we proposed in July 2004 the implementation of a revised proposal, under which the Sha Tau Kok pier and the adjacent carpark would be opened up for use by tour groups taking ferries to Kat O, and so on. We also met with the District Council (DC) members concerned and representatives of the Sha Tau Kok Rural Committee in December 2004 to explain to them the above two proposals and exchange views with them.

In addition, at the invitation of the DC members concerned and representatives of the Sha Tau Kok Rural Committee, we had another two meetings with them in May 2004 and May 2005 respectively. We listened to their views and explained to them our security concerns on Sha Tau Kok as well as the security considerations involved in our proposals. We also reiterated that in opening up Sha Tau Kok to facilitate tourism development in the area, we had the responsibility to maintain an effective boundary management so as to strike a proper balance between these two needs.

Since up to now Sha Tau Kok residents still have reservations about the above two proposals of opening up of the Sha Tau Kok pier, the Administration has not been able to implement either arrangement.

- (b) We understand Sha Tau Kok residents' request for a full opening of the Sha Tau Kok Town. However, the Administration has the responsibility to consider how this will affect boundary security. Chung Ying Street within Sha Tau Kok is an "open" boundary without any physical barriers or formal immigration and customs facilities. Given this unique geographical setting and that smuggled goods such as meat, cigarettes and counterfeit merchandise as well as illegal immigrants are frequently intercepted in Sha Tau Kok, the law enforcement agencies have grave security concerns about the area. If the entire Sha Tau Kok area is to be opened up without appropriate security measures put in place, the area will be exposed to considerable security risks which will not be conducive to the local law and order situation and an effective boundary management. Therefore, the Administration has grave reservations about the proposal to open up the entire Sha Tau Kok area.
- (c) At present, the FCA covers an area of about 2 800 hectares, including Sha Tau Kok's 28 hectares. We note that in recent years there has been much discussion in the community on the policy for the FCA. Having regard to the security considerations on the FCA (including Sha Tau Kok) and community concerns, we have conducted a review of the coverage of the FCA. The review shows that, from the security perspective, there is room for reducing the coverage of the FCA. The details involved need to take into account issues relating to planning, transport, land use, development needs, environment and infrastructure. The Administration is at the final stage of the internal study of and discussions on the details and impact of reducing the FCA coverage. We will brief the Legislative Council and interested parties on the outcome of the review and related matters as soon as the work is completed.

MR JAMES TIEN (in Cantonese): *Madam President, a full year has passed since I raised this question in June last year. We are extremely dissatisfied with the Government's reply.*

I would like to ask a question. The Secretary stated in the second and third paragraphs of part (a) of the main reply that the local residents are given two options: the first is to open up the Sha Tau Kok pier and the area to the east of Shun Hing Street; the other is to open up the Sha Tau Kok pier and carpark. The Secretary subsequently said that the Government has yet to implement any arrangement because the local residents do not accept either proposal, and therefore it has not done anything.

Is the Government prepared to discuss with the local residents again and explore whether a third and fourth options are available, instead of saying that nothing can be done if the residents do not accept either proposal other than a full opening of Sha Tau Kok?

SECRETARY FOR SECURITY (in Cantonese): Madam President, as far as I understand it, some Sha Tau Kok residents are willing to accept these two proposals. However, some of them oppose strongly in the sense that they only accept the opening up of Sha Tau Kok, but have strong views on the provision of the necessary security facilities, such as the installation of fences to deter smuggling and illegal immigrants. In view of the internal contradiction of the Sha Tau Kok residents, the Government does not want to take a high-handed approach to "launch" the proposal by forcibly introducing either one of them. Certainly, we will maintain communication with the Sha Tau Kok residents in the hope that a new proposal acceptable to all Sha Tau Kok residents will be drawn up in the future.

MR CHEUNG HOK-MING (in Cantonese): Madam President, it seems that to open up the Sha Tau Kok FCA is not only an aspiration of the Sha Tau Kok residents, it is also necessary for the Government to do so in the interest of resources optimization and economic development. However, the Government all along has reservations about the proposal.

The Secretary mentioned in part (b) of the main reply that there are neither physical barriers nor formal immigration and customs facilities in Chung Ying Street, and used this as the reason for not opening up Sha Tau Kok. May I ask the Government whether it has any plans to provide these facilities, and whether it has drawn up any timetable? If so, of the timetable? If not, the reasons for that?

SECRETARY FOR SECURITY (in Cantonese): Madam President, in fact, the coverage of our first proposal to open up the Sha Tau Kok pier and the area to the east of Shun Hing Street is much wider, because Shun Hing Street and Chung Ying Street are in close proximity to one another. However, it is precisely because Shun Hing Street is adjacent to Chung Ying Street that we then suggested ancillary measures be put in place to step up security. We had suggested the installation of fences near Shun Hing Street to regulate access, but it aroused strong opposition from the local residents, who indicated that Sha Tau Kok could be opened up on condition that their free movement would not be hindered. In view of the residents' opposition, the proposal to install fences was put on hold for the time being.

MR LAU WONG-FAT (in Cantonese): *Madam President, will the Government inform this Council of the factors it has considered during the review of opening up the Sha Tau Kok FCA? What are the criteria adopted to assess these considerations?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have taken into consideration several aspects. Firstly, we understand that the local residents have requested opening up Sha Tau Kok to facilitate development, but from the angle of the Security Bureau, not to mention other reasons such as environmental protection, we hope that Sha Tau Kok will be opened up on condition that boundary management and security will not be compromised.

It is precisely because counterfeit merchandise is still frequently intercepted and illegal immigrants are found at Sha Tau Kok that we have to strike a balance when opening up the area. On the one hand, Sha Tau Kok will be partially opened up to facilitate development of the area, but on the other, we do not want to see a deterioration of the law and order situation or proliferation of illegal activities in Sha Tau Kok as a result of the opening. For example, once Chung Ying Street is opened to visits by tour groups, how can we prevent certain people from escaping across the boundary if there is no proper management or fencing? Since the other side is open without any immigration and customs facilities, it will become a security loophole through which wanted persons may escape across it. Therefore, while consideration should be given to facilitating the development of Sha Tau Kok, it has to be balanced against boundary management and security.

MR TOMMY CHEUNG (in Cantonese): *Madam President, the Secretary stated in part (b) of the main reply that various counterfeit merchandise can be found in Sha Tau Kok. In fact, as frequently informed by the industry represented by me, soya sauce, vermicelli and noodles, bean sprouts, and so on, are smuggled into Hong Kong across the boundary through the place. As this is the situation that prevails, where endless smuggling activities are found no matter Sha Tau Kok is opened up or not, I consider that the reason stated by the Secretary is indeed a lame excuse, and it appears that he is "trimming the toes to suit the shoes".*

Furthermore, the Secretary has also stated in the latter part of part (b) of the main reply that it will be difficult to open up the area without appropriate security measures in place. May I ask the Secretary whether he has considered any appropriate security measures? If not, why not? If he has, of the measures he has considered but subsequently found inappropriate?

SECRETARY FOR SECURITY (in Cantonese): Madam President, the counterfeit merchandise I mentioned earlier are not only confined to bean sprouts, meat, and so on, but possibly other things like drugs and firearms. I consider such activities a serious threat to Hong Kong's law and order.

On the issue of ancillary facilities, as I have just said, fencing should at least be installed. This is because unlike other places where fences (and even double perimeter fences in most cases) have been installed, the area is an open boundary. Chung Ying Street of Sha Tau Kok has no fences at all. For historical reasons, local residents can enjoy free movement. If following the opening up of Sha Tau Kok, more people can enjoy free movement as local residents do, it will surely give rise to serious security and smuggling problems. The coverage of the proposal can be further extended only on condition that the existing boundary fences can be extended to the entire Sha Tau Kok, and a new control point built.

However, as I said earlier, when we put forward the first proposal (an attempt to open up the Sha Tau Kok pier and the area to the east of Shun Hing Street), we just wanted to build some fences near Chung Ying Street, and yet it had already aroused strong opposition from the local residents. It was precisely

because of the strong reaction of the residents, who considered that their free movement will be hindered, that the proposal has yet to be finalized.

MR DANIEL LAM (in Cantonese): *Madam President, the Secretary mentioned the review of reducing the coverage of the FCA in his reply. Can the Secretary inform this Council when the proposed plan will be implemented?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the Secretary Bureau is not in a position to answer this question on its own because, apart from security considerations, many other aspects including matching transport arrangements, infrastructure, environmental protection, and so on, should also be considered. According to our understanding, the discussion among other bureaux on the reduction of the FCA coverage has already reached the final stage. I hope that a decision will be made and the outcome announced in the near future.

MR DANIEL LAM (in Cantonese): *Does "in the near future" mean within months or within years?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the issue not only falls within the policy area of the Security Bureau, but also the Housing, Planning and Lands Bureau. Secretary Michael SUEN was also at the meeting earlier. The Planning Department is carrying out a study in this regard, and I may relay your question to the relevant Policy Bureau.

MRS SELINA CHOW (in Cantonese): *Madam President, I wish to follow up the reply just given by the Secretary. May I ask the Secretary whether his reply implies that the issue should be considered in the context of development (I am very glad to see that the Financial Secretary is also at the meeting, he may find this issue of much relevance to him), and that the land resources of Hong Kong should be developed productively? Whether the numerous problems arose, thus*

slowing down the progress of the whole project, was a result of the Secretary for Security taking charge of it? Can the Secretary for Security discuss the issue with other Bureau Directors and consider it from another perspective, for example, in order to develop such valuable resources, the Security Bureau should tackle the problem to tie in with the need for resources development, instead of letting it stand in the way of the development of the FCA?

SECRETARY FOR SECURITY (in Cantonese): Madam President, the Security Bureau will not hinder the development of any part of Hong Kong purely on security grounds. As I have stated in part (c) of the main reply, the area of the entire FCA is 2 800 hectares, therefore from the security perspective, there is room for substantial reduction. Opposition to the proposed reduction of coverage of the FCA will not be made simply for security reasons.

However, what we are talking about here is Sha Tau Kok. In view of its historical background, the local residents traditionally enjoy free movement and there is no immigration control at all. Any request to open up the area as in other places without designating any closed area will deal a serious blow to Hong Kong's boundary management, security as well as law and order. In this connection, although the proposal of reducing the coverage of the FCA has yet to be finalized, the Security Bureau took the initiative to indicate its intention of partially opening up Sha Tau Kok two years ago. We have made the first step, but unfortunately, the two options proposed by us have not been implemented because the local residents still have reservations about them for the time being. However, I can assure Mrs Selina CHOW that we will not unreasonably hinder boundary development for security reasons.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

DR KWOK KA-KI (in Cantonese): *Madam President, the Secretary said in his reply that the review of the frontier has to take a lot of factors into considerations. The fact is, two years have passed since 2003, but the Government has yet to*

come up with an answer. May I ask the Secretary, if the problem lies not in the Security Bureau, can I take his reply to mean that there are some problems with the Housing, Planning and Lands Bureau as well as the Environment, Transport and Works, which have impeded the smooth implementation of the plan to reduce the coverage of the FCA, while the Security Bureau can be absolved of all the responsibilities?

SECRETARY FOR SECURITY (in Cantonese): I think it would be more appropriate for the Housing, Planning and Lands Bureau to answer the question. According to the understanding of the Security Bureau, apart from security concerns, a review of the FCA issue should also consider other perspectives, such as ancillary transport arrangements, infrastructural facilities, environmental issues, and so on. Take the example of Sha Tau Kok. According to the original planning, the rural town planning of the area can only accommodate 5 000 residents, while its current population is about 4 300 people. Any major development will give rise to certain problems, such as water supply, drainage and sewage treatment, and so on, which must be resolved to tie in with the new development. Moreover, the capacity of the existing Sha Tau Kok Road cannot cope with the heavy traffic flow of coaches or private cars. If we have to undertake major development projects, roads should be widened before the area can be further developed, or else the cross-boundary traffic through the Sha Tau Kok Control Point will be affected. Furthermore, these additional transport and infrastructural facilities will increase the development costs, which will in turn affect cost-effectiveness.

At the same time, the area adjacent to Sha Tau Kok is of high ecological and conservation value, so the authorities should therefore carefully consider the impact of the new development and increased traffic flow on the vulnerable natural environment nearby. Therefore, the issue involves consideration in many aspects. We do not consider the issue purely from the security perspective. Moreover, as the Sha Tau Kok Control Point is in close proximity to residential developments, the Shenzhen authorities should be informed if an extensive part of Sha Tau Kok is to be opened up. The increased traffic flow following the opening up of Sha Tau Kok will impact on Shenzhen's local transport as well. This is indeed a very complicated issue, and we cannot simply consider the security aspect. Certainly, the Security Bureau has its own position on the issue.

PRESIDENT (in Cantonese): Third question.

Wage for Non-skilled Workers

3. **DR FERNANDO CHEUNG** (in Cantonese): *Madam President, since May 2004, the Government has mandatorily required that a bid for service contracts (excluding construction services) that rely heavily on the deployment of non-skilled workers will be considered only if the monthly wage rates offered by the tenderer to his/her non-skilled workers are not lower than the latest average monthly wage rates for the relevant occupation published by the Census and Statistics Department. All bureaux have notified in writing the public bodies/public corporations (hereinafter refer to as "public organizations") under their purview of the requirement and have encouraged them to follow the same wherever practicable. In this connection, will the Government inform this Council of:*

- (a) *the public organizations which have followed the Government's practice or will do so soon and their percentage in all the public organizations;*
- (b) *the public organizations which have indicated that they will not follow the Government's practice, with a breakdown by job type of the total number of non-skilled workers employed by the contractors of such organizations and their average monthly wages; and*
- (c) *the reasons for some of the public organizations not following the Government's practice and whether the Government will take further measures to encourage them to do so?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in the absence of Secretary for Financial Services and the Treasury) (in Cantonese):
Madam President,

- (a) According to the information provided by various government bureaux, there are 32 public organizations which currently need to engage contractors to provide services that rely mainly on the

deployment of non-skilled workers. All of them have indicated that they have already followed or, when their current service contracts are due for renewal, would follow the Government's practice of making reference to the average monthly wages published in the latest Census and Statistics Department's Quarterly Report of Wage and Payroll Statistics in determining the monthly wages for the non-skilled workers employed by their service contractors. A list of these public organizations is at Annex.

Madam President, may I remain seated while answering this question?

PRESIDENT (in Cantonese): Yes, you may. Perhaps let me explain this for you so that everybody understands your situation. Please be seated first.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I have a flu and feel a bit dizzy.

PRESIDENT (in Cantonese): The Secretary is not feeling well, but he has still come here to answer this question for another Bureau Director. I do not want him to stand too long for fear that his condition may get worse. Since the Secretary is mainly answering a question, he is allowed to remain seated while answering it. Secretary, please continue.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): A list of these public organizations is at Annex. Other public organizations currently have no need to engage service contractors for the provision of such services.

(b) and (c)

All public organizations with a need to engage contractors to provide the relevant services have indicated that they have already followed or, when their current service contracts are due for renewal, would follow the Government's practice.

Annex

List of 32 public bodies which currently need to engage contractors to provide the relevant service* and which have followed or undertaken to follow the Government's arrangement concerning wages of non-skilled workers of service contractors

1. Airport Authority Hong Kong
2. Board of Management of the Chinese Permanent Cemeteries
3. Chinese Temples Committee
4. City University of Hong Kong
5. Clothing Industry Training Authority
6. Construction Industry Training Authority
7. Consumer Council
8. Hong Kong Arts Centre
9. Hong Kong Arts Development Council
10. Hong Kong Baptist University
11. Hong Kong Examinations and Assessment Authority
12. Hong Kong Housing Authority (Housing Department)
13. Hong Kong Monetary Authority
14. Hong Kong Productivity Council

* Relevant service means service provided under service contracts (excluding construction service contracts) which rely heavily on the deployment of non-skilled workers.

15. Hong Kong Science and Technology Parks Corporation
16. Hong Kong Sports Institute Limited
17. Hong Kong Tourism Board
18. Hong Kong Trade Development Council
19. Hospital Authority
20. Kowloon-Canton Railway Corporation
21. Legal Aid Services Council
22. Lingnan University
23. Occupational Safety and Health Council
24. Securities and Futures Commission
25. The Chinese University of Hong Kong
26. The Hong Kong Academy for Performing Arts
27. The Hong Kong Institute of Education
28. The Hong Kong Polytechnic University
29. The Hong Kong University of Science and Technology
30. University of Hong Kong
31. Urban Renewal Authority
32. Vocational Training Council

DR FERNANDO CHEUNG (in Cantonese): *Madam President, since the Secretary is ill, I hope he can go home to take a rest as soon as possible.*

Having said that, I still have to ask a supplementary question. In parts (b) and (c) of my main reply, I asked which public organizations had indicated that they would not follow the Government's practice. But in the main reply, the Secretary said that all public organizations with a need to engage non-skilled workers (such as cleaning workers and security staff) had followed the Government's practice and provided us with a list of 32 public organizations. However, after referring to the list of 32 public organizations, I found that many organizations have obviously been excluded, for instance, the MTR Corporation Limited (MTRCL) and the Hong Kong Housing Society (HS) which have employed a lot of cleaning workers and security staff. May I ask the Secretary why these large public organizations are not included in the list? Why did he say that all public organizations had been included in the list?

PRESIDENT (in Cantonese): Secretary, you may answer the question in your seat.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Public organizations refer to those owned or subsidized by the Government. But since the MTRCL listed, it is not a public organization. Rather, it is a listed commercial organization. In fact, there are many public organizations. All committees and district councils are public organizations although some are not in our list. However, since they need not engage service contractors, they are not included here. As I have explained earlier, the MTRCL, as an independent listed company, is not a public organization.

DR FERNANDO CHEUNG (in Cantonese): *Madam President, the Government owns 50% of the MTRCL's shares and the HS is also an organization subsidized by the Government. I do not understand why the Secretary said that both are not public organizations.*

PRESIDENT (in Cantonese): Dr CHEUNG, are you asking the Secretary to explain why the MTRCL and the HS mentioned in your supplementary question are not regarded as public organizations?

DR FERNANDO CHEUNG (in Cantonese): *Yes.*

PRESIDENT (in Cantonese): Secretary, please answer the question.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I have already explained the status of the MTRCL. It is a listed company and many members of the public are holding its shares.

As regards the HS, it is not a public organization. Although it is non-profit-making, it operates independently. According to our definition, both are not public organizations.

MR KWONG CHI-KIN (in Cantonese): *Madam President, I know the Secretary is ill, so my supplementary question will be very short. May I ask how many workers have been employed by these 32 public organizations?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Among these 32 public organizations if the HS is regarded as a public organization, the HS alone has employed almost 10 000 workers, or 9 990 workers. If the HS is not included, the other public organizations have employed a total of around 5 000 workers. Among these public organizations which have employed about 5 000 workers, six of them, with a force of around 2 300 such employed workers, have not followed the Government's practice. But they have undertaken to follow the Government's practice after the existing contracts have expired. In other words, public organizations which are not following the Government's practice will do the same at the renewal of the existing contracts. If both the HS and the Housing Authority (HA) are not included, the number of workers we are talking about is around 5 000. If the HA is included, the number of workers will reach 10 000. In other words, the total number of workers is around 15 000.

MR FRED LI (in Cantonese): *Madam President, I wish the Secretary an early recovery because there are problems concerning electricity supply that need to be dealt with by him.*

My supplementary question is very simple. Item 12 in the Annex is the HA. If the Secretary has noticed it, he will realize that there are occasionally some reports about the HA having been cheated billions of dollars due to frauds by using fake sick leave certificates and payrolls. All these happened to non-skilled workers, who are employed by service contractors of the HA and the Housing Department and who are our prime concern. Why do such problems still happen? Can the three Secretaries — Secretary Michael SUEN, Secretary Frederick MA and your goodself — sit down together to find out why the HA, which has employed the largest number of non-skilled workers, has such a problem? I hope various Bureau Directors can hold a meeting together in order to resolve this problem. Have you considered and looked into the question why the HA has encountered a lot of such problems?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): In fact, Secretary Frederick MA already answered this question last week. He also explained that the model contract had just been implemented. In that contract, the terms and conditions are clearly stipulated that payment of wages should be effected by autopay and unreasonable deduction of wages by various excuses are prohibited. The Government has also reminded relevant departments of this.

As we all know, when services are contracted out, the departments concerned will enter into contracts with the contractor on an individual basis. So, it is the department concerned which will execute the contract and check whether the contract terms are observed by the contractor. It is true that the Secretary for Financial Services and the Treasury has prepared a full set of guidelines. If a contractor has breached the contract for six times, for instance, he will be barred from participating in tendering for 12 months. Regarding breach of contract terms, the Government has advised different departments to pay special attention particularly when such problems can be dealt with more easily after implementation of the model contract. Regarding legal action, if the contractor has failed to pay wages or engaged in illegal acts, the Labour Department will also initiate prosecution. We will strengthen our co-operation in this aspect and we have already begun doing this. In fact, I have always discussed these problems with Secretary Frederick MA and Secretary Michael SUEN. In our opinion, various departments, in a joint effort with the Labour Department, have also stepped up inspections after implementation of the model contract. It will help resolve the problem through our co-operation.

MR HOWARD YOUNG (in Cantonese): *Madam President, I also hope the Secretary can go home and take a rest early, particularly because we and members of our trade will go to Singapore to promote the tourism industry of Hong Kong tomorrow. We hope to embark on the trip as scheduled.*

The Secretary said that the Government had adopted the average wage rate, which is equivalent to the so-called minimum wage proposed in society. But some people said that the minimum wage would often become the maximum wage. I would like to ask the Secretary: Does he know whether these public organizations have adopted the average wage when hiring workers or whether many of these organizations have in fact hired workers at a wage higher than the average wage rate?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): *Madam President, the wage rate is for reference only. What we have laid down is a mandatory wage rate. In other words, the Government will pay the average wage rates published by the Census and Statistics Department when services requiring non-skilled workers are contracted out and the public organizations are required to make reference to it. Of course, as I have explained, public organizations have their own employment and procuring policies. It is totally up to them to decide whether the wages they offer should be higher than this level or whether they should follow the Government's practice. At any rate, the most important thing is that the wages they offer will not be lower than that adopted by the Government or the average wage rates published by the Census and Statistics Department.*

MR LAU WONG-FAT (in Cantonese): *Madam President, if public organizations which have undertaken to follow the Government's practice are found to have changed a full-time post into a number of part-time posts in order to evade the responsibility of paying the minimum wage and providing the employees' benefits, what will the Government do? Will the Government consider disclosing their names to the public?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): *Madam President, different practices are currently adopted by the organizations on their own initiative. We have promoted such practices but no*

legislation has been enacted. In fact, such practices have been well received and these organizations have undertaken to follow suit. In my opinion, they need not change a full-time post into a number of part-time posts in order to save money as Mr LAU Wong-fat has said. I hope there is no such problem at present. Of course, we will keep a watch on this to see if such a problem occurs.

MS EMILY LAU (in Cantonese): *Madam President, I also wish the Secretary to get well soon.*

Madam President, according to the information we have got, after the government departments have implemented the minimum wage, the contractors will cut the workers' original eight hours of work by one hour. In other words, the workers will have their lunch time deducted and are required to work seven hours a day with the same workload. So, in the workers' point of view, their wages have been cut because they work seven hours only. Is the Secretary aware of such a situation? Besides, if the minimum wage is implemented in public organizations, what protection will the Government offer so that the workers can get the wages supposed to be paid?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Thank you, Ms Emily LAU. I thank Members for their kindness.

What Ms Emily LAU has just mentioned is mainly about the employment terms or whether the one-hour lunch time is counted as working hour. Many Members have also discussed this point in the past. In fact, when adopting the monthly average wages published by the Census and Statistics Department as the mandatory wage rates, we have followed the Department's formula, meaning that the net working hours after deducting the lunch hour and rest time is taken as the basis when calculating the wage rates. I believe the most important point is not about whether the one-hour lunch time is included or not. Instead, it is about what exploitation means were adopted by the employers in the past, apart from the method of calculating the working hours. The fact that we have adopted the model contract is also due to these problems. The employment terms have been clearly laid down so as to avoid the exploitation of employees.

PRESIDENT (in Cantonese): We have spent more than 15 minutes on this question. Last supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *Madam President, the information provided by the Secretary only refers to the wage rates but not the working hours. Moreover, the figures are only for the bidders' reference. If a relevant organization has informed the Government that it cannot pay the average monthly wage rates published by the Census and Statistics Department, the Government can of course refuse to award a contract. But the problem is that if the contractor, after winning the contract, lengthens the workers' working hours, thus leading to exploitation as Mr LAU Wong-fat has said, or cuts their working hours by one hour as Ms Emily LAU has said, what measures does the Government have in supervision? Will the contract be revoked? Will the relevant organization be criminally liable? Or will the Government merely issue advices or warnings to it?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Perhaps let me explain this to Mr LEUNG Kwok-hung. Although we say that the average wage rate is for reference only, we have also made it clear that it is mandatory for all government departments to follow the practice. In other words, government departments are required to do so when contracting out services and I believe this is clear to all. Currently public organizations are encouraged to follow the practice and they have undertaken to do so. As they have undertaken to do so, we will effect monitoring in order to ensure that this is done.

Concerning the method of calculating the wage rates, Mr LEUNG Kwok-hung worries that public organizations will lengthen the working hours so that the workers' actual workload will increase. But such a problem is unlikely to occur. As I have just said, the Census and Statistics Department has arrived at the average wage rates on the basis of the normal average working hours per day. Besides, public organizations are also encouraged to adopt the model contract in which the contract terms have clearly stipulated that they are prohibited from requiring an employee to work nine or ten hours when the contract has provided that he/she is required to work eight hours only. Such a

situation is certainly not allowed. As I have just said, in case of non-compliance, the departments will follow up.

MR LEUNG KWOK-HUNG (in Cantonese): *Madam President, my supplementary question is about the fact that, according to the Secretary's reply, the average wage rate is taken as reference by public organizations in tendering exercises. But my question is: After a tendering exercise has been over and the contract has been awarded to a relevant organization, what penalty will be imposed on the organization in case of non-compliance? Will the organization be criminally liable? Will the Government merely issue warnings or revoke the contract immediately?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, it depends on whether the contractor has violated the employment legislation or the contract terms. After we have entered into contracts with the contractors, the contractors cannot vary the contract terms. Otherwise, they will be in breach of the contract. If they breach contract terms but not the law, as Secretary Frederick MA said on the last occasion, we will keep records on it. A contractor will be prohibited from participating in tendering within 12 months should there be non-compliance for a certain number of times. If the contractors have broken the law, we will certainly initiate prosecution.

PRESIDENT (in Cantonese): Despite his illness, the Secretary has still come here to answer this oral question. I am sure Members would like me to join them in wishing the Secretary an early recovery.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Thank you, Madam President. I must apologize for answering the questions in my seat for I have a flu and feel dizzy. Thank you for your understanding. Thank you.

PRESIDENT (in Cantonese): Fourth question.

Air Pollution Caused by New Cross-boundary Highways

4. **MISS CHOY SO-YUK** (in Cantonese): *Madam President, it is anticipated that cross-boundary vehicular traffic will rise sharply upon the completion of the Hong Kong–Shenzhen Western Corridor (HK-SWC) next year and the scheduled commissioning of Hong Kong–Zhuhai–Macao Bridge (HZMB) in 2010. In this connection, will the Government inform this Council whether:*

- (a) *the authorities have measured the existing concentration levels of air pollutants (including sulphur dioxide, nitrogen oxides, suspended particulates and ozone) at locations along these two highways for use as the base of reference for the future, and for assessing the relevant figures of the air pollutants at these locations, and even in all districts in the territory, upon the commissioning of the highways;*
- (b) *the authorities will monitor the air pollutant concentration at the relevant locations in the long run after the commissioning of the highways; if so, of the details of the monitoring; if not, the reasons for that; and*
- (c) *the abovementioned information will be made public; if so, of the timing and manner in which the information will be released; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, the Environmental Protection Department (EPD) operates an air quality monitoring network of 11 general and three roadside monitoring stations in the territory, to monitor the concentrations of major air pollutants, including sulphur dioxide, total suspended particulates, respirable suspended particulates, nitrogen dioxide, carbon monoxide, ozone and lead. The compliance with the Air Quality Objectives (AQOs) as recorded by this network has been used as an indicator of air quality in different districts of Hong Kong. In terms of long-term air monitoring, the two existing monitoring stations at Yuen Long and Tung Chung will facilitate the monitoring of the overall compliance with AQOs in North West New Territories and South West New Territories after the commissioning of the HK-SWC and the HZMB.

Regarding the HK-SWC, the environmental monitoring and audit programme for the Hong Kong Section of the project requires the monitoring of the project's impact on air quality during the construction stage. As for the Hong Kong Section of the HZMB and its connecting roads, the consultant of the Highways Department is conducting an environmental impact assessment which includes an air quality assessment and the formulation of environmental monitoring and audit recommendations.

The EPD will continue to publish data from the monitoring stations on the Internet on an hourly basis. We will continue to publicize all information on air quality by such means.

MISS CHOY SO-YUK (in Cantonese): *Madam President, at present, there are power stations, container terminals, the airport and cement plants in the western part of Hong Kong and the poor air quality in Tung Chung is also notorious. On top of all this, the HK-SWC will soon be commissioned and the Container Terminal No. 10 and the HZMB are now under planning. Madam President, in view of the fact that the air quality in the western part of Hong Kong, that is, in Tung Chung, is already very poor, may I ask the Government if it has conducted any special assessment on the impact of the HZMB on air quality? The Secretary did not give a reply to this part in her main reply.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I have already given a reply to the question of assessment in my main reply. In the process of planning and designing the HK-SWC, a detailed environmental impact assessment was conducted and projections were made on the degree of air pollution. During the construction stage, special arrangements were made to monitor the air at various important locations along the entire HK-SWC and the number of such locations is greater than the existing 11 monitoring stations. In other words, environmental monitoring and auditing have actually been conducted for the project.

As regards the HZMB, we are still at the stage of conducting a feasibility study, so the environmental impact assessment that we have just commenced will also assess the air pollution in detail and study the difference before and after the commissioning of the HZMB, the alignment of the bridge, ways to mitigate the

impact on air quality, and so on. All this will be done in the course of the assessment. As regards the connecting roads, the same approach will be adopted. During the construction stage, environmental monitoring and auditing must be carried out according to the outcome of the environmental impact assessment.

Concerning Miss CHOY So-yuk's concern, that is, her hope that more monitoring stations can be set up in the western New Territories, it is something we may consider in the future. At present, we have already established an air quality monitoring network. On the question of whether 11 monitoring stations are adequate or whether the locations of some monitoring stations can be changed, since this involves resources — with more highways, air pollution will of course become a matter of concern — actually, there are also many other ways, for example, we have asked The Hong Kong University of Science and Technology to provide satellite images that cover a larger area and offer better resolution. We are still considering if it is necessary for each monitoring station to perform the same functions and what sort of information we want to capture.

MR MA LIK (in Cantonese): *Madam President, it is scheduled that the target of emission reduction as agreed between Guangdong Province and Hong Kong will be attained by 2010. May I ask the Government if this target will become unattainable due to the impact arising from the full commissioning of the HK-SWC and the HZMB?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, when a projection was made in 2000 to 2002 for the air quality management plan put in place by Guangdong Province and Hong Kong, the increases from 2002 to 2012 were factored in. That is, we have estimated the increases and considered what efforts in reducing emissions have to be made in order to attain the target for 2010. Therefore, there is no such thing as having overlooked these two new highways. At the same time, we will monitor any increase closely because this will have a bearing on whether or not we will ultimately attain our target. Our colleagues have also been compiling a list on the sources of pollution in the past few years, so as to monitor whether there is any difference between the projections then and the actual figures now. If any difference is detected, we will speed up the work on reducing emissions.

DR RAYMOND HO (in Cantonese): *Madam President, three years ago, this Council approved a funding of \$18 million to enable the Hong Kong Government and Guangdong Provincial Government to co-operate and study the regional air pollution problem. I believe that at that time, both sides did examine the issue of future co-operation. The degree of air pollution as gauged at the HZMB will show seasonal variations, for example, it will depend on the monsoons and sometimes, pollutants will be blown to Hong Kong from outside the territory. Apart from the 11 general monitoring stations established in Hong Kong by the Government, does it know for sure how many monitoring stations the Guangdong Provincial Government has set up in the region for the purpose of exchanging information and solving the air pollution problem jointly?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, the consultancy report mentioned by Dr Raymond HO precisely deals with the work in this area. The \$18 million was money well spent because apart from obtaining a detailed list of air pollutants discharged on the Mainland and in Hong Kong, a world-class simulation model was also used to show how weather, topography, buildings, and so on, affect air flow and direction and the accumulation of pollutants. I believe Dr HO knows that this is the O'LEARY Model, which has been used in very few places in the world. After carrying out this simulation test, we were able to understand better under what circumstances air pollution will occur. As to the question of whether the actual situation will turn out exactly the same as the forecast, this may not be the case. We will input data into the model continuously so that its forecast will be more accurate.

In this process, we have established 16 monitoring stations within the Pearl River Delta (PRD) on the Mainland. These 16 monitoring stations have in fact been completed and are now under trial. We have laid telephone lines for these monitoring stations to transmit the monitoring data to the EPD direct, so the exchanges between the two places are now more intense. I also hope that after the trials have been completed successfully, Members can be invited to have a look because the 16 monitoring stations are very important and they will reveal the air quality at various areas in the PRD, including densely populated cities, industrial areas and areas of predominantly agricultural activities. Those monitoring stations can provide some very useful data to enable us to know the factors causing air pollution in different conditions. We hope that the accuracy

of these data can be validated within this year, so that we can make use of such data.

MR LAU KONG-WAH (in Cantonese): *Madam President, what the Secretary has talked about is just the general situation. My question is: Since an environmental impact assessment on the operation of the HK-SWC had been conducted before a funding application was made for the HK-SWC, what actually is the outcome of the assessment and what are the results of the monitoring carried out at the time of construction?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, we have conducted a detailed environmental impact assessment by simulating the conditions. The assessment conducted in respect of the HK-SWC is to test the present and future sensitive receivers within the area, that is, to carry out tests at places impacted by air pollution. The results indicate that the levels of nitrogen dioxide, respirable suspended particulates, carbon monoxide, sulphur dioxide, and so on, did not exceed the air quality objectives. Based on the results of this simulation, we do not have to adopt any special mitigation measure during the operation of the HK-SWC. We can also learn about the air quality in the area through the monitoring station in Yuen Long.*

MS MIRIAM LAU (in Cantonese): *Madam President, monitoring is being carried out when the HK-SWC is under construction, however, Members' concern is in fact the air pollution generated by traffic and the data in this regard can be obtained only after the HK-SWC has come into operation. May I know why the Government is carrying out monitoring only when construction is in progress but it will not continue to do so after the HK-SWC has come into operation?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, the follow-up asked by Ms Miriam LAU is the same as the follow-up that I have just answered. During the operational phase, we will estimate the number of vehicles, the emission factor of vehicles and the road design, for example, whether the road is on a gradient, then use the*

computer to carry out simulation computations. In this way, we can know the effects of traffic on air pollution accurately.

As regards why it is necessary to carry out monitoring during construction, this is because there are earth-moving works during construction, so we actually have to monitor if the contractors have taken all possible procedures to reduce the pollution caused, such as water spraying, covering loosened earth, washing the tyres of vehicles entering and exiting work sites, and so on. All these are work procedures that have a bearing on the degree of pollution, so we have to monitor them during the construction stage. I have said that according to the simulated tests, the air quality objectives were not exceeded, so there will not be any impact on the overall air quality in the operational phase either. However, we will know through the monitoring station in Yuen Long whether the traffic as a whole has any impact on the air quality in the district. This is something we will know only in the future.

MR HOWARD YOUNG (in Cantonese): *Madam President, this oral question mainly has to do with the western corridor and cross-boundary vehicles. However, I think monitoring stations can only indicate the consequence but may not be able to pinpoint the sources. Since the drivers of most cross-boundary vehicles would tank up on the Mainland, may I ask the Secretary if her colleagues have studied the differences between fuels used on the Mainland and in Hong Kong? This is because the Government often tells us that the power plants on the Mainland are the sources of air pollution, not cross-boundary vehicles.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, there are certainly differences between the emissions of vehicles on the Mainland and those of vehicles in Hong Kong. When we conducted the simulated tests, this situation has already been taken into account, which is the emission factor that I have mentioned. If a large number of vehicles on the Mainland come to Hong Kong, there will certainly be some impact, especially when the quality of the fuels used on the Mainland, particularly their sulphur content, is still inferior to that in Hong Kong. At present, cross-boundary vehicles are subject to control and the Customs and Excise Department also monitors them very closely and has imposed the requirement that vehicles returning to Hong Kong can only fill their tanks to half capacity, so they are not allowed to transport low-quality fuel from the Mainland

to Hong Kong. I believe that in the future, this measure will only be tightened, not relaxed.

The overall requirements on emissions for motorized vehicles in Guangdong Province have also been raised. Starting from 2006, the vehicles produced and new vehicles used there will comply with the requirements of Euro II emission standards and that represents a jump from pre-Euro to Euro II. Euro II emission standards are far higher than pre-Euro ones. Therefore, apart from controlling the fuel used by vehicles at the local level, we have also held intense discussions with Guangdong Province at another level, that is, at the level of overall policies, in the hope that they can expedite the emission control on motorized vehicles. In fact, they have also expedited the imposition of control in this regard for they have evidently jumped from the original Euro I standards to Euro II standards.

PRESIDENT (in Cantonese): Mr YOUNG, has your supplementary not been answered?

MR HOWARD YOUNG (in Cantonese): *Madam President, I wish to wait for another turn to put a supplementary.*

PRESIDENT (in Cantonese): Council has spent more than 18 minutes on this question. We will now proceed to the fifth oral question.

Concessionary Fares Offered by Public Transport Operators

5. **MR LAU KONG-WAH** (in Cantonese): *Madam President, regarding the concessionary fares offered by public transport operators, will the Government inform this Council:*

- (a) *of the details and the commencement dates of the concessionary fares currently offered by various public transport operators; as well as the concessions which were terminated in the past three months and those which will be terminated in the next month;*

- (b) *whether it has assessed the impact of terminating such concessions on people's livelihood, and whether it will advise the operators concerned to revive the concessions; if it will not, of the reasons for that; and*
- (c) *whether it will encourage public transport operators to provide elderly passengers with travel concessions other than the half-fare concessions; if it will not, of the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, the Government has all along been actively encouraging public transport operators, having regard to their respective operating conditions and social and economic conditions, to reduce their fares or offer concessions as far as possible to help reduce the travelling expenses of the public.

At present, the public transport operators offer various kinds of concession schemes. These include:

- (i) Long-term fare concessions for children and the elderly by franchised bus companies, railway companies, Hongkong Tramways, Peak Tramways and individual green minibus (GMB) and ferry operators;
- (ii) Fare concessions for students by the MTR Corporation Limited (MTRCL), Light Rail of the Kowloon Canton Railway Corporation (KCRC), Peak Tramways and individual GMB and ferry operators;
- (iii) 160 bus-bus interchange schemes by franchised bus companies, which involve about 400 routes and benefit some 110 000 passengers daily; and
- (iv) A number of different concessionary offers, such as intermodal fare discount between railway and other modes of transport, as well as fare concessions for passengers of franchised buses, railways, minibuses and ferries. Specific examples include "MTR Fare Saver Promotion" by the MTRCL; "East Rail and Ma On Shan Rail One-Month Pass" by the KCRC; "Same Day Return Discount" by

the Kowloon Motor Bus, Long Win Bus, Citybus and New World First Bus, intermodal fare discount between railway and franchised buses/GMBs, GMB-GMB interchange concessions, and concessions for people with disabilities by individual ferry operators.

Although these concession schemes are rolled out at different times, they have in effect lowered the fare levels. This has thus alleviated the burden of transport expenses on commuters and benefitted them, especially during the economic doldrums over the past few years.

There were five concession schemes terminated in the past three months, while four new schemes were introduced at the same time. As at present, we have not received notification from any public transport operators concerning the discontinuation of their concessionary offers in the coming month.

We fully understand the public's desire for fare concessions. And we have been proactive in encouraging public transport operators to extend their fare concessions, including offers other than half-fare concessions for the elderly. Hong Kong, however, has a system of free enterprise. This is also one of the major reasons that makes Hong Kong a strong magnet for investment. It will therefore be the commercial decision of individual public transport operators as to whether they would reduce fares or offer concessions. Our stance is that as business organizations providing public transport services, the public transport operators should from time to time consider appropriate measures to attract passengers. Indeed, public transport operators have demonstrated considerable flexibility in introducing suitable measures in the light of the prevailing economic conditions and market demands as well as their operating conditions. The "East Rail and Ma On Shan Rail One-Month Pass" rolled out in April last year by the KCRC is one of the examples. Moreover, as far as concessions for the elderly is concerned, other than the long-term fare concessions for them, most of the public transport operators have responded positively to the Government's appeal by offering free rides for the elderly on the Senior Citizens Day in November 2004.

MR LAU KONG-WAH (in Cantonese): *Madam President, in the past, elderly passengers enjoyed the concessionary offer of \$1 per bus ride on Sundays. This practice was adopted out of the spirit of respecting the elderly. However, the bus companies have cancelled this concessionary offer. Does this mean that the*

bus companies no longer respect the elderly? May I ask the Secretary whether she can hold discussion with the bus companies about this, so as to effect a continuation of this spirit?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, with regard to the \$1 concessionary offer provided by bus companies during the weekends, I strongly support and advocate it because this would enable the elderly to move around freely during the weekends. As they do not have to pay for the expensive travelling expenses, they can go out to visit their relatives and children, and so on, during the weekends.

On the question of whether other public transport operators will manage their affairs in accordance with the spirit of respecting the elderly, I really do not know. However, due to commercial considerations, the bus companies have recently cancelled this concession. I shall continue persuading them to provide this concession, and also hope that they can provide data to me to show whether it is true that the elderly will not take the bus rides at all if their bus fares are not \$1. Actually the companies will not incur any loss at all, because the actual situation is: It was not absolutely essential for the elderly to pay the \$6 to take the bus ride. Instead, if they are not given the concessionary offer of \$1 per bus ride, they actually will not take any bus ride at all. Therefore, I am waiting for the relevant data. I shall continue my discussions with the operators.

MR FREDERICK FUNG (in Cantonese): *Madam President, in her main reply, the Secretary seldom mentioned the provision of half-fare concessions to the elderly or the disabled, and in the last paragraph of the main reply, the Secretary even said that this was the manifestation of the business spirit, so the Government did not wish to directly ask the public transport operators to provide the concessions. May I ask, regarding those public organizations wholly-owned by the Government, such as the KCRC, if the Government will take the lead or implement certain measures, such as the provision of half-fare concession to the elderly or the disabled during off-peak periods, so as to set an example for other public organizations and encourage them to learn from such an exemplary move?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, although the KCRC is wholly-owned by the Government, it is also a corporation, that is, there is legislation governing its principles of operation. I am not saying that such principles stipulate that the KCRC must act according to certain business practices. However, our objective is to make it at least self-sufficient. Besides, we also request the KCRC to make use of its expertise and its effective business operation methods to improve its efficiency as well as its service standard. According to the overall policies of the Government, making these public organizations semi-private is equivalent to corporatization. There are reasons for this, as we can see, with the change of the mode of operation, the efficiency will improve. We do not wish to make the railways a completely public body.

Recently, I have had this experience because we are studying these models. For example, a light rail had been constructed in Portland of the United States. I visited Portland three years ago when the light rail had just been completed. The Government there paid for all the construction costs, so the people can take the train for free. In other words, the federal government funded the construction of the facility, whereas the municipal government would shoulder the operating costs all on its own. Three years have lapsed, and I have not visited it again. But recently, someone visited the city and found that the railway was still functioning, but its quality had dropped drastically. This may be inevitable because once the operation has become a free service or fully subsidized, people's expectation on its service and efficiency will change. So, similar situations will arise nearly as a rule.

Therefore, from the context of the entire government structure, that is, instead of just within the transportation context, but from the investment and corporatization perspectives as a whole, my role in the KCRC is subject to certain restrictions, and the Government cannot decide to implement a certain project of KCRC with public subsidies, nor can my Policy Bureau decide how it should be proceeded with. Instead, it is subject to the decision made in view of the overall financial position.

MR FREDERICK FUNG (in Cantonese): *Madam President, it seems the Secretary has not answered my supplementary question. My supplementary question is very simple. I asked whether it is possible to provide half-fare*

concession to the elderly and the disabled during off-peak periods. I did not talk about a full waiver. But instead of answering my question directly, the Secretary has quoted the example of another place.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, my answer is exactly the same as the one I have given just now. I think there are advantages in the provision of concessions to the elderly. I shall do my best to convey my view, and I shall convey the view on behalf of the people. However, at the end of the day, the decision still rests with the KCRC.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, just now the Secretary kept saying that the Government had to respect the independent operation of the companies, that it is inappropriate for the Government to interfere or instruct them what to do. As the Secretary said she could not do anything, I would like to ask the Secretary: Does this mean that the Government will not reflect the aspirations of both the people and the Legislative Council in the future? The Legislative Council has passed many motions to call on public utilities to provide concessions to the disabled or the elderly. In that case, does it mean that even if most of such motions are passed, they are all unnecessary, that is, they are all "useless"?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, just now I have already said that, in regard to the determination of bus fares and the provision of concessions, our Bureau, being the Policy Bureau responsible for transport policies, has all along been actively reflecting the people's aspiration that the elderly and the disabled should be provided with fare concessions, in the hope that these companies can, if their respective commercial principles and operating costs permit, take public aspirations and interests into consideration.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I asked whether the motions passed in the Legislative Council in the past were all unnecessary and whether*

they were all "useless". I asked these questions because she seemed to be saying that nothing can be done. The Secretary has not answered this point.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, actually I have already answered Mr LEUNG Yiu-chung's question. I would first pay attention to the results of the motion debates in the Legislative Council as well as the voices of the people, and then I would actively convey such views to public transport operators for their consideration.

MR WONG KWOK-HING (in Cantonese): *Madam President, through you, I would like to ask the Secretary a question: When the Government negotiates with the public transport operators on the mechanism that will allow fare increases as well as reductions, will it request them to continue implementing the various fare concessions which are currently in force? If not, does it imply that under the mechanism that will allow fare increases as well as reductions, the present fare concessions offered by the public transport operators will be cancelled?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, the mechanism allowing fare increases as well as reductions, which is now under consideration, is a long-term mechanism. We hope that we can provide this mechanism through a more regulated and more transparent method, which is more readily understood by the people and which can incorporate various factors such as the operating costs of the companies and fares that are affordable to the people, and so on. Therefore, in my reply just now, I said that there would be different concessions at different points of time; and the operators may also introduce new concessions to replace the existing ones with due consideration to the business environment. For example, they have cancelled five concessions this month, but at the same time, they have also launched four new concessions. We must give the operators a certain degree of freedom in deciding the manner in which the concessions are provided.

MR ANDREW CHENG (in Cantonese): *Madam President, in the third last paragraph of her main reply, the Secretary said these concessions had in effect lowered the fare levels. May I ask the Secretary whether she is aware that*

concessions such as "one free ride after 10 rides" or "one free ride after eight rides" are subject to certain restrictions? Under certain circumstances, the bus companies even require the passengers to take the round trips before the latter can enjoy additional concessions. Take the MTRCL as an example. The Government is the largest shareholder of the MTRCL, and its CEO is currently receiving an annual remuneration of \$8 million, and the profit of the MTRCL amounts to \$4.4 billion. So, before the mechanism allowing both fare increases as well as reductions is implemented, will the Secretary request these public transport operators which are making huge profits to take the lead in reducing fares (for example, by 10%), so as to do justice to the people? This is because during the economic downturn in the past, these operators still made a lot of money. If the Government does not strive to do justice to the people in this regard, it seems it cannot justify its own action. Therefore, Madam President, I would like to ask the Secretary whether she will do this.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, on the issue of whether a 10% reduction in transport fares should be introduced, I think actually this question has been raised many times before, and I also wish to spare some time to find out how this 10% was computed. When we consider this mechanism allowing both increases and reductions in transport fares, of course we realize we have experienced a deflation during the past few years, which makes the people hold certain expectations. However, in the meantime, we also wish to correct a misunderstanding of the people, that is, if our public transport operators can make some profit from their operation, it is indeed a good thing. This is because we are now under enormous pressure to launch the projects of the several rail lines on the Hong Kong Island as soon as possible. But will there be new capitals to be invested into the construction of the new railways? Can our railway system keep on improving and avoid the poor fate of the railways in other cities where the quality of their respective services keep worsening to the extent that no one dares to take them anymore?

Therefore, if our railway companies keep on seeing deficits in their accounts, just like the case of our West Rail, then I shall be at my wits' end. What actually should we do in order to enable the railway corporations to provide services to our people in a sustainable manner without requiring the community to shoulder a heavy financial burden? I hope Mr Andrew CHENG

can understand that we are doing our best to strike a balance in this regard. We also understand that, at a time of economic doldrums, the people are shouldering very heavy burdens. If we can really provide some concessions, the people will really be benefited. Therefore, no matter how troublesome the offer of "one free ride after 10 rides" is, the persons who need the concession will redeem the free ticket for the 11th ride. Such a spirit, dictated by market economy, obliges us to see how we can take care of the interests of different parties.

MR ANDREW CHENG (in Cantonese): *Madam President, the main point of my supplementary question is: Before the introduction of the fare mechanism allowing both increases and reductions, will the Secretary request public organizations (for example, the MTRCL and KCRC) still making good profits during the time of economic doldrums to reduce their fares by a certain percentage (10% is just an example), so as to do the people justice?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I find Mr Andrew CHENG's suggestion very good, and this is also one of my principles, that is, I hope that the fares can be reduced.

PRESIDENT (in Cantonese): Council has spent more than 18 minutes on this question. We will now proceed to the last oral question.

Dentists Registration

6. **DR KWOK KA-KI** (in Cantonese): *Madam President, since the enactment of the Dentists Registration Ordinance (DRO) and its subsidiary legislation in 1940 and the setting up of the Dental Council of Hong Kong (HKDC) in 1957, the Government has not conducted any comprehensive review of the relevant legislative provisions, and the structure and system of the HKDC. As a result, many parts of them have become outmoded. For example, while local registered dentists are not allowed to advertise and promote their dental practices and clinical services as they are regulated by the legislation and relevant Code of Practice, dentists in the Mainland may publish advertisements in local newspapers and magazines listing their services and the relevant*

charges. Moreover, the authorities conducted consultation exercises on reforming the composition of the HKDC and on the roles and functions of public sector advisory and statutory bodies in 1993 and 2003 respectively. In this connection, will the Government inform this Council:

- (a) of the dates on which individual serving members of the HKDC were appointed and the duration of their terms of office; whether reform measures arising from the results of the above consultation exercises have been incorporated into its existing structure and system, and whether the authorities will review the composition and appointment procedures of the HKDC, as well as the term of office of its members, with a view to enhancing its representativeness, accountability and transparency, thereby receiving views from the sector broadly and enhancing the professional standards of dentists; and*
- (b) whether it will consider conducting a comprehensive review of the DRO, including addressing the above problem of advertisement and promotion by dentists, and conducting an extensive consultation exercise relating to the review; if it will, of the timetable for the review?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese):
Madam President, as in the case of other professionals, the regime governing the dental profession in Hong Kong is based on the self-regulatory principle. The DRO provides the legislative framework for the registration of dental practitioners in Hong Kong as well as the administration and governing of their professional practice and conduct. The DRO provides for the establishment and composition of the HKDC, which is statutorily charged to register dental practitioners in Hong Kong and regulate the practice of the profession, including examination and discipline. Since its enactment, the DRO has been functioning effectively to ensure the standard of dentistry practice in Hong Kong and full protection of those seeking dental services.

Apart from the statutory powers and responsibilities, the HKDC has also developed a Code of Professional Discipline. The Code sets out the professional behaviour expected of a dental practitioner, how they should conduct their business, including the provision of practice information, advertising and display of fee information. I understand that the HKDC has

been refining the Code in consultation with members of the profession to ensure that the provisions are kept abreast of the changing professional needs.

Turning to the specific points raised by Dr KWOK Ka-ki,

- (a) In relation to the appointment of members, the dates on which individual serving members were appointed and the duration of their terms of office are set out in the Annex. In 1999, the HKDC submitted proposals to revamp the DRO. The proposals include, amongst others, the introduction of a Specialist Register, enlarge the composition of the HKDC, establish other statutory committees, and increase the level of maximum fines and penalties. In March this year, we consulted the Legislative Council Panel on Health Services on the proposed amendments to the DRO to provide for the setting up of a statutory system for specialist registration. This amendment would facilitate the development of specialist practice in the dentistry profession and enhance the present regulatory regime. With Members' support, we aim to introduce an Amendment Bill into this Council next month.

As regards the composition of the HKDC, we are of the view that the composition is generally in line with the outcome of the relevant review conducted by the Home Affairs Bureau in 2003, taking into account the practical needs of the HKDC. The current composition of the HKDC consists of registered dentists from the Department of Health, the University of Hong Kong as well as six registered dentists nominated by the Hong Kong Dental Association. More than 80% of the registered dentists in Hong Kong are members of the Association. The HKDC maintains liaison with the profession through the issue of newsletters and consultations with the profession on issues of interest and concern to the members, to ensure that the profession's views are effectively gauged to facilitate the deliberation of the HKDC. Upon enactment of the Amendment Bill which I just mentioned, the Administration will consider the appropriate timing for a major revamp of the DRO, including the composition of the HKDC, and will consult the HKDC and other stakeholder groups on the details of the amendments as appropriate.

- (b) The DRO does not provide for details concerning the regulation of the professional conduct of dentists. The Code of Professional Discipline promulgated by the HKDC provides general guidance to dentists on their professional behaviour, including the dissemination of practice information, canvassing for the purpose of obtaining patients and self-advertisement for the promotion of professional advantage. We understand that the HKDC, in close consultation with members of the profession, has been refining the Code to keep up with the development and needs of the profession. The HKDC is prepared to consider any further suggestions from the dental profession in this regard in order to meet its aspirations and the changing practice environment, and consult the profession on any proposals received before implementation.

Annex

Appointment of the Current Members of HKDC

<i>Name</i>	<i>Date of First Appointment</i>	<i>Current Appointment Expires on</i>	<i>Length of (year) Service⁽¹⁾</i>
Dr Jeffrey TSANG Yick-sang (Chairman)	14 May 1981	30 September 2006	25
Dr CHAN Cho-ye, Joseph (Registrar) ⁽²⁾	1 February 2004	-	-
Dr LEE Kwing-hong	25 September 2003	24 September 2006	3
Prof Anne Sinclair MCMILLAN	17 November 2000	16 November 2006	6
Prof IP Sau-man, Mary	1 October 2004	30 September 2007	3
Dr FAN Yun-sun, Susan	1 June 2005	31 May 2008	3
Dr WONG Tin-chun	1 October 1996	30 September 2005	9
Dr LEUNG Ting-on, David	1 February 2002	31 December 2005	4
Dr CHAN Kin-keung, Eugene	1 January 2003	31 December 2005	3
Dr Esmonde Francis CORBET	10 December 2003	9 December 2006	3
Dr FOK Ka-hang, Tony	1 October 2004	30 September 2007	3
Ms KONG Yuen-hoong, Helen	1 September 2003	31 August 2006	3

⁽¹⁾ Calculated until end of current term of appointment.

⁽²⁾ Dr Joseph CHAN is appointed as consultant dental surgeon of the Dental Service of the Department of Health by virtue of section 4(1)(b) of the DRO.

DR KWOK KA-KI (in Cantonese): *Madam President, as mentioned in the main question, the Government conducted a consultation exercise on reforming the HKDC in 1993. Moreover, the Chairman of the HKDC has publicly pointed out that the Government has neglected its work of reviewing the DRO over the past decade or so. However, in part (a) of the main answer, the Secretary has failed to give us a clear account of the relevant timetable. In this connection, may I ask the Secretary whether it is possible to provide a more specific timetable to respond to the request of members of the HKDC for conducting a review within a period of time and, in relation to the consultation document presented by the Government in 1993, which point or item is considered by him worthwhile to be raised again in the next review?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): *Madam President, I have convened meetings with the Hong Kong Dental Association and the HKDC on this issue since my assumption of office. We all agree that if the DRO is to be amended, the Specialist Register, an important component, should be on the agenda. In our opinion, the Specialist Register has to be dealt with as soon as possible because it affects the public's understanding of the experience and professional qualifications of dentists. We therefore hope that the issues in this area can be addressed expeditiously. Other aspects involve mainly the representativeness of the profession, the inclusion of more dentists, and so on. Both the Hong Kong Dental Association and the HKDC agree that these matters can be dealt with later. For these reasons, we consider it necessary to first properly deal with the Specialist Register before attending to the remaining issues expeditiously.*

MR LI KWOK-YING (in Cantonese): *Madam President, may I ask the Secretary whether legislation is in place to regulate the advertising and publicity carried out by mainland medical service providers in Hong Kong? If not, will the Government agree that such mainland medical service advertisements will pose unfair competition to local medical services? Furthermore, does the Government have special measures to ensure that the public can enjoy quality medical services on the Mainland and there is scope for local medical services to compete fairly?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I have to state that Hong Kong is not in a position to regulate the practice of mainland professionals. We can only regulate advertisements. According to the existing legislation on advertisements, action can be taken only when a certain advertisement violates the Undesirable Medical Advertisements Ordinance (UMAO) or the Control of Obscene and Indecent Articles Ordinance. We can hardly take any action if an advertisement has not violated the law. I admit that the mainland medical profession is allowed to place advertisements. But for the local medical profession, the placing of advertisements by both the medical and dental practitioners is restricted by their respective codes. As such, I consider it most important to guide our citizens through education in making sensible choices.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I wish to follow up the supplementary question raised a moment ago. Has the Secretary considered amending the UMAO to bring the relevant provisions in line with the standards set by the Hong Kong Dental Association and the HKDC? What I mean is, if these two medical bodies allow their professional practitioners to place advertisements, then the UMAO should carry corresponding provisions determining whether similar organizations from other areas should be allowed to place advertisements in Hong Kong. Has the Government given concrete consideration to this?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we will consider how advertisements affect the public in selecting services. However, as I indicated earlier, the relevant rules and regulations have their limits. For the time being, we cannot accede to Members' request. However, we note that the Medical Council of Hong Kong, as well as other professional councils, is considering whether the regulation of advertising or promotion can be relaxed. In my opinion, it is most important for all professional services to be honest and strictly adhere to the principle that the services provided will not be inconsistent with what is claimed. We will pay close attention to this area. However, should the services provided to the public fail to deliver the proper efficacy, we will reflect the matter to the relevant departments on the Mainland so that we can conduct joint studies and seek a consensus.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My question is: Will the Government consider amending the UMAO? Madam President, I wish to explain first. If an organization from outside Hong Kong comes to the territory for advertising and publicity and is found to have violated the UMAO for such reasons as the advertisement is found to be false, we may have to extradite the person involved to Hong Kong, but the procedure will be quite complicated. Therefore, I wonder whether we should adopt this standard: Service providers can only place advertisements if the two professional bodies stipulate what services can be advertised. Moreover, this standard, formulated by members of the two professional bodies, can be used to determine whether medical service providers from outside Hong Kong can place advertisements here. So, my question is: Will the Government consider amending the legislation?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): *Madam President, I wish to explain briefly. At present, the UMAO prohibits the making of misleading claims with respect to medicines, surgical appliances and treatments. If the provision of dental or other services, whether locally or overseas, is affected, we can prosecute the advertisers, but not the service providers. We cannot prosecute the service providers because they are not physically present in Hong Kong. We can thus prosecute the advertisers only. I agree that it is necessary to amend the existing UMAO. If we consider it necessary to step up regulation of other services, the relevant provisions would be introduced into the UMAO.*

MR PATRICK LAU (in Cantonese): *Madam President, while architects are not allowed to place advertisements in Hong Kong, they can do so in Britain and the United States. May I ask the Secretary about the situation of dental and medical practitioners in other advanced countries, such as Britain and the United States, and whether an adverse impact will thus be produced? I hope the Secretary can provide information for our reference.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): *Madam President, I think professional regulation differs from country to*

country, particularly in the area of advertising. Traditionally, Hong Kong is relatively close to the British system. Of course, you may find everywhere in the United States advertisements placed by dental or medical practitioners, or even advertisements on other services, because of the less stringent system in the country. In my opinion, it depends mainly on the wishes of the public and how the professionals in the country wish to regulate their professional conduct to ensure that their medical ethics and standards are maintained.

MR LEE WING-TAT (in Cantonese): *Madam President, I wish to raise a question on the Annex to the main reply. I note that among the members of the HKDC, the length of service of the dentist serving as the Chairman is 25 years. First, this is not consistent with the "six-six principle" stated by the Government. Second, I believe there are many outstanding talents in the dentistry profession, but why is there such an interesting phenomenon that a dentist could have served as the Chairman for 25 years? Can the Secretary briefly explain?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, frankly speaking, there are things that I cannot explain. Moreover, this can be traced back to even 25 years ago. I personally also have reflected on this issue. With more than 1 500 dentists in Hong Kong, there should be a large number of people with leadership in the profession. We will consider replacing the old members with new ones in due course.

DR FERNANDO CHEUNG (in Cantonese): *Madam President, I wish to follow up Mr LEE Wing-tat's supplementary question because I have always believed that more people should be given the opportunity to participate in such advisory bodies or statutory frameworks. Specifically, the Government actually has a "six-six principle". Moreover, I notice that another member of the HKDC has served for nine years. Can the Secretary promise us that members who have served for more than six years will be replaced?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I shall begin by doing some explaining. Insofar as the

composition of the HKDC is concerned, the Hong Kong Dental Association is now responsible for making 12 nominations out of which we will make six appointments. The Chairman will be elected from among members of the HKDC, rather than appointed by us. Therefore, the person commanding the greatest support of members can continue to be the Chairman. I agree that the "six-six principle" should be observed. We will discuss with the Hong Kong Dental Association in the hope that they can provide us with a list of members who have served for less than six years for our selection.

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

MR LAU KONG-WAH (in Cantonese): *Madam President, the hands and feet of local dentists are obviously tied for mainland dentists are allowed to place advertisements while local dentists are not allowed to do so. While the Secretary expressed earlier his great concern about these advertisements, the public can only assess whether or not these advertisements are accurate, exaggerated, and so on. May I ask the Secretary whether such cases have happened in the course of monitoring in the past and the number of such complaint cases received by the authorities?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I have raised this question before but we do not have any information concerning the lodging of complaints by patients returning to Hong Kong against the advertisements placed in Hong Kong by mainland or overseas medical institutions, such as complaints about the occurrence of complications after receiving dental services on the Mainland or overseas. Of course, we have the local complaint figures. Yet, we do not have figures on the provision of such services outside Hong Kong.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Land Disposal upon Expiry of Land Leases**

7. **MISS TAM HEUNG-MAN** (in Chinese): *Madam President, it has been reported that a real estate developer has applied for judicial review, requesting the Court to reverse the Lands Department's decision to reject the renewal of a land lease which will expire in 2012. In this connection, will the Government inform this Council:*

- (a) *of the number of land lots the existing leases of which were not extended by the Lands Department and which were allocated through open competition in the past five years and, among these, the number of the existing lessees concerned who applied for judicial review in this regard;*
- (b) *of the estimated number of land lots which are subject to lease renewal or allocation through open competition upon expiry of the leases in the coming 10 years and, among them, the number of land lots which will be allocated through open competition; and*
- (c) *whether it will change the existing land policy by putting up all the land whose leases have expired for bidding or tendering again in an open and competitive manner?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese): Madam President, the Government has no comment on the case referred to in the question as it is now under judicial review. My reply to the three-part question is as follows:

- (a) In the past five years, seven petrol filling station sites had been disposed of by public tender, after the leases in question had expired. The lessees in question had not applied for judicial review.
- (b) As lessees usually indicate whether they would apply for extension of their non-renewable leases about two years before the expiry of their leases, and the Government has to consider the applications on their own merits, no estimates can be made at this stage.

- (c) Under the existing policy on extension of non-renewable leases, such cases would be dealt with at the sole discretion of the Government under the circumstances prevailing at the time.

Various Incentives and Loan Schemes to Assist Owners to Carry out Building Repair Works

8. **MR JAMES TO** (in Chinese): *Madam President, to assist owners of buildings in carrying out repair works to their buildings, the Hong Kong Housing Society (HS), the Urban Renewal Authority (URA) and the Buildings Department (BD) have their respective incentives and loan schemes for owners. In addition, the HS and Home Affairs Department (HAD) also assist owners in forming owners' corporations (OCs) to improve the management of their buildings. In this connection, will the Government inform this Council:*

- (a) *of the implementation of these schemes and the response of owners;*
- (b) *of the promotional efforts made by the Government to facilitate owners' understanding of the contents of the schemes in order to help them identify the ones that can best suit their needs and will accept their applications; and*
- (c) *whether it has been assessed if the target groups of these schemes have overlapped; if they have, whether the Government will consider merging and rationalizing such schemes; if they have not, how it co-ordinates the work of the above organizations?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese): Madam President, it is the owners' responsibility to properly maintain and manage their buildings. The lack of proper management and maintenance of some private buildings is a deep-rooted and complex problem. It cannot be resolved completely by the sole effort of the Government and public funds. As such, in addition to the work of the BD and the HAD, the Government encourages organizations with resources and experience in building management and maintenance, such as the URA and the HS, to introduce various schemes and

support programmes to provide comprehensive assistance to more private building owners. The main features of these schemes are as follows:

- (i) The URA's scheme aims to provide financial and technical assistance for the maintenance of eligible buildings within its target areas with owners' corporations already formed.
- (ii) The HS's scheme provides assistance for the maintenance of the common areas of eligible buildings outside the URA's target areas. The scheme also provides technical and financial assistance in respect of building management to eligible property owners across the territory. Loans are also provided under the HS's scheme to assist eligible owners to carry out flat interior renovation concerning safety and hygiene.
- (iii) The BD's Building Safety Loan Scheme provides loans for maintenance works, including slope improvement works, and so on, to owners of all types of private buildings in Hong Kong.

Furthermore, the HAD has all along adopted a three-pronged approach to promote proper building management which includes the establishment of a legal framework to facilitate the setting up and operation of OCs, the provision of more effective advisory service and the provision of training courses for the members of OCs.

My reply to the three-part question is as follows:

- (a) The URA launched its building rehabilitation programme in April 2004. As at end May this year, over 100 buildings have participated in the programme, with the loans and subsidies approved amounting to about \$23 million.

Since the launch of the HS's Building Management and Maintenance Scheme in February this year, the HS has received around 1 600 enquiries and 120 applications, of which more than 40 have completed the approval process. HS staff has also taken the initiative to approach over 200 buildings and conducted seminars in order to provide assistance to residents on matters related to building management and maintenance.

Since the launch of the BD's Building Safety Loan Scheme in July 2001, the BD has approved about 10 000 applications, involving a total loan amount of about \$300 million.

All in all, these schemes are making good progress with active participation of owners and OCs.

- (b) To facilitate the provision of appropriate support to owners, the Government has required the URA, HS and BD to set up a referral mechanism for their schemes. This is to ensure that when an owner approaches one of the above organizations for advice on building maintenance and management, the organization so approached will, having regard to the circumstances and needs of the concerned owner, refer him/her to the responsible organization in charge of the appropriate scheme for follow-up.

Regarding publicity, the BD has taken steps to inform the public of the features of various schemes and helped them identify and apply for the scheme that best suits their needs through its work contacts with OCs, management companies and engineering consultants and its participation in local workshops on building management. In assisting owners to tackle their building management problems, the HAD's District Offices will take into account the individual circumstances of OCs and owners to recommend the most suitable scheme to them. To promote wider public awareness of the features of the schemes, the URA, HS and BD have also made concrete efforts to publicize their schemes by way of leaflets, advertisements, and so on.

- (c) Each of the above schemes has different emphases and they complement one another. Although there may be slight overlapping among the schemes, the important objective is to render comprehensive support to owners. To avoid wastage of public resources, the BD, URA and HS have already put in place a notification mechanism to prevent an applicant from being provided with multiple loans and assistances in respect of the same item.

To ensure good co-ordination among these schemes, the Housing, Planning and Lands Bureau has maintained close liaison with the

URA, HS, BD and HAD to monitor and review the operation of these schemes. The BD, HAD, URA and HS also hold regular co-ordination meetings among themselves to review the mode of co-operation and detailed arrangements.

New Measures of Office of the Commissioner of Insurance

9. **MR BERNARD CHAN** (in Chinese): *Madam President, it has been reported that keen competition and increasing payments of claims resulted in a plunge in profits of the general insurance business by over 80% in the first quarter of this year, and this also prompted the Office of the Commissioner of Insurance (OCI) to introduce new measures which require insurance companies to provide information concerning their incomes from employees' compensation insurance (EC insurance) premiums. In this connection, will the Government inform this Council of the details and purposes of these measures, and whether it has assessed the impact of such measures on the trade and the general public?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in the absence of Secretary for Financial Services and the Treasury) (in Chinese):
Madam President,

Background

The premium income from EC insurance business has significantly decreased since the first half of 2004. The decrease of the gross premium income for the whole year 2004¹ was 26%, compared with that for the year 2003. In the first quarter of 2005, there was a decrease of more than 22% in gross premium income compared with the same period in 2004². The OCI is very concerned about the situation.

New Measures

In the past, insurance companies were required to provide information on premium income from EC insurance to the OCI every year. The information

¹ The data for 2004 are provisional data subject to audit.

² The data for the 1st quarters of 2004 and 2005 are provisional data subject to audit.

includes the breakdown by 10 sectors of gross premium income from EC insurance and total amount or value of the relevant wages or works contracts. The purpose of providing such information is to let the OCI know the average premium level of the various sectors and the pricing level of individual insurance companies. The new measures change the requirement of submission of the information from an annual to a quarterly basis.

The OCI had consulted the insurance industry and obtained their support before implementing the new measures. On 31 March this year, the OCI wrote to all insurance companies, requiring them to submit the abovementioned information on premium income from EC insurance within a month after the end of each quarter. The new measures have been introduced, starting with the information for the second quarter this year. Therefore, insurance companies have to submit the information for the second quarter to the OCI by the end of July. So far, no insurance companies have indicated to the OCI that they have any difficulty in submitting the information.

Purpose

The purpose of the new measures is to enable the OCI to know earlier whether the pricing of an individual insurance company has deviated from the average level in the market and make early assessment of the impact of such pricing on the solvency and financial integrity of the insurance company. If necessary, the OCI will take follow-up actions, such as requiring the company to increase its margin of solvency. We believe that in this way the OCI can regulate insurance companies more effectively, thereby enhancing protection for the insured. Besides, the new measures have no impact on the general public.

Shortage of Nurses

10. **DR DAVID LI:** *Madam President, I have learned that the leading elderly care services providers in the welfare sector are facing an extreme shortage of enrolled nurses (ENs) to provide basic nursing services for elderly patients. Some positions remain vacant, while others have to be filled by registered nurses (RNs) who are overqualified for the posts. This results in higher cost for welfare agencies and problems of frequent staff turnover as RNs seek employment which is more suitable to their qualifications. In this connection, will the Government inform this Council:*

- (a) *whether it has conducted any survey on providers of day and residential care services for the elderly and rehabilitation services to assess their current and future nursing establishment needs, the current and projected vacancy rates, as well as the current and projected rates of employment of RNs in posts designated for ENs; if so, of the survey results;*
- (b) *whether the rising need for elderly and rehabilitation services to cope with the ageing population was considered by the authorities when they decided to stop providing the training of ENs in 2000;*
- (c) *whether it will consider reviewing the code of practice for health workers, in order to enhance their training to the level required to provide simple nursing care in residential and community settings; and*
- (d) *whether it will consider facilitating the provision of training to RNs working in the welfare sector to enhance their managerial and supervisory skills?*

SECRETARY FOR HEALTH, WELFARE AND FOOD: Madam President, all residential care homes for the elderly (RCHEs) have to be licensed under the Residential Care Homes (Elderly Persons) Ordinance and are required to maintain a certain minimum ratio of care staff to residents. There is already a built-in flexibility in the statutory staffing requirements so that RCHEs are allowed to employ either health workers or nurses (whether RNs or ENs) to meet their operational needs. Under the Lump Sum Grant mode, subvented non-governmental organizations (NGOs) are no longer bound by a fixed staff establishment but are free to deploy a mix of staff to maintain the required care level for the elderly.

Having said that, we are aware of the difficulties of some NGOs serving the elderly and people with disabilities in recruiting and retaining nursing staff. The shortage of nursing manpower experienced by some of them may pose operational difficulties. In response, the Social Welfare Department (SWD), in co-operation with the Hospital Authority (HA) and NGOs, has recently organized two sessions of career talk to students of Higher Diploma in Nursing of Queen Elizabeth Hospital to familiarize them with the working environment in

RCHEs and encourage them to join the welfare sector. We are also actively looking into other feasible and practical ways to deal with the situation, including the possibility of providing a one-off training programme of ENs to address the specific needs of the welfare sector.

Our replies to the specific questions raised by Dr the Honourable David LI are as below:

- (a) As RCHEs are given staff employment flexibility, we have not conducted surveys specifically on the nursing staff needs of NGOs providing services to the elderly or people with disabilities. However, we are monitoring the situation closely and are keeping in touch with the welfare sector on this. Looking ahead, the long-term requirement for additional nurses, including the requirement of the public medical sector, the private medical sector and the welfare sector, is estimated to be about 600 a year. Since the estimated overall supply of new nursing graduates is expected to increase from 516 in 2005-06 to 567 in 2006-07 and around 600 in subsequent years, there may still be an undersupply of nursing graduates for a couple more years, but the situation should improve by 2007-08.
- (b) The decision to cease student intake to the ENs training programmes run by the HA in July 1999 was in line with the policy of upgrading basic nursing education to degree level for enhancing the quality of health care services. One of the main rationales for upgrading basic nursing education to degree level was to ensure that nurses would be able to work more independently and better equipped with the necessary skills and knowledge for providing medical services inside and outside the hospital setting, including in the welfare setting. We are currently reviewing with the nursing profession and the HA on possible short-term measures to alleviate the shortage of ENs, particularly for RCHEs and NGOs.
- (c) There were 6 126 health workers in the SWD's registry as at mid-June 2005. More than 73% of them have completed the revamped Health Worker Training Course introduced in 1999. In comparison with the previous curriculum, the training hours, number of field visits and practical sessions of the revamped Course

were substantially beefed up. Health workers are already properly trained to play a supplementary role to nurses in caring for the elderly in RCHEs.

To enhance vigilance against infectious diseases, each RCHE is now required to have a designated Infection Control Officer (ICO). With the training jointly provided by the SWD and the Department of Health, many health workers are now qualified to act as ICOs at RCHEs they are working. The SWD will regularly review and further enhance the contents of the Health Worker Training Course in view of the changing needs of elderly care.

To encourage health workers to engage in skill upgrading, we also provide financial subsidy for their training. For example, a subsidy of 70% of the course fees is provided to the trainees of a number of advanced courses on specific topics, such as "Care Plan and Psychological Health for Elders", "Management of an Elderly Home", and so on, which are tailor-made for health workers under the Skills Upgrading Scheme (SUS) on Elderly Care organized by the Education and Manpower Bureau.

- (d) As regards training to RNs, a number of training institutes are currently providing self-financing courses for staff of RCHEs, including RNs, to enhance their managerial and supervisory skills. Some relevant courses are also available under the SUS where 70% of the course fees is subsidized by the Government. Moreover, NGOs are increasingly committed to effective human resources development. Some agencies have taken the proactive step in organizing on-the-job training for their staff and put in place reward systems to encourage staff to seek further training on management or attend advanced courses in relation to their professional fields.

Elimination of Textile Quota System

11. **MR WONG TING-KWONG** (in Chinese): *Madam President, the global quota system for textile trading has been eliminated since 1 January this year. However, with allegations from the United States and the European Union that the quantities of exported textile products from China into Europe and the United*

States have increased substantially, the United States has reinstated its quota restrictions on seven types of textile products from China, and the European Union has also demanded China to restrict its exports on two types of textile products afterwards. In an attempt to dissuade the United States and Europe from reinstating import restrictions on its textile products, China has implemented the automatic export licensing arrangement and imposed export duty on its textile products. However, the mainland authorities have recently decided to abolish the export duty imposed on 81 types of textile products in order to treat mainland enterprises fairly and avoid imposing export duty on Chinese textile products which are subject to import restrictions imposed by the United States and Europe. Moreover, the mainland authorities have agreed to exempt from export duty Hong Kong textile and clothing (T&C) products that undergo outward processing in the Mainland, and to discontinue the automatic export licensing arrangement applicable to such products. In this connection, will the Government inform this Council of:

- (a) of the up-to-date figures of Hong Kong textile exports and re-exports since the elimination of the textile quota system, and how they compare to those for the same period last year;*
- (b) whether it has assessed the impact of the elimination of the global textile quota system and the disputes between China and the United States and Europe in textile trading on Hong Kong's textile business operators; and*
- (c) apart from their successful attempts in seeking exemption of the above duty and discontinuation of the automatic export licensing arrangement for Hong Kong's business operators, of the other measures taken by the authorities to assist Hong Kong's business operators in enhancing their competitiveness and in facing the uncertain future prospects?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): Madam President, my reply to the Honourable WONG Ting-kwong's question is as follows:

- (a) In accordance with the World Trade Organization Agreement on Textiles and Clothing, all quantitative restrictions on T&C products

have been completely eliminated by 1 January 2005. For the first four months of 2005, the values of Hong Kong's T&C domestic exports and re-exports were \$11,262,000,000 and \$79,145,700,000 respectively, representing a decrease of 33.8% in domestic exports but an increase of 15.3% in re-exports over the same period last year.

- (b) The elimination of quota restriction is a major milestone in the liberalization of the T&C trade. It presents both opportunities and challenges for Hong Kong's T&C sector. Trade liberalization broadens the scope for trade and facilitates market expansion by Hong Kong businesses. At the same time, our T&C trade has to compete freely with places with lower costs of production. Hence, local manufacturing and export of these products, in particular to those previously restrained markets (that is, the United States, the European Union and Canada) might decline while re-exports and exports of trade-related services may increase along with the growth in the Mainland's T&C exports.

Hong Kong has a favourable business environment. Our sound legal system, clean government, level playing field, free flow of information, international connectivity and simple taxation system are all conducive to trade development. It is therefore likely more and more Hong Kong's T&C manufacturers might transform into trading companies. These companies will be involved not only in the simple buying and selling of T&C products, but also in a series of high value-added services like designing garments, sourcing materials, selecting manufacturers, engaging in quality and cost control, identifying buyers, and delivering orders.

To maintain competitiveness, Hong Kong's T&C manufacturers will have to look to higher-end markets, focus on fashion design, develop brands, set up regional distribution networks and seek to establish a foothold in the Mainland's fashion market under the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA).

The safeguards measures taken by the United States against Chinese T&C products and the agreement reached between the Mainland and

the European Union on 11 June 2005 on the quantitative limits on certain Mainland's T&C exports to the European Union are applicable to mainland products only. They will not apply to those products of Hong Kong origin. In the short term, these measures might slow down the fall in Hong Kong's T&C domestic exports resulting from the elimination of textiles quota and hamper the growth in the Hong Kong's re-exports of T&C products of mainland origin. Moreover, we understand that our businessmen are also concerned about these measures as they have manufacturing plants in the Mainland. We will continue to closely monitor the situation and keep our trade informed of latest developments.

- (c) In response to the changes in the quota regime, the Trade and Industry Department (TID) has made adjustments to the policy and control system of the import and export of the textiles, such as streamlining the import and export arrangements for T&C products and removing all quota-related measures and charges which directly lead to lowered operating costs of the trade.

The Government of the Hong Kong Special Administrative Region (SAR) and our Hong Kong Economic and Trade Offices will continue to keep a close watch on the development of T&C trade in overseas markets. We shall keep our trade informed of the latest information so that the latter can formulate its strategy.

CEPA has brought about new opportunities for the production and trading of our T&C products and the relevant service sectors. A number of Hong Kong's T&C products, as long as they meet CEPA rules of origin, can be exported to the Mainland tariff free. The zero tariff preference renders Hong Kong's clothing products more competitive in pricing *vis-a-vis* overseas products. This will facilitate the entry of Hong Kong's brandname and high value-added clothing products into the huge middle-to-high class of the mainland market. The zero tariff preference also attracts both local and overseas manufacturers to expand their existing production facilities in Hong Kong.

To enhance Hong Kong's competitiveness and in the interest of the long-term development of the fashion industry, the SAR Government will provide support to the trade in respect of stepping up manpower training, deepening the development capability of the industry, promoting the image of Hong Kong's fashion brands, encouraging application of technology and creative ideas, strengthening infrastructure, and so on, such as:

- (i) The "DesignSmart Initiative" promotes the wider use of design and innovation in industries to help them move up the value chain. It comprises a Design Support Programme with four schemes for providing funding support to design projects and the InnoCentre set up by the Hong Kong Design Centre and the Hong Kong Science and Technology Parks Corporation. The InnoCentre aims to sustain a cluster of high value-added design activities among design professionals where ideas which are both creative and functional will be stimulated, nurtured, researched, promoted, commercialized and branded. The aforementioned measures would help enhance the standard of the fashion design in Hong Kong.
- (ii) The Innovation and Technology Commission (ITC) also plans to set up five research and development (R&D) centres, including the R&D Centre for Textile and Clothing by The Hong Kong Polytechnic University, for promoting the application of R&D works in the dedicated technology focus areas and technology transfer with a view to supporting the improvement of the technological level and competitiveness of the industries. The ITC proposes to provide funding support under the Innovation and Technology Fund for setting up the R&D centres. Subject to the approval of the Finance Committee, the R&D centres will commence operation in the latter half of this year.
- (iii) With the participation of other local supporting organizations, the TID has launched a dedicated website for the fashion

industry early this year to enhance communication with the industry and to provide comprehensive and latest information. The coverage of the website includes news about activities such as fashion courses, jobs and career paths in the fashion industry and seminars; latest information on research and technologies, marketing and promotion, and sourcing and matching; funding, consulting and technical services provided by local supporting organizations; import and export laws; and market information.

- (iv) Apart from the above website, the TID and the supporting organizations have jointly compiled a booklet "Supporting Services for the Fashion Industry in Hong Kong" which also contains the information mentioned above.
- (v) Moreover, the TID has set up the Fashion Library in its Support and Consultation Centre for Small and Medium Enterprises providing for practitioners' use reference books, magazines and materials in respect of market information, market trends and development in the fashion sector.
- (vi) The Government has since May this year increased the total commitment of the small and medium enterprises (SME) funding schemes from \$7.5 billion to \$12 billion. This includes increase in the loan guarantee commitment under the SME Loan Guarantee Scheme and injection of new funds into the SME Export Marketing Fund and SME Development Fund. SMEs in the textile and fashion sectors can seek support from these funding schemes in acquiring business installations and equipment, resolving working capital needs, expanding overseas markets and enhancing their overall competitiveness.

Employees' Compensation Insurance

12. **MR WONG KWOK-HING** (in Chinese): *Madam President, regarding employees' compensation and insurance policies taken out by employers for their*

employees' injuries at work (commonly known as "employees' compensation insurance (EC)"), will the Government inform this Council:

- (a) of the current total number of insurance practitioners, broken down by insurance intermediaries, agents and administrative staff and, among them, the number of those engaging in the business of EC;*
- (b) of the average and median amounts of insurance premiums paid annually by organizations which have taken out EC over the past three years, together with a breakdown by their employment size, that is, "200 employees or above" and "less than 200 employees" and the industries involved, and how these figures compare to those in the past two years;*
- (c) as self-employed persons have to take out EC, of the definition of self-employed persons, their number in Hong Kong as at 30 April this year and, among them, the number of those who have taken out EC;*
- (d) of the number of local domestic helpers (LDHs) as at 30 April this year and, among them, the number of those whose employers have taken out EC; and*
- (e) of the respective numbers of enquiries received by the Employees' Compensation Division of the Labour Department for the whole of 2004 and the first four months of 2005 and, among them, the number of cases concerning unsuccessful attempts to take out EC and, among such cases, the number of those requiring follow-up action, together with a breakdown by the industries involved?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): Madam President,

- (a) EC forms part of general insurance business. The number of people who are permitted to carry on general insurance agency business is 36 467. The number of people who are permitted to

carry on general insurance broking business is 2 944. The number of people estimated to be employed in insurance companies engaged in EC business is 1 400.

- (b) The Government does not collect any statistics on the number of organizations which have taken out EC insurance. As such, we are unable to provide information on the average and median amounts of annual insurance premiums paid by such organizations or the breakdown by their employment size or sector. However, according to the EC gross premiums and the number of EC policies reported annually by insurance companies to the Office of the Commissioner of Insurance, the average amount of premium for each EC policy is worked out as follows:

<i>EC business</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Total gross premiums (HK\$)	2,703.3 million	4,280.7 million	4,415.8 million
Number of policies	225 048	254 303	266 111
Average gross premium per policy (HK\$)	12,012	16,833	16,594

Note: Compilation of statistics for 2004 has not been completed.

- (c) Based on the results of the General Household Survey conducted by the Census and Statistics Department, there were 236 500 self-employed persons in Hong Kong between February and April 2005. A self-employed person is defined as "a person who works for profit or fees in his/her own business/profession, neither employed by someone nor employing others". This definition basically follows the relevant recommendation made by the International Labour Organization.

Under the Employees' Compensation Ordinance, all employers are required to take out EC insurance policies to cover their liabilities both under the Ordinance and at common law in respect of all employees (including full-time and part-time employees).

Self-employed persons currently are not required to take out EC insurance.

- (d) According to information provided by the Employees Retraining Board, over 75 000 retrainees completed the domestic helper retraining courses provided by the Board as at the end of April 2005. There are currently some 11 000 graduated LDHs who are registered for employment under the centralized database of the Integrated Scheme for LDHs. The Government does not have statistics on the LDH employers who have taken out EC insurance.
- (e) In 2004 and the first four months of 2005, the Labour Department received 10 requests and one request respectively for assistance from employers who encountered difficulties in securing EC insurance.

Upon receipt of such requests, the Labour Department will explain to the enquirers the legislative requirements and points to note in taking out EC insurance and provide a list of EC insurance brokers. Depending on their needs, enquirers can identify brokers to help them acquire the appropriate EC insurance cover. Of the abovementioned requests, only one case needed further action by the Labour Department. The employer concerned eventually obtained the required insurance cover.

A breakdown of these requests for assistance by industry is as follows:

<i>Industry</i>	<i>Number of requests for assistance</i>	
	<i>2004</i>	<i>2005 (January to April)</i>
Engineering	3	-
Professional athlete/Coach	2	-
Catering	1	-
Entertainment	1	-
Property management	1	-
Marketing	1	-
Pest control	1	-
Transport	-	1
Total	10	1

Illegal Gambling Activities

13. **MR ANDREW CHENG** (in Chinese): *Madam President, it has been reported that illegal gambling activities have become increasingly rampant recently. In this connection, will the Government inform this Council of:*

- (a) *the number of cases in which law enforcement actions were taken by the police against illegal gambling activities in Hong Kong, the amount of money involved, the number of persons arrested and the penalties imposed by the Courts in each of the past three years and, among these cases, the number of those involving offshore illegal gambling activities, broken down by the nature of activities involved (such as soccer gambling, horse racing, dog racing and illegal gambling dens, and so on); and*
- (b) *the measures to combat cross-border illegal gambling activities?*

SECRETARY FOR HOME AFFAIRS (in Chinese): *Madam President, my reply to the question is as follows:*

- (a) The statistics on enforcement actions taken by the police against illegal gambling activities in the past three years are set out in the following tables:

2002				
<i>Type of cases</i>	<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Bookmaking (Hong Kong horse racing only)	12	21	552,240	9,146,820
Bookmaking (football betting only)	70	120	382,990	57,242,640
Bookmaking (mixed composition including horse racing, football, Mark Six, and so on)	4	11	33,180	1,552,550

<i>Type of cases</i>		<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Illegal gambling establishment	Mahjong gambling	87	862	338,310	284,720
	Others	59	887	1,998,110	1,952,040
Street gambling		118	561	124,720	-
Gambling at other places (for example, construction sites and restaurants, and so on)	Mahjong gambling	10	90	14,020	-
	Others	587	3 195	745,350	52,810

2003

<i>Type of cases</i>		<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Bookmaking (Hong Kong horse racing only)		12	26	-	4,891,440
Bookmaking (football betting only)		52	87	350,160	36,130,170
Bookmaking (mixed composition including horse racing, football, Mark Six, and so on)		9	18	140	2,791,990
Illegal gambling establishment	Mahjong gambling	82	940	472,650	1,088,580
	Others	74	1 355	1,829,340	6,856,930
Street gambling		181	766	67,720	-
Gambling at other places (for example, construction sites and restaurants, and so on)	Mahjong gambling	24	170	7,410	-
	Others	671	3 493	706,910	6,460

2004

<i>Type of cases</i>		<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Bookmaking (Hong Kong horse racing only)		9	15	55,090	2,647,230
Bookmaking (football betting only)		42	70	40,200	21,070,180
Bookmaking (mixed composition including horse racing, football, Mark Six, and so on)		20	112	294,730	16,703,430
Illegal gambling establishment	Mahjong gambling	146	1 501	463,030	165,700
	Others	106	1 774	1,604,930	2,102,150
Street gambling		142	768	144,630	-
Gambling at other places (for example, construction sites and restaurants, and so on)	Mahjong gambling	8	55	1,340	-
	Others	533	3 158	395,240	61,330

2005 (January to March)

<i>Type of cases</i>		<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Bookmaking (Hong Kong horse racing only)		3	5	-	2,624,300
Bookmaking (football betting only)		4	9	-	8,220,000
Bookmaking (mixed composition including horse racing, football, Mark Six, and so on)		12	30	12,570	1,325,760
Illegal gambling establishment	Mahjong gambling	45	440	72,700	62,700
	Others	9	121	237,110	890

<i>Type of cases</i>		<i>Successful raids</i>	<i>No of persons arrested</i>	<i>Total amount of cash seized (\$)</i>	<i>Total amount of bets seized (\$)</i>
Street gambling		30	131	9,920	-
Gambling at other places (for example, construction sites and restaurants, and so on)	Mahjong gambling	1	4	-	-
	Others	115	761	88,310	-

The police have neither figures on cases involving offshore illegal gambling activities nor information about the penalties imposed by the Courts in cases relating to illegal gambling activities.

- (b) The Government has been combating illegal gambling activities (including cross-border gambling) through the following measures:
- (i) Putting in place effective anti-gambling legislation;
 - (ii) Taking vigorous law enforcement actions; and
 - (iii) Authorizing and regulating certain types of gambling activities to divert the demand from illegal channels into authorized outlets.

Under the existing Gambling Ordinance, all gambling activities by way of trade and business are unlawful, except expressly exempted or authorized by the Government. It is illegal for any person to place a bet from Hong Kong with bookmakers irrespective of where the bet is received; engages in bookmaking activities in Hong Kong; or promotes or facilitates bookmaking activities in Hong Kong.

In tackling illegal gambling activities, the police implement both enforcement actions and preventive measures. The police take

vigorous enforcement actions against both local and offshore illegal gambling activities conducted in Hong Kong. It conducts intelligence-led operations against syndicated bookmaking and offshore illegal gambling activities, in particular during major football matches and championships. It also maintains close liaisons and exchanges intelligence with the Mainland, Macao and overseas law enforcement agencies to combat illegal bookmaking activities outside Hong Kong. The police also conduct public education programmes to warn the public not to participate in illegal gambling activities. It has also set up a Gambling Hotline (2860 8366) to facilitate the reporting of illegal gambling activities by the public.

Under our existing gambling policy, we would only consider whether to authorize and regulate a specific type of gambling activity when (i) there is a persistent and strong public demand for such gambling activities; (ii) the demand is being satisfied by illegal channels which could not be effectively tackled by enforcement actions alone, and (iii) the proposal to authorize such activities has wide public support. The primary purpose is to supplement the effects of anti-gambling legislation and law enforcement efforts in combating illegal gambling.

Directorate Establishment

14. **MR ALAN LEONG** (in Chinese): *Madam President, according to the Administration's reply to my question in January this year, as at 1 December 2004, each of the following statutory bodies had more than 10 staff members receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service (directorate officers): Hospital Authority, The Hong Kong Polytechnic University, Hong Kong Tourism Board, Hong Kong Housing Authority, Hong Kong Baptist University, Securities and Futures Commission, Kowloon-Canton Railway Corporation, Hong Kong Trade Development Council, Lingnan University, Hong Kong Productivity Council, Urban Renewal Authority, The Hong Kong Institute of Education and*

Hong Kong Science and Technology Parks Corporation. In this connection, will the Government inform this Council whether it knows, for each of these bodies:

- (a) the number of its directorate officers, broken down by their rank, title and duties;*
- (b) its total expenditure on remuneration and allowances for the last financial year, the amount and percentage taken up by directorate officers, and the corresponding estimates for the current financial year;*
- (c) its directorate establishment for the current financial year and the percentage of this figure in its total staff establishment; and*
- (d) if there is any plan to reduce its directorate establishment; if so, the details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, responsible bureaux have provided the requested information in respect of the following 13 statutory bodies in the attached Annexes:

Hospital Authority	(Annex 1)
The Hong Kong Polytechnic University	(Annex 2)
Hong Kong Tourism Board	(Annex 3)
Hong Kong Housing Authority	(Annex 4)
Hong Kong Baptist University	(Annex 5)
Securities and Futures Commission	(Annex 6)
Kowloon-Canton Railway Corporation	(Annex 7)
Hong Kong Trade Development Council	(Annex 8)
Lingnan University	(Annex 9)
Hong Kong Productivity Council	(Annex 10)
Urban Renewal Authority	(Annex 11)
The Hong Kong Institute of Education	(Annex 12)
Hong Kong Science and Technology Parks Corporation	(Annex 13)

Annex 1

Name of Statutory Body: Hospital Authority (HA)

- (a) There are a total of 552 directorate officers (that is, senior staff with pay equivalent to that of government officers at D1 level or above) in the HA. A breakdown of these directorate officers are as follows:

<i>Post Title</i>	<i>Number of Staff</i>	<i>Main Duty</i>
HA Head Office		
Chief Executive	1	Responsible for overall management of the public hospitals and clinics to meet the needs of the community; development of policies and strategies for service enhancement, collaboration with other service providers and the community to provide better patient care and services.
Directors	3	
Deputy Directors/ Other Senior Executives	28	
Hospital Clusters/Hospitals		
Cluster Chief Executives	7	Responsible for the planning and provision of medical services within a hospital cluster.
Hospital Chief Executives	19	Responsible for the planning and provision of medical services at the hospital level.
Consultants (clinical)	494*	Responsible for leading a team of medical and other health care staff in the provision of direct patient care.

*Note: includes 16 part-time consultants

- (b) The HA's total expenditure on staff in 2004-05 was \$23.3 billion, of which \$1.4 billion (or around 6%) was spent on directorate officers. The expenditure on remuneration and allowances for directorate officers in 2005-06 is expected to remain at a similar level as that in 2004-05.
- (c) Directorate officers account for around 1.1% of the total number of staff in HA. The HA does not operate an establishment system for its staff.
- (d) The HA has already reduced the number of its directorate officers by over 5% through rationalization and service review since 2001-02. There is currently no plan to further reduce that number significantly.

Annex 2

Name of Statutory Body: The Hong Kong Polytechnic University (PolyU)

The staff remuneration system of all University Grants Committee (UGC)-funded institutions has been deregulated since 1 July 2003. Individual institutions are therefore free to decide on their own remuneration systems. Against this background, our replies to the questions regarding the UGC-funded activities at PolyU are as follows:

- (a) The number of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service as at June 2005 is listed below:

Management/Non-academic	14
<i>Rank/Title</i>	
President	1
Deputy President	1
Vice Presidents	4
Directors	6
Deputy Directors	2
Academic Staff	84
<i>Rank/Title</i>	
Chair Professors/Professors	84
Total	98

- (b) The total expenditures on remuneration and allowances for the UGC-funded activities at PolyU are about \$1,947.5 million and \$1,900 million respectively in its financial years¹ 2003-04 and 2004-05. The estimated expenditures on the remuneration and allowances of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's financial years 2003-04 and 2004-05 are about \$163 million (8.4% of total) and \$180 million (9.5% of total) respectively.
- (c) Ninety-eight staff (about 3.2% of its total employees) of PolyU receive a remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's 2004-05 financial year.
- (d) PolyU considers that the current establishment of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale is at the right level for its future academic and research development plan. The University thus has no plan to reduce such establishment.

¹ "Financial year" for the UGC-funded institutions is a period from July of a year to June of the year next.

Name of Statutory Body: Hong Kong Tourism Board (HKTB)

In 1985, in pursuance of a review on the compensation and benefits of its staff, the former Hong Kong Tourist Association approved the proposal to delink the salary scale of their staff from the civil service pay scale and benchmark the salary scale with the market. After the founding of the HKTB in 2001, it has established its own policy and mechanism in drawing up staff remuneration packages based on this principle. It commissioned an independent human resources consultant (Hay Group) in 2002 to conduct a comprehensive review of the compensation and benefits for each level of staff in the organization as compared with the market. The Study also devised a set of benchmarks by reference to the market salary levels and relevant positions in comparable organizations and recommended appropriate remuneration packages. There are four posting bands (Band A - D) in the HKTB's staff structure. According to the HKTB, all staff currently in Band A are remunerated at or above the first salary point of the Directorate Pay Scale of the Civil Service (directorate officers as defined in the question).

- (a) As at May 2005, all 12 staff members in Band A of the HKTB are receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service. Band A positions are senior management positions, including one Executive Director (ED) who leads the HKTB and develops its strategic directions, one Deputy Executive Director (DED) who oversees the operational management of the organization, four General Managers (GMs) in the Head Office who help formulate strategies and oversee the implementation of marketing plans, and six Regional Directors (RDs) in Worldwide Offices who lead such offices and oversee the implementation of overseas promotion plans.
- (b) The expenditure on remuneration and allowances for these staff members was \$22.39 million in 2004-05, representing 16.9% of total expenditure on remuneration and allowances (\$132.24 million). The budgeted expenditure on remuneration and allowances for Band A staff (based on establishment) in 2005-06 is \$23.82 million, representing about 16.2% of the total remuneration and allowances (\$146.69 million).

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- (c) In 2005-06, the total establishment of the HKTB is 321. The establishment of staff members in Band A is 13, representing 4% of total establishment.
- (d) The HKTB does not have any plan to change the headcount of its establishment. It will review the organizational structure and headcounts in its annual business planning cycle to ensure an optimal structure is established to meet the objectives of the HKTB. Any change in establishment level will be reviewed by the HKTB Staff and Finance Committee and approved by the Board.

Name of Statutory Body: Hong Kong Housing Authority

- (a) As at 16 June 2005, there were 55 directorate staff. Their titles, ranks and duties are provided below:

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
Permanent Secretary for Housing, Planning and Lands (Housing)/Director of Housing	Administrative Officer Staff Grade A1 (D8)	To head the Housing Department and assist the Secretary for Housing, Planning and Lands in formulating and reviewing housing policies and strategies.
<i>Permanent Secretary for Housing, Planning and Lands (Housing)'s/Director of Housing's Office</i>		
Assistant Director (Independent Checking Unit)	Assistant Director of Housing (D2)	To formulate and develop policies and practices for checking of Housing Authority projects and compliance with statutory requirements under the Buildings Ordinance (Cap. 123) and the Lifts and Escalators (Safety) Ordinance (Cap. 327).
Head (Building Repairs Task Force) ^(Note)	Chief Housing Manager (D1)	To head a dedicated Building Repairs Task Force for co-ordinating and speeding up rectification works for debonded wall tiles in public housing estates.
Head (Central Support Unit)	Chief Planning Officer (D1)	To provide administrative support to the Permanent Secretary for Housing, Planning and Lands (Housing).

Note: Temporary redeployment of a vacant Chief Housing Manager (D1) post for ad hoc duties. The post will be deleted by the end of 2005-06.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
<i>Allocation and Commercial Division</i>		
Deputy Director (Allocation and Commercial)	Senior Assistant Director of Housing (D3)	To steer and oversee the allocation of public rental housing, implementation of subsidized home ownership schemes, and overall management and maintenance of commercial properties to be divested.
Assistant Director (Commercial Properties)	Assistant Director of Housing (D2)	To oversee the management and maintenance of commercial properties to be divested.
Assistant Director (Housing Subsidies)	Assistant Director of Housing (D2)	To oversee the allocation of public rental housing and implementation of subsidized home ownership schemes.
Chief Estate Surveyor/ Housing Subsidies	Chief Estate Surveyor (D1)	To assist Assistant Director (Housing Subsidies) in the implementation of subsidized home ownership schemes.
Chief Housing Manager/ Applications and Operations	Chief Housing Manager (D1)	To oversee the administration of the Waiting List, implementation of redevelopment programmes, and control and clearance of squatter structures.
Chief Manager/ Commercial Properties	Chief Housing Manager (D1)	To assist Assistant Director (Commercial Properties) in the management and maintenance of commercial properties to be divested.
<i>Development and Construction Division</i>		
Deputy Director (Development and Construction)	Senior Assistant Director of Housing (D3)	To steer and oversee the Public Housing Construction Programme, and steer the formulation of procurement, safety and environmental strategies.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
Assistant Director (Development and Procurement)	Assistant Director of Housing (D2)	To oversee the development, implementation and review of procurement strategies and construction policies and procedures.
Assistant Director (Project) 1	Assistant Director of Housing (D2)	To oversee the design and construction of public housing projects, and formulate policies on enhancing quality of production.
Assistant Director (Project) 2	Assistant Director of Housing (D2)	
Chief Architect/1	Chief Architect (D1)	To monitor the programme and budget of public housing projects, and carry out feasibility studies.
Chief Architect/2	Chief Architect (D1)	
Chief Architect/3	Chief Architect (D1)	
Chief Architect/4	Chief Architect (D1)	
Chief Architect/Design and Standards	Chief Architect (D1)	To provide professional guidance and conduct research studies on materials and construction techniques.
Chief Architect/Procurement	Chief Architect (D1)	To develop procurement policies and practices for improving operational efficiency and cost-effectiveness, promote procurement best practices, and oversee list management of the Housing Authority Lists of Works Contractors and Consultants and the Performance Assessment Scoring System.
Chief Building Services Engineer	Chief Building Services Engineer (D1)	To provide building services engineering support in public housing projects and set technical standards for building services installations.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
Chief Civil Engineer	Chief Engineer (Civil) (D1)	To provide civil engineering support in public housing projects and set technical standards of civil engineering works.
Chief Geotechnical Engineer	Chief Geotechnical Engineer (D1)	To provide geotechnical engineering support in public housing projects and set technical standards of geotechnical engineering works.
Chief Planning Officer	Chief Planning Officer (D1)	To co-ordinate the acquisition of suitable sites for public housing development and provide planning input in public housing projects.
Chief Quantity Surveyor	Chief Quantity Surveyor (D1)	To provide quantity surveying support in public housing projects, and advise on construction cost and contractual issues.
Chief Structural Engineer/1	Chief Structural Engineer (D1)	To provide structural engineering support in public housing projects.
Chief Structural Engineer/2	Chief Structural Engineer (D1)	
Chief Structural Engineer/3	Chief Structural Engineer (D1)	
<i>Estate Management Division</i>		
Deputy Director (Estate Management)	Senior Assistant Director of Housing (D3)	To steer and oversee the implementation of public housing policies relating to, and assume the overall responsibility for the management and maintenance of public housing estates.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
Assistant Director (Estate Management)1	Assistant Director of Housing (D2)	To administer the Estate Management Sub-divisions, and monitor and supervise the management and maintenance of public housing estates.
Assistant Director (Estate Management)2	Assistant Director of Housing (D2)	
Chief Manager/Management (Kowloon East)	Chief Housing Manager (D1)	To oversee the day-to-day management and maintenance of public housing estates on a regional basis.
Chief Manager/Management (Kowloon West and Hong Kong)	Chief Maintenance Surveyor (D1)	
Chief Manager/Management (Kwai Tsing, Tsuen Wan and Islands)	Chief Maintenance Surveyor (D1)	To oversee the day-to-day management and maintenance of public housing estates on a regional basis.
Chief Manager/Management (Tai Po, North, Sha Tin and Sai Kung)	Chief Maintenance Surveyor (D1)	
Chief Manager/Management (Tuen Mun and Yuen Long)	Chief Building Services Engineer (D1)	
Chief Manager/Management (Support Services 1)	Chief Building Services Engineer (D1)	
Chief Manager/Management (Support Services 2)	Chief Housing Manager (D1)	To formulate and implement tenancy management policies and rent policies.
Chief Manager/Management (Support Services 3)	Chief Housing Manager (D1)	To formulate strategies and measures for combating abuses of public housing resources and for the provision of estate services.
Chief Manager/Management (Support Services 4)	Chief Estate Surveyor (D1)	To oversee the management and maintenance of residual commercial and non-domestic properties not to be divested.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
<i>Strategy Division</i>		
Deputy Director (Strategy)	Administrative Officer Staff Grade B1 (D4)	To formulate housing strategies on the operation of private housing market and oversee strategic planning for public housing.
Assistant Director (Finance)	Assistant Director of Accounting Services (D2)	To formulate financial policies and oversee the provision of financial resources to support business operations.
Assistant Director (Policy Support)	Administrative Officer Staff Grade C (D2)	To co-ordinate policy input on major housing issues and handle Legislative Council matters in relation to housing.
Assistant Director (Private Housing)	Administrative Officer Staff Grade C (D2)	To monitor developments in the private housing market, and formulate policies on private residential tenancy and regulation of estate agents.
Assistant Director (Strategic Planning)	Administrative Officer Staff Grade C (D2)	To formulate and review strategies and policies for achieving rational and cost-effective provision of public housing, and oversee policy and statistical researches.
Chief Finance Manager/ Financial Policy and Management	Chief Treasury Accountant (D1)	To oversee the implementation of financial policies, and supervise the provision of budgetary management and accounting services.
Chief Finance Manager/ Treasury and Operations	Housing Authority contract post (equivalent to D1)	To develop and implement appropriate treasury management, investment and funding policies and guidelines.

<i>Post Title</i>	<i>Rank of Post</i>	<i>Main Duties</i>
<i>Corporate Services Division</i>		
Deputy Director (Corporate Services)	Administrative Officer Staff Grade B (D3)	To steer and oversee the implementation of human resource, information technology and public relations strategies, and divestment of retail and carparking facilities.
Assistant Director (Administration)	Senior Principal Executive Officer (D2)	To oversee the provision of general administrative support, and develop and implement human resource management strategies.
Assistant Director (Divestment)	Assistant Director of Housing (D2)	To formulate strategies on the divestment of retail and carparking facilities and co-ordinate all related work.
Assistant Director (Legal Service)	Assistant Director of Housing (Legal Advice) (DL2)	To oversee the provision of legal advice and services.
Chief Housing Manager/ Grade Management	Chief Housing Manager (D1)	To oversee the grade management of Housing Manager and related grades.
Chief Maintenance Surveyor/Divestment	Chief Maintenance Surveyor (D1)	To support Assistant Director (Divestment) in co-ordinating the divestment of retail and carparking facilities.
Chief Manager/Human Resource Development	Assistant Principal Training Officer (D1)	To formulate and implement strategies on staff training and development.
Head (Information Technology)	Chief Systems Manager (D1)	To oversee the implementation of information technology strategies and provision of information technology support.

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- (b) The total staff costs of directorate posts funded by the Housing Authority for the last financial year are about \$124 million, representing 2.9% of the Personal Emoluments in the 2004-05 Revised Budget of the Housing Authority. The corresponding estimates for the current financial year are about \$104 million, representing 2.6% of the Personal Emoluments in the 2005-06 Approved Budget of the Housing Authority.
- (c) The directorate establishment (56 posts) is about 0.6% of the total number of posts funded by the Housing Authority as at 16 June 2005.
- (d) The Housing Department has undergone a restructuring of the directorate establishment since January 2003. The directorate establishment has been reduced from 73 posts in January 2003 by 17 posts to date. A further 10 posts will be deleted by the end of 2005-06, resulting in a directorate establishment of 46 posts. The revised directorate structure and deployment of posts were approved by the Finance Committee of the Legislative Council in June 2004 vide Paper No. EC(2004-05)9. The total reduction in directorate establishment from 1 January 2003 to 31 March 2006 will be about 37%.

Name of Statutory Body: Hong Kong Baptist University (HKBU)

The staff remuneration system of all University Grants Committee (UGC)-funded institutions has been deregulated since 1 July 2003. Individual institutions are therefore free to decide on their own remuneration systems. Against this background, our replies to the questions regarding the UGC-funded activities at the HKBU are as follows:

- (a) The number of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service as at June 2005 is listed below:

Management/Non-academic	9
<i>Rank/Title</i>	
President	1
Vice Presidents	3
Heads of major administrative offices	5
Academic Staff	35
<i>Rank/Title</i>	
Chair Professors/Professors	35
Total	44

- (b) The total expenditures on remuneration and allowances for the UGC-funded activities at the HKBU are about \$736 million and \$726 million respectively in its financial years¹ 2003-04 and 2004-05. The estimated expenditures on the remuneration and allowances of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's financial years 2003-04 and 2004-05 are about \$82.8 million (11.2% of total) and \$82.3 million in 2004-05 (11.3% of total) respectively.
- (c) Forty-four staff (about 3.8% of its total employees) of the HKBU receive a remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's 2004-05 financial year.
- (d) The HKBU considers that the current establishment of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale is at the right level for its operation. The University thus has no plan to reduce such establishment.

¹ "Financial year" for the UGC-funded institutions is a period from July of a year to June of the year next.

Annex 6

Name of Statutory Body: Securities and Futures Commission (SFC)

- (a) As at 16 June 2005, the number of directorate staff of the SFC receiving remuneration package equivalent to or higher than the first salary point of Directorate Pay Scale of the Civil Service is 37. Details are as follows:

<i>Rank</i>	<i>Title</i>	<i>Number of staff</i>
E8	Chairman	1
E7	Executive Director	4
E6	Senior Director/Chief Counsel	7
E5	Director/Chief Information Officer/ Deputy Chief Counsel/Adviser	25
Total		37

It should be noted that the pay packages of SFC employees are market-driven and do not follow the civil service pay scales and fringe benefits.

The SFC directorate staff may be engaged to work in different divisions depending on the need of work. These directorate staff are in charge of different divisions, departments or units. They take a leadership role in respective areas and have to make important decisions related to the Commission's policies, strategies and operations.

- (b) (i) The actual remuneration expenses for 2004-05 (including payment of performance-related Variable Pay) are as follows:

All SFC Staff	:	\$343 million (A)
SFC Directorate Staff	:	\$94 million (B)
(B)/(A)	:	27%

- (ii) According to the SFC's estimates for 2005-06, the projected remuneration expenses for 2005-06 (excluding performance-related Variable Pay provision as the consideration of such payment is not due until the end of this year) are as follows:

All SFC Staff	:	\$340 million (C)
SFC Directorate Staff	:	\$95 million (D)
(D)/(C)	:	28%

- (c) The establishment of SFC directorate staff for the current financial year of 2005-06 is 42, representing 9% of the total staff establishment.
- (d) According to the Securities and Futures Ordinance, the SFC is required to submit its estimates of income and expenditure (including proposed staff complement) for the next financial year to the Chief Executive for approval before 31 December each year. The SFC will carry out strategic manpower planning and review its manpower needs critically when the estimates of income and expenditure for the next financial year of 2006-07 is prepared for the Chief Executive's approval by the end of 2005.

Source: SFC

Annex 7

Name of Statutory Body: Kowloon-Canton Railway Corporation (KCRC)

- (a) As at 16 June 2005, there are 31 staff of the KCRC receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service. The breakdown of these staff members according to their posts is as follows:

<i>Post</i>	<i>Number</i>	<i>Duties</i>
Chief Executive Officer (Acting)	1	Assumes overall responsibility for the management and operation of the Corporation, and directs the policy and business of the Corporation.
Senior Directors	2	Being heads of the respective divisions, they support the Chief Executive Officer in implementing the overall corporation objectives, and take charge of various administrative duties, including management, corporate business and staff matters.
- Senior Director, Transport		
- Senior Director, Capital Projects	4	
Directors		
- Director, Finance		
- Director, Human Resource		
- Director, Property		
- Director, West Rail	24	Being heads of departments/units, they attend to various administrative duties, including management, corporate business, staff, and project management matters. They are also responsible for managing the departments/units, including staff, technical and financial matters, and so on.
Other senior executives		

- (b) The total staff costs for the last financial year, the amount and percentage taken up by directorate officers, and the corresponding estimates for the current financial year are shown as follows:

	<i>Total staff costs (\$million)</i>	<i>Staff costs for directorates officers (\$million)</i>	<i>Percentage</i>
2004	2,162	95	4.4%
2005	2,116	82	3.9%

- (c) As at 16 June 2005, the total staff establishment of the KCRC is 5 878 and the directorate establishment of the Corporation is 31 (around 0.5%).
- (d) Following completion of new railway projects, the directorate staff in the KCRC will be reduced from the existing establishment of 31 to 28 in July 2005.

Annex 8

Name of Statutory Body: Hong Kong Trade Development Council (TDC)

The TDC identifies staff as being of directorate level not on the basis of salary alone, but on the basis of their job nature as well as their total remuneration compared with the market. Because of major differences between the Government's fringe benefits (including leave entitlements) and those offered by the TDC, total remuneration at each salary point varies considerably from that of the Government.

The current directorate structure by the TDC's definition comprises three levels, with six posts, one of which having been left vacant:

- Executive Director or ED (one)
- Deputy Executive Director or DED (two)
- Assistant Executive Director or AED (three, including one vacancy recently downgraded from DED level)

However, using the Government's definition of directorate officers remunerated at a base salary of D1-equivalent or above, the total number of TDC directorate officers as at 16 June 2005 is 20. By the TDC's definition, the additional 14 posts are senior managerial posts, whose incumbents are also remunerated appropriately on the basis of job nature and market comparisons.

The answers to the Honourable Alan LEONG's questions are as follows:

(a)

<i>Number</i>	<i>Rank</i>	<i>Title</i>	<i>Duties</i>
1	Executive Director	Executive Director	Chief Executive Officer of the TDC
2	Deputy Executive Director	Deputy Executive Director (Operations)	duties including trade promotion, business unit operations and management of the network of over 40 offices around the world

<i>Number</i>	<i>Rank</i>	<i>Title</i>	<i>Duties</i>
		Deputy Executive Director (Marketing)	duties including corporate and international marketing and communications, public relations and customer services
3	Assistant Executive Director	Assistant Executive Director (1)	oversees all the business units, including the TDC's exhibitions and various of trade magazines
		Assistant Executive Director (2)	in charge of corporate development, including planning, finance and administration
		Assistant Executive Director (3)	covers trade promotional activities
8	Chief Manager	Director, Corporate and Media Communication	overseeing corporate and media communication issues
		Head of Finance and Accounts	overseeing finance and account matters
		Director, Product Promotion	overseeing product promotion department
		Director, Service Promotion	overseeing service promotion department
		Director, International and Corporate Marketing	overseeing international and corporate marketing issues
		Director, Chinese Mainland	stationed in Beijing, overseeing the operations of overseas offices in the Mainland China

<i>Number</i>	<i>Rank</i>	<i>Title</i>	<i>Duties</i>
		Regional Director, Americas	stationed in New York, overseeing the operations of overseas offices in North and Latin America
		Regional Director, Central and Eastern Europe	stationed in Frankfurt, overseeing the operations of overseas offices in Central and Eastern Europe
6	Senior Manager	Chief Economist	overseeing the Research Department
		Head of Information Technology	overseeing all IT related issues
		Senior Manager, Exhibition Services	overseeing the provision of exhibition services at trade fairs
		Head of Customer Services	overseeing the business advisory services, training, Business InfoCentre and SME support activities
		Head of Creative Services	overseeing the provision of professional design services for all promotion activities
		Regional Director, Western Europe	stationed in London, overseeing the operations of overseas offices in Western Europe, the Middle East and Africa

- (b) As explained above, the TDC's definition of directorate staff is not based solely on salary, but on the basis of job nature as well as total remuneration as compared with the market. While the TDC's directorate establishment consists of six posts at three levels, including one vacant post, the number of TDC staff with base salaries of D1-equivalent level and above is now 20. The TDC's total expenditure on remuneration and allowances for these 20 officers amounted to \$38.831 million, representing 10.31% of the total staff remuneration and allowances of \$376.575 million for the last financial year. The TDC envisages the corresponding figures for the current financial year to be \$39.772 million, or 10.06% of the total of \$395.434 million.
- (c) The above 20 officers represent 2.16% of the total staff establishment for the current financial year.
- (d) The TDC has been monitoring staff establishment, including that for directorate-level staff, very carefully in recent years with a view to maintaining it at an appropriate level. The number of directorate posts in the TDC has been reduced to the current six from 14 in 1996-97. There are no plans to reduce the directorate establishment further as it is already the minimum required to cope with the TDC's operations.

Annex 9

Name of Statutory Body: Lingnan University (LU)

The staff remuneration system of all University Grants Committee (UGC)-funded institutions has been deregulated since 1 July 2003. Individual institutions are therefore free to decide on their own remuneration systems. Against this background, our replies to the questions regarding the UGC-funded activities at the LU are as follows:

- (a) The number of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service as at June 2005 is listed below:

Senior Management/Non-academic	4
<i>Rank/Title</i>	
President	1
Vice Presidents	1
Registrar	1
Director	1
Academic Staff	14
<i>Rank/Title</i>	
Chair Professors/Professors	14
Total	18

- (b) The total expenditures on remuneration and allowances for the UGC-funded activities at the LU are about \$284.7 million and \$276.5 million respectively in its financial years¹ 2003-04 and 2004-05. The estimated expenditures on the remuneration and allowances of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's financial years 2003-04 and 2004-05 are about \$39.7 million (13.9% of total) and \$35.5 million (12.8% of total) respectively.
- (c) Eighteen staff (about 3.5% of its total employees) of the LU receive a remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the University's 2004-05 financial year.
- (d) The LU considers that the current establishment of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale is at the right level for its operation. The University thus has no plan to reduce such establishment.

¹ "Financial year" for the UGC-funded institutions is a period from July of a year to June of the year next.

Name of Statutory Body: Hong Kong Productivity Council (HKPC)

- (a) The breakdown of existing staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service (directorate officers) by their rank, title and duties is as follows:

<i>Rank</i>	<i>No.</i>	<i>Title</i>	<i>Duties</i>
Executive Director	1	Executive Director	To oversee the overall operation of the HKPC, including its overall strategy, development, management and operation.
Branch Director	3	Director (Manufacturing Productivity)	To oversee Manufacturing Productivity Branch, Product Productivity Branch and Business Productivity Branch respectively, develop projects within relevant areas, and formulate strategic objectives.
		Director (Product Productivity)	
		Director (Business Productivity)	
General Manager	11	General Manager, Manufacturing Technology	To oversee the daily operation of respective Divisions, including help formulating strategic objectives, implementing and developing programmes, fostering business partnership, and so on, in a bid to promote productivity through the provision of integrated support to Hong Kong firms in different areas.
		General Manager, Material Technology	
		General Manager, CEPA Business Development and IP	
		General Manager, Electronics Product Innovation	
		General Manager, Total Enterprise Management Consultancy	

<i>Rank</i>	<i>No.</i>	<i>Title</i>	<i>Duties</i>
		General Manager, Enterprise Value and Logistics Consultancy	
		General Manager, Information Technology Industry Development	
		Senior Principal Consultant, Industrial Standards	
		General Manager, Corporate Communications and Events	To oversee the public relations and promotional work.
		General Manager, Finance	To oversee the finance and budgeting work.
		General Manger, Human Resources and Administration	To oversee the human resources and administration work.

- (b) The total expenditure on remuneration and allowances for the last financial year, the amount and percentage taken up by directorate officers, and the corresponding estimates for the current financial year are as follows:

	<i>2004-05</i>	<i>2005-06 (Estimate)</i>
Remuneration expenses for directorate officers	\$26.98 million	\$26.67 million
Total staff remuneration expenses	\$229 million	\$232 million
Remuneration expenses for directorate officers as a percentage of the total staff remuneration expenses	11.8%	11.5%

- (c) There are 18 officers on the directorate establishment for the current financial year, accounting for 3.6% of the total staff establishment.
- (d) Compared with the last financial year, the HKPC has deleted three directorate posts. It has no plan to further reduce its directorate establishment. The HKPC will continue to monitor closely the operation and service requirements to ensure that its directorate establishment would meet the needs.

Name of Statutory Body: Urban Renewal Authority (URA)

- (a) Among the URA's current senior management, there are 14 posts having remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service. These include one Managing Director (MD), two Executive Directors (ED), four Directors (Dir) and seven General Managers (GM). Details are set out below:

<i>Rank</i>	<i>Title</i>	<i>Duties</i>	<i>No. of Posts</i>
MD	Managing Director	Oversee the management of the URA in the carrying out of its statutory functions under the Urban Renewal Authority Ordinance.	1
ED	ED (Commercial and Corporate)*	Assist the MD in overseeing the management of the URA and assume overall responsibility of all corporate and commercial related functions.	1
	ED (Planning and Development)	Assist the MD in overseeing the management of the URA and assume overall responsibility of the planning and development functions.	1
Dir	Dir (Operations)	Assume overall accountability for the redevelopment, rehabilitation projects and preservation programmes.	1
	Dir (Standards and Contract)	Oversee the functions of contract management, procurement and facilities management, design and construction, quality assurance and the implementation of rehabilitation projects.	1

<i>Rank</i>	<i>Title</i>	<i>Duties</i>	<i>No. of Posts</i>
	Dir (Corporate Communications)	Formulate and oversee the execution of a corporate communications and community development strategy.	1
	Dir (Property and Land)*	Oversee the strategic development and use of land and property of the URA.	1
GM	Co-ordinator (Corporate Strategy)	Explore opportunities of co-operation with strategic partners and formulate corporate strategy and policy.	1
	GM (Human Resources and Administration)*	Oversee all human resources and administration activities of the URA.	1
	GM (Operations)	Assist the Director in overseeing different aspects of redevelopment projects.	1
	GM (Property and Land)	- Assist the Director in the strategic development and use of land and property of the URA.	2
		- Assist the Director in the formulation of strategy and policy for all land matters and oversee the land grant and related matters.	
	GM (Planning and Development)	Oversee and co-ordinate proposals for redevelopment, preservation, rehabilitation and revitalization and participate in the preparation of Corporate and Business Plans.	1

<i>Rank</i>	<i>Title</i>	<i>Duties</i>	<i>No. of Posts</i>
	General Counsel	Oversee and ensure the provision of quality in-house legal advisory services.	1
Total:			14

* currently vacant

[Note: There is a temporary director post (six months) which will expire by end June 2005. The post-holder is responsible for overseeing service delivery in treasury, finance, legal, corporate secretarial, information technology, human resources and administration. This post does not form part of the establishment.]

- (b) In the 2004-05 financial year, the URA's total expenditure on remuneration and allowance is about \$139 million, of which about \$33.9 million (that is, 24%) are taken up by the above 14 posts. In the 2005-06 financial year, the estimated total expenditure on remuneration and allowance is around \$146 million. The amount and percentage taken up by the above 14 posts are around \$31.5 million and 22% respectively.
- (c) In the 2005-06 financial year, there are 14 posts among the URA's senior management the remuneration of which are equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service. These 14 posts account for about 5.5% of the total staff establishment.
- (d) The URA does not have any immediate plan to reduce the 14 posts concerned. It will review its staff establishment, including senior management establishment, from time to time.

Annex 12

Name of Statutory Body: The Hong Kong Institute of Education (HKIED)

The staff remuneration system of all University Grants Committee (UGC)-funded institutions has been deregulated since 1 July 2003. Individual institutions are therefore free to decide on their own remuneration systems. Against this background, our replies to the questions regarding the UGC-funded activities at HKIED are as follows:

- (a) The number of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service as at June 2005 is listed below:

Senior Management/Non-academic	8
<i>Rank/Title</i>	
President	1
Vice Presidents	2
Directors	4
Head	1
Academic Staff	2
<i>Rank/Title</i>	
Deans	2
Total	10

- (b) The total expenditures on remuneration and allowances for the UGC-funded activities at HKIED are about \$739.1 million and \$580.4 million respectively in its financial years¹ 2003-04 and 2004-05. The estimated expenditures on the remuneration and allowances of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the Institutions' financial years 2003-04 and 2004-05 are about \$23.1 million (3.1% of total) and \$19.6 million (3.4% of total) respectively.
- (c) Ten staff (about 1.2% of its total employees) of HKIED receive a remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale in the Institution's 2004-05 financial year.
- (d) HKIED considers that their number of staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale is already at a relatively low level. The Institution thus has no plan to reduce such establishment.

¹ "Financial year" for the UGC-funded institutions is a period from July of a year to June of the year next.

Name of Statutory Body: Hong Kong Science and Technology Parks Corporation (HKSTPC)

- (a) The breakdown of existing staff receiving remuneration equivalent to or higher than the first salary point of the Directorate Pay Scale of the Civil Service (directorate officers) by their rank, title and duties is as follows:

<i>Rank</i>	<i>No</i>	<i>Title</i>	<i>Duties</i>
Chief Executive Officer	1 ^(Note)	Chief Executive Officer	To oversee the overall operation of the HKSTPC, including its overall strategy, development, management and operation.
Vice President	3	Vice President, Project	To oversee capital works and facilities.
		Vice President, Marketing and Admission	To oversee marketing, leasing, marketing communications and event marketing matters.
		Vice President, Business Development and Technology Support	To oversee business development and incubation support, incubatee development, technology support and industry/university collaboration matters.
General Manager	2	General Manager, Finance and Administration	To oversee the finance and administration of the Corporation and act as Board Secretary.
		Head of Internal Audit	To oversee internal audit, corporate governance and risk management matters.
Senior Managers	2	Senior Manager, Project	To assist Vice President, Project to manage capital works and facilities.

Note: The HKSTPC is currently recruiting the Chief Executive Officer (CEO). Vice President, Project is doubling up the post of CEO on an acting basis.

- (b) The total expenditure on remuneration and allowances for the last financial year, the amount and percentage taken up by directorate officers, and the corresponding estimates for the current financial year are as follows:

	<i>2004-05</i>	<i>2005-06 (Estimate)</i>
Remuneration expenses for directorate officers	\$18.71 million	\$15.66 million
Total staff remuneration expenses	\$62.94 million	\$65.51 million
Remuneration expenses for directorate officers as a percentage of the total staff remuneration expenses	29.7%	23.9%

- (c) There are eight directorate officers on the directorate establishment for the current financial year, accounting for 5.48% of the total staff establishment.
- (d) Compared with the last financial year, the HKSTPC has deleted two directorate posts. It has no plans to further reduce its directorate establishment. The HKSTPC will continue to monitor closely the operation and service requirements to ensure that the directorate establishment would meet the needs.

Television Programme Featuring Legal Knowledge

15. **MR LI KWOK-YING** (in Chinese): *Madam President, regarding controversies arising from a television programme featuring legal knowledge, will the Government inform this Council whether:*

- (a) the enforcement of the law by law enforcement agencies and the criteria for prosecution adopted by the Department of Justice will be affected if legal professionals and government departments have different interpretations of the legislative provisions; if not, of the reasons for that, and how it will avoid confusion among the public arising from different interpretations of the legislative provisions;*
- (b) it has issued any guidelines in respect of television programmes on legal knowledge; if so, of the details; if not, the reasons for that, and how it will prevent these programmes from disseminating mistaken legal knowledge; and*
- (c) it will promote the popularization of legal knowledge through infotainment programmes in view of the growing popularity of such programmes; if so, how it will promote it?*

LAW OFFICER (INTERNATIONAL LAW) (in the absence of Secretary for Justice) (in Chinese): Madam President, this question is in three parts, and I will answer it in the same order.

- (a) It is by no means uncommon for lawyers to hold different opinions about the way in which legal provisions are to be interpreted. When enforcement agencies are in any doubt as to the meaning of a provision, they should consult the Department of Justice. Decisions on whether or not a prosecution should be brought are determined in accordance with the Department's "Statement of Prosecution Policy and Practice". Under this a prosecution should not be started unless there is a reasonable prospect of convicting a person for a criminal offence known to the law. The Department

will advise on, or decide, whether there is, or is not, such a reasonable prospect.

The fact that some lawyers in private practice may hold a different view of the law from that of the Department of Justice will not have any impact on the enforcement of the law, or on prosecution decisions. Of course, if a Court upholds the view of the private practitioner, this will be reflected in the Court's decision.

Since every lawyer is entitled to express his view on the meaning of a legal provision, there are bound to be occasions when conflicting views are stated. Court decisions on the issue in question, or a legislative amendment, may eventually resolve the conflict.

- (b) Paragraph 3 of Chapter 9 of the "Generic Code of Practice on Television Programme Standards" (the Code) issued by the Broadcasting Authority (BA) stipulates that "every reasonable effort must be made (by the licensees) to ensure that the factual content of programmes is accurate."

Television stations are required to ensure that the content of programmes involving legal knowledge is accurate. The BA will investigate any complaints about inaccuracy of factual content in such programmes. If the BA finds that the complaint is substantiated, the concerned television station would have breached the Code and could be subject to sanctions by the BA.

- (c) The Department of Justice is fully aware of the effectiveness of television programmes in the promotion of the law, and has in recent years joined hands with Radio Television Hong Kong in the production of three television series entitled "Legal Drama". The three series comprised a total of 37 30-minute episodes and featured a range of law-related issues such as the infringement of intellectual property, libel and privacy. In 2002, the Department sponsored TVB to produce another series of 12 three-minute episodes entitled "Know the law, abide by the law; a new generation", which featured crimes frequently committed by teenagers. The Department will in

future continue to provide assistance to television stations where possible in their production of "infotainment" programmes aiming to promote awareness of the law, such as by providing information and technical advice.

Illegal Workers

16. **MR KWONG CHI-KIN** (in Chinese): *Madam President, will the Government inform this Council of:*

- (a) *the respective numbers of suspected illegal workers and their employers prosecuted by the authorities between 1 January and 30 May 2005, with a breakdown by industry; and how the figures compare to those of the same periods in the past two years;*
- (b) *the maximum and average fines and prison terms imposed on the illegal workers and their employers who were successfully prosecuted and penalized during the above period; the time and the industries involved in cases where the maximum fines and prison terms were imposed, how the above average figures compare to those of the same periods in the past two years, and the respective numbers of illegal workers and their employers prosecuted for the same crimes;*
- (c) *the number of cases reported to the authorities in each quarter of the past two years about employing illegal workers, with a breakdown by industry and number of workers involved;*
- (d) *the number of enforcement actions taken by the authorities against illegal employment in each quarter of the past two years, with a breakdown by industry, the 18 administrative districts and the numbers of illegal workers and employers arrested; and*
- (e) *the numbers of visitors refused entry into Hong Kong in each of the past five years for having previously engaged in illegal employment in Hong Kong, with a breakdown by nationality, and the criteria*

adopted by the authorities for determining that the visitors should be refused entry for the above reason?

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) Statistics on illegal workers and employers of illegal workers prosecuted and convicted between 1 January and 31 May 2005, and corresponding statistics for the past two years, are set out below:

	2003*	2004*	2005*
Illegal Workers	1 211	1 449	1 794
Employers of Illegal Workers	197	169	139 [#]

* 1 January to 31 May

[#] During the period, about 60 suspected employers of illegal workers pleaded not guilty to their charges and trials have to be fixed.

The statistics are not further broken down by industry. According to our observation, illegal workers are mostly involved in the internal renovation, food and beverage, and environmental recycling industries.

- (b) Statistics on penalties for illegal workers and employers of illegal workers prosecuted and convicted between 1 January and 31 May 2005, and corresponding statistics for the past two years, are set out below:

Illegal Workers

<i>Penalty</i> \ <i>Year</i>	2003*	2004*	2005*
Immediate Imprisonment	318 (26%)	1 413 (98%)	1 748 (97%)
Others (Including suspended sentences and fines)	893 (74%)	36 (2%)	46 (3%)
Total	1 211 (100%)	1 449 (100%)	1 794 (100%)

* 1 January to 31 May

Employers of Illegal Workers

<i>Penalty</i> \ <i>Year</i>	<i>2003*</i>	<i>2004*</i>	<i>2005*</i>
Immediate Imprisonment	15 (8%)	106 (63%)	90 (65%)
Others (Including suspended sentences and fines)	182 (92%)	63 (37%)	49 (35%)
Total	197 (100%)	169 (100%)	139 [#] (100%)

* 1 January to 31 May

[#] During the period, about 60 suspected employers of illegal workers pleaded not guilty to their charges and trials have to be fixed.

When determining sentences, the Court will take into consideration applicable sentencing guidelines, relevant facts of the case, individual mitigating factors and any other relevant circumstances. The above statistics show that the percentage of employers of illegal workers being imprisoned immediately has risen substantially from 8% (15 persons) in the first five months of 2003 to 65% (90 persons) in the corresponding period in 2005. The length of imprisonment of these employers usually ranged from about two months to three months. Similarly, the length of imprisonment of convicted illegal workers usually ranged from two months to three months.

In the first five months of 2005 and in corresponding periods in 2003 and 2004, the highest penalty meted out to an illegal worker was 10 months of imprisonment, whereas the highest penalty meted out to an employer of illegal worker was 15 months of imprisonment. The illegal worker worked in the environmental recycling industry and the employer was engaged in the food and beverage industry. They were sentenced in March and May 2004 respectively.

We do not have statistics on the number of illegal workers and employers of illegal workers who have been prosecuted for the same offence before. When determining the sentence, the Court will

take into account any past conviction for the same offence which could constitute an aggravating factor leading to heavier sentences.

- (c) The quarterly number of reports on illegal workers received in the past two years are as follows:

Quarter	2003				2004				2005
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st
No. of Reports	2 290	2 078	2 799	3 245	2 819	2 834	3 668	4 219	3 994

Note: 70% of the reports received above was made out of misunderstanding, malice or did not provide sufficient traceable information.

The statistics are not further broken down by trade or by the number of illegal workers involved in a report.

- (d) The number of enforcement actions taken by the authorities against illegal employment in each quarter of the past two years, and the numbers of illegal workers and employers arrested, are as follows:

Quarter	2003				2004				2005
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st
No. of Operations	1 252 (24)	1 526 (17)	1 014 (26)	1 947 (31)	1 880 (31)	1 416 (17)	2 657 (20)	1 706 (17)	1 817 (25)
No. of Illegal Workers Arrested and Convicted	706	714	658	679	832	908	969	1 100	1 048
No. of Employers Arrested and Convicted	125	121	68	51	85	100	96	88	74

- () Figures in brackets indicate the number of joint operations conducted by the Immigration Department (ImmD) with other law enforcement agencies. This has been included in the overall figure indicated above.

The statistics are not further broken down by trade and district.

- (e) While striving to facilitate the entry of mainland and foreign visitors, the front-line officers of the ImmD at our control points will keep a watchful eye on suspicious visitors including those who may seek to illegally work in Hong Kong. Close examination will be conducted as and when necessary to ascertain a visitor's purpose for visiting, and a visitor whose purpose of visit is in doubt may be refused entry. We do not have the statistics on the number of persons refused entry on the ground that they had previously illegally worked in Hong Kong.

Furthermore, in order to more effectively deter mainland visitors from illegally working in Hong Kong, the ImmD passes to the mainland authorities the particulars of mainland visitors who have been found working illegally in Hong Kong, so that the mainland authorities can more strictly scrutinize their subsequent applications for exiting the Mainland to visit Hong Kong. The mainland authorities may refuse issuing visit endorsements to these persons for two to five years.

We will continue to spare no effort in combating illegal employment to safeguard the job opportunities of the local workforce.

Manpower in Public Hospitals

17. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, regarding the manpower in public hospitals, will the Government inform this Council of:*

- (a) *the respective numbers of medical practitioners employed on a temporary basis or short-term contracts in various hospital departments at present; and*
- (b) *the respective numbers of persons in each grade who departed, in each of the past two years and to date this year, under the Voluntary Early Retirement Scheme implemented by the Hospital Authority (HA) or the second Voluntary Retirement Scheme (VR II) implemented by the Government and, among them, the number of staff at management level?*

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

- (a) There are currently 58 doctors on temporary employment (that is, with a term of no more than one year) at the HA. In the majority of the cases, the temporary doctors are engaged as Resident doctors to meet the service and operational needs that may arise between the scheduled annual intake of medical graduates in July each year.
- (b) A total of 2 557 staff left the HA under its Voluntary Early Retirement Programme (VERP) or the Government's VR II over the past two years. A breakdown of these staff by grade is given in the table below:

<i>Staff group</i>	<i>2003-04</i>	<i>2004-05</i>	<i>Total</i>
Doctors	86	12	98
Nurses	601	257	858
Allied Health	80	21	101
Non-clinical Professionals	28	5	33
Supporting Staff	1 285	182	1 467
Total	2 080	477	2 557

Fifteen of the departed staff were at a pay level equivalent to that of a government officer at the Director D1 level or above. Only one of them was a senior staff with management responsibilities, and the remaining 14 were all clinical Consultants who were involved in the provision of direct patient care.

All participants of the two voluntary retirement schemes left the HA before the end of 2004-05.

Council for Sustainable Development

18. **MR LEE WING-TAT** (in Chinese): *Madam President, regarding the work of the Council for Sustainable Development (CSD), will the Government inform this Council whether:*

- (a) *the CSD has deliberated on significant and pressing issues with far-reaching implications on the sustainable development of Hong Kong, such as the development of the West Kowloon Cultural District, the Concept Plan for Lantau and the preservation of the Central Police Station Compound; if so, of the details of the deliberations; if not, the reasons for that;*
- (b) *it will consider allowing public participation in determining subjects for deliberation by the CSD and enhancing the transparency of the CSD's work;*
- (c) *it will consider appointing to the CSD representatives of green groups so that its membership and deliberations will be more balanced; and*
- (d) *it will expand the terms of reference of the CSD so that it may offer views on policies proposed by the Government which have far-reaching implications on the sustainable development of Hong Kong?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): Madam President, in the 1999 policy address, the Government announced that the main task of the proposed CSD was to advise the Government on matters relating to sustainable development and to promote public understanding of the issue. The CSD was subsequently established in 2003 with the following terms of reference:

- (i) to advise the Government on the priority areas it should address in promoting sustainable development;
- (ii) to advise on the preparation of a sustainable development strategy for Hong Kong that will integrate economic, social and environmental perspectives;
- (iii) to facilitate community participation in the promotion of sustainable development in Hong Kong through various means, including the award of grants from the Sustainable Development Fund; and

- (iv) to promote public awareness and understanding of the principles of sustainable development.

Since its establishment, the CSD has been pursuing these objectives, promoting public participation in building Hong Kong's sustainable development strategy and advising the Government on the strategy. At the same time, the CSD has been endeavouring to raise public awareness of sustainable development and enhance the community's understanding and acceptance of the concept through various channels and means such as building up partnership with professional and district organizations, holding stakeholder forums and awarding grants from the Sustainable Development Fund to sponsor community educational activities.

Meanwhile, the Government has put in place an assessment mechanism to ensure that every public policy and programme complies with the principles of sustainable development and fully integrates social, environmental and economic considerations. In drawing up major policies and works proposals, the Government requires that the responsible bureaux and departments should conduct sustainability assessments and that the bureaux should present the assessment findings in their submissions to the Policy Committee and the Executive Council. When consulting the public or announcing their proposals, bureaux and departments are also required to publicize the findings of the sustainability assessments for public information and invite opinions from the community.

My replies to the four parts of the question are as follows:

- (a) In considering long-term city planning projects with significant implications on sustainable development, the relevant bureaux and departments have consulted the CSD. These projects include: the Hong Kong 2030 Study, which is being implemented in phases by the Planning Department; and the research study on the Concept Plan for Lantau, which is being taken forward by the Lantau Development Task Force.
- (b) and (c)

When considering the composition of the CSD, the Chief Executive decided that there should be members from three sectors, namely

social development, environmental protection, and business and economics. Members from the environmental protection sector, for example, include representatives of the Legislative Council, academic institutions and stakeholder organizations. Furthermore, the subcommittees under the CSD also comprise members of environmental groups and other community organizations who are concerned about the issue.

The CSD last year adopted a community engagement process to involve all sectors in drawing up Hong Kong's first sustainable development strategy. Learning from experience, the CSD has decided that in the second round of strategy development, the community engagement process should be improved, with members of the public directly discussing and taking forward the new agenda for strategy development. As always, the CSD will stick to the principle of maintaining transparency throughout the process of strategy discussion and community engagement so that members of the public may take part in the discussion through various channels at every stage.

To enhance public understanding of the CSD's task, the agendas, discussion papers, digests of meetings and information on the various forums and activities of the CSD and its subcommittees will continue to be uploaded onto the website of the Sustainable Development Unit for public viewing and at the same time publicized through other means.

- (d) As mentioned earlier, included in the CSD's terms of reference is the duty to advise the Government on Hong Kong's sustainable development strategy and related issues, which is an objective that the CSD has been pursuing since its establishment.

Owners of Tenants Purchase Scheme Flats Altering Flat Layouts

19. **MR CHEUNG HOK-MING** (in Chinese): *Madam President, it has been reported that after purchasing their flats under the Tenants Purchase Scheme*

(TPS), some public rental housing residents altered the layouts of their flats, for example, by converting kitchens into bedrooms or balconies into kitchens. In this connection, will the Government inform this Council:

- (a) whether the owners of TPS flats are allowed to alter the layouts of their flats under the Deeds of Mutual Covenant concerned; if so, of the reasons for that; if not, how the relevant authorities deal with cases of unauthorized alterations to the layouts of flats and whether any penalties have been imposed in respect of such cases;*
- (b) of the procedure to be followed by owners of TPS flats for applying to alter the layouts of their flats, and the respective numbers of such applications received and approved by the relevant authorities in the past five years as well as the criteria for vetting and approving such applications; and*
- (c) whether the relevant authorities have deployed staff to carry out regular inspections to check if the owners of TPS flats have made unauthorized alterations to the layouts of their flats?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese):
Madam President, like private buildings, buildings in public housing estates sold under the TPS are subject to statutory control under the Buildings Ordinance (Cap. 123) (the Ordinance). The Housing Department (HD) has been delegated the authority to enforce statutory controls in buildings of Home Ownership Scheme courts and TPS estates. The Independent Checking Unit of the HD carries out these building control duties in line with the Buildings Department's practice. The Deed of Mutual Covenant of a TPS estate covers mainly the daily management of the public facilities and common areas of the estate and its buildings. There is no express provision governing alterations to the layout of flats.

My reply to the three-part question is as follows:

- (a) Alterations to internal partitions not involving building structure are exempted provided that such alterations would not contravene the

Ordinance. There is no need to seek permission. For alterations to partitions other than those exempted, prior approval under the Ordinance must be obtained before any building works are carried out.

If alteration works in contravention of the Ordinance are carried out in a TPS flat, the Independent Checking Unit of the HD will issue a warning letter to the flat owner requesting reinstatement. If the warning is unheeded, the Independent Checking Unit will issue an order under the Ordinance. In the case of non-compliance, the Buildings Department may initiate prosecution. Since implementation of the TPS in 1998, no warning or prosecution has been initiated against any unauthorized alterations to partitions. The HD has recently received reports about alterations to the partitions in some of the flats under the TPS. The Independent Checking Unit had followed up the cases and concluded that the alterations in question had not contravened the Ordinance.

- (b) Owners of TPS flats who wish to carry out alteration works involving building structure should apply to the Independent Checking Unit of the HD through an Authorized Person registered under the Ordinance. In case of doubt, owners can approach the Independent Checking Unit of the HD for clarification.

The Independent Checking Unit will grant approval to proposals for alteration works in accordance with the requirements under the Ordinance. In the past five years, the Independent Checking Unit has not received any application for alterations of partitions from TPS flat owners.

- (c) As mentioned above, after sale, TPS flats are the same as private flats. The Independent Checking Unit does not conduct regular inspections of the flats but will carry out investigations upon receipt of complaints. If the alteration contravenes the Ordinance, warning or statutory orders under the Ordinance mandating reinstatement will be issued.

Installation of Telecommunications Transmission Equipment in Government Buildings or on Government Lands

20. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, in connection with the mobile network operators (MNOs) entering government buildings or lands for installing telecommunications transmission equipment, such as base stations and antennas, will the Government inform this Council:*

- (a) *of the application procedure, approving department(s) and criteria, and average time taken for processing the application;*
- (b) *of the total numbers of government buildings and lands where the MNOs' telecommunications transmission equipment has been placed; and*
- (c) *whether there are new initiatives to facilitate the MNOs' installing telecommunications transmission equipment; if so, of the details?*

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

- (a) MNOs who wish to set up radio base stations on government properties are required to apply to the Government Property Agency (GPA). Their applications will be processed in accordance with the streamlined procedures under which the GPA will co-ordinate the comments of the relevant departments, including the Electrical and Mechanical Services Department, Architectural Services Department, Planning Department, Lands Department, Office of the Telecommunications Authority (OFTA), and the user departments of the property concerned. The objective is to ensure that the proposed radio base stations will not adversely affect the property or its users. Each of the departments will evaluate the application according to their areas of responsibilities and established criteria. For instance, the OFTA will assess if the design of the proposed radio base stations complies with the safety standards on non-ionizing radiation. Normally it will take one to two months

for the GPA to collect views from the departments and make a decision on an application. The process may take longer if the operators have to amend their proposals in order to meet the requirements of individual departments.

- (b) As of June 2005, there are 90 government buildings where radio base stations of mobile networks have been established. These cover several government offices buildings, municipal services complex, swimming pools, stadium and car park buildings. As for the number of government lands similarly used, accurate statistics are not available. It is estimated, however, that there should not be fewer than 20 pieces in total.

- (c) To facilitate the MNOs to set up radio base stations on rooftops, the OFTA has listened to the views of the industry and worked closely with the Buildings Department to streamline the related application procedures. We intend to relax the installation and construction requirements (including antenna loading and size of base station), where radio base stations could be classified as minor works under the Minor Works Control Regime (MWCR) provided in the Buildings Ordinance. Under the proposed the MWCR, depending on the nature and scale of the works, applicants may appoint a registered contractor to carry out minor works without making prior application to the Buildings Department through an Authorized Person and a Registered Structural Engineer. Documents may be filed with the Buildings Department for record after the works are completed by the registered contractors.

The OFTA and the Buildings Department have consulted the MNOs and obtained their support for the proposal. As such, the Administration will submit the legislative proposal of the MWCR for consideration of the Legislative Council in due course. We believe that the new arrangement, if implemented, will greatly simplify the statutory procedure for MNOs to set up radio base stations and antennas on rooftops of buildings, and in turn, shorten the time required for installation of such equipment.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bill: First Reading.

CARRIAGE BY AIR (AMENDMENT) BILL 2005

CLERK (in Cantonese): Carriage by Air (Amendment) Bill 2005.

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

Second Reading of Bills

PRESIDENT (in Cantonese): Bill: Second Reading. Secretary for Economic Development and Labour. Secretary, if you wish, you can remain seated when you deliver your speech.

CARRIAGE BY AIR (AMENDMENT) BILL 2005

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, thank you for allowing me to remain seated in delivering my speech. Also, I wish to thank Dr KWOK Ka-ki and Secretary Dr York CHOW for giving me a joint consultation just now and telling me that my ear has a virus infection and that my condition should not be anything serious. Thank you all again.

Madam President, I move that the Carriage by Air (Amendment) Bill 2005 (the Bill), which seeks to apply to Hong Kong the Convention for the Unification of Certain Rules for International Carriage by Air signed at Montreal (the Montreal Convention) on 28 May 1999, be read a Second time.

Since the 1920s, airlines' legal liabilities with regard to carriage of passengers, baggage and cargo have been governed by a series of international legal instruments commonly referred to as the "Warsaw System". These

instruments are given effect in Hong Kong through the Carriage by Air Ordinance. Certain provisions of the Warsaw instruments are outdated in face of the rapid development of civil aviation. The International Civil Aviation Organization has therefore drawn up the Montreal Convention to consolidate and modernize the various Warsaw instruments. The Montreal Convention came into force on 4 November 2003. It brings about the following major improvements:

- (a) it substantially increases the compensation levels. In the case of passenger death and injury, the compensation limit is increased to \$1.1 million, and airlines cannot exclude or limit this liability. The Montreal Convention further provides for a fault-based unlimited liability. Moreover, the compensation level for baggage damage is increased by 50% to \$11,400 per passenger;
- (b) it introduces a review mechanism to regularly revise the compensation levels to reflect changing prices;
- (c) it provides an additional jurisdiction for passengers to take legal actions in Courts of their place of residence against foreign airlines; and
- (d) to keep pace with new developments in the aviation industry, the Montreal Convention also recognizes electronic tickets and airway bills as proof of carriage.

The Montreal Convention is widely accepted by the international community and has been adopted by many of Hong Kong's major aviation partners, including the Mainland, the European Union, the United States and Japan. Early application of the Montreal Convention to Hong Kong would bring our regulatory framework regarding airline liabilities in line with the widely accepted international standards and maintain Hong Kong's status as an international and regional aviation centre.

The Bill incorporates the provisions of the Montreal Convention into local laws. It provides for the necessary implementing provisions and amends or repeals some outdated provisions in the existing Carriage by Air Ordinance. It also empowers the Government to make subsidiary legislation requiring airlines to make advance payments to air accident victims to meet their immediate

economic needs. The Government will consult the industry on the detailed design of the payment scheme and introduce the subsidiary legislation at an appropriate time.

The Bill would enhance legal protection to the travelling public and the shipping community. It would also provide a more clearly defined liability regime for airlines and help improve their operating efficiency.

With these remarks, Madam President, I recommend the Bill to the Legislative Council for early enactment.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Carriage by Air (Amendment) Bill 2005 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 motions with no legislative effect. I have accepted the recommendations of the House Committee on the time limits for Members' speeches. Since Members are all very familiar with such time limits, I will not repeat them here. I only wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Enhancing the quality of early childhood education.

ENHANCING THE QUALITY OF EARLY CHILDHOOD EDUCATION

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. In moving this motion on early childhood education and listing four key requests, I have only one objective in mind, and that is, to lay a solid foundation for the future of early childhood education (ECE) and to establish quality ECE service for the healthy learning and growth of children. I also hope that the Government and non-government

organizations can make use of the golden opportunity provided by the harmonization and integration of ECE to upgrade the qualifications of kindergarten teachers (KG teachers) and improve the quality of ECE for our children's greater benefit.

Next Wednesday, the Government will submit the 2005 Child Care Services (Amendment) Bill to the Legislative Council for approval. Upon the implementation of the new Ordinance, kindergartens and child care centres will enter into a new era. I earnestly hope that the integration of early child care services will not only be an integration to facilitate regulation but also an integration for quality education, because this is the only way in which students and parents can be benefited and the integration can become meaningful to education. Upon integration, the qualifications of child care workers and KG teachers will be articulated and they can become registered teachers under the Education Ordinance. This will upgrade the qualities of KG teachers on a comprehensive scale and provide a solid foundation for achieving quality ECE in a progressive manner.

The first key point of the motion is to urge the Government to fully upgrade the qualifications of KG teachers to diploma level, so as to lay a foundation for upgrading the qualifications of KG teachers to degree level. With the continuous progress of the times, Hong Kong families focus on quality rather than quantity in bringing up their children and parents have higher and higher demands on ECE. In the Education Commission's Report issued in the year 2000, the Government laid down a long-term target of "raising the entry qualification requirements for KG teachers to sub-degree or higher level progressively" and to actively conduct a study for "establishing a professional ladder for KG teachers and increasing subsidized training opportunities to promote the professional development of KG teachers".

However, the Government has been insincere and self-contradictory in its policy enforcement. It has not only failed to establish a ladder for KG teachers' continuous studies, but subsidized KG teachers training places will also soon be reduced. The Government's only requirement on KG teacher qualifications is: all kindergarten principals and child care centre supervisors must have attained diploma level by the end of the 2005 academic year; and KG teachers must have acquired Qualified Kindergarten Teacher (QKT) status, that is, 360 hours of professional training, by the end of the 2004 academic year. While this requirement has fallen behind that of the world standard, a more serious problem

is that the Government does not have any continuous plan to further fully upgrade the qualifications of KG teachers on a comprehensive scale.

By taking a looking at the situation around the world, we can see that upgrading the qualifications of KG teachers to degree level has already become the major trend in ECE. For example, the minimum entry requirement for KG teachers in countries like the United States, Canada, Australia, Taiwan and some European countries is a bachelor's degree. In China, as early as in 2000, 60% of its KG teachers already possessed the qualification of ECE normal school graduates or above. In places like Shanghai, Tianjin and Zhejiang, ECE normal schools have already been restructured as universities, thus further upgrading the qualifications of KG teachers. Why have the qualifications of KG teachers in Hong Kong, a comparatively more affluent city, an international city, have not only fallen behind that of American and European countries but have also been gradually surpassed by mainland municipalities? The Government of the Hong Kong Special Administrative Region (SAR) must formulate a series of continuous plans for implementing future training programmes, so as to continuously upgrade the qualifications of KG teachers to diploma level, and lay a foundation for upgrading the qualifications of KG teachers to degree level.

Madam President, the greatest obstacle to fully upgrading the qualifications of KG teachers is the relatively low salary level of KG teachers. Even qualified teachers may not be able to be remunerated at the level of standard pay recommended by the Government. With the declining birth rate in recent years, many qualified KG teachers managed to retain half-time jobs only at half pay, while they actually have to work almost whole day. There is virtually no way that they can afford the tuition for further studies. According to the findings of the latest survey conducted by the Hong Kong Professional Teachers' Union (HKPTU), of the 1 800 KG teachers interviewed, even among those full-time qualified KG teachers, over 25% fail to receive the minimum standard pay, and that is \$11,905 per month, whereas many full-time KG teachers only receive a monthly salary of \$5,000 to \$8,000 and only 10% are remunerated at the minimum training grade level salary. From this, we can see that KG teacher is a neglected profession. And, since they can only barely scrape a living with their wages, they cannot afford the increasing training fees.

For this reason, the second key point of the motion is to increase subsidized training places for in-service KG teachers — and I must emphasize

that I am referring to "fully subsidized training places". At present, the Government offers three types of in-service diploma training courses. The first type is courses which are fully funded by the University Grants Committee (UGC), the second type is partly government subsidized courses for which KG teachers have to pay a fee of about \$10,000 to \$20,000 in total for such courses and the third type is self-financing courses which charge tens of thousands of dollars. Over the years, the number of applicants applying to fully funded in-service diploma training courses has been on the increase, but the waiting period is getting longer and longer. In the 2001-03 academic year alone, the total number of KG teachers applying to the fully subsidized courses of The Hong Kong Institute of Education (HKIEd) amounted to more than 4 000 man/times but there were only 900-odd places, which means about eight out of every 10 applicants were unsuccessful and some KG teachers may even have to wait for more than five years before they can be enrolled in such courses.

The demand for fully subsidized training places far exceeds its supply and KG teachers training progresses very slowly. According to an estimate made by the sector, nearly 7 000 KG teachers have not yet attained diploma level, but contrary to the trend, the number of diploma training places fully subsidized by the Government has been decreasing instead of increasing. In the coming three years, the number of fully subsidized training places in HKIEd will drastically decrease from 369 to 200 and the places which have been cut will be offered by way of tender. Instead of being subsidized, KG teachers training courses will be offered by way of tender and instead of being free-of-charge, fees will be charged. Under the pretext of offering varied choices to KG teachers, the 100-odd originally fully subsidized courses are virtually turned into partly subsidized courses which charge a fee of \$10,000 to \$20,000. This is a major setback for in-service KG teachers training and is definitely unfair to lowly paid KG teachers who look forward to furthering their studies.

Madam President, to provide teacher training is a demand of the community and the Government has a responsibility to fully upgrade the qualifications of KG teachers. The salary of KG teachers has remained on the low side for a long time and they are the most underprivileged group among the teaching profession. However, as our children's first teachers, they are bearing the burden of parents' great expectations, their own living expenses and tuition fees, and their qualifications are far behind that of the world standard. They are most desperately in need of government assistance in upgrading their qualifications expeditiously and speeding up the training process. However, the

Government has continued to cut its subsidies and increase school fees, and by doing so, the Government is bullying and oppressing the teachers and rubbing salt into their wounds. Madam President, how will KG teachers have the initiative to further their studies if they have to pay tuition fees out of their meagre salaries, while having difficulties in supporting their families, and if they have to use their spare time to complete the training course in full knowledge that they cannot receive any increase in salary upon graduation? How can they not feel depressed? Why is the path of KG teachers so difficult? Why is the future of KG teachers always brushed aside? Today, on the eve of the integration of kindergartens and child care centres, we cannot see any signs of joy that should otherwise be felt, we cannot see a thoroughfare for steady development in ECE, but only the teachers' sense of uncertainty, their fear of losing their jobs; we can only see KG teachers queuing up for remote training opportunities; we can only see schools meeting difficulties in recruiting students and uncertain prospects. If the Government does not increase its commitment to KG teachers training, does not increase fully subsidized KG training places and does not break the vicious cycle of obliging KG teachers to face the possibility of losing their jobs anytime after graduation, no progress can be made in upgrading KG teachers qualifications and the quality of our education will go backwards instead of moving forward. And thus, our younger generation, our children who are receiving ECE will eventually suffer.

The third key point of the motion is to formulate a pay scale for teachers with diploma or degree qualification in ECE, and ECE organizations which employ a specified proportion of diploma or degree teachers, should receive additional grants from the Government. There have been precedents in which such grants have been successful. In the past, in order to encourage non-profit-making kindergartens to improve their quality and enable kindergartens to hire more qualified KG teachers without increasing their school fees substantially, the Government has, from 2001 onwards, offered grants under the Kindergarten Subsidy Scheme (KSS) to kindergartens which employ a specified proportion of qualified KG teachers as a reward, on condition that such organizations must offer standard wages to their teachers. This method can not only encourage and help ECE organizations upgrade their teachers' qualifications and prevent such organizations from increasing their school fees and passing the burden onto parents, but also enable trained KG teachers to receive reasonable basic salaries and thus avoid wastage of qualified teachers. The HKPTU recently consulted the views of 1 800-odd KG teachers and over 90% of the respondents approved or very much approved of such rewarding

grants. By further extending such grants to organizations which employ KG teachers with diploma or degree in ECE, the qualifications and level of KG teachers will be eventually upgraded in a progressive manner.

Madam President, ECE is the stage of enlightening education and it is the most important learning stage of our children's life; KG teachers are also our children's first teachers who influence and shape their future. The Government has an unshirkable responsibility towards upgrading and regulating the quality of ECE; and to effectively upgrade and regulate the quality of ECE, the key lies in the Government investing resources and making efforts and commitment to ensure that all children can enjoy an equitable right to quality education regardless of the financial situation of their families. In the long run, the Government has to review the existing education policy and consider integrating ECE into subsidized education so as to ensure that there are adequate resources to continuously upgrade the quality of ECE and meet the target of the community in improving ECE and meet parents' earliest and most earnest expectation of their children. This is the fourth key point of this motion as well as the focus of ECE.

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

Mr CHEUNG Man-kwong moved the following motion: (Translation)

"That, as the Government is actively carrying out the integration of early childhood education (ECE), which includes the harmonization of teacher qualifications and the regulatory guidelines for kindergartens and nurseries, with a view to achieving quality ECE in a progressive manner, this Council urges the Government to make use of the opportunity to improve the quality of ECE, increase subsidized training places for in-service kindergarten teachers (KG teachers) and fully upgrade the qualifications of KG teachers to diploma level, so as to help them meet the basic academic qualifications required of KG teachers in advanced countries and to lay a foundation for upgrading the qualifications of KG teachers to degree level; furthermore, in order to avoid wastage of qualified KG teachers, the Government should formulate a pay scale for teachers with diploma or degree in ECE, and provide additional grants to ECE organizations if the number of their diploma or degree teachers reaches a specified proportion, so as to encourage and assist these organizations in upgrading the qualifications of their teachers without

having to keep on increasing their school fees; in the long run, the Administration should consider integrating ECE into subsidized education, and should continuously enhance the quality of ECE to meet the expectations of the community for improving ECE."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr CHEUNG Man-kwong, be passed.

DR JOSEPH LEE (in Cantonese): Madam President, education is very important to the development of everyone and it also affects the life of a person. Education in the early childhood has a significant impact on arousing a child's interest in learning and it also has a rather profound impact on a child's future development. Therefore, ECE should be accorded particular attention.

By existing pre-school services, we mean education and care provided by kindergartens and nurseries. Kindergartens and nurseries are now regulated by the Education and Manpower Bureau and the Social Welfare Department respectively under two different sets of legislation. But in reality, kindergartens and nurseries are providing similar services to a similar target group, so it may not be most effective if they are regulated by two different authorities, and this may also lead to confusions in management.

Furthermore, under the provisions of the existing legislation, schools registered under the Education Ordinance (EO) cannot be registered under the Child Care Services Ordinance (CCSO). Therefore, the same premises cannot be regulated under the CCSO and the EO at the same time and a service provider cannot simultaneously operate a kindergarten and a child care centre on the same premise. In order to further develop quality ECE, we agree that the authorities should amend the CCSO and the EO, so that a service provider can make dual registration of the same premises for operating a kindergarten-cum child care centre, by bringing the physical and regulatory requirements imposed on child care centre premises in line with those imposed on kindergartens under the EO. By doing so, we can speed up the harmonization process, improve the quality of child care services and reduce confusions in management.

Moreover, in harmonizing the regulation of kindergartens and child care centres, the Government should also conduct a study on the service model of ECE, to work out the number of places provided by kindergartens and child care centres and the regional distribution planning given the declining birth rate, and establish a set of monitory indicators compatible with the existing population ratio changes, so as to make plans for ECE services which meet the demands of the community.

Madam President, with regard to kindergarten and ECE care workers qualifications and training, according to the information provided by the Education and Manpower Bureau, the number of students admitted to ECE teachers training programmes funded by the University Grants Committee (UGC) and Vocational Training Council in the 2005-06 and 2007-08 academic years have not increased, and as regards fully subsidized places offered by HKIEd with UGC funding — which Mr CHEUNG Man-kwong also mentioned earlier — has been drastically decreased from 369 in the 2004 academic year to 200 per year in the 2005-07 academic year. This shows that the Government has been reducing instead of increasing subsidies for training of kindergarten teachers (KG teachers), and at the same time, it may also reflect the Government's intention of withdrawing subsidies for existing KG teachers training courses and turning them into self-financing courses, or it may also be paving the way for offering more courses on a self-financing basis. As such, how would KG teachers have the initiative to continue their education and to enhance themselves? Just as Mr CHEUNG Man-kwong said earlier, their salaries are very low and the high tuition fees are a very heavy burden to them. This has dealt a heavy blow to their morale in pursuing further studies and eventually left the development of ECE at a standstill. Therefore, the Government should offer assistance in upgrading teachers' qualifications, speed up the process of KG teachers training and establish a further professional training ladder for KG teachers, so as to upgrade their qualifications to the equivalent of diploma level and realize the education ideal of improving the quality of ECE.

In the long run, Madam President, in order to improve the quality of ECE, apart from enhancing the quality of KG teachers, it is also very important to provide them with a stable work environment. To tie in with the request of upgrading the qualifications of KG teachers to diploma level, thereby enhancing their professionalism, the authorities should also look into the possibility of drawing up a reasonable pay scale for KG teachers so as to relatively improve

their remunerations, offer them reasonable pay and avoid wastage of qualified teachers which will have an adverse effect on the development of ECE. Moreover, the Government should also encourage operators of kindergartens and child care centres to help KG teachers to acquire higher academic qualifications and it should also consider providing additional grants to ECE organizations if the number of their diploma or degree teachers reaches a specified proportion.

Children are the pillars of tomorrow's society and the Government should not neglect the importance of pre-school education. Therefore, we agree that ECE should be integrated into formal subsidized education and assistance should be offered in terms of resources and planning. The authorities should also unify pre-school services by harmonizing of teacher qualifications and regulatory guidelines for child care day centres and kindergartens, and further provide KG teachers with channels of further studies and upgrade their academic qualifications. It is only by doing so can the target of upgrading the quality of ECE be achieved.

With these remarks, Madam President, I support Mr CHEUNG Man-kwong's motion.

MR MA LIK (in Cantonese): Madam President, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has always urged the authorities to raise the professional standard of kindergarten teachers (KG teachers). The authorities have laid down a number of targets for upgrading the professional qualifications of KG teachers in its education reform. Such targets include: By the end of the 2004 academic year, all KG teachers must have possessed the Qualified Kindergarten Teacher (QKT) status; by the end of the 2005 academic year, all kindergarten principals must have completed the Certificate of Early Childhood Education (C(ECE)). At present, 90% of KG teachers and 60% of kindergarten principals have respectively possessed the relevant qualifications, and it is closer to meeting the targets of the authorities. However, even if such targets are fully met, we still think that it is inadequate, and we should continue to encourage the ECE team to further upgrade their standards.

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

At present the QKT course is only the most basic form of KG teachers training; and KG teachers can be upgraded to the diploma level only by taking the C(ECE) course. Since 90% of our KG teachers have already attained the QKT status, the DAB thinks that the next step should be to encourage more KG teachers to acquire the C(ECE) qualifications so that more teachers can reach the diploma level.

In recent years, other countries are also striving to raise the qualifications of their pre-school education teachers to diploma level. Our competitor, Singapore, requires that all kindergarten principals must have acquired the Diploma in Pre-school Education (Leadership) by 2005; and 25% of the KG teachers should have acquired the Diploma in Pre-school Education (Teaching) by 2007.

The Education Commission (EC) has originally proposed in its reform proposals on education that KG teachers should attain the C(ECE) qualification. In 2000, the EC proposed that the authorities should look into the possibility of diversifying KG teachers training courses, so that KG teachers can further their studies on a continuous basis and attain the C(ECE) or higher level. Later, the Progress Report on the Education Reform (2003) also pointed out that various courses, including the C(ECE) course and the Bachelor of ECE course, offered by ECE training institutions, were geared towards enabling teachers who had already acquired the QKT status to continue their studies and raise their professional standards.

However, from the number of ECE training places to be offered in the next few years, as publicized by the Government in recent years, it appears that there will be an increase of 150 C(ECE) places, starting from the 2005 academic year, but in reality, 200-odd fully government-funded part-time places have been cut at the same time. The authorities are of the opinion that since all principals are required to take the C(ECE) course, then it is not necessary to require all teachers to possess the C(ECE) qualifications, and thus the number of government-funded places has been reduced. The DAB thinks that this has undoubtedly weakened in-service teachers' enthusiasm for continuous studies. Since other regions are also striving to raise the standard of their KG teachers, why have the authorities not set a target of requiring our KG teachers to acquire a qualification at diploma level and subsidized more teachers to take the C(ECE) course.

For a long time, the authorities have given universities first priority, secondary schools second priority and primary schools third priority in resource allocation, while ECE has almost been neglected. For example, in the 2004 academic year, the Government spent about \$12 billion on higher education, and as secondary schools have a larger number of students, their share amounted to \$16.5 billion, whereas primary schools which actually have the largest number of students were only allocated \$11 billion and ECE was only allocated \$800-odd million. Since inadequate resources have been invested in ECE, if problems occur in the delivery of ECE, the problems will be taken up to primary schools for rectification; if primary schools failed to do so, the problems will be taken up to secondary schools; and if secondary schools failed, the problems will then be taken up by universities. Under such circumstances, each stage of education is required to rectify problems left over by the previous stage, and thus only half the results can be achieved with twice the efforts. Although it was clearly stated in the forward of the EC's Progress Report on Education Reform that: "ECE lays the foundation of life long learning and all-round development", the authorities have not attached any particular importance to ECE in the past several years. Therefore, we think that the authorities should learn from its bitter experience and adjust its top-heavy distribution of education resources by placing more emphasis on ECE.

The DAB proposes that the authorities should fully subsidize ECE, including directly subsidizing teachers' pay and offering subsidies to more KG teachers taking the C(ECE) course, and improve old and poorly equipped KG and child care centres premises, so as to fully upgrade the quality of ECE.

I so submit.

MS EMILY LAU (in Cantonese): Madam Deputy, I speak in support of Mr CHEUNG Man-kwong's motion, and I also greatly support what Mr MA Lik said in his earlier speech. I can really support almost everything he said for he has requested the authorities to fully subsidize ECE. Mr MA Lik has just given us a breakdown of the money spent on education, such as money spent on universities, secondary schools and primary schools, but when he came to ECE, we noticed that the amount spent on this area is very little and the Secretary knows this only too well. Mr Donald TSANG said Mr TUNG had lived in fear

for seven years, but fear or otherwise, Mr TUNG was very concerned about education during his term of office.

Madam Deputy, when the Secretary first came into office, he also said that he was very concerned about education. However, if he is very concerned about education, then how could he have tolerated a system which impresses the people that even the most fundamental aspect is far from perfect? Mr CHEUNG and Mr MA have both mentioned this point earlier. Mr CHEUNG even pointed out that the monthly salary of a kindergarten teacher (KG teacher) is only several thousand dollars with the maximum being only \$11,000, and even so, only very few people can get such a high pay. Secretary, just think about it, even if it were a monthly salary of \$11,000, who will be attracted to this job?

Just as Mr MA Lik said, if ECE has not done a good job, then the responsibility of education will be passed onto primary schools and if primary schools have not done a good job, then the responsibility will be passed onto secondary schools and then onto universities. Madam Deputy, is the fact that undergraduates still have to be taught how to speak English in universities not very absurd? The Government has now requested the Finance Committee to allocate several hundreds of millions of dollars in funding for the teaching of English in primary schools. In fact, we already told the Government several years ago that we should not start teaching English in secondary schools for children should be taught English at a very young age and the younger the children, the better the result.

Today, I notice that no one has moved any amendment to Mr CHEUNG's motion, and I hope this indicates that we all share the same views and support him. In fact, I have considered moving an amendment and held a discussion with Mr CHEUNG. Mr CHEUNG's motion urged that the qualifications of KG teachers be upgraded to diploma level but I think that it should be upgraded to degree level. I believe Members will still recall that Mr CHEUNG also stated sometime ago that as regards this issue, at times, we would like to think that we could catch up with the United States and surpass the United Kingdom. As regards the experience in this area, we can find graduate teachers teaching in kindergartens in many places (including Taiwan), so this should definitely be our target.

Madam Deputy, the Education Commission talked about the long-term goal of the education blueprint for Hong Kong in the 21st century in its progress report issued in 2000. It pointed out that the entry qualifications of KG teachers should be progressively upgraded to sub-degree or higher level. To have put forward such a goal for the 21st century in 2000 (the millennium year) is really ridiculous. Back then, the Secretary had yet to assume office for he only assumed office in 2002. However, if I were the Secretary, I would have immediately torn up the report once I assumed office. How could he have accepted this report? The entry requirement of KG teachers should certainly be upgraded to degree level. Madam Deputy, I have proposed at the Panel on Education many times and for many years that people with a doctor's and master's degree should be recruited to teach in kindergartens. I do not know whether the Secretary agrees to this, and if he agrees, then I would like to ask the Secretary to offer financial assistance.

Two Members also mentioned earlier that subsidized KG teachers training places offered by The Hong Kong Institute of Education (HKIEd) have been reduced from 369 to 200 and we have talked *ad nauseam* about this issue at the Panel on Education. Now that the number of subsidized places has been reduced, who among these teachers will have the money and time to further their studies? Madam Deputy, even if they would like to further their studies, it may not be possible for them to do so, for self-financing institutions may charge exorbitant fees of as high as several thousand dollars per month and teachers will even have to take their own leave or attend the courses on a part-time basis. What does the Secretary expect KG teachers to do? Does he really want to upgrade the quality of kindergarten education? In fact, what the Secretary has done in other areas is also very controversial; money has actually been spent, but perhaps because of this or for one reason or another, there have been a lot of disputes. However, as regards kindergartens, I hope the Secretary can convince the old and new administration of Mr Donald TSANG to move in this direction — and that is, to subsidize kindergarten education.

Madam Deputy, some people have asked me to guess which graduation ceremony, in which stage of their children's education, are parents most eager to attend? The answer is the kindergarten graduation ceremony. Therefore, no matter whether the kindergarten graduation ceremony is held at the Sha Tin Town Hall or other town halls, all one thousand-odd seats will be taken. These parents may not attend their children's primary school, secondary school or even

university graduation ceremonies, and from this, we can see that parents do place great emphasis on kindergarten education. However, we do not know what has led the Government to believe that kindergarten education is dispensable. In fact, nowadays most children will attend kindergarten. This is different from the time when we were small, and I for one have never attended kindergarten. However, nowadays every child will attend kindergarten, so this stage of education must be integrated into formal education.

I hope that the Secretary can put certain things right. We see that HKIEd has now only got 200 KG teachers training places and this is definitely inadequate. Madam Deputy, I also notice that four-year Bachelor of Kindergarten Education courses have now been offered, but only one out of every 10 applicants is admitted. So, has this situation not reflected that this is a very popular course which many people will like to take? Furthermore, HKIEd has conducted a survey among the users (employers and school sponsoring bodies) to gauge their opinions of such graduates, and 90% of the respondents indicated that they were very satisfied with the performance of students who had pursued further studies at HKIEd.

I hope that the Secretary can offer HKIEd a lifeline and more importantly, give children a chance. I do not know how many difficulties and hurdles have to be overcome before we can get the authorities to agree policy-wise that a sum of money should be allocated (of course this will be a recurrent item in future) to provide fully subsidized kindergarten education. This money will certainly not be wasted and by doing so, we can save more money from finding remedies in the primary, secondary or university stage. In terms of human resources, we can allow our children to be trained from a very young age. I hope the Secretary will have the courage and determination to start something, which has never been accepted before, at this point. Thank you, Madam Deputy.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, there is an old saying in Chinese: "the character of a person will be shaped at a tender age". Therefore, a lot of parents are very concerned about the pre-school education of their children. The Liberal Party agrees that pre-school education should be integrated into subsidized education in the long run and every effort should be made to upgrade the quality of teaching.

As ECE is not subsidized by the Government, many parents have to bear a heavy burden in expensive school fees. For example, the school fees of certain kindergartens may be as high as \$100,000 per year, which is one and a half times that of our local universities and almost equivalent to one year's pay of a qualified kindergarten teacher (KG teacher). As for ordinary kindergartens, the school fees may be as high as \$10,000 to several tens of thousands of dollars per year. Many parents, middle-class parents with heavy financial burdens in particular, will have a very hard time when they are still very young and their children small. Furthermore, as they are not eligible for government assistance, this burden is very heavy to them.

Although pre-school education is not compulsory like nine-year free education, parents in general and parents of middle-class families all hope that their children will have a bright future and succeed in life one day. Therefore, they will try every means and make every effort to invest on the education of their children. Some academics estimated that a middle-class family will at least have to spend \$4 million in bringing up a child up to and through university graduation. I personally think that this estimate is definitely too conservative and the actual amount spent will certainly exceed this figure. Therefore, if pre-school education can be integrated into subsidized education, middle-class families' expenditure on their children's education can certainly be greatly reduced.

Though the Government had reservations about fully subsidizing kindergarten education in the past, judging from the prevailing circumstances, we think the Government should avoid any further delay and integrate pre-school education into subsidized education as soon as possible for the benefit of more parents and students.

As regards the request put forward in today's motion that the qualifications of KG teachers should be upgraded to diploma level, and that this should be made one of the important elements in upgrading the quality of teaching, though the Liberal Party agrees that the qualifications of KG teachers should be upgraded, we also think that we should take the actual situation into consideration and avoid any haste, for haste makes waste.

In fact, as early as in 1998, the Government already proposed that the qualifications of KG teachers should be upgraded and it has since taken almost

seven years before the qualifications of KG teachers are upgraded to the existing Qualified Kindergarten Teacher (QKT) level. So, should we immediately launch a new round of reform even before the consultation process starts? The Education Commission has also mentioned in its "Reform Proposals for the Education System in Hong Kong" issued in 2000 that the qualifications of KG teachers should be raised to degree level when the conditions for higher education development have become ripe. However, since the existing senior secondary school system reform has not yet been implemented, are we not being too hasty in pressing for immediate upgrading of the qualifications of KG teachers? And, whether the KG teaching profession can cope with such hasty reforms is also open to question.

From the figures, we can see that of the existing 7 000-odd KG teachers, about 18.3% have already attained certificate level and this represents an increase of 5.2% as compared to that of last year. This situation is really encouraging for it indicates that teachers are willing to pursue continued studies with the intention of obtaining higher qualifications.

Though earlier on, the Education and Manpower Bureau has cut 200 places in the Certificate of Early Childhood Education (C(ECE)) courses and we are also concerned whether this will reduce KG teachers' opportunities in pursuing further studies, the Government has declared earlier that it will allocate \$47 million to tertiary education institutions to offer 760 subsidized C(ECE) places by way of tender. It is anticipated that the existing 6 000 in-service KG teachers who have not yet acquired the C(ECE) qualification can upgrade their qualifications in six to seven years. We all hope that the Government can use its resources more effectively, so that more teachers can obtain higher qualifications.

As regards the drawing up of a pay scale for teachers with higher qualifications and offering more government subsidies so that school fees need not be increased because of raises in teachers' salaries, the Liberal Party thinks that we should discuss this with the Bureau in a proper manner and make arrangements. It is undeniable that of all the Government's policy area, its expenditure on education is the highest, and if the qualifications of KG teachers are to be fully upgraded, its extra expenditure on this area may have to be increased by many folds. And, even if the expenditure is only doubled, it will be almost equivalent to the annual recurrent expenditure of \$2 billion required for the implementation of the "3+ 3+ 4" academic structure. We really hope

that the Government will give us a clear indication in relation to this commitment.

Otherwise, kindergartens which have already experienced difficulties in their operations and intake of new students due to the declining population will have to transfer the cost to parents, thereby adding to the latter's burden if they do not have the Government's commitment. This is definitely not what we would wish to see.

Since Ms Emily LAU said earlier that we would like to catch up with the United States and surpass the United Kingdom, I would like to share my own thoughts on this issue. My wife obtained a Masters Degree in ECE in 1973. Back then, she participated in the ECE work of the LA Unified School District in Los Angeles by teaching at a kindergarten which was locally known as a pre-school. This was the situation of Los Angeles more than 30 years ago. Although Los Angeles is not a district renowned for nurturing distinguished students, it still hires holders of a master's degree to teach children between the age of zero to six. Therefore, I think we still have a long way to go if we want to catch up with the United States and surpass the United Kingdom. Personally, I definitely very much support the upgrading of KG teachers' qualifications. Furthermore, I am luckier than Ms Emily LAU for I attended kindergarten and my children also attended kindergarten, and I also hope that the qualifications of KG teachers will be upgraded. Thank you, Madam Deputy.

DR YEUNG SUM (in Cantonese): Madam Deputy, the bill on the integration of child care centres and kindergartens will resume its Second Reading debate and be read the Third time next week. Here, I would like to commend the Government for the sector has fought for the integration of child care centres and kindergartens, which includes making arrangements for the integration of qualifications, salaries, promotion prospects and management, for over 20 years. The fact that the Government is finally helping to bring about this to happen is certainly a good thing. Though the integration has come rather late, it is better late than never. Under such circumstances, the Democratic Party will fully support this bill next week, and as the Chairman of the relevant bills committee, I will report on our deliberations on this bill at the next meeting.

Madam Deputy, the motion moved by Mr CHEUNG Man-kwong today has my full support for, by and large, the fact that child care centres and

kindergartens could be integrated is a great improvement. However, the Government of the Hong Kong Special Administrative Region (SAR) has never attached much importance to ECE. In the area of secondary school reforms, we have the "3+ 3+ 4" academic structure reform and there are also many reform programmes for secondary schools and universities, but unfortunately, we do not have any reform plans for ECE and pre-school education, thus leading me to believe that ECE has always been placed at a relatively secondary position. However, it has been pointed out in many modern educational research studies that pre-school education has a very vital role to play in the learning process of human beings. Therefore, it does not come as any surprise that the United States, Canada, Australia, Taiwan or even Shanghai have basically upgraded the qualifications of ECE teachers to degree level and the relevant governments have attached great importance to pre-school education which helps to lay the foundation for learning. So, should our Government also follow this trend by investing more resources into pre-school education? Today, I am very glad to hear that the DAB, the Liberal Party, the Democratic Party and Ms Emily LAU all supported the integration of pre-school education into subsidized education when they spoke earlier.

Nowadays, nearly 90% of the families will send their children to kindergartens and this has already become the major trend. However, as pre-school education is not subsidized by public funds, situations in which there are unequal social opportunities for better pre-school education often occur. The well-off can send their children to kindergartens with more qualified teachers and better facilities for pre-school education, but lower-income families will usually have to send their children to kindergartens with less qualified teachers and poorer facilities for pre-school education. However, as I said earlier, many research studies have pointed out that pre-school education will affect the lifelong learning attitude of a person. As pre-school education is not integrated into subsidized education, children cannot enjoy equitable social opportunities for quality pre-school education regardless of their strata, and this will lead to a phenomenon of unequal and unfair social opportunities.

Today, I am very glad to find that all major political parties are unanimous in urging the Government to consider integrating pre-school education into subsidized education, so that students from different strata can enjoy equal social opportunities for quality pre-school education and I think this is very important.

Of course, in considering this issue, the Government will usually consider the availability of resources. As the authorities have to carry out the "3+ 3+ 4" academic structure reform, both secondary schools and universities have to increase their tuition, so how would the Government have resources for subsidizing pre-school education? Even though the Government has a resource problem, I still hope that the Secretary can make some adjustments in his policy, to see whether he can come up with a plan or target for integrating pre-school education into subsidized education. Once a target has been set, I believe it will have a very great impact on education planning as a whole.

Furthermore, as regards the issue of teachers' qualifications which Members talked about earlier, at present, 7 000 kindergarten and child care centre teachers have not yet attained the diploma level. Therefore, there is still a very long way to go before Mr CHEUNG Man-kwong's request for raising the qualifications of all KG teachers to diploma level can be met, and it will even take a longer time for their qualifications to be upgraded to degree level. However, as I said earlier, Taiwan, Australia and even Shanghai had already upgraded the qualifications of their teachers to degree level at a very early stage, so I think Hong Kong should not fall behind this trend. Generally speaking, Madam Deputy, teacher training usually has many problems because a lot of training courses are operated on a self-financing basis and the monthly salary of many KG teachers is only around \$5,000 to \$8,000. Given such a low salary, they will naturally have to borrow money for their studies but they may not have a reasonable working environment upon completion of their studies. Therefore, attracting talents to join the ranks of pre-school teachers is by no means an easy task. I hope that the Government can improve the training, working environment and remunerations of these teachers. In the long run, I believe that the integration of pre-school education into subsidized education will greatly help improve the quality of education in Hong Kong as a whole.

With these remarks, Madam Deputy, I support Mr CHEUNG Man-kwong's motion.

DR KWOK KA-KI (in Cantonese): Madam Deputy, I speak in support of Mr CHEUNG Man-kwong's motion.

I am a user myself for I have a four-year old son attending kindergarten — two kindergartens, so I fully appreciate the significance of ECE to children. I think the Secretary may not remember how many years ago it was when his son also once attended kindergarten. Secretary, I know you are very dedicated to the cause of education, but you should know, and as everyone also knows, it takes ten years to grow trees but a hundred to cultivate people, so a very good foundation must be laid before a student can be promoted from primary school to secondary school and higher education without any breaks. Right now, everyone have put their focus on implementing the "3+ 3+ 4" academic structure, improving the university academic structure and on looking into how university places can be increased, and ECE is the only area in which the Government has always failed to award adequate attention. The most tragic thing about this is, it is a matter of the so-called "shaping the character of a 80-year old person at the age of three", therefore, pre-school education or ECE will have a very great impact on children. I think everyone may recall the kind of ECE they receive in their childhood, and should agree that there is a great difference between good and bad quality education and that it has a great impact on the first several years of a child's schooling or even throughout his/her junior primary school years.

By and large, Hong Kong is actually a place which has already allocated a lot of resources to education, but when we take a look at certain so-called existing pre-school education and teacher training in Hong Kong, we still feel very worried. We have 7 000 KG teachers who have not yet attained diploma level and this compares unfavourably with other places. Even in China, 60% of its KG teachers already acquired the qualification of normal school graduate or above in 2000, and the KG teachers of some big Chinese cities, including Shanghai, Tianjin, Zejiang, and so on, have already acquired academic qualifications of degree or higher level. I feel very ashamed when I read such information. At a time when we are talking about how we can do a good job of education of our next generation, how much importance we have attached to secondary and primary school education and how we have invested resources into university education. In reality, we still have not laid the most essential foundation.

Of course, in the course of our discussions, some Members said that since we need better allocation of certain resources and universities and other areas to perform better, the Government has deliberately cut 33% of the funding for The

Hong Kong Institute of Education, including 200 subsidized KG teachers training places in its latest funding provision to tertiary institutions. Though the Government has indicated that it would allocate \$40 million in the next academic year to offer 700 places, and even if these 700 places were really offered, it would take 10 years before all students attending such courses can get diplomas — Secretary, we are talking about 10 years — in 10 years, children would have grown up. Does the Secretary want to produce more primary, secondary or even university students with learning obstacles and learning difficulties? Does he want to invest more resources for rectifying such problems? However, to get to the source of the problem, we may find that it may actually be a result of substandard ECE. In view of this, it is very difficult for me to accept the view that Hong Kong, including the Secretary, is really taking ECE seriously.

We mentioned earlier that apart from teacher training, there is really another very important element in ECE, that is, government subsidies. How could we ask someone who only has a monthly income of several thousand dollars to further their studies on a self-financed basis? Though there is no lack of people who possess such tertiary qualifications (as Mr Tommy CHEUNG said, his wife had already acquired a master's degree on this 30 years ago), but for people who have got a master's degree like hers, will they take up this job in Hong Kong? Only aristocratic kindergartens can afford to hire these people. However, very often, this is not what happens in reality. For children of ordinary families, the schools will have a very important role to play when members of their family have to go out to work and do not have time to take care of them. Unfortunately, certain kindergartens, such as those in public housing estates, can hardly compare with the aristocratic kindergartens. Residents of public housing estates can only afford the school fees of kindergartens which employ teachers at a monthly salary of several thousand dollars, and such teachers are the ones who teach their offspring.

If the Secretary or the Government continues to turn a blind eye to this problem, then we can hardly expect our next generation to have a solid foundation in education, and no matter how much money is spent on implementing the "3+ 3+ 4" academic structure reform in future, it may still be fruitless because students have already got a very poor foundation and bad learning attitude. Moreover, it has already become impossible to let them think that the learning environment is good and happy. We are not really desperately short of this sum of money, and if the Secretary comes before the Legislative

Council, or the Finance Committee in future — Ms Emily LAU is now in the Chamber — and says that the Government wants to have more funds to subsidize ECE, I believe no Member in this Chamber will raise any objection — well, I do not know and perhaps I may have exaggerated a bit.

In fact, we really hope that the Government can put forward a plan for subsidizing ECE and integrate KG teacher training into formal education in the near future. It is really unacceptable if we have to take 10 years to complete the training of existing KG teachers. We mentioned earlier that we would like to surpass the United Kingdom and catch up with the United States but this is certainly impossible for we even compares poorly, and even very poorly with the Mainland; we cannot even match the standards of Taiwan and certain Southeast Asian countries. So what can we do?

I understand that if children have a happy learning environment, they will not go home and cry and they will be very eager to learn and have great initiatives to learn. In fact, it is very important to cultivate a child's learning habit. I really hope that the Government will not take this issue lightly or neglect it again. I earnestly hope that the Secretary will give us a pleasant surprise in future, or even later on today — perhaps pretty soon, for only four Members are now waiting for their turns to speak, so maybe in an hour's time, and say that the Government will do a good job with ECE, will give us a lot of resources, will raise the standard of teacher training or even offer subsidies. I would patiently wait for such a day and hope that the Government will deliver some good results.

With these remarks, I support Mr CHEUNG Man-kwong's motion. Thank you, Madam Deputy.

MS AUDREY EU (in Cantonese): Madam Deputy, American historian Henry Brooks ADAMS said "A teacher affects eternity, he can never tell where his influence stops." This means the influence of a teacher is eternal and even he himself does not know how far his influence goes. In fact, when we talk about teachers, teachers of fundamental education and kindergartens have an even more important role to play. Now, we often come across a problem, and that is, more and more people have discovered that children encounter many obstacles in learning. The earlier such problems are identified, the easier can

rectification or assistance be made. As such, KG teachers are seen to be more important in this role.

I know Secretary Prof Arthur LI will definitely tell us that he attaches great importance to ECE later on in his speech — the Secretary has just nodded his head in agreement, indicating that he really attaches great importance to ECE — he is definitely going to say that. However, frankly speaking, as seen from the Secretary's actions, Members among us who have spoken earlier really cannot feel this way. The Secretary will tell us later that the Government has already increased the number of training places, with the addition of 400 places this year, bringing the total number of KG teacher training places up from 882 of the last year to 1 040. However, we all know that this is just a trick in figures, because the Government has actually cut the number of fully subsidized training places and then increased the number of partly subsidized places. Many Members have pointed out in their earlier speeches that this is really an investment cut in disguise.

Let us review the Budget, in which the amount of resources invested by the Government on in-service KG teacher training has decreased from \$180 million last year to \$125 million this year, with a difference of \$55 million. The Secretary for Education and Manpower indicated in February that the whole amount thus saved would be spent on ECE. However, when I wrote to the Secretary later, he explained that the difference of \$55 million was only a budget adjustment, not a funding cut. Actually, we can all see that what has been done is virtually a resource cut.

Madam Deputy, as you may recall, we had a heated argument over The Hong Kong Institute of Education (HKIEd)'s fund allocation problem earlier this year, and back then, the Education and Manpower Bureau or the University Grants Committee explained that since the decline in population had created too many surplus teachers, there was a need to cut funding. In fact, the rate of cut is mostly targeted at KG teacher training.

The Secretary may also recall that, back then, many KG teachers came and protested outside the Legislative Council and they were very agitated, mainly because originally the HKIEd had 369 fully subsidized places but it was suddenly reduced to 200. At first, the authorities even indicated that the number of subsidized places would be reduced to zero, and we managed to fight and retain

these places only after a series of arguments. Moreover, I can remember clearly that Mrs LAW came and told us that she was very satisfied with HKIEd's KG teacher training courses for their very good performance. Ms Emily LAU has also told us earlier that a lot of people are queuing up for the courses and since there is only one place for every 10 applicants, the waiting time is very long. Moreover, the work of HKIEd in this area is obvious to all and members of the community are full of praises for their work, so I cannot understand why the training places have to be suddenly cut. The authorities explained that such places were provided for the training of kindergarten principals and not KG teachers, and as principals have now been trained, there was no further need for such places and so they could be cut. In fact, such a view is very pathetic for how can it be justified? Many KG teachers wish to receive training but the Government says their training is adequate and such courses are no longer necessary. Since we have even failed to do something so simple, we should not talk about catching up with the United States and surpassing the United Kingdom. The Secretary will tell us later that the Government has placed great emphasis on ECE, but from its actions, we can see that this is totally absurd. I hope that the Secretary can respond to this later.

Many Members have pointed out in their speeches that according to the recent findings of the Hong Kong Professional Teachers' Union, the monthly salary of one fourth of the qualified KG teachers is below their standard salary (\$11,905), and some of these teachers have already obtained the Certificate of Early Childhood Education, which is a higher qualification than the QKT (that is, Qualified Kindergarten Teacher) status, but their salaries still fall short of the standard salary.

Furthermore, the issue of training places mentioned earlier is actually related to the pay issue. The Government said it will provide 400 additional partly subsidized places, that is, courses offered through tender. According to the information provided by the Education and Manpower Bureau, the unit cost of these places is \$90,000, and if students have to meet 18% of the cost, and that is, \$16,200, themselves, it will be a very heavy burden to KG teachers. Moreover, there are also 400 self-financed places, for which the tuition may be as high as \$30,000 to \$40,000. Therefore, given KG teachers' current salary mentioned earlier, even if they want to upgrade their qualifications, it will be very difficult to do so. Therefore, everyone can see from the existing situation

that though the authorities have indicated that they attach great importance to ECE, a look at the above figures will tell us otherwise.

In addition, I would also like to talk about special ECE. According to proposals in the 1984 "Report of the Working Party on Pre-school Care, Education and Training of Disabled Children", in order to enhance and improve services provided to pre-school disabled children and enable mildly disabled children to integrate and learn with ordinary children, the Education Department has launched a Integrated Programme for Disabled Children at non-profit-making kindergartens since 1985 on a trial basis. Though the Programme has been implemented for 20 years, it still has many problems, for example, insufficient places; many parents have complained that after assessment, students have to wait for nine months to one year before admission. Therefore, in these areas, I hope that the Education and Manpower Bureau will also look into special ECE in addition to children in ordinary kindergartens.

On the whole, I am very glad to hear that other Members also support this motion and I hope that the Secretary will make more efforts to do more for us in ECE. Thank you, Madam Deputy.

MISS CHOY SO-YUK (in Cantonese): Madam Deputy, ECE is the foundation of all forms of education. I moved a motion debate on this subject back in early 1998 in the Provisional Legislative Council (PLC). Back then, Mr CHEUNG Man-kwong was not in the PLC, so I took it upon myself to move this motion and prove that we also greatly supported the idea that the Government should fully improve the ECE of Hong Kong. I recall that I made four requests at that time, which included firstly, uniformize kindergartens and child care centres in terms of teacher training, teacher salary scale and teacher-to-pupil ratio; secondly, to improve the subsidy scheme for non-profit-making kindergartens; thirdly, to effect actual improvements to the salary scale of pre-school education workers; and fourthly, to improve in-service training for pre-school education workers and provide more opportunities for pre-service training, and so on. It is a pity that six years have passed and apart from some superficial work, which is like "a dragonfly skimming the surface of the water" in certain areas, including what I know — an increase of a few hundred dollars in subsidies for young children and as some Members mentioned earlier, making the qualifications of KG teachers and child care centres workers mutually

recognizable and transferable and offering rewards in form of grants to ECE organizations which employ qualified teachers — from what we see, there has not been any progress in other areas. More significantly, in the most important aspect of ECE — KG teacher training, which many Members are also very concerned about, even I also think that there are some signs of retrogression.

Many Members said that "the character of a person is shaped at a tender age" and it can be said that the starting point of a person's lifelong education hinges upon his ECE, and ECE is also the foundation of university, secondary and primary education. If we start working on this key at an early stage, then it will greatly benefit a person's future learning and contribute to his lifelong happiness, and it will also be conducive to the development of the education system as a whole. Like Ms Emily LAU, I have also never attended kindergarten, but our situation is different for I used to live in a rural area where the economy was very poor. We were so poor that we did not even have shoes, not to mention going to school or attending kindergarten. However, we definitely do not wish to see today's children living the kind of life in our childhood.

Madam Deputy, given the fact that pre-school education around the whole world is walking towards professionalism, the qualifications of Hong Kong KG teachers are incredibly low. The so-called qualified training is only a 360-hour programme, which is equivalent to one year's most fundamental form of professional training for Secondary Five graduates. This definitely fails to meet the needs of early childhood teaching, not to mention establishing the professional status of KG teachers, or catching up with the United States and surpassing the United Kingdom. We are even outshone by the Mainland in our neighbourhood. In fact, the majority of KG teachers in large mainland cities have obtained tertiary academic qualifications or bachelor degrees, or even like what Mr Tommy CHEUNG said, we can find people with ECE master's degrees working as teachers. I suggest that Mr CHEUNG should ask his wife to work as a KG teacher, for talents should not be wasted and he should set a good example and role model by not allowing a talented person to stay at home. Therefore, our most pressing task at the moment is, and it is also the unanimous view of the ECE sector, that additional resources should be invested in teacher training and the qualifications of teachers with QKT status should be upgraded to the basic standard of the Certificate of Early Childhood Education (C(ECE)) level as soon as possible.

It is most inconceivable that the Education and Manpower Bureau has not only failed to provide assistance in upgrading the quality of KG teachers, it has actually acted to the contrary, by indicating that as a result of the constantly declining birth rate and the fact that all in-service KG teachers have completed training, the number of subsidized KG teacher training places offered by HKIEd will be drastically cut by half to only 200 places per year in the 2005-07 academic year. We should know that the number of subsidized places has actually not been many and to date, over half of the teachers in the KG teachers sector, and that is, 6 000-odd people have not received relevant training. Coupled by the reduction in KG teacher training places this year, it could be said that salt is being rubbed into the wounds of the relevant sector and their wish of upgrading their professional standard could never be fulfilled in the foreseeable future.

The Government's lack of commitment to ECE has dealt a serious blow to the morale of KG teachers and this will even lead to a drain of talents. In fact, over the past years, the wastage rate of KG teachers has already reached 14% and it is much higher than the 5% and 7% respective wastage rate of secondary and primary school teachers. If we have no means to retain talents, then how can we raise the standard of our pre-school education? Madam Deputy, in order to persuade talents to stay, I urged the Government to deal with this problem from two aspects many years ago, firstly, to improve the salary scale of ECE workers and secondly, to improve their in-service training. As regards in-service training, I have talked about this earlier.

On the issue of pay scale, as I mentioned earlier, since the Government has also indicated that the target of enabling 100% teachers to acquire QKT status has nearly been met, in order to raise the level of KG teachers, its next target should be to encourage in-service teachers to take the C(ECE) course; correspondingly, the existing KG teachers salary scale should also be adjusted. The DAB proposes that a salary scale should be formulated for teachers with ECE diplomas or degrees in order to encourage KG teachers to continue to upgrade their teaching standards. In the long run, the Government should progressively raise the entry requirements of KG teachers and complement this by making salary adjustments. It is only by doing so can more quality new teachers be attracted to the profession.

In addition, the other way of reducing the wastage rate is to enhance in-service KG teacher training and as I have already talked about this earlier, I am not going to repeat it.

Madam Deputy, talent is Hong Kong's only natural resource and since ECE is the foundation of all forms of education and also the starting point in talents training, it should definitely not be neglected. The Government should seriously consider improving the whole pre-school education system in a comprehensive manner, so as to lay a good foundation for the whole education system.

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

MR JAMES TO (in Cantonese): Madam Deputy, I speak in support of Mr CHEUNG Man-kwong's motion.

According to my preliminary study and observation, the existing problem has stemmed from the fact that the Government is still not convinced that "kindergarten education is essential". If the Government thinks that kindergarten education should be compulsory like primary and secondary school education, then it will have a totally different mindset. It will invest resources and provide training and its requirement on the quality of kindergarten education will also be entirely different. As to whether kindergarten education is essential, this is certainly opened to further debates, but public opinions have obviously shown that this is essential and at least, the majority of the public thinks so.

Why do I say this? I do not wish to divide the community into different social strata (if I reflect the views of different social strata, then certain views will even be stronger). However, many middle-class people are well aware that when kindergartens conduct interviews nowadays, they are interviewing parents and they also have very strict requirements. Members of the general public also think that their children cannot go without kindergarten education. In fact, it is very costly to attend kindergarten, and relatively speaking, it is more expensive than attending subsidized primary or secondary schools. Though it is not easy to afford the school fees, parents are still prepared to find every means for their children to attend kindergarten. Recently, someone talked about a case on a traffic accident in Tin Shui Wai. A mother chose to travel by bicycle to save money. Her husband is a hairdresser making a meagre income, and she tried

every means to save money for her children to attend kindergarten, but this mother was hit by a car and died.

The problem is, members of the public now think that the starting point of education is kindergarten, not to mention the view that "the character of a person is shaped at a tender age". The actual situation is, members of the general public think that if their children do not attend kindergarten and only start their education at the primary level, then it would be very difficult for them to compete with others. My constituency is Kowloon West, which covers Tsim Sha Tsui, Yau Ma Tei, Mong Kok and Shum Shui Po, where many ethnic minorities live. Most of them are rather poor, and they are also different from the family in the Tin Shui Wai case in that they virtually cannot afford sending their children to kindergartens and the Government does not offer any subsidy. Therefore, when their children attend Primary One, they do not know many words or anything. This starting point has created a lot of difficulties and such students can hardly compete with others.

Of course, there may be another scenario, and that is, the Government may say that such students may take extra lessons starting from Primary One, and more resources will be allocated for them to catch up with the progress of teaching. If the Government holds such views, then to a certain extent, it also has to invest resources to let this group of children, who could not afford attending kindergarten, catch up with the curriculum in Primary One or Two. Does the Government think that it is a bargain? I really do not know how the Government has come up with such an idea.

Since several Members have already talked about the existing situation, I am not going to repeat their points. Many KG teachers of other places over the world have already acquired bachelor degrees, but the academic qualifications of Hong Kong KG teachers are much lower in general. Some professionals told me not to look down upon people who work as KG teachers, but the Government considers the completion of a 360-hour training course and getting a certificate as the completion of all training. Of course, there are KG teachers with very good academic qualifications and kindergartens which have very strict requirements on their teachers, so there are great discrepancies in the standards of kindergartens. According to the International Covenant on Economic, Social and Cultural Rights, that is, a United Nations Covenant implemented in Hong Kong — this is one of the perspectives which we should adopt — in order to

narrow the gap between different social strata and promote mobility on the social ladder for purpose of narrowing the gap between the rich and the poor, the beginning of the education process has also got an important role to play. Of course, you can say that students can catch up in the course of primary and secondary schooling that follow but many people are worried that a bad start is actually a very big problem.

Therefore, I hope that even if the Government is profoundly convinced of its own conclusion that "kindergarten education is not essential" based on its own professional views on education, it should still bear in mind that the Government cannot actually convince the majority of the people with this conclusion. Though the Secretary can say that "all are besotted and he (or the Government) alone is sober ", he still has to accept the fact that this is the demand of all people. We can see that even the Mainland has required that KG teachers should at least possess bachelor degrees. This is because their charges are younger children whose education, psychological maturity and other developments are behind that of older students. When encountering problems in expressing their feelings or learning, young children may find it more difficult. Therefore, on the issue of teacher qualification, requirements on sensitivity, professional awareness, judgement and knowledge in psychology would seem all the more important.

Therefore, I hope the Government will not stick to its conclusion. From another perspective, in deciding whether kindergarten education is essential, it has to take into account the view of the whole community. At present, the majority of the people and parents think that this is essential and from the perspective of resource allocation, this is also considered essential. I think the Government should see this as an essential service. Is ambulance service an essential service? To a certain extent, it is yes. In terms of speed, taxis are also very fast and may not necessarily be slower than ambulances, but if a patient's condition worsens, an ambulance can offer immediate rescue treatment. Moreover, under certain non-emergency conditions, members of the public may still think that ambulance service is an essential service. Since the whole society maintains such a view and thinks that this is an essential service, I really hope that the Secretary or the Government, or even the new Chief Executive will reconsider whether better ECE can help the community. Should the vast majority of people enjoy a service which they consider essential, so that the level of education as a whole can be upgraded?

MR PATRICK LAU (in Cantonese): Madam Deputy, I have joined the Bills Committee on Child Care Services (Amendment) Bill 2005 because I am very concerned about the development of ECE. In the course of scrutinizing the relevant bill, I had the opportunity to learn more about this issue with my colleagues. I deeply felt the inadequacies of the existing ECE, especially in respect of KG teacher qualifications. There is really a need for their qualifications to be fully upgraded to degree level progressively before we can catch up with the international standard.

I have engaged in the work of education for many years, teaching in university for 31 years and I have also taught in primary and secondary schools, but it is a pity that I have never taught in kindergartens. I also very much hope that, like Arnold SCHWARZENEGGER, the Governor of California, in one of his movies, I can see children giving full play to their talents. Therefore, to raise the quality of education, we should start from ECE, and it is by doing so that can we nurture outstanding talents, especially in respect of creative education which we now often talk about.

I believe that the creative industry will be an important pillar in our future economic development, so we need to nurture a great number of creative local talents. I have also said, from my experience as an architect, that I fully understand that people who are engaged in creative work will not suddenly become creative for creativity has to be cultivated from a very early age and in a suitable environment, so that potentials can be helped put into full play. Therefore, it can be said that ECE is the most important part in the education process, like the foundation of a building. If the foundation is well laid, then the structure of a building will certainly be fine, but if the foundation is not good, then like the "short-piling" incident, there will naturally be a lot of problems.

A popular saying "the character of a person is shaped at a tender age", which Miss CHOY So-yuk talked about earlier, is based on the same rationale. The fact that the nature of a person can be observed at a young age is exactly why a person's early education can affect the future development of his character. For this reason, I support the motion on upgrading the quality of ECE. The authorities should encourage KG teachers to further their studies with more positive administrative measures, including increasing the number of subsidized in-service KG teacher training places.

Furthermore, the Government should continue to promote the idea of lifelong learning and self-enhancement among members of the public. I think KG teacher training courses should be included in the list of subsidized courses under the Continuing Education Fund, or a similar subsidy scheme should be set up so as to offer KG teachers the choice of more flexible and varied courses, so as to really encourage in-service KG teachers to fully upgrade their qualifications, not only to the minimum diploma level but also to the international standard of degree level.

Madam Deputy, as many Members have said, the Government has often thought about catching up with the major international trend by catching up with the United States and surpassing the United Kingdom in implementing other policies. So, why has it not made any headway, or has even lagged behind other competitors or advanced countries in upgrading KG teachers' qualifications? According to information provided by Mr CHEUNG Man-kwong, the United States, Canada, Australia, Western European countries, Northern European countries and Taiwan have now upgraded the qualifications of their KG teachers to degree level. However, Hong Kong has still remained at this stage, in which KG teachers are only required to complete 360 hours of training.

The Government has set a long-term target for the 21st century education blueprint in the Education Commission's Progress Report issued in 2000, to raise the entry qualifications of KG teachers to sub-degree or higher level progressively. Five years have passed, and only less than 30% of the KG teachers have now acquired the relevant certificate qualification. This figure is not even close to that of China, where 60% of its KG teachers have already attained the qualification of normal school graduates or above.

Madam Deputy, that the professional standard of Hong Kong KG teachers has not been effectively improved is closely related to the Government's unwillingness to invest resources in this area. In fact, many Members have already pointed out the problems in this area, but let me go over them once again. The Government's expenditure on the Kindergarten Subsidy Scheme has been reduced from \$153 million for the year 2002-03 to \$143 million for 2004-05. From such data, can we say that the Government actually regards education as a form of investment?

Therefore, I agree with the motion proposal that the Government should encourage ECE organizations to employ more diploma or degree teachers by offering them additional grants. At the same time, I also have no objections to formulating a pay scale for teachers with diploma or degree in ECE for apart from encouraging in-service KG teachers to further their studies, this can also attract more people with relevant qualifications to join the ranks of KG teachers, thus upgrading the qualifications of KG teachers as a whole.

In the long run, I agree that the authorities should integrate ECE into subsidized education and more resources should be invested into the development of ECE and fully subsidizing the salary of KG teachers, so as to ensure that the professional standards of KG teachers can be upgraded progressively. With all this, the quality of our younger generation's education can be enhanced from a very young age, in order to realize the 21st century education blueprint as stated by the Secretary. Thank you, Madam Deputy.

DR FERNANDO CHEUNG (in Cantonese): Madam Deputy, the work of scrutinizing the Child Care Services (Amendment) Bill 2005 has just been completed, and several Members who are concerned about the early childhood service and ECE have also participated in the scrutiny work. In theory, the main purpose of the integration is to upgrade the quality of ECE, and to harmonize services provided by kindergartens and nurseries over the years, so that such services can become more regularized and systematic.

The joint office of the Education and Manpower Bureau and the Social Welfare Department has now undertaken the responsibility of overseeing the new service and roughly speaking, it will be monitored by the Education and Manpower Bureau. However, there are actually some differences between the two services. The targets of nurseries are children aged two to six, while that of kindergartens are children aged three to six, and they both provide basic services like learning, social skills, group life and education. However, nurseries — which many people call child care centres, provide whole day services for eight to 10 hours, meaning that parents are entrusting the care of their children to whole-day child care services, and this is very different from most kindergarten services which offer about three hours of schooling.

Of course, some kindergartens have now developed certain whole-day services, but families which send their children to nurseries are mostly single-parent families which cannot afford to employ domestic helpers, or double-income families with two working parents, or even individual families which are temporarily unable to take care of their children. As most of these families are low-income families, we hope that the Government, in harmonizing pre-school services, can take care of the special needs of parents with financial difficulties.

In integrating the services of kindergartens and nurseries, the Government will also integrate the two fee remission schemes, that is, replacing the child care centres remission scheme's assessment mechanism with that of the Kindergarten Fee Remission Scheme (KGFRS). The assessment mechanisms of the two schemes greatly differ. Three levels of assistance are offered under the fee remission scheme for kindergartens, and if the household monthly income of the applicants is within the limit, then they can receive full, three-quarters or half fee monthly assistance each month. However, the fee remission scheme for child care centres is more meticulous, and there are 20 levels of assistance under the existing scheme.

If the Government really replaces this scheme with the KGFRS — and I understand that the Government does have such a plan — many parents will receive less subsidy. The Government is always saying that we have to help poor people to stand on their own feet, but without subsidies to help them to take care of their families or children, such parents can hardly go out to work. We hope that the Government can have an articulated policy, so that low-income families will not be adversely affected by the formulation of a new fee remission scheme. Although we know that the Government has promised that existing recipient families will not be affected by the fee remission schemes integration, we are concerned about future applicant families, especially poor families, and hope that they can still receive the amount of subsidies to which they are entitled.

Moreover, as nurseries often serve children of low-income families, I propose that the Government should increase the number of professional social workers in nurseries, so as to tie in with its current policy objective of promoting the elimination of inter-generational poverty. Although the Government has launched the Head Start Programme on Child Development in certain specified areas, the resources of this scheme are mostly used in employing doctors and

nurses for Maternal and Child Health Centres. The Government emphasizes that such health care workers can identify the needs of poor families and make referrals to respective services. However, according to my understanding, health care workers are best at taking care of children's health, so they may not be able to identify their social and emotional needs.

On the other hand, under this Head Start Programme on Child Development, cases are eventually referred to local Integrated Family Service Centres. However, since such Integrated Family Service Centres have to handle many complicated cases after integration, there is an acute staff shortage. As the workload of social workers is already very heavy, the referral of such children has caused them great hardships. Under such circumstances, how can we eliminate inter-generational poverty? Since nurseries, especially those child care centres which help low-income families, are the first to come in touch with poor families, the Government should consider increasing the number of social workers in nurseries, so that they can take up the work of case identification and take follow-up actions.

(THE PRESIDENT resumed the Chair)

Furthermore, the great reduction in the number of training places for kindergarten teachers (KG teachers) actually has a negative impact on upgrading the quality of ECE as a whole. As we see that most countries have already upgraded the qualifications of ECE workers to degree level, we should also increase the number of KG teacher training places, so as to offer further protection to our KG teachers. I think that by treating KG teachers well, we are also treating young children under their care well.

Finally, I hope that the Government can formulate a long-term plan on ECE. If upon integration, we simply let the market decide the survival or closure of nurseries and kindergartens, and we fail to make plans in relation to the population of certain areas, fail to draw up a long-term and clear blueprint on the role, service quality and the supervision of KG teacher training in relation to kindergartens operated by non-governmental organizations according to market forces, I am afraid the quality of our ECE will deteriorate in the future.

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, in the area of education, we can see a phenomenon of too much emphasis on the top and too little at the bottom. A lot of resources have been invested in university and secondary school education, and in fact, this is somewhat like the situation in the "short-piling" incident (Members like Mr Patrick LAU will know about this), in which things are very glamorous and grand on the surface, but shorter than normal piles are used in the foundation. However, no one can see the piles.

This makes me recall that the Chairman of the Education Commission (EC), the most important consultative organization for overseeing education matters, is one such "short-piling" lady. Such a coincidence reflects one thing, the chaotic situation in the Government of the Special Administrative Region after the reunification. The EC was appointed by Mr TUNG and all matters of the Commission can reach right up to the top with "Ah Chung" in charge. Stock speculation tactics are employed in value-for-money assessments, in which people are requested to seek self-enhancement and, failing which, they will be sent home to sleep. Under such a "businessmen-based" governance model, people are treated like machines and robots which can make self-enhancements and such logic is applied in administration.

The Secretary did not assume office until after Mr TUNG had introduced the reforms. In fact, I do not know anything about education, but as everyone is saying whatever he likes, and everyone has not received any formal training but just "speaking at will", I am not afraid of speaking too.

In the area of ECE, KG teachers are the front-line workers. As the saying goes "teaching benefits both teachers and students", I do not know what those teachers have learned from kindergarten students, and whether they will talk about the story of King Arthur and teach people to follow the example of the Knights of the Round Table of not always attacking other people. In fact, children can really teach other people. What they teach is children say what they think without fear, always speak the truth, and do not concoct excuses and sweet talk. In integrating kindergartens and nurseries, the Government has played a ruse under the pretext of increasing the number of subsidized places, but cutting the subsidies in reality. A child will not do such a thing for when he promises to give you an apple to eat, he will give you an apple; he will not deny that he has said "give you an apple to eat" or even say that what he said yesterday was only "give you an apple core to eat". It is really deplorable that a

government organization responsible for the work of education would employ such tactics.

In the process of education, we all actually know (I have only learned about this from reading books and I have read a few only) that ECE is very important for according to certain researches on anthropology and structuralism, the best stage for a child to learn to is the age of two to four years and many people have also said so. Since we all know this, why has the Government only invested so little? The Government has often said that funding for education has been increasing in terms of annual government expenditure — this is true, but what has it proved? It has proved that the Government has invested too little in the past and the amount is the smallest among that of other developing countries and regions.

If a person, who is addicted to gambling and does not know how to take care of his finances, fails to buy his children presents on their birthdays but asks them to say thank you, then it is certainly not a proper way of doing things.

As regards subsidies on education, first we have Mr TUNG making a great mess in governance. The two persons appointed by him are incapable. One of them is only good at stock speculations, and later got himself into the car purchase incident. A government official who does not have any integrity is like a teacher with no integrity. The other person has tried to evade her responsibility in the short-piling incident and refused to admit her fault, but this person was appointed to the Commission.

Secretary, I believe you belong not to these two kinds of people. You are a president and a president should have the disposition of a president, and a government official should have the disposition of a government official. The Secretary should admit that the Government has gone too far in neglecting ECE. I do not know whether the Secretary would give us a cheque today and say that "I will make improvements" or "I will allocate more resources". In fact, the Secretary need only say: "Is \$900 million enough, should \$1.9 billion be allocated?" The Government must be strong in its governance and must not fail to make decisions after discussions, or fail to take actions after decisions have been made. Today is a touchstone and we have to see whether this King or Child King can get funds from his father — his "boss".

I think that the one question which Secretary Prof Arthur LI has to eventually answer in today's debate is, in face of Members' reasonable requests and in order to meet these requests, should the Government allocate additional resources? I hope that when the Secretary responds later, he would not give people a chance to say that he is "King" Arthur and he would not attack other people again. Thank you.

MR LI KWOK-YING (in Cantonese): Madam President, ECE has so far received less attention from, and is of less importance to, members of the community. However, with the declining birth rate in Hong Kong, and given that Hong Kong people have adopted the philosophy of having fewer but healthier births and giving birth to only one child, parents are very keen that their children should receive quality education from a very early age. Thus, the community has high hopes on the development of ECE.

To improve the quality of ECE, in simple terms, we have to upgrade the qualifications and standards of teachers. In order to upgrade the qualifications and standards of kindergarten teachers (KG teachers), the Government has laid down various policy objectives, including all newly recruited KG teachers should have acquired the Qualified Kindergarten Teacher (QKT) status and by the end of the 2005-06 academic year, all in-service kindergarten principals should have completed the Certificate of Early Childhood Education (C(ECE)) course. However, despite the various policy objectives, the Government has not adopted the proposal of the Education Commission in further upgrading the academic level of KG teachers by requesting other KG teachers to take the C(ECE) course.

In fact, for the professional development of ECE, it is imperative for the Government to upgrade the academic qualifications of KG teachers. At present, there are about 7 000-odd QKT in Hong Kong, accounting for more than 90% of the total number of KG teachers; but only less than 20% possess the C(ECE) qualification. Therefore, if the qualifications of KG teachers are to be further upgraded, should the authorities consider formulating new policy objectives and require a certain percentage of KG teachers to possess the C(ECE) qualification?

In all fairness, with more teachers attaining the C(ECE), not only will the professional development of KG teachers be promoted, but it will also help to maintain the stability of the KG teachers profession. Over the past several

years, the wastage rate of KG teachers has always remained at the level of 14%, and compared to the 4.9% wastage rate of government and subsidized secondary school teachers and the 7% of government and subsidized primary school teachers, the wastage rate of KG teachers is quite high on the whole. The high wastage rate of KG teachers is closely related to whether KG teachers possess a certificate. At present, it is all very common for primary and secondary school teachers to possess a tertiary education level qualification of Diploma in Education or above. By acquiring the C(ECE) qualification, KG teachers would have obtained a recognized professional qualification, and their status would thus be recognized and highly valued. They will no longer feel that they are inferior to secondary and primary school teachers, and this would greatly increase KG teachers' sense of belonging and their enthusiasm in early childhood work.

Of course, improving the quality of ECE would mean that the Government will have to invest more public funds on upgrading the qualifications and standards of KG teachers. First of all, in regard to the number of training places, though the Government has indicated that it will allocate additional resources to encourage tertiary institutions to offer more training courses for KG teachers, the fact is, many C(ECE) courses are operated on a self-financing basis without any government subsidy. Take the part-time in-service C(ECE) course as an example. Among the 1 300 or so places offered in the year 2005-06, only about 200-odd are subsidized by the Government. In this relation, it is necessary for the Government to allocate additional resources, so that most C(ECE) courses places would be subsidized by the Government.

Apart from training places, with the upgrading of KG teachers' qualifications, their remunerations should also be improved. At present, among the four existing levels in the KG teachers grade salary scale, there is no ECE diploma, C(ECE), or degree level. Moreover, kindergartens participating in the Kindergarten Subsidy Scheme must also remunerate their teachers in accordance with the government recommended salaries. Therefore, in addition to upgrading the qualifications of KG teachers, the Government should revise the existing salary scale for teachers who have already attained the ECE diploma or degree level, and offer additional grants to kindergartens for employing QKTs.

In fact, the motion proposal on urging the Government to offer additional grants in encouraging and assisting ECE institutions to upgrade teachers'

qualifications without having to keep on increasing their tuition is not without precedent. The Government made similar arrangements for kindergartens to employ more qualified teachers when it first introduced the Kindergarten Subsidy Scheme as early as in the 90s. Back then, the Government provided direct subsidies to eligible kindergartens to help them employ a specified proportion of KG teachers in accordance with the Government's requirement without having to keep on increasing their school fees. As there is a precedent in which the Government has provided additional grants in order to achieve its policy objectives, if the Government agrees to upgrade teacher qualifications this time around, it should also agree to raise the salary of KG teachers who have already obtained higher qualifications.

Madam President, education is a long-term investment and since it takes only ten years to grow trees but a hundred years to cultivate a person, the Government has the responsibility to invest more resources on improving the quality of ECE so as to upgrade the professional standard of KG teachers, given the trend in demographic changes.

Madam President, I so submit.

MR ALBERT CHAN (in Cantonese): Madam President, the worsening problem of great disparity between the rich and the poor is still very serious in Hong Kong. From this perspective, we can also see great disparity between the rich and the poor in education; universities can be described as a super grand Rolls Royce while ECE is only a worn out old horse. And as regards this worn out old horse, there is still great disparity on the outside. Some Members mentioned earlier that people would send their children to kindergartens which charge \$100,000 a year. Thus there is also a problem of extreme disparity in ECE.

One of the reasons for the two levels of disparity is that in education as a whole, ECE lacks government subsidy and as a result of the faulty ECE policy, there are serious divergences. Furthermore, there are also serious divergences in early childhood teaching itself. This situation is actually an extremely unhealthy problem, and it has also become a so-called serious social problem. If this situation cannot be improved, and disparity still occurs in terms of resources, facilities, education standard, staff quality, and so on, then it is not

something which a responsible government should tolerate or accept. Therefore, this discrepancy should be taken seriously and rectified.

In my constituency and from my actual experience, I can see that there are several problems which the Government should face up to and handle properly. In recent years, the problem of primary and secondary school "closures" has caused great controversies in town, but the "closures" of kindergartens and child care centres are actually ten times more serious than that of primary and secondary schools. Over the past several years, I have seen many kindergartens and child care centres in the Tsuen Wan District closing down in succession, and even kindergartens in Tin Shui Wai have to be closed down. This certainly boils down to demographic development. However, the problem of staff wastage resulting from the closure or "deaths" of kindergartens and child care centres is also similar to that of primary and secondary schools. Kindergartens in certain districts may have to be closed down because of the drop in population and the Government has not made any proper adjustments. However, new schools were established by new organizations in other districts, thus resulting in wastage and unemployment problems among the education sector.

The second problem which I would like to point out is the so-called "two regulatory authorities" situation in ECE. Though the Education and Manpower Bureau is the main regulatory authority, many parents have sent their children to child care centres under the authority of the Social Welfare Department (SWD), thus leading to problems in their scope of duty. Over the years, I always find that this is an unhealthy and improper division of labour, and I think that these two services should be integrated at the earliest opportunity, with one Bureau taking charge of co-ordination, allocation, planning and management, through consultations and discussions as soon as possible. Child care centres certainly have their own special features but if the Education and Manpower Bureau can reach an agreement with the SWD, I believe a restructuring of the services will facilitate policy enforcement and more effective allocation of resources and talents training. I think this would certainly be helpful to the Government and the community as a whole.

The third problem is a relatively minor issue and this may not be the duty of the Education and Manpower Bureau. I have handled many cases for Comprehensive Social Security Assistance (CSSA) recipient families, in particular, single-parent families, in my constituency, in which the SWD does

not allow single-parent CSSA recipient families to send their children to whole-day kindergartens. According to the requirement of the SWD, if single-parent families send their children to whole day kindergartens, then the parents will have to go out and work and cease to receive assistance under CSSA. I think such minor problems in policy harmonization have denied children from single-parent families opportunities of enjoying whole-day kindergarten education. I am personally in favour of the whole-day school system and am proud to say that my three daughters attended whole-day child care centres when they were at the kindergarten stage.

The advantage of whole-day child care centres lies not only in the fact that young children can receive more education, but also in that it allows young children to experience group life which is more beneficial than letting them stay home. If children stay at home, they may watch television the whole day or are just accompanied by their Filipina maid. To the children, if they can live in the group environment of whole-day schools, getting together in a group environment is definitely beneficial to their development. Therefore, I think allowing young children to attend whole-day kindergartens is definitely beneficial to them and they should not be deprived of this right just because their families are CSSA recipients.

The fourth problem is a problem with society as a whole, in which too much emphasis has been placed on the effectiveness of formal education. Even in kindergarten education, from the books which children brought home, we would be surprised to see that too advanced Mathematics and English are taught in kindergartens and even I do not know how to pronounce some English words in the textbooks. I think that too much emphasis on such subjects as Chinese, English and Mathematics should not be the focus of kindergarten education. Kindergartens should be a place where children can play, where children should be able to nurture their personal talents such as singing, music, dancing or sports. Their multi-intellectual development should be facilitated, instead of concentrating too much on the conventional subjects of Chinese, English and Mathematics and seeking high grades, good results and brilliance in these subjects, thus resulting in young children nearly being proficient English speakers upon kindergarten graduation. This should not be the standard of kindergarten teaching.

I hope the Secretary can consider such issues. Thank you, Madam President.

MR ABRAHAM SHEK: Madam President, quality teachers are a key to good education. Good teachers possess two qualities: first, their personal commitment to teaching, that is, not just treating teaching as a job; second, they must be trained properly. It is this second aspect which we are debating today.

Madam President, the polls and statistics suggest that our current per-school educators are below par, and far from it. Their morale is low, their salaries are dwindling, and a great majority of them have only minimum training. Kindergartens, too, are struggling in the face of a declining birth rate and rising competition. Seventy-three schools have closed since 2000, and the remaining have either had to cut wages or staff, or both. If pre-school teachers must be inured to such hardships to succeed in their profession, chances are that real problems will emerge in the future as our schools will have less and less chance to find and keep talents. The victims are our babies and Hong Kong ultimately.

Society, and not the Government, must be held responsible for this deteriorating situation. Some critics alleged that the Administration's failure to provide adequate training places and to revise the pay scale for teachers is to be blamed. But can the Secretary be blamed when he is only given one envelop to cover all aspects of education? Society must be prepared to recognize this problem, and must give support to Hong Kong's education. Sadly, the imminent integration reforms, which will be launched later this year, will do nothing to address these fundamental problems. For the reforms to be successful, I think the Government should also set very clear goals to develop the profession in the short and long term. Better planning of services and better allocation of resources are required. These goals are indispensable if the Government is serious about improving the quality of education, particularly pre-school education.

Therefore, Madam President, I feel that the Honourable CHEUNG Man-kwong's request for the Government to fully upgrade kindergarten teachers' qualifications to diploma level is well worth our support. The present minimal requirement is more lax than that for primary and secondary teachers. Considering the fact that over 7 000 of the current 8 298 kindergarten teachers have not reached even the diploma level, it might be unrealistic to raise the new academic requirement straight away to university degree level. A more pragmatic step is for them to simply reach the diploma stage in the interim. Such a target would be in line with regional guidelines. Singapore, for

example, has set a mid-term goal of having one in four teachers to have diplomas by 2008.

If this suggestion is to be adopted and moved forward, there will be a need to increase the number of subsidized training places, as many low-paid teachers will hardly be able to self-finance the course. Naturally, this would mean more University Grants Committee (UGC)-funded programmes. In addition, there is the practical issue of remuneration incentive. Where is the carrot if teachers with certificates or bachelor in education degrees will not receive a higher pay? Setting a new pay scale for teachers with a diploma or a degree should be a priority issue. I also agree that schools should be entitled to additional grants if their number of diploma- or degree-holding teachers reaches a specified proportion. Some may argue that even without additional government subsidy, kindergartens which want to stay competitive have already encouraged their staff to upgrade themselves. There may be a ring of truth here as reputable kindergartens, especially those with the means and resources, will certainly want to upgrade their staff. But we should realize that there may be schools which are less successful and devoted. They do not care so much about their teachers' qualifications. Improvement in these kindergartens may come at a significantly slower pace, which will not be in the public interest.

In the long run, a greater issue is whether kindergartens should be integrated into subsidized education. On this issue, I have already heard two arguments against integration. One is that it will not guarantee an improvement in quality, and second, some kindergartens may prefer the *status quo* for fear of losing their autonomy under a full subsidy scheme. However, I maintain an open attitude and welcome further discussions on this topic.

Yet, whether the present financing mode is to remain or whether we are switching to full subsidy in the future, one thing is clear: There is still plenty of room for improvement. It is all very well for the Government to argue that instead of switching to a full subsidy scheme, it prefers using the limited resources allocated to kindergartens to fund teacher training. The problem is that the Government has not been very successful even with this humble target.

Starting next school year, 244 places offering basic training for in-service kindergarten teachers will be deleted because nearly all the teachers have gone through this programme. To truly demonstrate its support for teacher training, I suggest that the Government allocate the resources saved from the deletion of

other kindergarten items for increasing diploma or degree training places, or for boosting other channels for professional upgrading.

As with every public policy debate, today's motion is really about our values. How concerned are we about the quality of schooling provided to our children's crucial years of foundation? If we care enough, I think we should all give today's motion some serious thoughts.

Thank you.

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

MR ALBERT CHENG (in Cantonese): Madam President, the Education and Manpower Bureau has done a lot in improving the education standard of Hong Kong. It has really done a lot of work. The education policy is multifarious, with the "3+ 3+ 4 academic structure", school-based management, Academic Aptitude Test, mother tongue teaching, direct subsidy scheme schools, through-train education, and so on, which is really too much. They are all very dazzling and give people an impression that everything is just big and utter hollow claims. I hope that Secretary Prof Arthur LI, as an educationalist — I would also like to take this opportunity to congratulate Secretary Prof Arthur LI for formally retiring from The Chinese University of Hong Kong and being appointed as an Emeritus Professor — has been engaged in university education for many years and he has now taken up the responsibility of nurturing our younger generation on behalf of the Government of the Special Administrative Region. I hope that he would use the remaining years of his life — which are many, may be not at all surprisingly, even over a hundred years, — to really concentrate his efforts on fostering early childhood education (ECE).

I do not agree with the saying that "the character of a person is shaped at a tender age" for if it were the case, I would have been in great trouble. Since I could not afford to attend kindergarten when I was small, my family sent me to Primary One at a government school where the school fee was only \$5. So, I treated the government school as a kindergarten and spent two years respectively in Primary One and Primary Two. As a result, there may be a difference of four years between my age and that of my classmates who graduated from

secondary school in the same year. That is why I am older than Secretary Ambrose LEE by two years, Mr Vincent CHENG by two years and Mr WAN Man-ye by four years, who were all my classmates.

I am a victim of the fact that ECE is not part of our fundamental education and is not included in the nine-year compulsory education, so I consider this a form of discrimination. Poor people may not have the opportunity to attend kindergartens or they may have to attend kindergartens of a poor quality. We have heard some Members say earlier that some kindergartens charge a fee of \$100,000-odd a year. We often say that "getting things started is always difficult" and "a tall building has to rise from the ground", so if we are not concerned about ECE, then the situation will be somewhat like "short-piling". The Housing Department tried to do this and eventually had to tear down the completed buildings and the officials in charge had to step down.

Of course, I do not wish Secretary Prof Arthur LI to step down and I even hope that the Secretary will become the Chief Executive one day. The new Chief Executive places great stress on having three children, but if we do not do a proper job in education and ECE, who would dare to have children? Let us not talk about sending children to those kindergartens which charge a fee of \$100,000-odd a year, but even the most ordinary kindergartens in housing estates charge school fees of \$1,000 or more monthly. This together with sundry fees, parents have to pay thousands of dollars for three children to attend kindergartens. At present, there is great disparity between the rich and the poor in society and the income of many families with several members is also less than several thousand dollars. If that were the case, then the brilliant idea of the new Chief Executive could not be realized.

Therefore, I hope the Secretary will not "fart" about and he should speak from his heart. Though the words "fart" and "heart" rhyme, one of them is "fart" about as in wasting time talking nonsense and the other is "heart" as in heartfelt speeches. I certainly hope that the Secretary will be talking the latter, and that it is from his heart. I think this is his unshirkable responsibility.

First of all, kindergarten education should be a part of subsidized education and the qualifications of teachers must be raised and we should have teachers with degrees. However, the Government has now put the cart before the horse by cutting the resources for teacher training. As regards this point, many Members have already spoken on it and I have nothing more to add. I

only hope that the Secretary will do something — he has now got the power and the future of our younger generation depends on his decision. I believe that a "people-based" government will not shirk its responsibility in education and must start working from ECE. I am certainly very grateful to Mr CHEUNG Man-kwong for moving this motion debate and I would like to take this opportunity to salute the poorly paid, petty and low, and discriminated kindergarten teachers, who, despite being persecuted and neglected by the Government, are still toiling away silently for little appreciation.

I support Mr CHEUNG Man-Kwong's motion and hope that with the passage of this motion, the Secretary cannot turn a deaf ear to our voices. If he is interested in running for the office of Chief Executive, the first thing he has to do is to improve his relationship with the Legislative Council. If he starts today, he will still have a chance to become the Chief Executive in 2007. Thank you, Madam President.

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

(No Member indicated a wish to speak)

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, first of all, I must make it clear that the only Member with whom I really must disagree is Mr LEUNG Kwok-hung. He said that we are here talking nonsense, so to speak. This is how he put it — talking nonsense. I have listened to the speeches of all Members, but none of them has taken exception to this remark of his. So, I must make it very clear that I disagree with his comment, because I think we are not talking nonsense here.

Moreover, I am very glad to have listened to the valuable opinions of Members. I am glad to know that Members are very concerned about early childhood education (ECE) and I feel very happy about this, for we have a common goal. Just as Ms Audrey EU has said, the Government has all along attached importance to the quality of pre-primary education and endeavoured to upgrade the qualifications of kindergarten principals and teachers. However, Ms Audrey EU does not have confidence in us, as she said that our words are empty and lacking in substance. It is easy to make criticisms, but what she said is not true in reality, because over the past decade, we have seen a more than

double increase in government funding for pre-primary education from \$430 million in the 1996-97 financial year to an estimated expenditure of about \$900 million in 2005-06. That is nearly double the figure in 1996-97.

Since 1997, the Government has made certain achievements in developing quality ECE. They include:

- (1) Substantially increasing the percentage of qualified kindergarten teachers from 40% in 1997 to 100% in the 2004-05 school year;
- (2) Raising the entry requirements of teachers and requiring all new teachers to possess a Qualified Kindergarten Teacher (QKT) qualification;
- (3) Improving the teacher to pupil ratio from 1:20 for nurseries and 1:30 for kindergartens in 1997 to 1:15 across the board;
- (4) Upgrading the professional qualification of kindergarten principals by requiring all newly-appointed principals to have completed the training course on Certificate in Early Childhood Education (C(ECE)) and requiring all serving kindergarten principals to possess the qualification of C(ECE) by the 2005-06 school year;
- (5) Developing performance indicators for child development, promoting effective self-evaluation and continued improvement initiatives and conducting stringent external quality assurance inspections, in order to ensure the quality of kindergartens; and
- (6) Carrying out the integration of ECE, including the harmonization of teacher qualifications and the regulatory guidelines for kindergartens and nurseries.

To harmonize ECE, the Government is currently amending the relevant legislation to unify the provision of subsidies for service providers and parents, facilitate mutual recognition of the qualifications of serving child care workers and kindergarten teachers, unify the service quality assurance mechanisms, and compile a common manual for pre-primary institutions. If the legislative amendments and financial arrangements can be endorsed by the Legislative Council as scheduled, the arrangements for harmonizing kindergartens and

nurseries can be implemented in the 2005-06 school year, and this will open up new horizons for pre-primary services in its development towards quality education.

Given that the harmonization of pre-primary services and established policy targets of teacher training have been gradually achieved, the Government is actively studying and reviewing the future development and direction of the training of kindergarten (KG) teachers. We undertake that ongoing efforts will be made to improve the quality of pre-primary education, upgrade the standard of teaching and strengthen teacher training. I will now respond to Mr CHEUNG Man-kwong's motion in three areas:

Firstly, qualifications and training of pre-primary education practitioners. Upgrading teachers' qualification is the prerequisite for the improvement of early childhood education. To provide children with a safe and happy learning environment, we must train up a team of committed, high quality and professional KG principals and teachers and equip them with professional skills and expertise in such aspects as curriculum design, learning and teaching, school management, assessment of school experience, public relations, child development and child care, thereby achieving quality pre-primary education and laying a solid foundation for lifelong learning for our next generation. The Government has endeavoured to implement a myriad of policy measures in recent years to raise the qualifications and teaching standard of early childhood education practitioners (including KG teachers and child care workers). These policy measures include the following: In respect of the principals, who are the head of teaching and administrative staff in kindergartens, their quality and leadership skills are most important. Since 2002, the Government has required all newly-appointed KG principals to have completed the C(ECE) course. In the meantime, all serving KG principals are required to have completed C(ECE) by the 2005-06 school year. As of September 2004, 72 KG principals have not yet completed the course. In the coming triennium, the University Grants Committee (UGC) will continue to allocate funding to The Hong Kong Institute of Education (HKIEd) on a yearly basis to provide 200 training places. This should be able to cater for the demand of untrained principals and for their replenishment.

In respect of teachers, before September 1995, the entry requirement of KG teachers was an education level of Secondary Three. The Government has gradually upgraded the education requirement and language standard of KG

teachers. From the 2001-02 school year, the entry requirement of KG teachers has been raised to five passes, including both Chinese Language and English Language, in the Hong Kong Certificate of Education Examination. As for the requirement in respect of teacher training, from September 2003, the Government has required that all new KG teachers must possess a pre-service QKT qualification. Degree holders are also required to complete the QKT course or equivalent within two years after appointment.

Moreover, from the 2004-05 school year onwards, all kindergartens are required to hire 100% of QKTs based on the required teaching establishment. At present, the overall percentage of QKTs already exceeds 100% if based on the required teaching establishment calculated on a teacher to pupil ratio of 1:15.

The above qualification requirements are also applicable to child care centre supervisors and child care workers.

In respect of training institutions and training courses, four institutions, including HKIEd, The Hong Kong Polytechnic University, the School of Continuing Education of Hong Kong Baptist University and the Hong Kong Institute of Vocational Education (Lee Wai Lee), offer associate degree programmes in early childhood education for KG teachers and child care workers and provide both subsidized and self-financed training places. Graduates of the programmes will possess qualifications recognized by the Education and Manpower Bureau and the Social Welfare Department, and they can choose to work in kindergartens or nurseries. Besides, many other institutions also provide self-financed degree programmes in early childhood education for pre-primary education practitioners who wish to undertake further studies.

With regard to raising the qualification requirement, the Government has all along recognized the importance of training for pre-primary education practitioners and appreciated the efforts made by many of them in actively taking up training courses to upgrade the quality of ECE. Although KG teachers are required only to possess the QKT qualification under the current policy, as of September 2004, 1 438 KG teachers have already completed the C(ECE) course which is a higher qualification, accounting for 18% of the total number of KG teachers.

Some organizations have estimated that it may take as long as 30 years for all child care workers to complete the training course at certificate level. I think this is not at all true. Apart from UGC-funded courses, the Education and Manpower Bureau has also provided additional funded in-service places at certificate level for serving pre-primary education practitioners to choose the most suitable training course, so that their qualifications can be upgraded through continued learning. In the 2005-06 school year, we will redeploy resources and provide extra in-service certificate courses through open tender, with the objective of enhancing the diversity and flexibility of the courses and maximizing the cost-effectiveness of available resources. The tendering process has just completed and contracts have been successfully awarded to three training institutions providing a total of 760 subsidized training places. The additional number of places procured has nearly doubled the original estimate of 400 places. In other words, in the 2005-06 school year, the in-service subsidized training places at certificate level will increase to 1 400 including the self-financed training places, representing an increase of over 500 places compared with last year's provision. The Government will continue to provide adequate training places, so that all eligible child care workers who wish to undertake further studies may take up training at certificate level in six years' time.

On professional training, teacher training in ECE focuses not only on the attainment of formal qualifications. We have provided other diversified staff professional development programmes and training opportunities to raise the professionalism of pre-primary education practitioners, such as organizing workshops on promoting the performance indicators for quality ECE, professional development seminars and workshops to strengthen teachers' pedagogical knowledge and skills, and tailor-made courses for serving KG principals or child care centre supervisors to enhance their leadership and management skills. The professional development thematic training activities and courses run by the Government were well received by the sector. The activities attracted far more enrolments than planned and positive feedback was received from the participants. The Government will continue to provide training opportunities to enhance their professional development.

As I said earlier on, the Government has made certain achievements in implementing various policy objectives to upgrade the qualifications of ECE practitioners. We will conduct a review in this regard, in order to further

formulate measures to upgrade the qualifications of pre-primary education practitioners. According to the latest statistics, about 1 100 in-service practitioners are taking training courses at certificate level or above. The Government very much appreciates the willingness of these practitioners to spend time, efforts and money on pursuing continued education. We also agree that continuous efforts be made to upgrade the qualification requirements of pre-primary education practitioners. The Government undertakes to continuously provide adequate subsidized places in the next few years, so that all in-service KG teachers and child care workers who wish to pursue further studies will have the opportunity to take up courses at certificate level or above. Where resources permit, the Government will study the upgrading of the qualification of KG principals and the degree required of them.

However, we have no intention at this stage to require all serving pre-primary education practitioners to attain qualifications at certificate level. We understand that some practitioners, due to family or personal reasons, may not be able to spare time to take up training courses over a long time, but they are still enthusiastic about ECE and have attended workshops, seminars, short courses, and so on, organized by the Education and Manpower Bureau or other institutions to actively equip themselves with the teaching knowledge and skills. If all pre-primary education practitioners are required to complete training courses at certificate level or above before a specified time, I am afraid that this would add to their burden and stifle the room for their self-development. By then, I believe Mr CHEUNG Man-kwong will definitely be the first one to come forth in objection, as he did in opposing the language benchmark examinations.

Moreover, information shows that a majority (about 80%) of pre-primary education practitioners have completed the in-service QKT course on a part-time basis. If, shortly afterwards, they are required to spend another two to three years on the certificate course, some practitioners might become worn out both physically and mentally, and this would, on the contrary, affect their daily teaching commitment. Therefore, when drawing up the timetable for upgrading their qualification level, we must take it into very careful consideration, so as to enable pre-primary education practitioners to pursue continued studies step by step under sensible and reasonable arrangements as far as possible.

Secondly, to improve the salary scales and allowances for pre-primary education practitioners. The existing recommended salary scales, devised in

1995, give KG operators a reference to determine the pay for teachers and principals. At present, the recommended salary for QKT teachers is from Master Pay Scale (MPS) 7 to 18, which is about \$12,000 to \$22,000 monthly. That of KG principals is from MPS 14 to 22, which is about \$18,000 to \$26,540. A principal managing a kindergarten of a larger scale (with 560 children or more) may be remunerated up to MPS 24 at the maximum, which is over \$29,000. In determining the recommended salary scales, the Government has made reference to the pay levels of civil servants and considered some basic principles, including the entry academic requirements of pre-primary education practitioners, the work environment and duties, hoping to attract and retain practitioners with suitable calibre and boost their morale by offering them reasonable remunerations, with a view to promoting quality education.

Under the Kindergarten Subsidy Scheme (KSS) introduced by the Government in 1995, all participating kindergartens are required to remunerate teachers at the recommended pay scales, but the Government does not have objection if individual operators are willing to pay more to attract teaching staff with higher qualifications.

In fact, the recommended pay scales have given recognition to the professionalism of pre-primary education practitioners while performing a stabilizing effect in the sector. The wastage rate of KG teachers has been stable. In the past three years, the total wastage rate of KG teachers was between 13% and 14%, and the wastage rate at kindergartens joining the KSS has remained steady at about 10%.

The Government appreciates that reasonable salary reward plays a significant part in recruiting and retaining well-qualified teaching staff who are of prime importance in raising the overall standard of pre-primary education. Therefore, we will carefully consider the recommended salary scales when conducting the review of KG teacher qualification upgrading in response to the aspiration of the sector.

Thirdly, funding for pre-primary education across the board. At present, it is the Government's policy to provide nine years of free education from Primary One to Secondary Three. Yet, we do recognize the importance of pre-primary education. In the 2005-06 financial year, the Government's estimated expenditure on pre-primary education is close to \$900 million,

including subsidies for kindergartens, reimbursement of rental and rates and fee remission for kindergarten students. (This figure does not include expenditure on the provision of professional training by various institutions.) If the nine years of free education should be extended to cover pre-primary education for children aged between three and six, it would incur an additional expenditure of \$1.1 billion at a rough estimate. Given the existing financial constraints, it is relatively difficult for the Government to make commitment for this expenditure. However, we undertake to make continuous efforts to upgrade the quality of pre-primary education and we will ensure that families with financial difficulties can enjoy fee remission.

In conclusion, we are working to gradually improve the standard of pre-primary education in Hong Kong. We endeavour to achieve excellence in ECE, and we pledge to provide adequate opportunities of professional training and development for principals and teachers to upgrade their professional standard. Staff of the Education and Manpower Bureau will continue to provide professional advice to kindergartens to assist all pre-primary education institutions to adopt innovative approaches and strive for improvement, so that with devoted guidance, encouragement and support, our children can pursue all-round development freely and be equipped to meet the challenges of the new century. Alongside with the implementation of education reforms, the Government will review the implementation of policies on pre-primary education and ensure the effective use of available resources to upgrade the quality of teaching.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, you may now reply and you have three minutes seven seconds.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, I am very glad that this motion has the full support of the whole Legislative Council, and all different political parties have set great store on ECE. We all hope that the qualifications of ECE teachers can be upgraded, and in order to retain talents, we hope that a salary scale could be drawn up for KG teachers after their qualifications have been upgraded and we also hope that ECE can be integrated into subsidized education in the long run.

I would like to respond to several comments. First of all, I would like to redress unjustified comments on Ms Audrey EU's observations. The Government indicated earlier that Ms Audrey EU had said the Government had invested very little in ECE, and asked exactly how little had been invested? The answer is \$900 million. \$900 million is certainly a small investment, for it constitutes less than 2% of Hong Kong's \$50-odd billion education expenditure each year. Do we say that this is a small amount? For a service which involves the education of nearly 200 000 people, this sum only constitutes 2% of our total expenditure on education, so do we not say that this is too little? Therefore, Ms Audrey EU has not been wrong in saying so. If the Government said that the funding has already been increased from \$400 million to \$900 million, it is just because it was really too little in the past. It is such a negligible amount that it cannot be further reduced, and thus makes the Government think that an increase of \$500 million is already a very big sum. However, in comparison to the total education expenditure, this is certainly not a large amount.

Secondly, the Government does not agree to upgrading the qualifications of teachers to diploma level for it is afraid that I will raise objections when the time comes and it is also worried that the mandatory enforcement of this policy will not be in the interest of the teachers. However, even Secretary Prof Arthur LI himself may not be aware of the whole ECE teacher qualifications upgrading process. In the early days of ECE education, KG teachers may only have Secondary Three standards. Well, who objected to the Secondary Three standard requirement? It was me. Back then, I insisted that the entry requirement should at least be upgraded to the Hong Kong Certificate of Education Examination (HKCEE) level with passes in Chinese and English Languages and the Government eventually accepted this view. After KG teachers had attained the HKCEE level, I further requested that they should possess the Qualified Kindergarten Teachers (QKT) qualification, but back then, the Government was also unwilling. I stood by my request and proposed a subsidization mode. Eventually, the Government's entry requirement for KG teacher was raised to the existing QKT level. Today, when all KG teachers have acquired the QKT status, I propose that they should possess diploma level qualifications. Therefore, I hope that the Government can have a timetable to achieve this target progressively.

I have been involved in the entire upgrading process, right from my first year as a Legislative Council Member. As such, insofar as this issue is concerned, it would be best to study some history and before grasping the history

and knowing who have asked for qualifications upgrading, it is not necessary to "throw mud at" others for this will not do any good. Of course, I am very glad that the Government will review the salary of these teachers in future for they should have reasonable remuneration once they have acquired the ECE diploma or degree qualifications, and this is only fair to them and should justify their studies.

Finally, if a fund allocation of only \$1.1 billion is sufficient for subsidizing ECE, then the Government should give this some serious thought. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHEUNG Man-kwong, be passed. Will those in favour, please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Expectations for the new Chief Executive.

EXPECTATIONS FOR THE NEW CHIEF EXECUTIVE

MR MARTIN LEE (in Cantonese): Madam President, let me say something as a start. It can be noted from the Council's Agenda today that no government official is going to formally speak on this motion. I did make enquiries with the

Acting Chief Executive about this. According to Mr Henry TANG, the Acting Chief Executive, many senior government officials will attend this meeting. However, I can see that some, but not many, are present. He even said that no government official would speak. When I asked for the reason, he replied that it was better not to speak as there was not much to say. I find this very strange. Several years ago, when the former Chief Executive, Mr TUNG Chee-hwa, rescheduled the delivery of the policy address from the month of October to the month of January, I was still the Chairman of the Democratic Party. As an annual practice, the Democratic Party Chairman would initiate a motion on the expectations for the policy address, bringing up the matter around October or November upon getting the earliest chip. On a number of occasions, it was invariably the Chief Secretary for Administration (that is, Mr Donald TSANG himself) who spoke in reply. However, on this occasion, according to our information, no government official is going to speak. I wonder if it is a case of new style with a new person in charge. When I discussed the matter with reporters earlier on, they also sought explanation from me. I, however, had no idea. Abuzz with comments, they all expressed disapproval. So, I still call upon government officials to give the matter second thought as there is still ample time for them to change their original plan. It is hoped that there can be positive responses, even if just brief ones, from them following Members' speeches.

Mr Donald TSANG has accepted the Central Authorities' appointment to be the new Chief Executive of the Special Administrative Region (SAR). In initiating this motion today, the Democratic Party wants to put forward, by means of a debate in this Council, the recommendations and expectations of this Council with regard to the new Chief Executive's future policies, and to reiterate Hong Kong citizens' comments and demands on the Government. It is hoped that the new Chief Executive will seriously listen to public opinions so as to be really "people-based" and join hands with us in leading Hong Kong further forward.

During the by-election, Chief Executive Donald TSANG stated his visions of governance, namely, to implement fully the "one country, two systems" principle and adhere strictly to the Basic Law to safeguard the overall and long-term interests of the State and Hong Kong, to anchor Hong Kong's position as Asia's World City and strengthen its role as a bridge linking the Mainland and the world, and to build Hong Kong into a stable and prosperous city of which our citizens may feel proud.

To Hong Kong people, expressions like "one country, two systems", "Asia's World City" and "stability and prosperity" are words oft-repeated. How much has been realized?

It can be noticed that over the past seven years, the "one country, two systems" principle has gradually become blurred. The Standing Committee of the National People's Congress (NPCSC) thrice interpreted the Basic Law, invariably allowing the interests of the Central Authorities to prevail over the rights and interests of the SAR in such areas as democracy, human rights, the rule of law and freedom, and thus seriously debilitating the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "high degree of autonomy". The most direct intervention is in the case in which the NPCSC passed a resolution disallowing universal suffrage in the dual elections in 2007 and 2008. The most recent intervention came when the NPCSC peremptorily changed the tenure of the new Chief Executive, altering it from one of five years as originally prescribed by the Basic Law to that of the remainder of the second term (that is, two years), and, consequently, deeply disheartening the people of Hong Kong.

Many Hong Kong people gravely worry that the Basic Law in written form can be different from what it is in application. The promises made in the Basic Law can be totally altered as a result of the interpretation by mainland officials or the so-called "legal experts". It is not surprising that some people said angrily: "We'd better burn away the Basic Law!"

Madam President, as stated by Mr Donald TSANG when campaigning, the people of Hong Kong previously lived in fear. According to our observation, the greatest fear of Hong Kong people is getting "Beijing people ruling Hong Kong" instead of "Hong Kong people ruling Hong Kong". Hong Kong people have seen three cases of the NPC interpreting the Basic Law as well as the move whereby the Central Government pre-emptively ruled out universal suffrage in the dual elections in 2007 and 2008 even before the SAR could formally conduct any consultation regarding a timetable for the dual elections by universal suffrage. The people of Hong Kong also saw that, in addition to the Hong Kong and Macao Affairs Office, the Central Government has also assigned to Vice President ZENG Qinghong the special duty of looking after Hong Kong affairs. How can all these assure Hong Kong people not to worry about the probability of "Beijing people ruling Hong Kong"?

Madam President, when trying to enact legislation for Article 23 of the Basic Law, the SAR Government vowed to increase police power to gain entry into premises for investigation, enhance the Government's power to exercise political screening and the curtailment of the freedom of the press, and even bring in the Central Authorities' mechanism of suppressing dissident groups. Given all these, Hong Kong people have to live in fear!

In addition, with regard to policies on the people's livelihood, the Cyberport and the West Kowloon Cultural District projects all give people the justification to raise the charge of collusion between business and the Government. Policies on education have been volatile. In the areas of social service and medical care, there have been deep cuts into various basic subsidies. As a result, Hong Kong is abuzz with complaints.

Looking ahead, the Democratic Party holds that, at this particular time and space here in Hong Kong, in order not to let expressions like "one country, two systems", "Asia's World City", and "stability and prosperity" reduced to empty slogans, the new Chief Executive must make every effort to bring hope and encouragement to democracy, human rights, the rule of law and freedom. The reason is that the people of Hong Kong are very worried that these pillars are being gradually corroded by incessant strong attacks with the ultimate result of getting no democracy whilst losing human rights, the rule of law and freedom. To safeguard the long-term and overall interests of Hong Kong, it is necessary for the new Chief Executive to have the determination and courage to build for Hong Kong a democratic constitutional system, and to uphold and protect our human rights and freedom under common law.

The Democratic Party holds that if these fundamental pillars are upheld, the SAR Government in implementing and formulating its public policies will be in a better position of achieving public-opinion-oriented governance, primarily for the well-being of the people. Only in this way can the entire community of Hong Kong progress further.

Chief Executive Donald TSANG should open up new horizons for our democratic political system so as to let the people take part in public affairs through additional channels, with some joining advisory bodies by appointment and some joining representative assemblies through fair, open and honest elections. Chief Executive Donald TSANG should, as soon as possible, abolish the appointment system of district councils and throw all district council seats

open to public participation so as to train political talents for Hong Kong through elections.

Regarding constitutional reform, right before us are the elections of 2007 and 2008. Chief Executive Donald TSANG should make a positive response to Hong Kong people's aspiration for election by universal suffrage. On the one hand, he should reflect and explain to the Central Authorities the ardent aspiration of Hong Kong people for elections by universal suffrage in 2007 and 2008 so as to make the Central Authorities feel confident enough to let the SAR develop a democratic constitutional system, and on the other, put forward a timetable as well as a specific plan for electing the Chief Executive and all Members by universal suffrage in order that there can be public discussions as well as progress on democracy.

With regard to human rights, Chief Executive Donald TSANG yesterday reaffirmed that Hong Kong people have the right to march in the streets, and that it befits Hong Kong people's interests. As a matter of fact, to march in the streets, to assemble, to vote, and to have universal suffrage are all fundamental rights of Hong Kong people. It is the hope of the Democratic Party that Chief Executive Donald TSANG can also affirm them. The affirmation of Hong Kong people's right to elect the Chief Executive and all the Members by universal suffrage was one of the major themes for the 1 July rally this year. The people's aspiration for universal suffrage was manifested through referendum. It is hoped that Chief Executive Donald TSANG will also reflect to the Central Authorities the aspiration of Hong Kong people for universal suffrage.

Regarding the rule of law, Chief Executive Donald TSANG should explicitly promise that the SAR Government will make every effort to adhere to the principles of "one country, two systems" and "Hong Kong people ruling Hong Kong", and therefore not to ask the NPC to interpret the Basic Law again in order to avoid causing the Central Authorities to intervene in SAR affairs and violating the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy". In order that our legal system will not come under the influence of or be prevailed over by the legal system and political practices of the Mainland, Chief Executive Donald TSANG has to be adamant that common law prevails in the SAR.

Democracy, human rights, the rule of law and freedom are the core values of Hong Kong. They constitute the cornerstone upon which our success is

built. They also embody the aspirations and wishes long cherished by Hong Kong people. If the new Chief Executive is unable to overcome all the obstacles and pressure, and hold his ground in the strive for democracy, human rights, the rule of law and freedom, then it is pointless of him to speak of more splendid visions.

Madam President, the text of the original motion proposed by the Democratic Party is relatively short, only making mention of major areas like democracy and human rights, leaving out specific details — there are, according to my count, only 39 characters in the Chinese version of the motion. It is our hope that a hundred flowers may blossom as Members may speak freely on different policy areas and present their views. The DAB has proposed an amendment, putting in some specific details such as "strictly adhere to the principle of 'one country, two systems', uphold national unity, be fully committed to implementing the Basic Law and the principle of 'Hong Kong people ruling Hong Kong' with 'a high degree of autonomy' and promote co-operation between the Mainland and Hong Kong". This is all very meaningful.

So, to that we have also proposed a further amendment, covering matters like alleviating the disparity between the rich and the poor, upholding the common law, safeguarding the basic rights of Hong Kong people, and ensuring that the local affairs of the Hong Kong SAR are not interfered with by the Central Authorities. These are established policies for Hong Kong set by the Central Authorities, enshrined in the Sino-British Joint Declaration and the Basic Law. We call for Members' support so as to jointly show Hong Kong people's concern, reaffirm the promises made to Hong Kong people in the Sino-British Joint Declaration and the Basic Law, and inspire Hong Kong with greater confidence.

With regard to the amendment proposed by the Liberal Party, the wording give prominence to the issues economic. And Mr WONG Kwok-hing, in his amendment, asks the new Chief Executive to honour the undertakings he gave during his election campaign. Thus the text of the motion has been much enriched. The Democratic Party will support it. In sum, the Democratic Party is going to support all the amendments. However, upon endorsement of all the amendments, the Chinese text of the original motion will be increased from 39 characters to 332 characters, which is probably a record-breaking increase of 8.5 folds. According to what I heard from Democratic Party colleagues, my motion, originally appearing to be an uncontroversial Christmas

tree, is now dangled with many presents, the weight of which exceeds that of the tree by many folds. It does not matter. With regard to this issue, I think that there will be more views if there are more Members taking the floor. Then these views can be consolidated. This is in fact beneficial to Hong Kong. It is, therefore, hoped that every amendment can have the support of all Members.

When campaigning, Donald TSANG promised to face all members of the public. When declared elected *ipso facto*, he personally went to the districts to meet the people, visiting those he wanted to meet. However, has he ever had the idea of meeting the wife of veteran journalist CHING Cheong in response to her request so as to find out the details about the detention of CHING Cheong, a Hong Kong citizen, on the Mainland?

As a matter of fact, the Democratic Party and many Hong Kong people share Chief Executive Donald TSANG's hope for "a city of which our citizens feel proud". But how can such a vision be realized?

Here, picture this: Hong Kong people may, on the basis of one person, one vote, elect the Chief Executive and all Members of the Legislative Council; Hong Kong people may freely march in the streets and assemble without being prosecuted unreasonably; Hong Kong people may freely decide whether or not to run in elections, whom to nominate as candidates, and which candidates to vote for; appropriate care may be obtained from the Hong Kong Government for Hong Kong people being unfairly treated or detained outside Hong Kong, including those on the Mainland, and their release may be arranged speedily; Hong Kong people may trade and work in fair and open competition; Hong Kong people may lodge complaints against unfair matters and the Hong Kong Government is to deal with them impartially.....

It is hoped that Chief Executive Donald TSANG will really listen to Members' words from the heart and earnestly strive to materialize our visions. Thank you.

Mr Martin LEE moved the following motion: (Translation)

"This Council urges the new Chief Executive to carefully consider the recommendations and expectations of this Council in relation to policies

regarding democracy, human rights, rule of law, and people's livelihood, etc"

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

PRESIDENT (in Cantonese): Mr Howard YOUNG, Mr TAM Yiu-chung and Mr WONG Kwok-hing will move amendments to this motion respectively. Dr YEUNG Sum will also move an amendment to Mr TAM Yiu-chung's amendment. The motion and the amendments will now be debated together in a joint debate.

I will call upon Mr Howard YOUNG to speak first, to be followed by Mr TAM Yiu-chung, Mr WONG Kwok-hing and Dr YEUNG Sum; but no amendments are to be moved at this stage.

MR HOWARD YOUNG (in Cantonese): Madam President, early this month, the University of Hong Kong (HKU) and a newspaper conducted separate surveys on public opinions. The findings happen to coincide, both indicating that the policy area drawing most public concern is economy, with 60% surveyed in one poll and 40% in the other choosing the same area. As a matter of fact, in the case of HKU's public opinion survey, the above ranking has been so since 2001, which is indicative of the weight people attach to the issue of "economic development." I, therefore, proposed an amendment on behalf of the Liberal Party, adding to the original motion "the development of Hong Kong's economy". This is consistent with the direction all along followed by the Liberal Party which takes economy as the lead and shows concern for people's livelihood.

Mr Martin LEE's original motion makes demands on the new Chief Executive in respect of "recommendations and expectations of this Council in relation to policies regarding democracy, human rights, rule of law and people's livelihood, etc." The Liberal Party holds that even though these are the pillars conducive to the success of Hong Kong, they are not matters drawing most public attention. What is more, no government or political party can afford to ignore the importance of economic development. To respond to the people's

aspiration, Mr Donald TSANG, the newly-elected Chief Executive, should make reinvigorating the economy his prime duty.

The tourist industry is one of the pillars of our economy. I am going to focus on tourism first, leaving the views on other sectors of the economy to other Liberal Party Members for them to make representation. We must arrange in this way as the scope of economic development is very broad, and it is something that the Liberal Party is good at. It is impossible for one person to cover all.

Under CEPA, with effect from 1 January 2004, our travel agencies may, on meeting specific requirements, set up travel agencies on the Mainland. Hong Kong now has more than 1 000 travel agencies. However, so far there are not many applicants, the reason being that the threshold is much too high and the scope of business too narrow. It is hoped that the Government under the leadership of the new Chief Executive can take up the matter with the mainland authorities to lower the threshold set for joint ventures between Hong Kong and Mainland travel agencies. This is to scale down or even do away with the current requirement of an annual turnover of US\$40 million (that is, about HK\$300 million) — just as in the case of the threshold set for other SMEs. This will make it possible for a greater variety of SMEs, for example, travel agencies, to also operate on the Mainland. Restriction on travel services should also be relaxed to make it possible for Hong Kong travel agencies to operate outbound travel services on the Mainland, and provide mainlanders with efficient one-stop travel services on the strength of our rich experience and extensive world-wide network.

For long there has been no further relaxation of restriction by the Mainland. This is probably due to the fear that once outbound travel services are thrown open, it amounts to throwing open the Mainland's tourist industry in toto, something likely to have impact on our mainland "counterparts". So, in order not to act like trying to make it in one go, the Government may still propose to the Mainland that outbound travel services of the Pearl River Delta (PRD) be liberalized first even though for the time being it is not possible to liberalize all outbound travel services. It can then be gradually extended to other provinces or cities. Consideration can even be given to the idea of initially allowing Hong Kong travel agencies already authorized to receive mainland visitors to operate Hong Kong tour business on the Mainland. That is to say, let those members of the tourist industry provide their customers with

one-stop travel services direct. In this way, the quality of Hong Kong tours can be assured. What is more, it may give mainlanders greater confidence in visiting Hong Kong.

To open up more sources of patronage, the Liberal Party urges the Government to press the Central Authorities for further extension of the Individual Visit Scheme to more remote provinces and cities with the affordability, such as Harbin and Jilin. With regard to countries and places not yet given exemption from the visa requirement, it is hoped that the Government can adopt more liberal immigration procedures so as to make good use of the closely linked PRD Region to promote abroad some "one-stop, multi-visits" Pan-PRD itineraries that start and end in Hong Kong. To maintain Hong Kong's role as a regional aviation hub and its position as China's principal aviation gateway, the Government should, at the same time, encourage all the three civil airlines of Hong Kong to establish a good aviation network covering the Mainland and the world, and upgrade the competitiveness of the Hong Kong International Airport.

The tourist industry has another problem, namely, the continued growth of our hotel industry. Recently, there has been a message from the hotel industry, saying that the problem of staff shortage is looming. So, in the area of training, it is necessary to sound the alarm. With regard to the promotion of tourism, we should firmly seize the opportunity offered by the opening of Disneyland, make full use of the unique setting of each district as well as the celebrations of traditional festivals, and proactively develop more tourist attractions, facilities and theme trips, such as health spa resorts and green tours. Consideration should be given to the idea of turning Lantau Island into a consolidated centre for tourism, leisure and recreation. There have been a lot of discussions on all these. It is our hope that the much-discussed project of cruise terminal can be "launched" expeditiously during the tenure of Chief Executive Donald TSANG and that there will be no more tug-of-war in endless consultations.

To dovetail with the ever-growing cross-boundary passenger traffic between the two places, it is hoped that the Government will put into effect co-location of clearance as soon as possible. It was originally proposed that the co-location of clearance be put into effect at Huanggang Crossing. This Council has already discussed the relevant proposal, which is also endorsed by the Government. However, the Government ultimately decided to postpone the

implementation of co-location until the completion of the Hong Kong-Shenzhen Western Corridor. With regard to the measure of co-location of clearance, I hope that it can be adopted at Huanggang and other crossings in addition to the Western Corridor. There is also the request that round-the-clock clearance operation be extended to other crossings, such as Man Kam To and Sha Tau Kok so as to facilitate cross-boundary traffic for both travellers and cargoes.

Next I am going to make a few comments on constitutional development. The Government is about to release the Fifth Report on the basis of the consultation outcome in relation to the Fourth Report of the Constitutional Development Task Force last year to put forward a mainstream proposal for public consultation. With the decision of the NPCSC ruling out universal suffrage in the dual elections in 2007 and 2008, the Liberal Party is well aware that members of the public feel very disappointed. This, however, does not mean that nothing can be done. The reason is that NPCSC has only set the framework, but there is a lot of room for amendment. The development of democracy in Hong Kong can still proceed in accordance with the principle of gradual and orderly progress.

With regard to the methods for the selection of the Chief Executive and Legislative Council Members in the future, the Liberal Party holds the following views: First, subject to all requirements being satisfied, the Chief Executive may be elected by universal suffrage through a broadly representative nominating committee not earlier than the year 2012. Second, the number of Election Committee (EC) members should be increased and its electorate enlarged. To manifest the principle of "balanced participation", we propose that the existing classification of the four major sectors be maintained, and membership of the EC increased to 1 200 to 1 600. The four major sectors should have their numbers of EC members increased on a pro rata basis — but not that the 38 sub-sectors are to be increased on a pro rata basis too — so should the electorate. Third, with regard to the method for forming the Legislative Council in 2008, the Liberal Party's proposal is that the numbers of Members returned by geographical direct elections and functional constituencies may increase by five seats and 10 seats respectively. This, on the one hand, can ease the heavy workload now shouldered by Members, and on the other, it can bring into this Council more new figures for them to contribute their expertise. However, we are of the view that it is necessary to enlarge the electorate of functional constituencies so as to enhance their credibility and representation. For

instance, in the case of constituencies like financial services, tourism and labour, there should be more than one vote for one company or corporation instead of just one vote for one company or corporation.

Finally, regarding Mr TAM Yiu-chung's amendment, in our opinion, it embodies the "five musts" previously put forward by the DAB, putting emphasis on the development requirements in connection with the Mainland in the economic, political and social aspects. It dovetails with a situation in which there are ever-growing exchanges between the Mainland and Hong Kong. So, the Liberal Party is going to give it full support.

MR TAM YIU-CHUNG (in Cantonese): Madam President, the new Chief Executive has officially been selected. His tenure is only the remaining two years. However, this two-year period is a crucial period that determines the full recovery of our economy and steady progress of policies. Members of the general public do hold great expectations of our new Chief Executive. Today, we are here discussing the initiatives that ought to be implemented in various policy areas. The DAB is of the view that, no matter what these specific initiatives are, they must carry cohesive concepts of governance and goals. Furthermore, they have to be consistent. Hong Kong is a cosmopolitan city, and at the same time shares the same origin with and is closely linked to the Motherland like lips and teeth. The DAB opines that in striving for social progress and improvement to the people's livelihood, the Chief Executive of the Hong Kong Special Administrative Region (SAR) should accomplish "five musts" so as to write for Hong Kong a new chapter and lay a firm foundation for our long-term stability and prosperity by applying his own competence, conviction, charisma and connectivity.

Therefore, the DAB has proposed an amendment to the original motion to ask of the new Chief Executive: That he must strictly adhere to the principle of "one country, two systems", uphold national unity, and be fully committed to implementing the Basic Law and the principle of "Hong Kong people ruling Hong Kong" with "a high degree of autonomy"; he must strive to uphold and develop the spirit of the rule of law in Hong Kong, ensure equality before the law, and safeguard the human rights and freedoms of Hong Kong people in accordance with the law; he must unite all strata of the community to foster social stability and harmony, endeavour to improve the standard of governance,

and promote the constitutional development in Hong Kong; he must persevere in the "people-oriented" spirit, strive for improvement to people's livelihood, and raise the standard of living for the community; and he must exert all efforts to promote co-operation between Hong Kong and the Mainland, enhance public understanding of the Motherland, and open up a new phase of political mutual trust, reciprocal economic benefits and cultural exchanges.

The stability and prosperity of Hong Kong is primarily founded on the Motherland's unification and peace. As a constitutional document for Hong Kong, the Basic Law solemnly prescribes in law the different items of "high degree of autonomy" that the Motherland bestows upon us, clearly affirming that Hong Kong may follow a social system, economic system and political system different from those of the Mainland, and safeguarding the rights and ways of life of Hong Kong citizens. So, only by fully implementing the Basic Law and the principle of "Hong Kong people ruling Hong Kong" with full vigour can there be real protection for our rights and interests. Eight years have passed since the reunification. In the course of implementing the principle of "one country, two systems", we have gained more in-depth knowledge about the implementation of the Basic Law, well understanding that the notion of "two systems" in "one country, two systems" comes under "one country", and that "a high degree of autonomy" also comes under the "high degree of autonomy" bestowed by the Central Government. When maintaining the features of "one system" in Hong Kong, it is really necessary to respect the powers within the jurisdiction of the Central Authorities. When implementing the principles of "one country, two systems" and "Hong Kong people ruling Hong Kong", the SAR Government should also establish harmonious and pragmatic relations with the Central Government.

A good judicial system and respect for the rule of law constitute an important ingredient contributing to our success. The DAB firmly believes that a prerequisite for upholding the rule of law is an independent judicial system free from interference. The operation of the Judiciary should, in our opinion, observe the principle of fairness, openness and high efficiency. Court hearings should not be subject to any interference. There should be protection for legal rights enjoyed by litigants. On the premise of not violating the Basic Law, the SAR Government should continuously review the current legal system and make appropriate improvements so as to ensure constant improvement in our judicial standard.

Our prosperity and stability are based not only on the Government's effective governance. The DAB thinks that the SAR Government must look after the interests of every social group, maintain a fair and open environment, actively protect human rights and see to it that there is law protecting such civil rights as freedom of speech, freedom of association, freedom of assembly, freedom of procession and of demonstration, freedom of religious belief, and freedom of the person. There also ought to be active promotion of the concept of equal opportunities.

With regard to enhancing the Government's standard of governance and taking constitutional development forward, we are convinced that the realization of the principle of "Hong Kong people ruling Hong Kong" depends on a government capable of governing effectively and a constantly developing constitutional system. The SAR Government must listen with an open mind to views expressed by different quarters of the community, be accountable to the public, continuously improve administrative efficiency and actively iron out the conflicts among all strata of the community so as to foster social stability and harmony. Moreover, it is necessary to strictly observe the provisions of the Basic Law in that there is balanced participation for every stratum of society when promoting the development of democracy.

Regarding the people's livelihood, the SAR Government must see to it that members of the public do enjoy the opportunity to share the fruit of our economic success. At present, we still have a lot of problems in areas like employment, health care, transport and environment. The SAR Government must persevere in the "people-oriented" spirit to actively improve policies on the people's livelihood, and appropriately allocate resources in accordance with the requirements of the community so as to further improve the existing system of social welfare and security, assure the disadvantaged of some protection for their livelihood, and thus foster in the community mutual care as well as stronger solidarity.

As for co-operation with the Mainland, contacts and exchanges between Hong Kong and different parts of China are constantly growing. In addition to forging economic co-operation, the SAR Government should establish broader, deeper and steadier ties with official bodies and non-government organizations on the Mainland and strengthen the co-operation between the two places in other areas, such as education, science, culture, medical and health care, and social welfare, so as to bring benefit to more people. On the other hand, the SAR

Government should also establish effective channels to convey to the Central Government and different local authorities the views of Hong Kong people so as to promote mutual interests.

The DAB puts forward the aforesaid five points of perseverance as our philosophy of governance. It is hoped that the new Chief Executive will put them into practice. We, following the principle of "approving what is worth approving and disapproving what is not worth approving," will definitely support the Chief Executive's policies that satisfy our "five musts" in order to safeguard the stability and prosperity of Hong Kong and the rights and interests of Hong Kong people.

With regard to specific policies, the DAB earlier on conducted an opinion survey to find out from the people what they want the SAR Government to do first. According to the findings of the survey, the people are most concerned about improving the economy, beefing up the investment in education and the training of talents, enhancing the work of environmental protection, and reducing public transportation fares. Accordingly, the DAB is putting forward to the new Chief Executive "ten policy demands" in the hope that the SAR Government will put them into effect as soon as possible. The DAB colleagues will elaborate on these specific policies in due course.

Madam President, we are masters of Hong Kong, not transit passengers. Those of the DAB are like all the people in Hong Kong, in that we all have our families, careers and hopes in Hong Kong. We have strong affection for and a long-lasting responsibility to Hong Kong. As the party song of the DAB says, "we must join hands with each other to concertedly build up Hong Kong", and "with joint efforts, we can melt mountains of ice into huge streams; you and me together can break new grounds." Under the principle of "one country, two systems", we hope that the new Chief Executive can march on with the community at large to a future of greatness. It is hoped that Hong Kong will become a community which takes pride in the Motherland; one in which there are justice, freedom, democracy, integrity, equal opportunities, mutual help and mutual care; one in which there are ongoing economic growth and affluence; one in which there are fresh and clean air, expedient transportation, and secure jobs.

Mr Donald TSANG has grown up with Hong Kong and the general public at large, in the course of which he ran into a lot of challenges and frustrations but

he managed to overcome them one by one. Today, he, accepting an onerous responsibility entrusted to him by the State and the people, becomes the Chief Executive of the SAR of the People's Republic of China. This is top honour. Coming with it are tremendous responsibilities too. It is hoped that, with the determination that he displayed in overcoming challenges in the past, and his track record of success in all ventures, he can lead Hong Kong to a new era of even greater glory.

Madam President, I thank Mr Martin LEE for endorsing my amendment in his speech, not minding that I have increased the number of words in the original motion by several folds. Having said that, here comes his party comrade Dr YEUNG Sum's amendment to mine. I have to point out that two points in his amendment are, in our opinion, not compatible with the position of the DAB. So we have to disagree. They cover two points, namely, "to ensure that the local affairs of the SAR are not interfered with by the Central Authorities" and "to uphold the common law". I would like to do some explanation here. The principle of "one country, two systems" is a solemn promise made by the Central Government, and is constitutionally assured by the Basic Law. Our ex-President made reiteration at the reunification ceremony (and I quote): "The Basic Law of the HKSAR shall be observed not only in Hong Kong, but also by all the departments of the Central Government as well as the provinces, autonomous regions and municipalities directly under the Central Government. No central department or locality may or will be allowed to interfere in the affairs which, under the Basic Law, should be administered by the HKSAR on its own." (End of quote) So, the DAB holds that in the implementation of the Basic Law, there is a certain process of gearing in. It is necessary for Hong Kong to strictly observe the provisions of the Basic Law. Dr YEUNG Sum's amendment brings to light the inherent distrust towards the Central Authorities long harboured by the Democratic Party. The DAB is, therefore, not prepared to accept it.

MR WONG KWOK-HING (in Cantonese): Madam President, Mr Donald TSANG has been elected *ipso facto* the new Chief Executive and will go to Beijing to accept the Central Government's appointment tomorrow. Like Members of the Legislative Council, the people of Hong Kong are filled with expectations, looking forward to turning a new page in our history under the leadership of Chief Executive Donald TSANG.

The theme of the debate on the motion moved by Mr Martin LEE and amendments proposed by four Members is about Hong Kong people's earnest expectations. My amendment differs from the original motion and the amendments proposed by the other three Members in that I abstain from cumbrously putting forward additional expectations. Instead, my focus is on one point, namely, a demand urging Mr TSANG to expeditiously honour the undertakings he made during his election campaign, and present to this Council a timetable for implementation.

Madam President, this expectation is, in my opinion, more pragmatic and pressing. There are three reasons. First, the election platform presented by Mr TSANG himself is already very diversified and meaty, consisting of three visions of governance, eight concepts of governance and eight major policy programmes. Among them are also 37 policy details. If all the talks that Mr TSANG made during his election campaign and the discussions that he had with members of the Election Committee representing different sectors or industries are also taken into account, then I think the promissory notes issued by Mr TSANG are enough to dazzle us all, being so extravagantly colourful. But it is impossible to remember them all.

Second, given the fact that the remaining tenure of the new Chief Executive is just two years, the realization of all the policy aspirations of Mr TSANG and the numerous expectations of the people indeed press for time! The desire to make the policies bear fruits generates a sense of urgency brooking no waste of time.

Third, left only with a tenure of two years in the countdown, the first year is, in my opinion, pivotal if Mr TSANG is to lead Hong Kong to some sort of success. The question as to whether or not there can be a good start is crucial to this pivotal point. There is a common saying that "a good beginning is a job half done". So, a consolidated analysis of all the above is that if Chief Executive Donald TSANG is to put into effect his philosophy of governance: "Resolute, Pragmatic and Action" — as his election platform goes — it is necessary to have a comprehensive and practical timetable for orderly step-by-step implementation of undertakings made during his election campaign. Furthermore, if Mr TSANG can map out all the steps and schedules of implementation in respect of his policy blueprints, then he will be in a better position to mobilize all Members of this Council as well as citizens from all

walks of life to build up Hong Kong with joint efforts; otherwise, his grand ambitions and the people's keen expectations might, I am afraid, come to nothing.

Madam President, let us take as an example the issue considered by all local workers to be most disquieting and pressing, namely, the legislation on minimum wage and standard working hours. This topic is crucial to our ability to create more employment opportunities, our ability to reduce the disparity between the rich and the poor, and our ability to preserve social harmony and stability in the long term. This topic precisely matches and dovetails with what Mr TSANG said in his election platform (and I quote): "People-based governance", "Protection of labour rights" and "Imbue the community with a sense of harmony." (End of quote)

Madam President, if the issue of "minimum wage" and "standard working hours" is to remain one for "further discussions" and "in search of social consensus" as stated by Mr TSANG in his election platform — that is, this copy — then I wonder till when the people have to discuss it. In Hong Kong, more than 200 000 people are jobless. Hundreds of thousands of workers are being paid monthly wages below the level of public assistance. The division is so very acute. The wealth gap is so big. Is the new government, one professing to be a "good government" and "executive-led", just to keep on discussing? Is it possible to solve the abovementioned major social problems merely by developing the economy and allowing the market to take its natural course of adjustment?

Madam President, I read a newspaper a few days ago and came across a news report that made me very sad. I wonder if Members are aware of it. Last year in Hong Kong, 1 187 persons committed suicide and killed themselves. Hong Kong tops the world even in the suicide rate. Many of them ended their own lives because of unemployment. Three hundred and forty-seven persons committed suicide because of unemployment, making up 29.3% of the suicides. These precious and invaluable lives bear witness to the fact that there can be no beautiful life in Hong Kong unless the SAR Government does improve the situation of employment.

Fortunately, Mr TSANG, having gone through the baptizing process of election campaign, ultimately made a huge step forward in relation to this major labour issue. Here he merits credit. He directly made three promises to the three Members from the Hong Kong Federation of Trade Unions (FTU),

agreeing to introduce, as soon as possible, a minimum wage scheme for public bodies; forward the issue of minimum wage and standard working hours to the Committee on Strategic Development for discussion; and get the Committee on Strategic Development to include members from the labour sector.

To see to it that the promises made by Chief Executive Donald TSANG can be honoured as scheduled, we, the three FTU Members, instead of just waiting in our seats, earlier on asked the Manpower Panel of this Council to put the matter on the agenda for follow-up. On Monday this week, we had an appointment with officials of the Economic Development and Labour Bureau. The Bureau undertook to introduce minimum wage within this year, initially for contracted out services of public bodies. It is said that at least 5 000 non-skilled workers will benefit from it. At the same time, the Government is going to get 688 government primary and secondary schools as well as 183 subvented agencies to successively adopt the scheme. However, the ultimate goal is to introduce minimum wage and standard working hours into local industries and services employing those with the poorest bargaining power. Better social atmosphere and conditions can, in my opinion, be created in this way.

Madam President, in citing such a specific example, I am trying to show that a timetable is crucial to the materialization of promises. Madam President, there is a famous Chinese saying that "The trust of the people can only be established with credibility." It means that credibility is very important. When there is credibility, there is naturally confidence. When there is confidence, there is naturally trust. When there are both confidence and trust, then twice the result can be gained with half the effort.

Madam President, a splendid forecast said 100 times and 1 000 powerful slogans are no match for a promise honoured. In the course of his election campaign, Chief Executive Donald TSANG issued many promissory notes of undertakings. On none of those promissory notes did he put down a date. However, as we all know, all these cheques have a common deadline for cashing; that is, two years. In order that the promissory notes issued by Mr TSANG can indeed be cashed, I here solemnly call upon Chief Executive Donald TSANG to present to this Council a timetable for the implementation of his undertakings. Mr TSANG is now not in the Chamber. It is hoped that Mr Stephen LAM can convey this request for me. Thank you, Madam President.

DR YEUNG SUM (in Cantonese): Madam President, according to what Mr TAM Yiu-chung said earlier on, my amendment well manifests the inherent distrust towards the Central Authorities long harboured by the Democratic Party. As a matter of fact, the question as to whether or not there is trust probably depends on the individuals. We, however, are utterly sincere, merely trying to hold fast to the position of Hong Kong people in support of the principles of "one country, two systems" and "a high degree of autonomy".

Madam President, in today's speech, I am going to quote the comments recently made by Mr LIN Yuet-zheng, an ex-member of the Central Policy Unit. According to his comment, the Central Government's overall policy for Hong Kong is "too much to the left". A line was drawn for the people of Hong Kong on the basis of patriotism so as to get a united front across all sectors. One party is drawn in to knock down another party. So, for years since the reunification, the democratic camp has been isolated. This is, in fact, attributable to the Central Authorities' "too much to the left" policy. Here I would rather say a few words on behalf of the Democratic Party on the "too much to the left" policy of the Central Authorities, something regrettable, than talk about our expectations for the new Chief Executive.

Basically, for years many Hong Kong people, especially those in the democratic camp, support the recovery of sovereignty over Hong Kong by the State, yet advocating at the same time democratic rule in Hong Kong and supporting "one country, two systems" and "a high degree of autonomy". We are also in favour of the policy of one China and oppose the independence of Taiwan. So, it is unjustifiable to accuse the democratic camp of not loving the country and Hong Kong. However, over all the years, there are facts showing us that the Central Authorities have been exercising tight control over our elections ranging from those of the district councils to those of this Council or even the recent Chief Executive by-election. This is, in my opinion, an indisputable fact. In recent days, there have been fewer radio comments on the manipulation of elections by the Central Authorities. However, I believe, if one has been keeping tabs on the elections, one will agree that the Central Authorities has been closely controlling and influencing election outcomes from every quarter. This is true of the District Council elections, the Legislative Council elections and the Chief Executive elections. In every quarter and different areas, the democratic camp has been badly isolated and persecuted. If people, after summing up the seven years since the reunification, still have much

confidence in "one country, two systems" and "a high degree of autonomy", I am yet of the view that "one country" has already prevailed over "two systems" and that "high degree of autonomy" for Hong Kong under the "two systems" has been badly battered. As a result, a big shadow has been cast over our confidence in the so-called "high degree of autonomy".

Following the reunification, the Government abolished the elected Municipal Councils and revived the appointment system for District Councils. In dealing with the two 1 July rallies, the Central Authorities, it can be said, kept all fronts guarded for fear of an ever-growing demand for election by universal suffrage from the people. Also, with the interpretation of the Basic Law by the NPC, universal suffrage for the Chief Executive election of 2007 and the Legislative Council election of 2008 was ruled out. Even though the said aspiration for democracy is enshrined in the Basic Law, the Central Authorities, with the suddenness of a thunderbolt, orchestrated a *fait accompli* by means of NPC interpretation before the completion of the Government's consultation. Unable to do anything else, the Government and the public have to follow the outcome of the NPC's interpretation of the Basic Law. However, there is indeed a big shadow over "high degree of autonomy". The rule of law has also been gravely impacted. Consequently, our aspirations for democracy have retrogressed significantly, which is a big blow to the implementation of "one country, two systems" and "a high degree of autonomy".

To date, I think we can all agree that, provided that the report prepared by the Liaison Office of the Central People's Government is honest or faithful to the facts, Hong Kong people are basically very pragmatic, manifesting basically very clear support for the policy of one China as well as an explicit opposition to the independence of Taiwan. Their aspirations for democracy also have been brewing, rising and persevering. The best hope that every Hong Kong citizen may pin on the new Chief Executive is, I believe, for the Central Government to review the state of affairs, go back to the Basic Law and fully implement "one country, two systems" and "a high degree of autonomy" upon the opportunity offered by the assumption of office by the new Chief Executive.

Chief Executive Donald TSANG claims to be a "politician". However, a politician has one unique character and that is, he seldom calls himself a "politician". Usually he is so called by other people. What is more, a politician usually holds certain ambitions, certain convictions, certain persistence

and certain obstinacy. However, in Mr TSANG I cannot see such qualities. He is a career civil servant, duty-conscious, and absolutely obedient. I believe the Central Authorities will have peace of mind upon his assumption of the office of Chief Executive. The reason is that, given his personality and background, he definitely will fully protect "one country". My worry is that he might not be able to do his best to safeguard "two systems".

Why did the timer go off, Madam President? Earlier on, Mr WONG Kwok-hing also had 10 minutes to speak.

PRESIDENT (in Cantonese): It is because you are making an amendment to an amendment.

DR YEUNG SUM (in Cantonese): Very well.

So, with regard to the people's expectations for the Chief Executive, I, in the first place, hope the Central Government can reflect upon the policies since the reunification to see if there are errors. I think there are. And I find that most regrettable. It is hoped that the Central Government can escape disaster before it is too late, and restore order out of chaos. Given the new administration under HU and WEN, it is hoped that once the new government is in position, all the chaos can be brushed aside to restore order. Finally, I would like to say something for my friend CHING Cheong. It is hoped that there will be full assistance from the Government. It is also hoped that his wife may see him soon and bring him back to Hong Kong for clarification of the matter.

I so submit.

MR LAU CHIN-SHEK (in Cantonese): Madam President, last Wednesday I decided to nominate Mr Donald TSANG as a candidate to run for the office of Chief Executive. At that time, I said that I had nominated Mr TSANG because I had expectations for the new Chief Executive. I avail myself of today's debate to present in a nutshell my expectations for the new Chief Executive for the record.

In the first place, it is hoped that the new Chief Executive will pay more attention to the needs of the vulnerable groups and the labour sector. As we all know, there was an economic recession in the past few years. This together with the restructuring has obliged the grass-roots people to tighten their belts in order to survive. Their working hours have been increasing while wages have been decreasing. This is the picture of many grass-root workers. In addition to gradually extending the minimum wage requirement to all public bodies' outsourcing contracts, the Government must remember that hundreds of thousands of low-skilled workers in the private sector have yet to enjoy such protection. This is even more important. It is hoped that upon the assumption of office by the new Chief Executive, there will be a breakthrough in minimum wage and standard working hours.

My second expectation for the new Chief Executive is for him to stabilize the morale of civil servants. I believe no one knows the importance of stability of the Civil Service better than Chief Executive Donald TSANG, a man who has spent some 30 years in the Civil Service. The various structural reforms imposed from the top since the reunification have badly impacted on civil servants' morale. This is especially true of the Accountability System for Principal Officials implemented in great hurry. I have to point out that no successful reform can be one imposed from the top or one unilaterally ordered by the government. The Chief Executive should not regard civil servants as his "employees", but he should consider them his partners. Whenever there is any plan for structural reform, members of the Civil Service should be consulted right from the start. In this way, twice the result can definitely be obtained with half the effort.

Thirdly, it is hoped that the new Chief Executive can accommodate persons of different political views and let them have a level platform in order that they can have room for involvement in politics. No matter how different their political stands are, different parties are still representing different sectors of people. To reject them is to reject those supporting them. The former Hong Kong British Government is a colonial government, one with zero legitimacy in the Chinese community. For the security of the colonial government, the Hong Kong British Government set up a Special Branch to monitor people's political activities. Targets so monitored were mainly leftists before the 1970s. After the 1970s, they were the local pressure groups. There were probably Special Branch files on many Members now present. With the reunification, the SAR Government is a government of the Hong Kong people,

one that belongs to us, no matter how undemocratic it is. There is absolutely no justification to set up another Special Branch or any similar monitoring agency. It is hoped that the new Chief Executive will bear in mind not to use any law-enforcement or penal bodies to persecute dissidents.

Madam President, my fourth expectation for the new Chief Executive is for him to serve as a bridge between the democratic camp and the Central Authorities so as to speed up the communication between both sides. For quite a long time, there was no direct channel for communication between the democratic camp and the Central Authorities. We probably have played the game of "incorrect relay of messages". When a message is passed from one person to another and yet to another, by the time it reaches the last person, it is likely for the message to become utterly distorted. After all, the democratic camp is the group getting most support from the people in the general elections. If the Central Government wants to more comprehensively understand the thinking of the people of Hong Kong, the most ideal way is to enter into the broadest direct dialogue with the democratic camp. Surely, nobody thinks that a meeting or two can immediately sort out the divergence of views between the Central Authorities and the democratic camp on many matters. If both sides can show some goodwill and enter into direct dialogue, it at least can obviate the misunderstanding arising from the incorrect relay of messages. This will be the first step towards solving the problem.

Madam President, my expectation is for Mr TSANG to be a kind and honest leader. He has to rally the entire community, regarding as partners his supporters and nominators as well as those going against him or not nominating him. A successful Chief Executive is not just the Chief Executive of those who support him. He also has to be the Chief Executive of those who oppose him. He is not just the Chief Executive of the business sector. He also has to be the Chief Executive of the grassroots. My expectation is for the new Chief Executive to be the Chief Executive of the people of Hong Kong. I so submit.

DR RAYMOND HO: Madam President, following the official announcement of the appointment of Mr Donald TSANG as the new Chief Executive, some pundits have already started the guessing game by betting on his winning a subsequent five-year term. The strong confidence accorded to Mr TSANG is coupled with high expectations on him. As Mr TSANG must agree, his

performance in the coming two years must have a vital bearing on his being re-elected in 2007. Inevitably, Mr TSANG will have to focus on the most important issues.

Foremost among them is the unemployment problem. Although the overall unemployment rate is improving, the current 5.7% is still high by our standard. Much worse than this is the persistently high double-digit unemployment rate of about 15% in the construction sector, which has long been the backbone of our economy. This is particularly disappointing. The problem affects more than 1 million people if the family members are included. It is an important public issue, not just an issue of one particular sector.

It is therefore imperative for the Government to dish out more infrastructure and building works, while at the same time expediting the implementation of the approved projects. Indeed, many projects, such as the South East Kowloon development project, the KCR Sha Tin Central Route, the MTR Island South Line, and 169 projects of the two defunct Municipal Councils, have been dragging on for too long. They, together with the other projects, including the Harbour Area Treatment Scheme Stage 2 and the West Kowloon Cultural District development, should be given priority.

I understand that numerous projects cannot commence due to a lack of recurrent consequences. Mr TSANG must look into the problem and take appropriate actions to ensure that adequate recurrent expenditure will be made available to government departments. He should also consider adopting the Private Finance Initiatives (PFI) to encourage private companies to initiate more new public projects with private funding, which have not been included in the existing facilities or may not be built by the Government on its own in the foreseeable future.

As a long-serving civil servant himself for the greater part of his career, Mr TSANG should be well aware of the problems which the civil servants are facing. The morale of civil servants has been adversely affected by rapid downsizing, inflating workload, introduction of contract terms and serious succession problems over the past eight years. I believe that with his civil servant background, Mr TSANG should be in a better position to communicate with the civil servants with a view to straightening out the differences between the Administration and the staff side.

For enhancing professionalism in the Civil Service, it is time for the Government to inject more professional expertise into the Administrative Officer (AO) Grade. In other words, the Government ought to consider providing a proper dovetail for senior professional officers to join the AO Grade without having to go through open recruitment for lower ranks.

As for professional staff like engineers, it is high time to resume recruiting them on permanent terms with the improvement in the fiscal deficit problem. In the past five years, young engineers who have completed their professional training in the Government were not admitted into the Civil Service. This is a total waste in terms of the resources already spent on their training. Only those fortunate enough were offered contract terms while the rest had to leave the Government. The practice has resulted in a succession problem which has become more and more obvious.

To enhance the competitiveness of Hong Kong, we must strengthen our higher education. In this regard, the Government should consider increasing the intake of full-time non-local students to our tertiary institutions, as the arrangement offers many benefits to our universities. These include internationalization of our student population, and giving additional resources in the form of extra tuition fee income to our universities. This is because these students from outside will have to pay higher tuition fees. I have raised this issue many times in this Council. I understand that the Government has already raised the quota for non-local students from 4% to 8% and subsequently to 10%, like many universities in other countries. But I believe that the quota could be aggressively revised upward as long as the arrangement will pose no adverse impact on the learning opportunities of local students.

Madam President, time does not permit me to go on with my expectations list. But the abovementioned subjects are the areas which, I believe, require Mr TSANG's immediate attention and actions.

With these remarks, I so submit.

MR CHEUNG HOK-MING (in Cantonese): Madam President, during his election campaign, the new Chief Executive, Mr Donald TSANG, repeatedly stressed that he well understood that in the election he not only had to face some 700 members of the Election Committee but also more than 7 million Hong Kong

citizens. He also emphasized that he would set "strong leadership, harmony and people-based governance" as the policy objectives for the coming two years. Such a show of determination, very different from the lame image demonstrated by the SAR leadership over the past seven years has won public approval. Whether our new Chief Executive can honour the "promissory note" that he issued is my greatest concern.

In order that there can be "people-based governance", the new Chief Executive must grasp the problems about which people are most concerned and for which they are most desirous of finding solutions, for example, improvement to the economy and creation of more jobs. The DAB thinks that over the past few years, the people of Hong Kong have been much troubled by high public transport fares and felt pretty helpless. This is especially true of the new town residents. One commuting to the urban area or Hong Kong Island for work, whether by means of "point to point" long-distance bus or by MTR, has to spend on average \$15 to \$20 on fare. A round trip costs as much as \$30 to \$40 daily. So, the public transport fares amount to more than \$1,000 a month. If the members of a family go to the urban area on a holiday, the public transport fares will cost about \$200.

Madam President, it is not that the SAR Government is not aware of the problem. In fact, as early as three years ago, shortly after assuming office, Dr Sarah LIAO, the Secretary for the Environment, Transport and Works, proposed to work out with the public transport operators a fare adjustment mechanism which would allow increases as well as reductions in fares. Last week, Dr LIAO, in response to a question from me, stressed that there was hope for an outcome by the end of the current year. However, I believe the public has become impatient in waiting to see the Government deal with the problem of high public transport fares. Furthermore, following the huge toll hike of Eastern Harbour Crossing in May, Tate's Cairn Tunnel and Tai Lam Tunnel will also raise their tolls this month and next month respectively. Because of this "whirlwind of price hikes", not only members of the public but also the managing director of KMB found it necessary to keep guard and had to state openly a few days ago that, in view of the great pressure, they might have to raise fare if things were getting "too much to handle".

As such, not even the public transport fare adjustment mechanism scheduled to be introduced by the end of the year to allow fare increases or reductions may be able to grant people's wish to have the fares lowered.

However, given the undertaking of "people-based governance" made by the new Chief Executive, we need not be too pessimistic. If the new Chief Executive indeed pushes the date for the release of his first policy address forward to October this year, it is very much hoped that one of his policies on "people-based governance" is a solution to the problem of hefty public transport fares which have added very much to the burdens of the people. Only by doing so is the new Chief Executive honouring for the community at large the promises he made during his election campaign instead of merely treating those promises as tools for gaining popularity during the election.

Madam President, now I would like to speak on the issue of the West Kowloon Cultural District (WKCD). This project can be described as the first most threatening "bomb" for new Chief Executive Donald TSANG on taking up his post. The reason is that the issue has long been very controversial in the community and it so happens the deadline for consultation is due to expire at the end of this month. In fact, prior to his resignation from the post of Chief Secretary for Administration, Mr Donald TSANG was all along in charge of the project. Now Mr TSANG has scaled new heights, assuming the position of a politician and the new Chief Executive of Hong Kong. So it is becoming harder for him to dodge the issue. Following six months' discussions, members of the public have almost arrived at a consensus with regard to the controversy over the project. That is to say, the single-tender arrangement is absolutely not acceptable and the landmark canopy has been "thrown out."

However, as we all know, Donald TSANG, the man who undertakes to demonstrate strong leadership, in the past clearly held a position totally different from that of the public with regard to the single-tender arrangement and the canopy even though the public opposed both the single-tender arrangement and the canopy. He is now the new Chief Executive. It is hoped that he will indeed listen to public opinions and not run counter to public opinions in finalizing the plan for the WKCD development project.

Madam President, during the consultation period, the DAB has listened to the views of many people, including people in the street, and those in the cultural and professional sectors. Most of them disapprove of the single-tender arrangement and the construction of the canopy. So, the DAB will, after sorting out all the views, submit to the Government a position paper on the WKCD development.

Finally, I would like to say a few words on conservation policy. Last Wednesday, I moved here a motion debate on this topic. It was supported and passed by Honourable colleagues. The Government was urged to expeditiously set up a conservation fund for long-term conservation work and to solve the problem concerning the rights and interests of landowners. Hong Kong is a cosmopolitan city. Hong Kong people used to take pride in our reputation as a world financial centre, shipping centre and shopping centre. It is, however, a pity that certain conservation policies are still very backward. It is very much hoped that the new Chief Executive will work harder in this respect so as to expeditiously set up a conservation fund to promote conservation work for the benefit of future generations.

I so submit. Thank you, Madam President.

DR FERNANDO CHEUNG (in Cantonese): Madam President, I did prepare a speech. Originally I did not want to deliver it. I did consider the idea of not reading it out. The reason is that the Government is not going to send a representative to speak here. Neither our Chief Executive designate nor the Acting Chief Executive is present here. It seems that here we are only speaking to ourselves. However, we have some sort of accountability towards members of our own constituencies. Although the Chief Executive designate has indicated his will to improve the executive-legislature relations, this does not appear to be a good fresh start. We, however, will treat people with respect, and we are going to discharge our own responsibility. So, here I am going to spell out my expectations for the new Chief Executive.

Late last year, when lecturing the former Chief Executive TUNG Chee-hwa in Macao, President HU Jintao made the demand that his government should be "people-based" and upholding our social stability. Ever since government officials have been talking about "people-based" a lot, constantly mentioning these few words. "People-based" is by itself a beautiful act. However, I sometimes "shiver" on hearing those words from our officials. The reason is that whenever I hear from the Government the words "people-based", I have the feeling that they are merely thinking of the economy. All is about economic development. It seems that in the eyes of our Government, the word "people" in "people-based" at the utmost only refers to economic animals.

Prior to the reunification, Hong Kong was, to the colonial government, the embodiment of borrowed place and borrowed time. Their duty was to reap the maximum gains within the timeframe. They did not necessarily need to be concerned about the people's long-term well-being. So, Hong Kong was purposely made into a commercial city devoid of values and ideals, one just going after money and gains. It is lamentable that even after the reunification, the SAR Government is still mesmerized by the mindset of a commercial city, and just keeps on talking about GDP growth. Going hand in hand with such a concept is a pattern of thinking based on tools and rationality. It means achieving the goal with the most efficient method, employing cost-effectiveness as the yardstick to judge all matters.

In all matters, the Government puts economic consideration in top priority. People living here have been downgraded to be merely dollar-spinners. So, the Government's poverty alleviation policy never goes beyond that of driving the poor into the market as much as possible to compete in the market and work for economic growth. Whether or not they have the protection of minimum wage is out of the question. They are just being asked to sell their labour at miserably low price in total disregard of their dignity. On the other hand, in the case of certain services that are not cost-effective, for example, social service or even the Comprehensive Social Security Assistance (CSSA) Scheme for the relief of the feeble, the aged and the disabled, there has been unreserved retrenchment constantly. This is meant to satisfy the rule of cost-effectiveness, thus adding hardship to the livelihood of grass-roots people.

When society is developing along an ill-balanced track, it is not at all a place for one to settle down and get on with one's pursuit even though we still manage to score further glorious economic achievements. I call upon Donald TSANG, the Chief Executive designate, to reconsider what the word "people" means. What else do people have apart from the work of making money? How can "people-based" governance be really achieved? Women groups advocate "mainstreaming of the gender perspective", and demand that the Government assess the impacts on the gender equality when formulating policies. It is hoped that Donald TSANG can also do something in respect of "mainstreaming the perspective of poverty", and assess the impacts on poverty and the wealth gap when formulating policies; consider whether or not there will be any adverse effect on grass-roots people; and will not only take economic

interests into consideration. Furthermore, more channels should be opened so that there may be opportunities for grass-roots bodies to formulate policies.

On the other hand, I urge Donald TSANG to make long-term planning for the development of social welfare services. In the past, the Government used to prepare drafts such as white papers on 10-year policy or five-year development plans. The link between the Government and social welfare agencies was that of partnership and discussions. However, ever since the introduction of the lump sum grant arrangement, our social welfare development has been at the mercy of the boss. In the past, there were annual discussions between the Government and the Hong Kong Council of Social Service on the orientation and development of services. Such a mechanism has now been utterly smashed. Moreover, the Government arranges outsourcing by means of open tender in which the lowest price wins. Our social service agencies have been downgraded to a status of service contractors who have to engage in vicious competition according to market rules. There can be no stability in the development of social welfare.

Because of the lump sum grant system, the funding for every social welfare agency is capped. As a result, the agencies can only resort to downsizing, the means being limited to retrenchment, pay reduction, or hiring new staff on contract terms. Seasoned staff members become an agency's negative equity whilst new recruits are not clear about their future. It has become difficult for members of the profession to accumulate experience. Because of the "drain of talents", a staffing situation in which "seven lids catering for 10 kettles" is already a common phenomenon in the social welfare sector. In order to achieve financial viability, the agencies have to make their services "go middle class". This goes against the principle of social service, which is to strive for the well-being of the disadvantaged. The quality of our service is also being sacrificed. The lump sum grant system has, therefore, damaged the long-established core values and principles of the social service sector.

Social service is for the disadvantaged and those service users. If the Government holds that there is no more need for social workers as social problems have already been solved, which in fact is what members of our profession are aspiring after, we do hope that there is no more need for us in the community. It is, however, a pity that our social problems are in fact still very acute. Many social services are still crying out for development.

During his election campaign, Donald TSANG said that he had been much moved by the voice from representatives of the social welfare sector on the Election Committee. It is very much hoped that, Donald TSANG will, in addition to being moved, show sincerity and take actions to review the funding mechanism of the entire social service and re-design the long-term development blueprint of social welfare so as to meet current social needs.

With these remarks, Madam President, I support Mr Martin LEE's motion.

MR LAU WONG-FAT (in Cantonese): Madam President, there are new expectations for a new Chief Executive. Expectations vary from person to person, with each doing things in his own way. It was only yesterday that Mr TSANG received his appointment from the State Council. However, Members of this Council, irrespective of party affiliation, are quick to play their roles, offering him advice in all matters in the manner of a hundred flowers blooming all at the same time. Our greeting present for the new Chief Executive is indeed swift and juicy.

Being the representative of the functional constituency of District Councils (DCs) in the Legislative Council, I, for the first round of expectations for and recommendations to Mr TSANG, would like to place emphasis on strengthening DC terms of reference and enhancing DC members' political participation. On the one hand, I do not wish to repeat matters or views already raised by fellow Members, and on the other, it is felt that there is still much to be done by the Government with regard to the issue about representative assemblies at the grass-roots level.

By now, DCs have existed for more than 20 years. The effect of their work on the community is there for all to see. However, I hold the view all along that, in areas like deployment of resources, extension of DC terms of reference, and the support given to the work of DC members and their training, the Government has not been showing due attention, totally lagging behind the developments. As a result, DC development has been impeded, making it impossible for them to progress with the times and to play a better role in society.

DC members are representatives who maintain direct contact with people at the grass-roots level. DCs are representative bodies most suited to grasp and

convey public opinions. So long as the Government can size up the situation in a timely manner to expeditiously adjust and improve the operation of DCs, the DCs can definitely help the Government better gauge public opinions and enhance the governance so as to build a harmonious people-based society.

A month or so ago, to honour the promise made during my election campaign, I organized a visit to Beijing, travelling with the chairmen and vice-chairmen of the 18 DCs, among whom were members from the democratic camp. That can be said to be a historic visit making a good start in promoting communication and exchange between members of local representative assemblies and the Mainland. It is hoped that the Hong Kong Government will place more emphasis on this in the future so as to bring about more exchanges with or visits to the Mainland by DC members or even by Legislative Council Members. This is totally compatible with, and conducive to, the goal of "striving for stability, harmony and progress".

Madam President, one of our recent popular topics is how to train political and administrative talents for Hong Kong. During the visit to Beijing a month or so ago, I suggested to Deputy Director of Hong Kong and Macao Affairs Office Mr CHEN Zuoer, that arrangements be made for DC members to go to Qing Hua University for a study course so as to improve their understanding of the country and enhance their ability in political participation. I am very pleased that the relevant suggestion has won the endorsement and support of the authorities concerned. Our plan is to organize the first DC members' study course at Qing Hua University in August this year.

Yesterday, Mr TSANG mentioned "dragons lying low" and "dragons flying." As a matter of fact, among our 500-odd DC members are quite a few "Messrs and Misses Crouching Dragons". Many Members of this Council originally came from DCs. So, a DC can be said to be a treasure ground for the nurturing of political talents. If the Government is indeed going to create posts of assistants to the heads of Policy Bureaux, members of the DCs offer very good candidates. However, a DC member is just like a big piece of raw jade. It has yet to be cut and polished. In this respect, the Government is duty-bound. Earlier on, I mentioned the need to take actions expeditiously to strengthen DC terms of reference strengthened and commit more resources. There is something more. In the area of training, priority should be given to methods easy to implement, such as appointing more DC members to more statutory

advisory committees, and offering financial aid to DC members to enable them to attend courses at Qing Hua University.

Madam President, I so submit.

DR JOSEPH LEE (in Cantonese): Madam President, Donald TSANG has become our new Chief Executive. Whether or not Mr TSANG is going to usher in a new social scene is probably a question drawing much attention from the people. However, I, being a representative of the health services sector, am more concerned about the question as to whether or not he is going to convert Hong Kong into a "healthy city".

Currently, our health care policies only emphasize treatment, paying scant attention to prevention. As a matter of fact, to make Hong Kong a "healthy city", our health care policies must not give emphasis to treatment only. Instead, there must be comprehensive primary health care, with prevention of diseases stepped up and the work on healthy lifestyle furthered and promoted. So doing will enhance the people's understanding of personal and public hygiene, and improve health standard in the community as well as in the public environment. If the Government puts into effect "community-orientated" health care policies by placing resources on health care services as well as primary health care education, and by putting emphasis not just on the treatment of diseases, then people's physical health and public hygiene will be benefited immensely and a healthy lifestyle will also be delivered to the people. As a result, the community will gain in productivity.

Hong Kong has several health care professions, including nurses, pharmacists, therapists, and dieticians. However, under the existing health care policies, they are unable to bring their roles into full play, wasting their professional knowledge and skills. In fact, the Government should make good use of them so as to enhance their potential role in developing teams looking after community and family health, and implement "community-orientated" health care policies by setting as target the promotion of public health.

Furthermore, there is no co-ordination of efforts on health promotion among government departments and relevant agencies, such as the Department of Health, the Hospital Authority (HA), the Food and Environmental Hygiene Department, and the Environmental Protection Department. So, the outcome is

falling short of expectation. Given the experience of SARS, it is believed that Mr TSANG, who served as the head of Team Clean, probably well understands the need for all the departments to fully co-operate with each other. He definitely can provide the leadership for the various departments to put in effective concerted efforts to help turn Hong Kong into a "healthy city".

Madam President, because of the extremely tight budget situation of the Hospital Authority (HA), there are not enough resources to meet people's needs. The financing of medical services has been looked into again and again. The discussion has been in progress for a long time. However, health care reform is still not in sight. As stated by Dr York CHOW, the sickness of our public health services is like the initial stage of cancer. How much longer can it stand? Because of changes in our demographic structure, it has brought to light the inadequacies of our health care services at a faster pace. Our emphasis should not be placed solely on the issue of health care financing. The need to reform public health care services should also be looked into so that there can be new planning and redeployment of resources; otherwise, the inadequacy of resources will just remain a plague to our public health care system, and there can be no reform.

In tackling problems with our public health care services, the Government can afford no further delay. Now the HA indeed should speed up the reorganization of its scope of services. As stated by Dr York CHOW, resources should be focused on those who are poor or have needs, treating only rare and complicated diseases, cases requiring a lot of money and emergency cases, or concentrated on training medical personnel. In addition, the HA should redeploy internal resources so as to effectively deploy resources to concentrate on needy sectors of the population. Only by doing so can the sustainability of our health care services be enhanced and its long-term development enabled to serve the people.

Madam President, currently we are in grave shortage of nursing staff. Public hospitals, private hospitals and some care and attention homes for the elderly are all experiencing shortage of nursing staff. In dealing with the manpower problem of nursing staff, the Government should have systematic long-term planning to cope with the Government's various new plans for health care. Do not adopt stop-gap measures. This is to pre-empt the situation of "treating the symptoms without curing the diseases", which just cannot tackle the crux of the problem.

Madam President, there is the saying that "New style comes with the new man." It is hoped that our health service sector can also feel the touch of the new style, and break away from the doldrums engulfing us for years. Our health care services will then be endowed with vigour and sustainability for healthy development.

With these remarks, Madam President, I support Mr Martin LEE's motion.

MR WONG YUNG-KAN (in Cantonese): Madam President, having compared the original motion and the amendments proposed by Members, I consider that the amendments proposed by Mr TAM Yiu-chung and Mr Howard YOUNG are simpler and wide-ranging in terms of scope, structure and contents. They are also more in line with Hong Kong people's prevailing expectations. I am going to present my views on the current situation and the expectations of the agriculture and fisheries sector.

Madam President, in the past two months, Mr Donald TSANG, the new Chief Executive, visited all sectors of the community. In the course of his election campaign, he first visited his birthplace. He then went to the fishing boats in Aberdeen to visit fishermen in order to understand their situation. His itinerary covered Hong Kong Island, Kowloon and the New Territories, with Tai Po and certain spots also included. He also savoured Tai Po's fish ball rice noodle as well as Central District's roasted geese. The spots that Mr TSANG patronized are all famous food establishments of the districts, all making gourmet food. No doubt he is a connoisseur. However, I wonder if he has discerned something more fundamental, namely the point that raw materials for those delicacies all come from our agricultural and fisheries industries. There are still some more delicacies in Hong Kong. Had there been no supplies of fresh produce from our agricultural and fisheries industries, not even a wonder-working chef could cook a meal without rice.

The economic importance of our agricultural and fisheries industries lies in them providing raw materials for high-quality delicacies, making it possible for Hong Kong to maintain its reputation as a gourmet paradise. In addition, they also stabilize for the community the prices of agricultural products, which represents one of the key factors that generate foreign exchange by drawing in foreign visitors who are willing to spend here. What is more, the agricultural

and fisheries industries themselves have a large number of workers who are engaged in agriculture or some other related trades. All members of their families rely on fishing or agriculture for living.

We all along know that our community is composed of different trades and industries, each of which has its value for being around. According to some people, the agricultural and fisheries industries, making up just a very small fraction of the Gross Domestic Product, do not seem to have much influence in the economy. However, the production of these industries brings into motion economic activities in many related fields, including those of wholesaling, retailing, feeds, transport, agricultural chemicals, fishing paraphernalia, vessel maintenance, slaughtering, veterinary, environmental protection, and the five trades at marketplaces. They all have something to do with agriculture and fisheries. Furthermore, there is the catering industry. It is believed that those involved are not few. If the agricultural and fisheries industries are eliminated by government policies, there will be a dominos effect giving rise to widespread unemployment in every trade or industry, thus becoming the community's new burden.

Madam President, perhaps there is the view that it is possible for people to switch to some other trades from agriculture and fisheries. It should be noted that people so engaged as well as those engaged in related trades are predominantly individuals with a relatively low level of knowledge or education. It is hard for them to fit their methods of production into other professions. What is more, other professions also have an unemployment problem. Four years ago, there was this farmer who earned his living by raising quails. He had been doing that for decades. The industry came to an end simply to give way to the prevention of avian flu as ordered by the Government. Although he did receive from the Government compensation amounting to several hundreds of thousand dollars, he was left with little after making payments for all the feeds and debts. As a result, he approached us for help just two years afterwards in the hope that the Government would let him resume his operation. Over the past year or two, the Government has been providing retraining to those voluntarily leaving the poultry industry. However, according to my information, most of the graduates are unable to fit into new jobs. The reason is that they have been trained to be domestic helpers or baby-sitters. I believe Members from the labour sector know this only too well.

Moreover, there is something more ridiculous. In total disregard of most farmers' insistence on farming as a way of living, the Government took all the

trouble to spend money to recover the farms' permits. Oblivious to the fact that foreign experts have been praising Hong Kong for our achievement in the prevention of avian flu over the past few years, the Government readily listened to the opinions of specialists and scholars, and tried to implement the measure of so-called regional or centralized slaughtering. The Government did, if you still remember, carry out centralized slaughtering in the Western District. However, in the case of geese and ducks, the plan for centralized slaughtering has already fallen through. If the Government spends taxpayers' money to implement centralized slaughtering, it is going to end in the same way.

Everybody has his own aspiration. This applies to members of every industry or profession. Some farmers, for reasons of age or operational problems, do opt out. I am not disputing this. However, I know that many farmers want to stay on. Madam President, you also know that our farmers are also making efforts to develop their industry. This includes what the newspapers reported recently, namely, pond fish culture getting into the Mainland under CEPA. In the case of the chicken-breeding industry, one long considered by the Government to be hard to develop, the breeders have developed on their own the breeding of French chickens by bringing in the stock needed from France. In doing all these, they are trying to save themselves and make their industry grow well. On the occasion of Mr TSANG's meeting with members of the industries, we had two consecutive meetings together with the Member from Heung Yee Kuk, putting forward 13 requests from the agricultural and fisheries industries, which covered matters concerning fish capture and culture, other branches of the poultry industry, and horticulture. In this respect, it is hoped that the Government will implement a sustainable policy so that members of the industries can find a sustainable course of development.

In fact it is our hope that Mr TSANG, during his term of office, can honour his promise by personally visiting the districts to meet with members of the industries and gather views from members of the community. I wish him even better performance in doing practical work for the general public. Thank you, Madam President.

MR RONNY TONG (in Cantonese): Madam President, on the day when Mr Donald TSANG was elected *ipso facto* and offered appointment to the post of Chief Executive, Hong Kong had several heavy downpours. Even a race meet was cancelled. That reminded me of what happened seven years ago on the eve

of Mr TUNG Chee-hwa's assumption of office. The situation then was very similar to this one. That gave people some ominous presentiment. Will Mr TSANG follow the disastrous route of Mr TUNG seven years ago — rising to power in grandeur and going down so weak and feeble?

The ominous presentiment is in fact traceable. Seven years ago, when Mr TUNG just took office, he had the support of most members of the Election Committee and his popularity was second to none. There was the "golden handshake" with the State leader. Then came the unrealistic flattery in the mass media. After that was consultation with members of the Election Committee behind closed doors. The situation is absolutely identical. With only a change in the person and no change in the system, especially given the fact that there is no genuine democratic election, no true popular mandate and no real incorporation of public opinions into policies, I wonder if the ability of "Chief Executive TSANG" to govern is just like that of TUNG Chee-hwa. How can Hong Kong's quality of governance be upgraded?

When campaigning, "Chief Executive TSANG" advocated the Hong Kong dream of achieving "Strong Leadership, Harmony and People-based Governance". The slogan is very pleasing to the ears. However, strong leadership is not equal to dictatorship. To achieve strong leadership, it is, first of all, necessary for policies to enjoy sufficient public recognition. To gain public recognition, it is necessary for election and the formulation of policies to embrace people's involvement. It is not enough just to have consultation. Under a constitutional system of representative government, people's involvement is materialized by the involvement of representatives blessed with *bona fide* popular mandate. "Chief Executive TSANG" advocates reforming the Commission on Strategic Development (CSD), creating the posts of administrative assistants, and expanding the Executive Council, thus stopping short of consultation, and negating direct participation by representatives of public opinions. This is merely to hold "Mr TUNG's old wine" in "Mr TSANG's new bottles" in a bid to muddle through. I cannot see how he can achieve his goals in this way.

To expand the CSD in order to take on board public opinions when policies are still in the early stage of formulation constitutes a good intention. However, the Legislative Council is already the supreme representative body of public opinions. That public opinions cannot be brought into full play is due to the fact that the Government has not been impartial or accommodating. The Legislative Council cannot bring into function its fundamental role because of the

obstruction posed by functional constituencies. "Chief Executive TSANG" has not prescribed the right medicine as required by the illness, but only tried to patch up the system here and there. It is really disappointing.

The same goes for the proposal regarding administrative assistants. The development of our party politics has now reached a point where every member of the public understands the importance of grooming political talents. Given the fact that there is no democratic election by universal suffrage, it is hard to groom subjectively nominated political talents. Moreover, what should be the yardsticks for appointing administrative assistants? Are they to be nominated by political parties? Which political party is qualified to make nominations? What are the qualifications that make one eligible? So long as these questions remain unsolved, the proposal of administrative assistants is still clouded in suspicions of illicit transfer of interests. The appointees are still not going to command public recognition and their contribution to party politics will also remain questionable.

As for Executive Council reform, it is just some stale talk. Since it merely means to bring in more members while Members and parties enjoying extensive public support are being kept out on the pretext of the need to uphold the principle of collective responsibility, how can that be described as impartial and accommodating? These Members and parties only form a minority in the Legislative Council. Their position is different from that of the majority. To ask those of the former to be responsible for policies that they disapprove of is to eliminate dissident views by means of appointment. What is the justification? An Executive Council appointed by the Chief Executive can have a popular mandate for collective responsibility only if the Chief Executive is returned by election endowed with democracy. Under the current system, a representative of the people joining the Executive Council is only likely to be "denounced by both sides." This is not a sincere approach to giving audience to voices of different parties in the Executive Council.

Similarly, the political platform on economy and the people's livelihood presented by "Chief Executive TSANG" during his election campaign is insipid. His political platform made no mention of quite a few issues related to economy and the people's livelihood about which the local community are very concerned, such as the disparity between the rich and the poor, the fiscal deficit, and fair competition. When asked why his political platform was so brief, he gave a very interesting answer, saying that in the past he had taken part in preparing the

policy address of "Chief Executive TUNG", and that many of the concepts of governance had already been presented. Does it mean that his governance is going to be the continuation of the "Chief Executive TUNG" administration? How does he differ from "Chief Executive TUNG"? Will the disparity between the rich and the poor, the fiscal deficit and collusion between business and the Government that cropped up under "Chief Executive TUNG" stay on? What is the "people-based governance" pledged to us by "Chief Executive TSANG"?

I very much agree with "Chief Executive TSANG" when he said: "A strong government must act with humility, willing to listen to the views of the community" and "A strong government must also act selflessly for the benefit of the community." However, I also would like to put down a reminder for "Chief Executive TSANG". The prerequisite for your "Hong Kong dream" is in fact a system of general elections receptive of different views and offering all Hong Kong citizens equal right of participation. If you want to open a new era for Hong Kong, and if you really believe in your dream, then please immediately take up with the Central Authorities Hong Kong people's aspiration for election by universal suffrage so that the people of Hong Kong can really embrace a new era that ushers in democracy and the rule of law!

Thank you, Madam President.

MR VINCENT FANG (in Cantonese): Madam President, according to many friends in the business sector, Mr TSANG's political platform for his election did not say much about economy. I, however, would like to take this opportunity to praise him for what he said on a Sunday during a "visit to the districts" when campaigning, namely that he would only deal with issues of a macro nature, such as improving the relationship between the legislature and the executive, and creating a harmonious community.

My understanding of social harmony is: every person lives in a harmonious and peaceful environment, with people willingly helping each other, co-operating with each other, and supplementing each other so as to concertedly make Hong Kong better instead of attacking each other or plotting for the destruction of competitors out of selfish interests.

It is not easy at all to accomplish this. In order that there can be a harmonious, peaceful and grudge-free community, the people must, first of all,

be able to lead their lives in peace and happiness. At least there has to be economic prosperity in Hong Kong, with the unemployment rate dropped to the mark of yesteryears. When Mr TSANG was the Financial Secretary, there were full employment, a steady in-flow of revenue, and fiscal surplus. In Hong Kong, there was then no need to expand the tax base to increase tax. At that time, there was actually a generous gift in the form of tax cuts.

However, Mr TSANG, our current situation is a far cry from that of yesteryears. Although our economy has been picking up over the past year, it is just a bubble rising out of high land and property prices as well as a short-term spur from the Individual Visit Scheme by mainlanders. According to the Government, today's property prices are a far cry from those of the peak in 1997. However, at that time, units on high rises had not reached the price rate of \$30,000 per sq ft. Moreover, it has been noticed that in many busy districts, the rents for shop premises at street level have already surpassed the 1997 level.

The economy has just resumed growth. Employment opportunities are fewer compared with the past. There has been a sharp rise in the unemployment rate. The per capita income is lower than that of yesteryears; so is the per capita consumption. The people have yet to regain full confidence in the economy. Shopping malls in places outside busy districts carry very high vacancy rates. All these point to the fact that many shops just "can't make it". Those said to be rushing in are getting fewer and fewer, the reason being that our business environment is worsening. Here two weeks ago, we had a debate on "Actively improving the business environment for small and medium enterprises". Many Honourable colleagues agreed that the business environment in Hong Kong is becoming more and more unfavourable for SMEs' development. So, with regard to the ratio of business founders among adults in the population, Hong Kong ranks the third from the bottom among the 35 economies in the world.

The Government continuously imposes in our business environment hurdles and restrictions that adversely affect businessmen, and it has to be blamed. I would like to cite the food industry for illustration. Last year, the Government adopted provisions requiring that there should be allergen labelling on the external packaging of food. Currently under discussion is nutrition information labelling. Already put on the agenda is genetic modification labelling. How possibly can an industry bear so much additional costs within such a short period of time? What is more, they have to hold meetings on these

matters with the Government and members of the trade day in and day out, and lobby the Members. Consequently, they are unable to focus their attention on doing business. How can they make contribution to economic growth and the job market in this way? How can society achieve harmony amid such grievances from the people?

When visiting the districts, Mr TSANG visited quite a few SMEs, including retail shops, restaurants, fruit stalls and news-stands. He ought to have well understood the importance of a good business environment. However, deprived of supplementary revenue from cigarette advertisements and sales, these news-stands will, as in the case of cooked-food stalls, gradually vanish from the local scene.

I just cannot bring myself to imagine how much worse off our domestic wholesale business and retail trades are going to be if Hong Kong further brings in a goods and services tax (GST). Even mainland visitors are not spending as much as they did before. Moreover, a healthy pattern of spending for a place should not merely depend on the spending of a small group of tourists. According to Mr TSANG, currently it is not the optimum moment to introduce any sales tax. It is, however, hoped that under the leadership of Mr TSANG, our economy can successfully achieve restructuring so as to improve the entire business environment, gain real economic growth and obviate the need to give further consideration to bringing in GST.

Finally, it is hoped that Mr TSANG can, after his official assumption of office, formulate a set of policies capable of effectively improving the business environment in his earnest pursuit of the goal of social harmony. It is hoped that Mr TSANG, who claims to be a "Hong Kong believer", will not let the people of Hong Kong down, and yet at the same time manage to boost Hong Kong people's sense of belonging and confidence.

I so submit. Thank you, Madam President.

MS MARGARET NG (in Cantonese): Madam President, it should have been timely of Mr Martin LEE to move the motion today. It gives this Council an opportunity to congratulate Mr Donald TSANG on being just appointed by the Central Authorities as the Chief Executive of the Special Administrative Region (SAR). According to the speeches so far delivered by Members, it seems that there have been more words of concern than words of congratulations. It is

indeed a hard-earned achievement to rise from a "lonely salesman" to the position of Chief Executive, one surrounded by attendants on all sides. However, it is hard to stand the chill up there when one is so high up. He sits not sure who sits too high. Given his present high position, the need for soul searching is now the greatest. The Central Authorities do have expectations for the new Chief Executive. Pragmatic though Hong Kong people are, they also have expectations for the new Chief Executive. If these expectations come to nothing, then today's success is sowing the seeds for failure in future.

Given today's original motion and all the amendments, it can be said that there are many items, both big and small. I just wish to divide the expectations into three levels, that is, the high, the middle and the low levels for general elucidation.

People's lowest level of expectation is for the new Chief Executive to listen more to public opinions, balance the interests of all sectors in the community, say nothing disgusting to the people of Hong Kong, and do nothing to bring them disgrace. The above view was cited to me by a cab driver. I find his words fair and reasonable. Ordinary people do not expect the new Chief Executive to plead for them before the Central Authorities. Their wish is for him to really heed the wishes of Hong Kong people when formulating and implementing policies in Hong Kong. Do not just try to gratify the Central Authorities in all matters. The people do not expect the new Chief Executive to practise welfarism and tax the rich heavily. Their request is just that there should be no lopsided bias in favour of the consortia or major businessmen so as not to let them monopolize the market to such an extent that ordinary people are unable to earn their living. Ordinary people also have to live in dignity. There is no need for sweet words and honeyed phrases from the Chief Executive. Timely measures are the best.

Middle-level expectation is the expectation concerning the overall interests of Hong Kong, it is still very pragmatic. The expectation is for the new Chief Executive to lead the SAR Government in observing the basic principles of public administration. See to it that there are openness, transparency, fairness, impartiality and respect for human rights and the rule of law. There should be no abuse of power. Accept the supervision of the Legislative Council, and the restrictions of both the Court and the law. The words and deeds of the new Chief Executive in fact reflect the SAR Government's values. Yesterday, the Court of Final Appeal was just hearing the case concerning civil servants' pay

cuts. Yet the editorial of *Wen Wei Pao* already commented vehemently that it would be a total disregard of public interests and a violation of the original intent of the Basic Law if the Court of Final Appeal ruled against the Government. In response to questions posed by the mass media, a Hong Kong government official even said that in the event of defeat in the lawsuit, the option of asking the National People's Congress to interpret the Basic Law could not be ruled out. Given the fact that these disrespectful remarks on the Court came from those at the top, the value thus reflected is that politics outweighs justice, and that the Government is unwilling to be regulated by the Court. This should be avoided in the future. At the same time, members of the community expect the holder of the office of Chief Executive to make a clear distinction between private and public interests. Do not take as one's own the power vested in a public office for discharge of duties. Do not let the credibility of the public office of the Chief Executive be tarnished by dents in one's personal integrity. These expectations should be achievable.

However, Mr Donald TSANG's ambitions are not limited to these. He holds himself up as a "politician". This means he expects the maximum of himself. In order to be a politician who can go down in the annals of history, he has got to make further advance in his official capacity as well as in his private capacity. On the official side, there must be contribution to the nation and the people. To build a democratic Hong Kong for China should be the greatest contribution at this time in history. On the private side, there should be adherence to the humanitarian spirit. Attention should be given to one's demeanour, with the inside and the outside matching each other, and be a model to all those engaged in politics.

Madam President, it does not matter what merits or demerits Mr Donald TSANG demonstrated in the past. As he has now been appointed by the Central Government to be the Chief Executive, this Council will sincerely, I believe, wish him all the success so that the Hong Kong SAR can succeed and progress and the people of Hong Kong can work and live in peace and contentment. My belief is that so long as the new Chief Executive does have sincerity, all of us will put aside our divergent views to concertedly serve our Hong Kong, our country and our people. Thank you, Madam President.

MR TOMMY CHEUNG (in Cantonese): Madam President, today I am primarily speaking on behalf of the catering industry to express their

expectations for the new Chief Executive. From a macro angle, it is hoped that the new Chief Executive can indeed remove all the hurdles and lift all the restrictions so as to improve our business environment and attract investments, both from Hong Kong and the Mainland. From a micro angle, in recent days several initiatives have targeted on the catering industry. Members of the industry certainly hope that the new Chief Executive can, on assuming his office, pay more attention in this respect.

The first issue that they are very concerned about is the policy of a total smoking ban. Although the Smoking (Public Health) (Amendment) Bill 2005 is already under consideration, there is still time for the Government to make some amendments. It is the earnest hope of the industry that the Government can refrain from taking any "across the board" action or seek to achieve the goal in one single step. Instead, for some time following the enactment of the amendment bill, exemption and enforcement should be effected in stages. It has to be so especially in the case of certain businesses, such as mahjong parlours, mahjong clubs, bath-houses, and bars. They in fact have more smokers among their customers. So they should be given exemption.

Madam President, the second issue I would like to talk about is the policy under discussion regarding regional slaughtering and reduction in the import of live chickens by means of administrative measures. The efforts continuously put in by the Food and Environmental Hygiene Department, the Agriculture, Fisheries and Conservation Department and members of the industry over the past five or six years to improve the marketing conditions of live chickens will in fact be negated by these policies. At present, the Policy Bureau concerned is taking a very passive approach in a bid to "drain dry" members of the industry so as to drive live chickens away from the market. Such an approach wastes both money and manpower. What is more, it is going to cost many people their jobs. Once they become unemployed, it is very hard for them to switch to other trades. Hong Kong's reputation as a gourmet paradise will definitely be badly tarnished because of the absence of live chickens. This is most deplorable.

Thirdly, I would like to talk about the licensing system for the catering industry. We have been talking about licensing for a long time. This year the Financial Secretary already set up a body dealing with economic development to explore ways to improve the business environment. We also discussed licensing matters at the meetings of this Council's Panel on Food Safety and

Environmental Hygiene. Given the wisdom of Honourable colleagues, it is hoped that there can indeed be improvement. With regard to licensing matters, in the past we all wanted to see improvement in such areas as bureaucracy in processing, licensing conditions, and the possibility of streamlining the process or having fewer licences. Lately, Tai Cheong's egg tarts have ceased to be available to us. Man Yuen had its licence revoked upon the death of its licence-holder. All these point to the rigidity of the policies of the Policy Bureaux concerned. Their failure to also take care of such food culture is of no help to the growth of tourist industry.

Trade effluent surcharge is the fourth issue that I would like to talk about. At the time of the last Governor of Hong Kong and during the two terms of office of the Chief Executive, I brought up the issue again and again. In my opinion, the surcharge is illegal, unreasonable and unfair to the catering industry, and the appeal mechanism is also bad. Thus I hope that the new Chief Executive can make real efforts to get the bureau concerned to improve both the system of charging and the appeal mechanism. The system of charging has been in force for 10 years, and members of the catering industry have been pouring money down the drain for 10 years. The Chief Executive should be able to do something about it, especially with regard to trade effluent surcharge and sewage charge. The reason is that the Government is about to bring in Strategic Sewage Disposal Scheme Phase 2A and Phase 2B. According to Dr Sarah LIAO, the Secretary for the Environment, Transport and Works, the charge by then for each unit of water is going to be over \$10. The catering industry definitely will find it unbearable. Our new Chief Executive often liked to quote the "user pays" principle. It came close to being his brainchild. However, my fear is that in saying "user pays" so often, he means that the business sector is to foot the bill for a banquet hosted by officials. What is more, the "use" made is very expensive too. Then every person is required to pay. He, however, must understand that members of the industry cannot afford frequent payments.

The fifth issue that I would like to speak on is that of minimum wage and maximum working hours (also known as standard working hours) just mentioned by Mr WONG Kwok-hing. About this, the catering industry has great reservations. Our industry has many types of work and many ranks of positions. If minimum wage and standard working hours are brought in, it will then be likely for full-time workers to become part-time or non-full-time workers. It is so in other developed countries. Full-time jobs may not be available to workers in the catering industry. Furthermore, as it is possible for

one increase to trigger off other increases, the introduction of minimum wage might bring about a situation in which the pay for a head chef might become unaffordably high, which can render the operation of the catering industry not viable.

Next, I would like to speak on sales tax. Mr Vincent FANG talked about it earlier on. I am not going to say too much. Furthermore, I did talk about sales tax in the past. I just want to say that I do not want the Government to bring in sales tax.

The seventh issue is that the catering industry would like to see a reduction in liquor duty. Surely, the new Chief Executive may argue that this is an issue for the Financial Secretary. However, he still should not pass the matter entirely to the Financial Secretary.

Finally, Madam President, my conclusion is that it is the hope of the Government to continue the implementation of macro policies and flexible measures. Over the past decades, the catering industry, unaided by the Government, has managed to score the achievement of creating a gourmet paradise. However, over the past 10 or eight years, the industry has been seemingly subject to more and more interference from the Government. As a result, it is most unlikely for us to maintain our reputation as a gourmet paradise.

With these remarks, I support Mr Howard YOUNG's amendment. Thank you, Madam President.

MR ANDREW LEUNG (in Cantonese): Madam President, first of all, here I have to congratulate Mr Donald TSANG upon his appointment by the Central Authorities as the new Chief Executive. With our economy now making a full-scale recovery, members of the public surely expect very much of Chief Executive Donald TSANG. Given Mr TSANG's ability and experience and the fact that he has things to his advantage in terms of time, place and people, he definitely can lead our economy to new heights, and our industries, which have made an enormous contribution to Hong Kong over the past decades, are going to gain rapid growth again. This is my firm belief.

Of course, in order to reinvigorate our industries, already long inseparable from the Pearl River Delta (PRD) Region, or once more make them one of the locomotives driving our economy, slogans alone are not enough. There must

be support from government actions, including the formulation of timely policies and measures. There are a few points which I would like to raise here today.

Firstly, the SAR Government should strengthen the co-operation between Guangdong and Hong Kong so as to promote our fusion with the PRD's economy and development. The Guangdong-Hong Kong Economic and Technological Co-operation Exchange Forum scheduled for early next month offers a good opportunity. Mr TANG Bingquan, the Vice Governor of Guangdong, will lead a delegation to Hong Kong for meetings with the SAR Government and members of our industrial and business sectors. We should make good use of such opportunities to further improve and deepen the policies and measures of co-operation between the two places.

It should be noted that presently Hong Kong businessmen have some 70 000 factories in the PRD Region, hiring more than 10 million workers. The massive industrial production activities of the PRD constitute the driving force behind the rapid growth of our service industries, such as finance, insurance, logistics, trade and commerce. The Government should, therefore, actively help members of the industries to explore and develop business in Hong Kong and on the Mainland. So long as our companies keep on expanding production, there will be, as a reaction, incentive for local service industries to grow further. The pace of economic recovery can thus be hastened. To achieve this, it is necessary for Hong Kong and the PRD to have a clear division of labour. That is to say, the former is to be responsible for the planning and development of value-added industrial services and management whilst the latter is to place emphasis on large-scale manufacturing processes.

It is also my hope that both the SAR and Guangdong Province can launch more new policies that are useful, constructive and free of the old mindset so as to support the sustainable development of our industries in Hong Kong and in the PRD Region and to better the quality of production in order that the PRD can develop into the tip top factory of the world. The Government may give consideration to the idea put forward by the Federation of Hong Kong Industries, namely, to push for the establishment in Guangdong Province of a super industrial park half the size of Hong Kong Island in a bid to invite 1 000-plus enterprises around the world to set up factories there. This will go one further step in drawing in value-added industries as well as world-class management and talents. In this way, productivity, and quality of products can be improved,

cost-effectiveness achieved, and the growth of service industries strengthened. What is more, 30 000 posts can be provided to Hong Kong people too.

Secondly, the SAR Government should re-formulate industrial policies. As a result of economic restructuring, industries in Hong Kong as well as all over the PRD Region can no longer rely solely on cheap and intensive labour; otherwise, they cannot compete with other places in the world. So, to promote our industrial development, the Government should aim at value-added high tech industries. In particular, there ought to be further development or improvement in major value-added sectors, such as the protection of intellectual property, technology, design, management, marketing and quality enhancement. All this will improve Hong Kong businesses' competitiveness in order that Hong Kong can develop in the direction of knowledge-based economy.

In the endeavour to achieve this goal, talents can be considered a key factor. Take design as an example. The Government should commit a lot of resources to education so as to train more professional designers. Then, by means of different promotional efforts, a form of design culture should be fostered in the community. At the same time, the Government should also launch more incentives. For instance, there should be three-fold tax concession for money spent on design or scientific researches by enterprises so as to encourage companies to spend more on the design and development and research of products, and establish and promote the unique brand name of "Made in Hong Kong". Furthermore, there can thus be stronger attraction for international scientific research or design companies to come here for investment.

In fact, Hong Kong has great development potentials in quite a few value-added industries. Take the auto parts industry as an example. Yesterday, the Mainland's Geely Automobiles concluded with the Hong Kong Productivity Council a framework agreement on the research, development and design of automobiles geared for the mid-to-high end market. Then it will leverage on the advantages of CEPA to manufacture automobiles in Hong Kong. If we can hasten the pace of such development, then, by taking advantage of the rapid growth of the automobile industry on the Mainland, we can make it possible for Hong Kong businesses to make a head start to catch the business opportunity to become the first-tier suppliers of the automobile industry on the Mainland. This will bring with it endless business opportunities, and a lot of new jobs.

Finally, the Government should make good use of the development opportunity of the Tuen Mun Recovery Park to push for the development of the environmental protection industry, one that can also grow in the direction of value-added industry. Here I have again and again explained the advantages that can come with it. However, I have to reiterate one point. To maintain a business-friendly investment environment, the Government must adhere to the principle of "small government, big market" in its policies on environmental protection. All revenue from taxes or surcharges to be levied should be back into the development of recycling and environmental protection industries.

Madam President, Chief Executive Donald TSANG has successively served as Chief Secretary for Administration, Financial Secretary, Director-General of Trade, and Chief Trade Negotiator. He has also led the co-ordination group on Hong Kong-Guangdong co-operation. I believe he must understand the needs and challenges of the industrial and business sectors. Thank you.

MS LI FUNG-YING (in Cantonese): Madam President, before proceeding to the debate today, I would first like to congratulate Mr Donald TSANG on being elected the new Chief Executive. In the occupation column of the nomination form to run in the election, Mr TSANG put down the word "politician". I hope that Mr TSANG has the magnanimity and visions, as well as the stamina and skills of a politician to lead Hong Kong people in forging a new era for the implementation of the "one country, two systems" principle and for social justice, without fear of the trials and tribulations. He must not fail the support of over 70% of members of the public, the trust of the Central Government, the support of more than 700 members of the Election Committee including me and the role of a politician which he put down in the form.

I do have some expectations for the newly elected Chief Executive, Mr Donald TSANG. The basis of my expectations is not so much the policy agenda of the SAR Government he published during the election as his life experience. When standing for the post of the Chief Executive in the election, Mr TSANG stressed that he was an ordinary man living under the Lion Rock who had worked hard to get ahead and eventually stood out from the crowd. Mr TSANG's transformation from a salesman of pharmaceutical products to the Chief Executive gives me reason to expect that the new Chief Executive will

have a better understanding of the delights and sorrows in the daily life of the general public and greater sympathy for the fight of the grass-roots workers for more rights. The refining experience of his long career in the Civil Service can also assist him in restoring stability and morale among the civil service ranks.

I hope that I am not wrong in understanding the policy of the new Chief Executive, Mr TSANG, from his life experience instead of the stodgy policy agenda. As a matter of fact, it is not just the working class, but almost all groups concerned about the livelihood of the grassroots and social justice hold the same aspirations. These include the alleviation of the disparity between the rich and the poor, setting a minimum wage and standard working hours, a comprehensive review of the Employment Ordinance, strengthening the protection for contract workers and workers paid on hourly rates, and so on. I believe Mr TSANG has already heard all these demands before, so I do not intend to repeat them here.

Here, I just want to state some expectations concerning the principles of administration. I hope that, in making any policy decision in the future, particularly policy decisions concerning the people's livelihood, the SAR Government can take a holistic approach when considering the issues instead of considering policy changes in a fragmented manner. A recent example is the Government's intimation that the Comprehensive Social Security Assistance (CSSA) for able-bodied people would be reduced. The fine excuse offered is to encourage these able-bodied people to re-enter society and become self-reliant. However, since there is no unemployment protection in society and these people are not allowed to receive CSSA, what will the outcome be?

Another expectation I have is that the SAR Government will not use compiling research reports or seeking consensus in society as the excuse for evading its responsibility in the future. Regarding the issue of setting a minimum wage and standard working hours, in which Members are already so well-versed that I do not have to recap, the Government has shifted all responsibilities to the Labour Advisory Board. Let me talk about the population policy, in which Mr TSANG is well-versed. I still remember that in a debate in the Legislative Council about the low birth rate, Mr TSANG cited the fact that his parents had raised six children as an example to question the relationship between wages and rearing children. However, Mr TSANG did not consider the difference between the Hong Kong society of his father's time and the Hong

Kong society nowadays. To say the least, in the era in which Mr TSANG's father lived, there was not a series of law on child protection — I am not asking the Government to abolish the prohibition of child labour or the compulsory nine-year free education, or that children be allowed to be unattended at home alone. If Mr TSANG is a politician, he should be able to discern the social changes and respond to the concerns of society according to new social standards. He should at least propose a direction instead of deflecting problems by waiting for study reports.

Social studies are important before making policy decisions but reports should not become the standard answers for the Government in responding to social issues. If all that those people responsible for governance only know is to wait for the recommendations made by reports and for the consensus reached by employers and employees in solving social problems but have no courage to make commitments, then such a governor cannot qualify as a politician.

Madam President, when I looked at the amendments proposed by Mr TAM Yiu-chung and Dr YEUNG Sum, I found that this motion on the expectations for the new Chief Executive involved not just the new Chief Executive, but everyone who cares for Hong Kong, in particular those who, like me, play a part in public affairs. We have expectations and demands for the new Chief Executive and they should also be the expectations and demands for every person who plays a part in public affairs because without the help of other people in working towards the same goals side by side, our expectations and demands for the new Chief Executive are bound to fall through.

Madam President, I so submit.

DR KWOK KA-KI (in Cantonese): Madam President, regrettably, the new Chief Executive cannot attend the debate on this motion today, but it does not matter. Yesterday, the Premier of the State Council, Mr WEN Jiabao, officially announced the appointment of Mr Donald TSANG as the new Chief Executive of the Hong Kong Special Administrative Region (SAR). He pointed out, to this effect, "Mr TSANG exhibits relatively strong capabilities in administrative management. He is familiar with the situations in various circles of Hong Kong and government work since he has worked in the Hong Kong Government for more than 30 years. Since the reunification of Hong Kong, when formerly serving as financial and chief secretaries of the SAR Government,

he has contributed much to safeguarding the 'one country, two systems' principle and the Basic Law and keeping the city's prosperity and stability."

Soon after that, Mr TSANG said he would fly to Beijing shortly and be formally sworn in. He said that he must first of all thank the Central People's Government for its support in making the appointment. He knew full well that this was a heavy responsibility, therefore, he would strive to do his job as the Chief Executive well in the remainder of the term, and he would not fail the Central People's Government in the heavy responsibilities entrusted to him. Nevertheless, is it really a cause for celebration and well wishing that a Chief Executive is politically appointed without any element of democracy?

After an election project which was conducted for show, Mr Donald TSANG got an exceptionally large number of nominations and secured appointment by the Central Authorities. After this process, he suddenly changed. He ditched the appellation of a "politician" and claimed himself a "public servant" instead. All of a sudden, he also admitted his inadequacies and said that he would, with a humble heart, consolidate existing support with concrete actions and strive to solidify members of the public holding different views and uphold the overall interest of Hong Kong.

Actually, what expectations do Hong Kong people hold for the new Chief Executive? During the election, politician TSANG found himself in a small-circle election falling short of 800 persons. It is just a piece of cake for him to strike out the other two adversaries. However, he has also done something that disconcerted us. This includes his comment that "casting one ballot on two candidates" is an unethical act. Moreover, he also promised some political parties that some new measures, such as creating the posts of administrative assistants, would be introduced. Was it not an unethical deal to rally support from the political parties? A journalist who is still being detained on the Mainland wants to return to Hong Kong as soon as possible and his family wants to see him, however, Mr TSANG has not given any direct reply. Regarding such longings, he did not render any assistance in conformity with human rights or on humanitarian grounds. Is this what Hong Kong people like to see?

I find that as a politician or a public servant, Mr TSANG lacks a bit of liberality. On the day of his resignation, he said to this effect, "I have no fear because it is a selfless decision". I am not sure what he meant by no fear. Did

he mean he had no fear for people against him, no fear for dissenters, or for the rich and powerful? Is it this fearlessness that motivated him to do something that does not conform to the wish of Hong Kong people? As a Hong Kong believer, I hope that his fearlessness refers to the last group of people. I hope that he is truly selfless, that he will not betray the expectations of Hong Kong people for him in order to secure another term of office two years later.

I trust that Mr TSANG will keep his promise after he has been appointed by the Central Authorities. I believe nobody will doubt his loyalty to the Central Authorities. However, the question is, we have to know whether he is serving the Central Authorities or Hong Kong, and whether he is going to reflect the public's opinions. I think only he himself knows the answers clearly.

After Mr TSANG has performed this drama of small-circle nominations and winning the election uncontested, his first task is to respond to the ruling coalition, including how to implement some of the undertakings he made, such as creating posts of administrative assistants and absorbing political parties and professional elites into the what we call "pie-sharing" Commission on Strategic Development and even the Executive Council. However, none of these are important. To political parties, all these are just gilding the lily. In fact, what is most important, and also what Hong Kong people want him to do the most in the two years to come, is to really face the people of Hong Kong, and to lead and address the issues relating to constitutional development in Hong Kong later this year.

It is easy for Mr TSANG to face the Central Government and he can also easily deliver some results. He will be able to accomplish what the Central Government entrusted to him. I think what he will have greater difficulty accomplishing is to be responsible to all members of the Hong Kong public and make use of the trust that the Central Government has in him to take forward the constitutional system, including the electoral system, in the next two years. Mr TSANG always boasts that he has Hong Kong blood in his heart and he drinks Hong Kong water. This time, we will really have to observe his performance in the next two years.

Coming back to my own trade, for the time being, health care reform is indeed a very important issue in Hong Kong. I also hope that he, after taking the office of Chief Executive, can conscientiously implement and support, and even assist the Secretaries under him, in carrying out the health care reform. I

hope that the reform will not be postponed indefinitely out of the fear of running into a brick wall or a lack of support.

Hong Kong people still got to have hope and expectations for this new Chief Executive. Why? Because we have no choice but to ask him to re-establish a reasonable political system, a good system, as well as to meet public expectations because the motivation that will sustain him in governing Hong Kong is the expectations that the public, including those of each and every Hong Kong resident has for him, and the support that he has from the public.

I hope he can hear me. Thank you, Madam President.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, today, Donald TSANG received the letter of appointment from Premier WEN Jiabao and formally became the new Chief Executive of Hong Kong. He is entrusted with a stupendous task and heavy responsibilities. I hope Mr Donald TSANG can stick to the slogan of "strong government based on public opinion and strict administration to bring well-being for the people" adopted by him when he stood for the election and I wish him great success in leading Hong Kong, restoring prosperity and moving towards democracy.

In TV interviews, Donald TSANG has repeatedly turned "loving the country and loving Hong Kong" into "loving Hong Kong and loving the country". I do not know if putting the two in such an order was deliberate or unintentional, but the most important lesson in the seven years after the reunification is: The greatest contribution that the SAR Government can make to the country is to govern Hong Kong properly. Therefore, if the Chief Executive loves Hong Kong, it is equivalent to loving the country; if Hong Kong is properly governed, it is also equivalent to loving the country.

In order to govern Hong Kong properly, it is essential to attach importance to the core values of Hong Kong. During his election campaign, Donald TSANG has said a lot of high-sounding words. However, when it came to Article 23 of the Basic Law (Article 23), the 4 June incident and the issue of CHING Cheong, he had to carry the baggage of political correctness. He failed to abide by the values of Hong Kong and stick to people-based governance. This is most worrying to the people of Hong Kong.

Regarding Article 23, in a closed door meeting, Donald TSANG said that in the previous exercise of enacting legislation on Article 23, some of the provisions were too lax, incomplete and outdated, that there could be loopholes and national security could not be effectively protected.

Do Donald TSANG's words represent the mainstream public opinion in Hong Kong? The people of Hong Kong oppose Article 23, not national security. They consider the provisions too stringent, too harsh and that the charges can be inflated out of proportion. They are afraid that innocent people might be caught mistakenly, and that the media will be done injustice. Half a million people took to the streets together to reflect their apprehensions and indignation about Article 23. If Donald TSANG's strong government is really people-based, how can he disregard the public sentiments about Article 23 and look down on the clamours of half a million people who took to the streets? Is the comment that the provisions are "too lax, incomplete and outdated" and that national security could not be effectively protected truly the voice of the people of Hong Kong?

Donald TSANG has already become the Chief Executive of Hong Kong. What he said during his election campaign will form the basis of his governance in future. He must clarify whether his remarks about Article 23 were merely a slip of the tongue or a calculated move to wait for two years for the renewal of his term of office, after which he will wait for a new opportunity to enact the legislation? Did he say those words to please the leftists who attended the closed door meetings, or to pledge allegiance to the Central Government openly, all the while forgetting the apprehensions and indignation of the public about Article 23?

Donald TSANG's election campaign coincided with the 16th anniversary of the 4 June incident. The 4 June incident is a pain in Chinese history. The people of Hong Kong do not want to recall it but they dare not forget it either. Donald TSANG said that the Chief Executive must be a patriot meeting high standards and he must be a genuine patriot. However, can a real patriot forget the 4 June incident, which is a matter of distinct right and wrong? Can a real patriot cover up the bloodshed and the loss of young students in the 4 June incident with the tremendous economic achievement of China in the past 16 years? How could Donald TSANG, for the sake of winning the election and the 714 votes, utter these words devoid of moral judgement and conscience? Or was he trying to make use of the 4 June incident to wash clean his past record, so

as to eliminate the suspicions and wariness of the leftists and the Central Government?

Donald TSANG received a request made by a family member of CHING Cheong to meet him but the door was shut, much to the disappointment of those Hong Kong people who are concerned about CHING Cheong. In this incident involving CHING Cheong, the mainland organs did not deal with the case in accordance with the rules and regulations on the Mainland. Nor did they notify the SAR Government or CHING Cheong's family promptly under the established system of notification. What was most shocking to Hong Kong people was the official announcement made by the Chinese Foreign Ministry spokesman KONG Quan to the world that CHING Cheong had already confessed that he was a spy, even though the Court in China has yet to come up with any official verdict and CHING Cheong is still unable to give any defence in public as he was still under residential confinement. Is this kind of one-sided accusation made in the name of the State a violation of the lawful rights of CHING Cheong? Is this not landing CHING Cheong in a situation in which he simply cannot say anything in defence? Has this not foreshadowed the fate of CHING Cheong and the verdict of the Court in future?

Donald TSANG is about to go to Beijing to accept from the Central Government the appointment as the Chief Executive. The Hong Kong Journalists Association and the Reporter without Borders have collected more than 10 000 signatures from the public demanding the release of CHING Cheong. Donald TSANG responded that he hoped he could raise the matter with the relevant party at an appropriate time. Madam President, today is the "appropriate time" because CHING Cheong has been detained for 61 days, because Donald TSANG has formally become the Chief Executive of Hong Kong and made the promises of a "strong government based on public opinion" and "loving Hong Kong and loving the country". Donald TSANG certainly must uphold with resolve the lawful rights of Hong Kong people on the Mainland. I hope that Donald TSANG can seize the opportunity of meeting the leaders of the Central Authorities to relate the wishes of Hong Kong people, to say something in fairness for CHING Cheong and to lobby for the lawful rights of CHING Cheong and enable him to return to Hong Kong as soon as possible.

According to Donald TSANG, Hong Kong is a dragon boat. At times, the dragon is waiting for an opportunity to give free rein to its potentials — it

should actually be "Hidden Dragon. Do not Act". At times, the flying dragon can soar high in the sky. The people of Hong Kong have always professed themselves to be the descendents of the dragon. I hope that, insofar as the core values Hong Kong people such as democracy, freedom, human rights and the rule of law are concerned, Donald TSANG will not behave like YE Gong, who professed to love dragons by merely paying lip-service but passed out at the sight of a real dragon, and become "Donald TSANG who professes to love dragon" in the face of issues relating to Article 23, the 4 June incident and the incident of Mr CHING Cheong. I hope he will not just be politically correct, just step aside in silence and allow the people of Hong Kong to continue living in "grievances, apprehensions and indignation".

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

MR LI KWOK-YING (in Cantonese): Madam President, lately, the Chief Executive designate made frequent visits to various districts and carried out inspections everywhere to understand the hardships and sufferings of the general public. I wonder what his feelings will be if he sees a large number of elderly people braving the elements to queue up for medical service at out-patient clinics before dawn every day.

I remember that when the Secretary for Health, Welfare and Food briefed Members of the Legislative Council on the policy agenda this year, he set out four priority development objectives for public medical services, including accident and emergency service, providing services to low-income earners and disadvantaged groups, bearing the cost for illnesses that require high costs, advanced technology and cross-departmental specialties and professions and training for health care professionals. However, judging from the recent issues surrounding out-patient service and the controversy over the Standard Drug Formulary, I have serious doubts about whether these objectives for the existing medical services can be achieved.

According to the results of a survey on general out-patient service conducted by the DAB, in Sham Shui Po District, patients, mostly elderly people, often have to spend several hours to more than a dozen hours to secure a chip for out-patient service. The excessively long wait for patients are attributable to several main reasons. Firstly, the Government has slashed the

resources for specialist out-patient clinics and patients who are in stable conditions are referred to general out-patient clinics for follow-up treatment. As a result, the number of patients using public out-patient service has increased. Moreover, the Government regards general out-patient clinics as a vehicle for family medicine training. However, the emphasis of family medicine is on providing continuous, integrated and comprehensive health care to patients. As a result, each family medicine doctor spends more time on consultation and the maximum number of patients treated has been reduced from 85 to between 60 and 70. As the Government has not allocated additional resources proportionately, the chips for general out-patient service turn out to be inadequate.

In addition, the Government has not made corresponding arrangements in the provision of medical services according to the situation in each district. Sham Shui Po District, in which the survey was conducted, is one of the districts with the lowest median household income in Hong Kong and it is notorious for being "full of the poor and the old". Nearly 80% of the respondents were elderly people over 60 years of age and more than 80% of the respondents were retirees who have no income and have to rely on their family members or Comprehensive Social Security Assistance payments for a living. I mention their family background and financial situation because I wish to point out that it has become a part of life for these elderly to go to a public clinic to seek treatment when they fall ill. Since they do not have any income, they have no alternative but to go to public clinics to seek medical treatment in spite of inclement weather and insufficient sleep.

In fact, the problem in relation to out-patient clinics in Sham Shui Po District is just the tip of the iceberg. Due to the tight public medical resources and the Standard Drug Formulary introduced recently, be it in general or specialist out-patient services, patients are facing the danger of seeing a degeneration of their conditions from relative healthiness to illness and from minor ailment to serious conditions. Insofar as the Standard Drug Formulary is concerned, it has aroused a lot of controversies in its course of compilation. To a large extent, this is due to a lack of consultation, in particular, a lack of participation from patient groups. I do not object to the formulation of the Standard Drug Formulary but I do object to forcing patients to buy very expensive drugs on their own on the excuse of standardizing the management of drugs. Since some expensive drugs are not included in the Standard Drug Formulary, the Government must relax the screening criteria in the present

subsidization system, lest some patients may not be able to afford the drugs or have to spend all their fortune on purchasing the drugs.

As for public out-patient clinics, the most pressing task now is for the Government to commit adequate resources to reducing the waiting time of patients and improve the environment for patients waiting for out-patient service. To improve public out-patient service does not mean that it has to compete with the private medical sector for profit. In all fairness, the two sectors cater for different markets. There is no competition at all. Furthermore, why should an ordinary person spend hours or even a whole day waiting for public out-patient service?

Of course, the best way to directly reduce patients' waiting time is to allocate more resources to public out-patient clinics. However, if the Government can honour its original undertaking of opening 18 Chinese medicine out-patient clinics as soon as possible, the same ends can be achieved through different means and the problem involving public out-patient clinics can also be alleviated. In all fairness, some medical institutions and even some academic organizations are currently developing Chinese medicine services even though they lack government funding. Take the Hong Kong Baptist University as an example. It has managed to raise \$50 million for the construction of a Chinese medicine daytime clinic, and at the end of this month, two hospitals under the Tung Wah Groups of Hospitals will begin to offer integrated Western medicine/Chinese medicine treatment and provide treatment to patients in a combined Western-Chinese medicine approach.

The Government, on the contrary, has failed to give active support to the development of Chinese medicine. Up till now, it has only set up three Chinese medicine out-patient clinics. Even by the end of this year, the number will only increase by three. This is a far cry from the Government's original undertaking of building 18 Chinese medicine out-patient clinics. In fact, according to the survey conducted by the DAB in Sham Shui Po District, an overwhelming majority of the respondents supported the provision of Chinese medicine out-patient service in the district. As the saying goes, "It is not too late to mend the fold even after the sheep is lost." The Government can actually build Chinese medicine out-patient clinics first in districts with an ageing population. On the one hand, this move can satisfy the needs of residents in the districts, and on the other, it can relieve the pressure on present public medical service.

Madam President, the economy has recovered slightly but low-income families have yet to benefit from this. They really cannot afford the very expensive medical fees. Therefore, I hope that the new Chief Executive can really understand the public sentiments and abstain from compromising the medical service provided to the grassroots due to the need to cut expenditure.

Madam President, I so submit.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, since the motion debate today is on the expectations for the new Chief Executive, I just cannot hold my tongue. I will comment on three aspects: financial services, real estate and constitutional reform.

In this by-election of the Chief Executive, I did not see him express any distinctive vision on financial services. I wonder if the 12 representatives from our industry had met one of the candidates at that time, that is, Mr TSANG. In any case, since the 12 votes all nominated him, this proves that all the people in my sector are smart. For this reason, Mr TSANG also emphasized again the importance of Hong Kong as a financial center after he was elected the Chief Executive.

We understand that local Chinese brokerages have played a part in the financial sector, namely, in securities, for over a century. They have always toiled away quietly. The heyday was the past three decades or so. At present, the number of such participants accounts for almost 78% to 80% of the total but their share of turnover is only less than 15% in the market. Is the Government in any way responsible for this? May I ask the officials responsible for financial affairs if they are doing their work with the mentality of introducing global competition and then condoning monopolization? I very much hope that the Government can show some concern for the worries of the sector.

The second issue that I wish to talk about is real estate. We understand that lately, a very prominent chairman had the gumption to ask Mr TSANG to restore the high land price policy. In other words, the real estate sector was a party to the implementation of the high land price policy and preyed on the Hong Kong public in the past. In the eight years since the reunification, some

objective factors have led to the adverse fortunes of the real estate industry. Now, a certain prominent person has, for the sake of those people associated with him — he should have declared his interest because several ladies related to him have acquired many valuable properties — asked the SAR Government to implement a high land price policy, so that they can become even richer and reap even greater benefits. Someone even openly said that he has made comments against his conscience in the past. In that case, when he speaks again in the future, is it necessary to use a lie detector to ascertain if he is speaking the truth or not? Is it true that the Government has all along had a policy of controlling land prices, which has made a lot of tenants suffer?

Of course, we have heard Mr TSANG say in public that everything depends on the demand and supply in the market. However, no matter what, since each of their actions has given the public an impression of prophecy, I really hope that on this issue, the Government can once again address the Hong Kong public in complete openness. The lot in West Kowloon is an asset of Hong Kong people. On the basis of \$30,000 per sq ft, the selling price of this lot can be over \$10,000 billion, including the construction cost, of course. According to the transaction price in the last land sale last year, this lot is worth at least \$3,000 billion to \$4,000 billion. I have to ask this question more emphatically: Why did the Government say that only \$600 billion to \$700 billion was involved, such that it really arouses the suspicion that there is transfer of benefits and collusion between the Government and business? I hope that Mr TSANG can make this his first and foremost mission to restore the confidence of Hong Kong people in him. The land in Hong Kong belongs to the people and to China. For no reason should it be transferred in this way. In this regard, the Government absolutely has to face the reality.

Madam President, lastly, I have to talk about constitutional reform. We can recall that our State President, Mr HU Jintao, told the SAR Government on 20 December 2004 in Macao that inadequacies had to be identified. In this election, there were obviously two inadequacies:

First, in Annex I to the Basic Law it is stated that the Election Committee should be composed of 800 members, 200 persons from a certain sector, 41 from another, 36 from another, and so on. However, 796 persons are short of 800 persons. When the NPC made an interpretation on the Basic Law concerning whether the term of office should be two years or five years, why did it not add the three words "not more than" in it? Saying "not more than" 800 members

will comply absolutely fully with the facts and the spirit of the Basic Law. Why was that not done? Without having to look for it, this is an inadequacy readily discernible.

Second, it is known that the status of 36 members of the Election Committee is open to question. In the by-election on 1 May, why was this point not raised for discussion? This is in fact showing contempt and neglect of the Basic Law. It is worthwhile for the Government to carry out a review of the constitutional system in future. We can see that, be it the First, Second, Third or Fourth Report in the past or the upcoming Fifth Report, they are all in fact irresponsible. No matter what changes are made to the constitution, the Basic Law must always be complied with. Only this can be compatible with the reality.

Madam President, everyone, including any ordinary person, of course wishes to be rich, beautiful and intelligent. The Government has also given many undertakings, but can all of them be honoured? Only time will tell. However, no matter what, only those who have the courage to shoulder responsibilities will be worthy of respect.

MR JEFFREY LAM (in Cantonese): Madam President, during the election campaign, the new Chief Executive, Mr Donald TSANG, made the undertaking to make improving Hong Kong's economy on all fronts one of the key areas of work in the next two years. I strongly agree with him on this point. Although the Hong Kong economy is gradually recovering, according to an opinion survey conducted by the University of Hong Kong early this month, over 60% of the Hong Kong population still put the economic problem in the top priority. Therefore, the greatest expectation that various sectors in society have for Mr TSANG is to boost economic development and reduce the unemployment rate.

Recently, the Government announced that the latest unemployment rate is 5.7%, which is a record low in four years. The employment market has always been a barometer of the Hong Kong economy. To boost the economy and attract foreign investment, the first and foremost task is job creation.

CEPA will enter the third phase soon. The SAR Government should listen to the views of all sectors of the community and enable more trades and

professionals to enjoy the benefits, so as to create more employment opportunities.

Meanwhile, the Government should implement a policy beneficial to Hong Kong and repeal outdated or unnecessary laws and regulations. To strengthen Hong Kong's position as an asset management centre, the estate tax has to be abolished as soon as possible. In fact, there is a consensus in the business community and also among the majority of Hong Kong people that the estate tax should be abolished. A number of foreign chambers of commerce also indicated that recently, there had been many enquiries from overseas businessmen about investments in Hong Kong. This will surely give small and medium enterprises (SMEs) more room for development. Any delay will only slow down the pace of economic recovery. I hope that when the Council resumes in October and after the Government has found solutions to the technical problems, the bill can be passed as soon as possible.

In addition, the Government should also modify other policies that create hurdles for SMEs in business operation. For instance, it should expeditiously put in place the one-stop licensing system, so as to "remove barriers and lift restrictions" for the SMEs and create a business-friendly environment.

On the contrary, regarding the proposal to stipulate minimum wages and maximum working hours, the business community has repeatedly raised objections. This is because the business community believes that this will impact greatly on SMEs and will do nothing but harm. The Government should consider and examine the proposal prudently. For an externally-oriented and service-based economy like Hong Kong, great flexibility is required to counter external economic fluctuations. Legislation on wages and working hours will seriously affect the competitiveness of Hong Kong.

A minimum wage will simply become the standard wage and maximum working hours will induce covert acts of wage reduction in many job types. Also, employers will be forced to eliminate weaker candidates in choosing employees. Those who are slightly more advanced in age and have lower academic attainments and skills will have great difficulties in finding a job. At the same time, operating costs will be driven up because employers will have to hire more people. Those who can no longer bear the costs will have to fold

their business and more people will have to join the the unemployed ranks. All in all, it is a lose-lose situation and nobody would like to see it happen.

I would also like to call on the Government not to neglect habitat conservation while improving the economic environment. People's environmental awareness must be enhanced, the separation of waste and recycling must be promoted with the greatest vigour to relieve the present burden on Hong Kong's landfills. The Government should also approach the local power companies to encourage them to actively consider using other environmentally-friendly energy resources and installing additional desulphurization facilities, with a view to meeting the emission reduction targets ahead of the originally set schedule in 2010. The Government also has to step up communication with the authorities in Guangdong Province to find more effective means of air pollution prevention, such as to tighten the control on the emission standards for factories and vehicles and offer incentives or tax concessions to local factory owners to install devices to reduce air pollution, as a joint effort to improve the environment.

Lastly, I earnestly hope that Mr TSANG can "think in the way the people think and sense the urgency of the people" and create more employment opportunities. With the collaboration of the entire society, various sectors can look for common ground and accommodate differences, with a view to working for the well-being of society as a whole and implementing policies beneficial to the public. In this way, the ideal society will not be far away.

Madam President, I so submit.

MR ALBERT CHAN (in Cantonese): Madam President, our expectations for the Chief Executive of a new term of office is in fact our expectations for the future Government in a new term of office. In the next two years, we have a new leader but it is basically old wine in a new bottle, as the governing team remains the same.

I believe that quite a number of Members who are still sitting in this Chamber also had expectations for Mr TUNG Chee-wah eight years ago, hoping that he could lead his new Government to take Hong Kong into a new era in the process of decolonization by "breaking down barriers and creating room for all". However, very unfortunately, it is Hong Kong's formula to success and Hong

Kong's bulwark of success that were demolished, leading to such problems as the burst of the bubble economy, high unemployment rate, negative equity assets and the popularity of the Government hitting the rock bottom. For the new Government led by the new Chief Executive, I believe the most important task is to make amends for the trauma caused by the "eight-year reign of TUNG Chee-wah". After these catastrophic eight years, how can the Hong Kong Government render appropriate care to the wound, help Hong Kong people regain confidence and recover from the trauma in the next two years? In other areas, the Government of the new term of office has to narrow the differences between various parties, including the differences between classes and in ideology, and to reduce conflicts in various areas. After eight traumatic years, people need time to recuperate. It is by no means an easy task to do a good job in the aforementioned areas because in society, many people are still living in an abyss of misery and many of them are still suffering from the hardships caused by unemployment and bankruptcy. There is a suicide case almost every day. The increase in the number of suicide cases in society suggests that people must be suffering tremendously and society is definitely not harmonious. How can there be harmony in society when people encounter problems in their living and are jobless? If we want to achieve harmony, I believe that at the present stage, this is a chimera.

The Government and consortia definitely have a harmonious relationship. Look at the flattery lavished on Mr TSANG by the representative of the Real Estate Developers Association. Their relationship is extremely harmonious, to the extent that they can transfer benefits to each other and even read each other's mind with a single nod or blink. However, I definitely do not wish to see that such harmony is confined only to the relationship between the rich, big developers and tycoons and senior management of the Government. It is because such harmony is only an illusion and will only bring greater disasters to Hong Kong, just like what happened a number of years ago when some Members supported TUNG Chee-wah. If the Government does not make any change to its structure and policy objectives, harmony will never emerge in society.

Mr Donald TSANG put down politician as his occupation in his nomination form. I hope that he really can have the demeanour of a politician instead of just acting as a political lackey. There is a huge difference between the two. A politician must take on conflicts and social problems and lead the public and society into a new era. He cannot just cosy up to the rich and the powerful, or carry out the orders of people with power. This is definitely not

the demeanour of a politician. At present, the problems that Hong Kong is facing include the uneven distribution of political power, the widening wealth gap and the serious plight that hundreds of thousands or even millions of people find themselves in. If our new Chief Executive considers himself to be a politician, then he must have the vision, the boldness and the determination to face, tackle and solve these problems. Otherwise, he certainly does not deserve the appellation of a politician.

Another issue is the progress of democratization. As a politician, he definitely should not evade the issue of the progress of democratization. If he does not even have the gumption to set a timetable for democracy, this claim of being a politician will have to be dismantled first. The honeymoon period will be over very soon, just like what happened to TUNG Chee-wah eight years ago. Since I have nominated Mr Donald TSANG, I surely have expectations for him, but I will not have blind faith in his meeting my expectations. We will definitely continue to monitor and supervise him in dealing with the problem of disparity between the rich and the poor and the hardships of the disadvantaged groups in terms of his policy objectives and whether he is going to draw up a timetable for democratization in politics.

Many people cherish hopes for the Government. Talking about hopes, I am reminded of the expression of hope in LU Xun's *Wild Grass*. He quoted a translated line from a poem by a Portuguese poet, "Despair is just as illusionary as hope is." The public's hope for TUNG Chee-wah has turned into despair. We do not wish to see the hope cherished by the public now turn into despair in the same fashion in the near future. I hope that Mr Donald TSANG will not fail the people who support him and that he will lead Hong Kong into a new era. If he considers himself a politician, then the next two years will be the time for him to show his demeanour as a politician. Thank you, Madam President.

MR ALBERT HO (in Cantonese): Madam President, being a politician with years of experience in politics (*laughter*), here I am today to offer my humble opinions to Mr Donald TSANG, the first politician to have become the head of the Government since the reunification of Hong Kong (*laughter*). I hope he will listen to my opinions humbly.

Madam President, just as a number of Honourable colleagues have said, a politician should have far-sighted political vision and a comprehensive philosophy of governance. A politician with great breadth of mind should also make the interests and well-being of the people his prime concern and should by no means be too preoccupied with personal gain or honour. He should not weigh everything up and keep thinking whether or not he will remain in power in future (particularly in two years' time). If Mr TSANG has got such broad-mindedness, I believe he will be able to roam freely, soar high and pursue aspirations without fear.

Everybody agrees the long-term prosperity and stability of Hong Kong hinges on the establishment of a fully open and fair democratic system and the introduction of elections by universal suffrage. This is also the long-term development goal endorsed by the Central Government agrees. Although the Standing Committee of the National People's Congress (NPCSC), through the interpretation of the Basic Law, has ruled out the introduction of universal suffrage in 2007 and 2008, Mr TSANG has the duty to reflect the aspirations of Hong Kong people to the Central Authorities. He should also lobby for the common goal of introducing elections by universal suffrage.

Therefore, Madam President, it is our expectation and strong demand that Mr TSANG espouse his views on a timetable for constitutional development in the forthcoming Fifth Report of the Constitutional Development Task Force. In our opinion, that is only a natural thing to do. If Mr TSANG does not even have the courage to do so, he will have failed to meet the demands and expectations of many Hong Kong people have for him, as Honourable colleagues have pointed out earlier on.

Madam President, in the development of a democratic politics, political parties engaging in fair competition is a definite occurrence. Political parties play an indispensable role in a democracy. However, since the British colonial era up to now, the role of political parties has long been marginalized. Even the present legislation on the election of the Chief Executive prohibits the Chief Executive from belonging to any political party.

When the Accountability System for Principal Officials was introduced, Mr TUNG conducted an open recruitment exercise and invited a number of members of the business sector to become Directors of Bureaux to lead the

Government. Now, it seems that Mr TSANG is also prepared to recruit a high-level employee of a consortium to take up the post of the Chief Secretary for Administration. This particular person, who used to be a high-ranking government official, turned down a previous appointment as a principal official. In the end, he joined a consortium and has since been receiving a handsome remuneration. Now, based on what conception and principle did Mr TSANG recruit this person, who once refused to serve members of the public, from the business sector to join the Government again? How does he know whether this person still aspires to serving the public or whether his heart remains inclined towards the business sector and he still hopes that he could still serve various consortia? Will this move give people the impression that a revolving door exists providing convenient entry and exit for the business sector and senior officials? In fact, why does Mr TSANG not consider simply appointing members of political parties sharing similar political views to be his cabinet members? Such a system for power sharing requires people with commitment to assume responsibility in governance. Is this part of Mr TSANG's conception after all?

In fact, Mr TSANG should have conceived all the above and he should have given us an account. However, at the same time as he appeared to have refused to share power with political parties, Mr TSANG mooted the idea of a so-called administrative assistant system. To my understanding, the idea is to appoint members of political parties to become administrative assistants to the Directors of Bureaux, so that they can gain experience in what is called administration and management, in the hope that these people will become political talents to take part in ruling Hong Kong in future. However, Mr TSANG must not forget that if all these people come from the same political party, not only will they observe a uniform political perspective and party discipline, they may even have a uniform will. Under these circumstances, if they are tasked with assisting a group of senior principal officials who may not necessarily share the same notions in administration themselves, what kind of situation will this actually lead to?

A scholar once asked me: Will this evolve into a so-called Party Committee system as the one adopted in the Mainland, that is, with a Secretary of the Party Committee installed in it? In future, these people may even play a pivotal role in making political decisions and may even dictate instructions to civil servants. Such a practice will cause division among principal officials and civil servants. Furthermore, these administrative assistants probably do not

have to shoulder any political responsibilities. If this proposal is not well-conceived, may I know how can such a system be so lightly introduced?

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

Madam Deputy, the responsibility of nurturing political talents should rest with political parties. The Government should open up the establishment including advisory structures and statutory bodies, so that members of political parties can have more opportunities of involvement. We should abolish the appointment system for district councils and expand their powers. At any rate, political talents have to undergo trials in politics and go through the paces in elections before they can become talents who can assume heavy responsibilities.

Thank you, Madam Deputy.

MR SIN CHUNG-KAI (in Cantonese): Madam Deputy, what are my expectations for the Chief Executive? My expectations for the Chief Executive are very simple. I hope that the Chief Executive can meet the expectations of Hong Kong people. Then, what are the expectations of Hong Kong people? The Honorable colleagues from the Liberal Party said that after going through the results of an opinion survey, they found that people have expectations for the economy, but I think people in different sectors will probably have different expectations. I believe the expectations of the general public are very simple, namely, they hope that there is a good government to rule Hong Kong, the people's livelihood can be improved and there can be progress in democracy.

On constitutional development, after hearing the speech delivered by Mr Donald TSANG recently, the following metaphor occurred to me: I can sum up the period from the time he stood for election to now, in four words — no, it should be 11 words: Comprehensive restoration of the British systems and institutions in Hong Kong. What does that mean? We all know that under British rule, the Governor of Hong Kong was appointed by the British Government. As for this time, we all know that the "Governor" of the SAR was picked by the Beijing Government in Hong Kong, not someone assigned to

Hong Kong. However, the system adopted is still the civil service system, in the hope that a situation in which a kind of civil service party can be created to resist all party politics. Insofar as party politics is concerned, looking at other parts of the world, I cannot find any place where there is a government but no political party. Of course, as a member of the Democratic Party, I understand that even with the emergence of party politics, the Democratic Party or even the pro-democracy camp will not become the ruling party under the circumstances. However, what makes me feel rather pathetic is that the Liberal Party, and the DAB which has been giving staunch support to the former Chief Executive and the incumbent Chief Executive, and even the General Alliance for that matter, cannot share power with him or put into practice their governance philosophy. I find this is a very pathetic state of affairs.

A civil service party system probably works in Singapore but I do not think it will work in Hong Kong. I am more inclined to believe that the chances that it will not work are extremely high, the reasons being as follows: Firstly, the public aspirations at these two places are very different. Secondly, the mass media at these two places are also very different. The news that I read in Singapore were all about the best things in Singapore — I should say the worst situation, not the best things. The good news they read is actually their bad news already. However, here in Hong Kong, we read more bad news than good news, unless the mass media come under the strong control or influence of the Government and in fact this is the case now.

Just now Mr Albert HO talked about administrative assistants. This is in fact the party secretary that I have talked about in the caucus. That is not possible. The present system in Hong Kong is very simple. When a Director of Bureau joins the Government, he can choose three persons, namely, a driver, personal assistant and information officer. If a PA, that is, a Personal Assistant, means an administrative assistant, then it is an existing post. For instance, if Secretary Michael SUEN selects a member of the DAB as his administrative assistant, and unless he makes the selection himself, otherwise, if the DAB does it for him, then what can this administrative assistant do? Is he going to monitor the Director's work? Is he going to pass on messages to the DAB and then to the Chief Executive? Therefore, this so-called revolving door of an administrative assistant actually will not work.

(THE PRESIDENT resumed the Chair)

In overseas countries, normally there is a two-tier government structure: one tier is composed of political appointees and the other, of civil servants, that is, the so-called civil servants. In Britain, there is a civil servant protection net, which protects civil servants from any political inference. Therefore, a revolving door situation does exist but when one exits through the revolving door, one cannot return to the civil service team anymore. That means it is possible for a civil servant to exit through the door and there are also precedents — Mr Donald TSANG himself being one of them — but how can one return to the civil service team afterwards? Therefore, it should be a one-way only revolving door. This is possible and there will be no restriction. However, if this revolving door allows people to come back, then it will be inconceivable. What does that mean? It means that after doing a lot of things and after making one's political stance known to everyone, one returns to the Government and claims that one is politically neutral. Will anyone still believe in him? Therefore, in fact, this kind of political revolving door does not work.

Madam President, wherever there is government, there are political parties. I think that a government without any political party is just a colonial government since all the powers are in the hands of the sovereign state. Mr Donald TSANG tries to comprehensively restore the British systems and institutions in Hong Kong and put into place a constitutional system without political parties. This is to equate the HKSAR with a colony, which is very sad.

Madam President, I also wish to talk a bit about the expectations of the information technology sector for the Chief Executive. By means of CEPA, I hope that the information technology sector can enter the Mainland and secure a share in the enormous market on the Mainland. In saying to enter the mainland market, I only mean enjoying equal or fair treatment. In the motion debate on CEPA last week, I already explained in detail and made some specific proposals, such as setting up a special telecommunications region in the Pearl River Delta and allowing Hong Kong companies to enter the Mainland and be granted national treatment. I hope the Government and the new Chief Executive can listen to the opinions of the information technology sector more. In Mr Donald TSANG's election manifesto, there is very little mention of the information technology sector. I hope that the Government can pay more attention to this aspect in future. I so submit.

MS EMILY LAU (in Cantonese): Madam President, I am grateful to Mr Martin LEE for proposing this motion. Scores of Members have spoken, so it can be seen that the timing of this motion is very good. I also noticed that the Chief Executive has written to us, saying that he would attend our meetings as soon as possible. In this regard, I hope that you, Madam President, will arrange for a question and answer session. Today, this is a good opportunity for the Chief Executive to collect Members' opinions and those of political parties, which is a very good thing indeed.

Having said that, I am not sure if I understand the thinking of the Democratic Party. They have been doing this year after year. This year, it is the second time. They are still saying that they have expectations. I really find this most baffling. What we wish to have is a good system, a system under which those returned by elections will care about what the voters want. If it is a system under which a particular person is designated by some people, then be this person a Mr TUNG or a Mr TSANG, what expectations can we possibly have for this person?

Madam President, my aim in taking part in this debate is to talk about my own views. When it comes to expectations, I would not say that I have any. I am fully aware that the Chief Executive, be it the current or future ones, has to balance the wishes and interests of Hong Kong people and has to be acceptable to the Central Authorities. I understand this point. Even if we were able to elect our Chief Executive by universal suffrage, if the candidate for the Chief Executive is obviously one that the Central Authorities find unacceptable, I believe that not many people will vote for him.

Therefore, Madam President, we are in a difficult situation. Why do I say so? At the moment, we can see that the people of Hong Kong are yearning for certain "things" but the Central Authorities are not granting them, even turning a blind eye to them. By "things", I am referring to democratic elections, the vindication of the 4 June incident, the rule of law, freedom and the freedom of the press. Many of these "things" are subjected to great challenges.

What I found most worrying is that Mr Donald TSANG does not have the courage to tell the leaders of the Central Authorities that these are precisely the "things" that the people of Hong Kong want. The Central Authorities may feel worried but in fact there is no need to worry. Even if Hong Kong people have a democratically elected government, it does not mean that Hong Kong will be

turned upside down. In fact, if the rule of law can be upheld in Hong Kong, this will also be beneficial to China. Even if Hong Kong people continue to enjoy freedom, even including the freedom to criticize and challenge the Central Authorities, they will not overthrow the Communist Party. However, Madam President, will he speak up like this? We all know the answer. Nevertheless, there are certain things that I must speak it out, and the debate today is the right time for me to say them.

Earlier on, Mr Albert HO has mentioned the Secretary of Party Committee. Mr SIN Chung-kai also pointed out the difference between now and the years before 1997. In fact, before 1997, the Governor was appointed by the British whereas after 1997, the Chief Executive is someone in Hong Kong designated by the Central Authorities, instead of someone designated and sent to Hong Kong by the British. Since there has been much talk about designation, people have the impression that the degree of trust that the Central Authorities have in Mr TSANG may be less than that in Mr TUNG. Due to this lesser degree of trust, the Central Authorities have to tighten its control. As a result, there is a Secretary of Party Committee at the back of the Chief Executive, telling the Chief Executive what to do.

Madam President, if what I said really happens, then many people, in particular, those billionaires, will sense where the power is and gravitate towards it. In fact, in the past, many tycoons also made frequent visits to Beijing to tell on Mr TUNG. If the situation really turns out as I have described, there will be more secret reports of this nature. People like us, who are denied access to the Mainland, will have no opportunity to say anything at all. Of course, we do not have to tell on anybody. However, we truly hope that Hong Kong will have "a high degree of autonomy" and we can be allowed to handle affairs on our own. Therefore, in this regard, I believe Mr TSANG will have to prove to society that he really has the ability to handle Hong Kong's own affairs instead of making it necessary for the Central Authorities to come forward from the backstage.

Madam President, during the period when Mr TSANG was staging a farce of his so-called election campaign, he said that the duty of Radio Television Hong Kong (RTHK) was to promote public policies. That was precisely what Mr TUNG had said before. I believe many members of the public will feel very concerned because we all know that RTHK is a public body. We all hope that RTHK will continue to enjoy editorial freedom and that it can continue to

have the right to criticize the Government when it is not doing its job properly and to criticize any other person. I believe that, when compared with Mr TUNG, Mr TSANG is more shrewd in using the media. If he is so shrewd as to be able to persuade the mass media to report government policies more, that is fine, but the last thing I wish to see is the media being manipulated as a tool for dealing blows to political enemies. Very often, we would see some defamatory information being circulated extensively in newspapers and magazines. I do not want to see any more such instances, still less the onset of white terror.

Madam President, some colleagues have talked about political parties earlier. I personally favour a multi-party system, and I oppose one-party dictatorship. In my opinion, Hong Kong has to introduce party politics. It may not be the best option but it is better than other options. I very much hope that we can have enough votes in this legislature to forge a ruling coalition with Mr TSANG. They may not be wholeheartedly devoted to the Government, yet, relatively speaking, they can at least see eye to eye with the Government. Together, this ruling coalition will go through thick and thin and share all powers and responsibilities. If there are posts such as Directors of Bureaux to be filled, why not let these people fill them? I believe this is the case in the legislature of other countries. If they do a good job, they can even sweep us all from the political arena in the next election. If, however, they do not do a good job, they will be held accountable to voters in elections. In this way, the clique led by Donald TSANG will also have to be accountable to the public. Madam President, I am very much in favour of party politics and I hope that Mr TSANG will not try to evade it. What is more, I hope he will tell the leaders of the Central Authorities that the political parties in Hong Kong are not that horrible at all. Even if the Communist Party is not ruling in Hong Kong, we are still a Special Administration Region under China's sovereignty.

I so submit.

MR DANIEL LAM (in Cantonese): Madam President, earlier on, the valid nominations from 674 members of the Election Committee gave the by-election of the Chief Executive a perfect ending as far as Mr Donald TSANG is concerned, who was successfully elected uncontested and became the Chief Executive. I believe that when fulfilling his duties as the Chief Executive and implementing his policy of "building a strong government and exercising strict

administration, establishing a harmonious society and bringing well-being for the people", he will be able to lead Hong Kong in striving towards prosperity and a new milestone.

Of course, in order to realize the goal of building a strong government and exercising strict administration, the first and foremost task is to actively rectify any shortcoming or deficiency in the system, so as to achieve good governance and harmony, foster cohesion among all sectors and open up a thoroughfare. This is why Mr TSANG has given a multitude of undertakings concerning various policies and systems and projected a new image of the SAR administration. Unfortunately, concerning the policy on the New Territories which has a bearing on the 700 000 indigenous inhabitants of the New Territories and on the development of the rural areas, he has failed to make resolute responses and take immediate steps to rectify the problem.

Firstly, it is stated clearly in Article 40 of the Basic Law that the lawful traditional rights and interests of the indigenous inhabitants of the New Territories shall be protected by the SAR. However, the period from the promulgation of the Basic Law to the establishment of the SAR straddled two centuries and was as long as 15 years. However, specific legislation and the follow-up work and implementation have been frozen and shelved. Concerning the backlog in processing small house applications, such administrative inertia not only fails to accord appropriate protection to the lawful traditional rights and interests of the indigenous inhabitants in the New Territories, it also leaves an unnecessary blank in the implementation of the Basic Law.

May I ask how this matter can be delayed indefinitely given that it is the administrative responsibility of the Government? Can a blank be left in Article 40 of the Basic Law forever?

Secondly, the integration of Hong Kong with its neighbouring areas is inevitable; the emphasis on passenger flow, logistics and infrastructure should be clear and unobstructed for the sake of convenience and smoothness. New measures are continually introduced and old ones are removed to keep abreast of the times, for example, the 24-hour opening of boundary crossings and immigration clearance, and fingerprint recognition. It is a pity that the "Frontier Closed Area", which was established for historical reasons in the early

years, has remained unchanged for decades. This has not only created obstacles in entering or leaving the closed area for members of the public, seriously impeding the development and economic activities of the area, but also made the area concerned a *de facto* "second-class area" and local residents "second-class citizens". This is unfair and incompatible with present needs. I hope that the new Chief Executive can display a new style of administration characterized by resolution and decisiveness, recognize as soon as possible the fact that the closed area policy has become out of date and ineffective, and take specific steps to open up a way out for the closed area and its residents, thus forging harmony in the community.

Thirdly, the Government's conservation policy has upset the balance in urban and rural development and imposed unfair shackles on development in the New Territories. The conservation policy will benefit the general public, therefore, the Government should take the lead in assuming the responsibility of conservation and the public should also share such a responsibility. No policy should be implemented at the expense of the basic rights and interests of some other people because this violates the principle of justice. Unfortunately, in implementing the conservation policy, the Government makes landowners assume all work processes and bear all the costs and is even prepared not to develop an area or improve the livelihood of its residents, as a means to implement the policy. Although the Government has already made preliminary adjustments to the relevant policy and introduced a pilot scheme under its conservation policy, it is in fact merely paying lip-service. The responsibility for conservation is thrust onto the landowners. There is essentially no change, that is, the problem will not be solved merely with new packaging.

Madam President, the Heung Yee Kuk is a statutory advisory body representing residents in the New Territories. From the perspective of historical development, the Heung Yee Kuk plays a significant role in contributing to the stability of Hong Kong and promoting its development. People can rest absolutely assured and feel at ease about the ability and boldness of the new Chief Executive. I believe that as long as the new Chief Executive can identify the problems, strengthen communication and truly solve the problems relating to the New Territories, my laments concerning the policy on the affairs of the New Territories will surely turn into applause and cheers immediately. I so submit.

MISS TAM HEUNG-MAN (in Cantonese): Madam President, the dust has finally settled over the Chief Executive by-election and the curtains drawn across the election campaign. It is now an iron-clad fact that Mr Donald TSANG, as the hot candidate, has ascended to the seat of the Chief Executive without any glitches. For three months, the people of Hong Kong have focused their attention on this Chief Executive by-election and the controversies surrounding it. The disputes on the term of office of the Chief Executive, the interpretation of the Basic Law made by the National People's Congress (NPC) once again, and the battle for nomination by members of the Election Committee have all pinched the nerves of many members of the public. Today, should we not put aside all the arguments and criticisms arising from the Chief Executive by-election and go back to the basics and contemplate the way forward for Hong Kong in the next two years? Today, Mr Martin LEE has raised this subject matter in this Council. This is indeed the most opportune moment for us to share our expectations for the new Chief Executive.

Hong Kong is an international financial centre, and an important window in China's convergence with the international community. Hong Kong has always been a place where the foci are on economic development and a stable life for the people. This being the case, my prime expectation for the Chief Executive is to put economic development in Hong Kong onto the right track, so that all members of the public can enjoy the fruits of a full economic recovery. According to the reports of major newspapers and the mass media, the opinion surveys conducted by various organizations have found that the people of Hong Kong expect the Chief Executive to facilitate economic development on all fronts. Some opinion surveys even indicated that promoting economic development is the first and foremost task for the new Chief Executive. It can be seen that the Hong Kong public has yet to feel the benefits of a full economic recovery.

In a meeting of the Panel on Economic Services held several weeks ago, the Financial Secretary, Mr Henry TANG, briefed us on the economic performance of Hong Kong in the first quarter. From the figures provided by him, it appears that the Hong Kong economy is very robust. The economy is growing steadily and consistently, the unemployment rate is falling and Hong Kong has formally got rid of deflation. All the signs are telling us that Hong Kong has regained its economic momentum. Theoretically, the people of Hong Kong should have found themselves in a situation of economic ascendancy as at the beginning of the '90s. However, when I flipped through the newspaper a

few days ago, I found that there was still news of people killing themselves due to unemployment. We cannot help but ask: Has economic recovery in Hong Kong really improved the livelihood of the general public? Or has it only aggravated the disparity between the rich and the poor?

Madam President, two weeks ago, we discussed in this Chamber the problems faced by small and medium enterprises (SMEs). I believe the new Chief Executive is fully aware that the so-called economic recovery in Hong Kong these days has actually failed to benefit the SMEs and people in the lower strata. As many practising accountants have found, their clients, and the SMEs in particular, have not benefited from the economic recovery. The revenues of these companies have not benefited from economic growth, and they have to face rising wages and rents, which have added enormous pressure to their operation. I even dare say that the economic recovery in Hong Kong is only superficial. A friend of mine who runs an accountancy firm of small to medium scale had to borrow money from me to pay the rent and salaries. Can we say that the Hong Kong economy is robust? This is not amusing at all, for it is a true story.

Only the new Chief Executive can truly drive Hong Kong's economy ahead on all fronts so that all people in Hong Kong can feel the recovery of the economy and the benefits that the Government is bestowing on the public, and only in this way can the Government consolidate its governance. The proper way to bring forth a full-scale economic recovery in Hong Kong is to help the lower strata of society eliminate poverty and help SMEs break away from their predicaments. In enhancing Hong Kong's competitiveness, caution must be exercised to avoid focusing too much on attracting investments. Relying solely on speculation in property and stocks will only lead Hong Kong down the dead end to yet another economic bubble. Mr TSANG, please pay more attention and work for the well-being of Hong Kong people!

Economic development and political development are closely related and inseparable. For the economy to develop in a stable environment, it is essential to have a stable political environment. The first 1 July rally was precisely the outcome of economic depression, general hardship, a closed political system and the lack of competent governance. Some people believe that as long as the Hong Kong economy is good, people would no longer take to the streets *en masse*. I strongly agree with this view. However, this gives rise to another

question: What kind of system can ensure political stability and sound economic development?

I believe the answer should be very clear to everybody even if I do not suggest any. Only with a government which is willing to listen to public opinions, whose policies are people-based, and which is capable of balancing the interests of different strata of society can Hong Kong be assured of political stability. In view of this, I hope the new Chief Executive can propose a concrete plan expeditiously on introducing universal suffrage and collect public opinions on it. I also hope that Mr TSANG can absorb more talents from different sectors into the Government's advisory framework. Of course, I believe Honourable Members of this Council all wish to have more time to get in touch with the Chief Executive, so I suggest the Chief Executive come to this Council more often to answer questions. More public question and answer sessions should also be held so that the Chief Executive can face members of the public and listen to their aspirations first hand.

Madam President, having a stable political environment, improving communication and governance and advancing democracy and the rule of law are the expectations of Hong Kong people for the Chief Executive. I hope that Mr Donald TSANG can lead Hong Kong in scaling new heights in the next two years. I so submit. Thank you, Madam President.

MR ANDREW CHENG (in Cantonese): Madam President, originally, I have prepared a speech and intended to talk about my expectations for the new Chief Executive and his Government in the policy areas of transport, health and labour. However, today, I can only see Secretary Dr York CHOW here. To borrow a well-known remark made by Mr Donald TSANG, Dr CHOW is "sitting there all alone". Concerning government policy, it appears that Mr TSANG has said that he would devolve power to the Directors of Bureaux while he would focus on political matters. However, and it is unfortunate that today, even the Acting Chief Secretary for Administration has failed to show up in the Legislative Council to attend today's meeting and listen seriously to our expectations for the new Chief Executive. I find this most regrettable. This represents yet another *faux pas* in Mr TSANG's political tact and his stated intent of improving the relationship between the executive and the legislature. Therefore, I decided not to use the prepared speech since a motion debate on medical services is scheduled for the Council meeting on 6 July, and the discussion will focus

specifically on the issue of chip distribution at clinics. I will go into the details then.

Madam President, I would like to talk about politics now. Recently, Mr TSANG said in no uncertain terms that Dr Stanley HO was a frank and out-spoken person because Dr HO had remarked that he had been telling lies for seven years. This statement is most intriguing.

Madam President, in the past, in order to cosy up Mr TUNG or Beijing — our masters in the North, many members of the Election Committee (EC) have acted against their conscience and told lies for seven years. I very much hope that Mr TSANG will understand that although he has managed to secure the nominations and support of over 700 members of the EC, he has to carefully assess how many members are not lying and truly support him. I also hope that Mr TSANG will understand that in politics, there is no such thing as permanent enemies or permanent friends. In the past, members of the EC fawned on Mr TUNG no matter how lousy his performance was. Since the masters in the North wanted to keep Mr TUNG in his position, these people said in public that they would always support Mr TUNG, to the very end. As regards the members of the EC who are lending their support to Mr TSANG nowadays, what is in their mind? I would like to tender a piece of advice to Mr Donald TSANG: I hope he will assess this very carefully.

In addition, I also wish to talk about the relationship between the new Chief Executive and the pro-democracy camp. In Mr TSANG's election campaign, more specifically after a closed-door meeting, some reporters reported that I had had a heated debate with Mr TSANG. In fact, that was not really a heated debate but a disposition of different opinions on a number of issues. It seems that Mr TSANG was of the opinion that the criticisms of the pro-democracy camp were much too harsh and he asked us to restrain ourselves. As Mr Donald TSANG is the new Chief Executive and he also considers himself a politician, I hope he will be brave enough to face sharp criticisms instead of just listening to beautiful lies. In this way, he really possesses the liberality and boldness of a politician.

I believe the greatest difference between the pro-democracy camp and Mr TSANG lies in the fact that he keeps calling for social harmony, saying that sharp comments and criticisms may not be necessary on certain issues. However, I hope Mr TSANG will understand that we cannot achieve social

harmony merely with empty words. To achieve social harmony, matching policies are called for.

As some colleagues have said, there is a serious problem of disparity between the rich and the poor in Hong Kong today, so how can there be any harmony in society? Moreover, the Government has repeatedly refused to legislate on the simple issue of maximum work hours. Then, how can harmony be forged? Therefore, I very much hope Mr TSANG will not just talk about this sort of superficial harmony because what appears to be harmonious on the surface may be sugar-coated poison to a regime. We should not be harmonious for the sake of harmony. A government must be receptive to the criticisms made by the public, and regard them as good advice and well-intentioned criticisms.

Recently, when I chatted with Mr TSANG, I found that in Primary One, he went to the Salesian Primary School. Although I am a lot younger than him, coincidentally, the same form master taught him and me in Primary One. The name of the form master is Mr CHAN Ying, who retired after I had finished my Primary One schooling. Why do I mention his name here? Because he had said something which I still remember today, and I wish to present those remarks to Mr TSANG. Mr CHAN was a teacher in Chinese language and he taught us that, "We should not refrain from doing a good deed just because it is petty, nor should we commit a wrongful deed just because it is petty too". I present the remarks to Mr TSANG because regarding CHING Cheong, I hope he will not "refrain from doing a good deed just because it is petty". I hope that he will do things that he believes should be done and bear in mind his boldness and the fact that he stands for the convictions of Hong Kong people. As regards "not to commit a wrongful deed just because it is petty", in the closed-door meeting when we talked about enacting legislation on Article 23 of the Basic Law (Article 23), he said that the legislation discussed in the past appeared to be too lax. My heart sank upon hearing that. I hope that in drafting the legislation on Article 23, Mr TSANG will not further suppress the human rights and the freedom of speech of Hong Kong people in order to please Beijing. I hope Mr TSANG will bear in mind that a number of petty wrongful deeds will add up to a major evil. Therefore, on the incident involving CHING Cheong, I hope Mr TSANG will not "refrain from doing a good deed just because it is petty", whereas when drawing up the legislation on Article 23, I hope he will not "commit a wrongful deed just because it is petty". I hope he will truly have the demeanour of a politician to break new grounds for the Hong Kong public and to

act as a bridge between the Central Authorities and us. Thank you, Madam President.

MS MIRIAM LAU (in Cantonese): Madam President, recently, the new Chief Executive, Mr Donald TSANG, made frequent inspections in plain-clothes to gauge the public sentiments. The day before yesterday, he took the MTR from Admiralty to Yau Ma Tei to have tea. Apart from the MTR, I hope that Mr TSANG can also try various other modes of public transport in order to gain a glimpse of the working conditions and life of front-line drivers. In doing so, I believe Mr TSANG will get a better understanding of the stress on drivers. However, Mr TSANG may at the same time receive from the public complaints about excessive fares.

As a matter of fact, it is not only nowadays that the public complain about excessive fares. Yet, on the other hand, public transport operators are also under pressure to raise their fares because of rising operating costs. Consequently, this gives rise to continual disputes over fares in society. Regarding the proposal of introducing for public transport operators a mechanism of fare adjustment that allows increases as well as reductions, as put forward by the Secretary for the Environment, Transport and Works, the Liberal Party considers that it would be good to formulate a fair and reasonable mechanism for fare adjustment as the public and public transport operators can have a better idea as to when there should be a cut and when there can be a rise in fares. It can avert disputes triggered by fare adjustments or politicization of the fare issue, which can cause damage to social harmony. "Imbue the community with a sense of harmony and stability" is one of Mr TSANG's principles of governance when he was running in the election. I hope Mr TSANG can start with formulating a fair and reasonable mechanism of fare adjustment to resolve the conflicts between the general public and public transport operators.

Other than "imbuing the community with a sense of harmony and stability", Mr TSANG also proposed another principle of governance, namely, to "drive Hong Kong's economy ahead at full steam". To enhance the overall dynamism of the Hong Kong economy, it is imperative to ensure the smooth flow of traffic both internally in Hong Kong and externally. Internally, the exigency is to finalize the Central-Wan Chai Bypass project. The Government should carefully examine various proposals on constructing a bypass and strike a

balance between the protection of the harbour and traffic flow, so as to alleviate the frequent road congestions in Central and Wan Chai.

Besides, the recent increases in the tolls of various tunnels have given rise to a series of disputes in society and highlighted the imbalance of traffic between various toll-charging tunnels and between toll-charging tunnels and toll-free roads. It is easy for bottlenecks to form on toll-free roads and in tunnels charging lower tolls, causing frequent traffic congestions in certain areas. Traffic congestions will impede economic development. The Government has an unshirkable responsibility to tackle traffic congestions. I earnestly hope that Mr TSANG can oversee the departments concerned in finding proposals as soon as possible to enable a more balanced utilization of the tunnels. One of them is to consider introducing a standardized tunnel toll, or as suggested by Mrs Selina CHOW earlier, to simply negotiate with the companies concerned to recover the tunnels cum facilities concerned at a reasonable price. In the long run, the Government must review whether the mode of build, operate and transfer should still be adopted in the construction of transport infrastructure in future.

Regarding external traffic, the Liberal Party supports and urges the Mainland and Hong Kong to expedite infrastructure projects at the control points in these two places, for example, to finalize the details of the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong-Guangzhou Regional Express Line at an early date. In addition, the Liberal Party hopes that the Government will implement "co-location of clearance" as soon as possible, and extend the arrangements for 24-hour clearance to the control points at Man Kam To and Sha Tau Kok.

As to how to "drive Hong Kong's economy ahead at full steam", the Liberal Party thinks that one of the most important aspects is to enhance the competitiveness of the local logistics and shipping industries. In recent years, there has been a rapid increase in freight volume in the Pearl River Delta Region. However, the container throughput in Hong Kong has seen only a low single-digit increase. In respect of Shenzhen, its container throughput has persistently recorded a high double-digit growth. I hope that Mr TSANG, being an intermediary between Hong Kong and the Mainland, can convey this to the mainland authorities, so as to jointly explore ways to strengthen co-operation for mutual benefit in matters relating to the container terminals in the region to avoid excessive capacities in the container terminals in Hong Kong. At the same time, Mr TSANG can study with the Mainland how best to reduce the

operating costs of the cross-boundary freight forwarding industry, including various charges paid to mainland departments and insurance premium and vehicle examination fees levied by the two places and paid by cross-boundary drivers.

In respect of upgrading the competitiveness of the shipping industry, the former Chief Executive made little reference to the shipping industry in his policy address. I expect the Chief Executive, in his first policy address, to attach importance to the shipping industry, an industry that is closely related to the Hong Kong economy. The fact that Hong Kong possesses advantages in law, finance and telecommunications qualifies it to become an international shipping centre on a par with London and New York. However, because of the insufficient support given by the Government, the development of the shipping industry is far from satisfactory. In future, I sincerely hope that the Government will commit more resources to research, development and training, and offer assistance in developing a shipping community that will include maritime insurance, legal arbitration and shipping management, so as to consolidate Hong Kong's position as an international shipping centre.

Finally, I expect Mr TSANG, as the Chief Executive, to review the policy on fuel duty in order to enhance the competitiveness of the logistics industry in Hong Kong. During the past several years, the Government has adopted a compassionate attitude and extended the concession on diesel oil duty. It has not only enabled the industry to lower its operating costs but also served to maintain the edge of Hong Kong in the logistics industry. Nevertheless, the Government has all along been unwilling to lower the duty rate on diesel oil. I hope that the Chief Executive, while he is new to the job, will establish a new style, tackle this long-standing problem anew from the angle of the overall economic interests of Hong Kong.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, Mr Donald TSANG has finally become the Chief Executive after a smooth process. During the election campaign, Mr TSANG actually did not have any public debate with other candidates. His contact with members of the public on the streets was limited to hand shaking and exchanges of greetings. Moreover, there was no dialogue with Hong Kong people on the streets or elsewhere. Throughout the entire

campaign, Mr TSANG merely intimated at public briefings his ideas of restructuring the Executive Council, creating the posts of deputy secretaries and administrative assistants, and so on. Yet, it was simply impossible for the public to debate with him the feasibility of all these ideas. Neither could the public find out from the election forums the political logic and notion underlying his proposed establishment of these institutions. As for other social policies, they were only pet references on his lips.

Mr TSANG will not attend this motion debate to explain his political and social platform. As a responsible political party, we must let him know our views on various political and social policies.

Let me start with fair competition. Despite Mr TSANG's mention in his election platform of "following the principles of free trade and fair competition", he pointed out at the same time that "some countries with fair competition laws have been wasting their time on lawsuits". Actually, we can easily see from the new Chief Executive's attitude of treating lawsuits to fight for fair competition and oppose monopolization as "a waste of time" that his understanding of fair competition is indeed disappointing. The justifications for enacting a fair competition law and setting up a fair competition committee have indeed been discussed time and again by a number of Members in this Council before. Perhaps Mr TSANG has not devoted all his time and energy to studying this issue because he has spent most of his time in the past decade attending to government finances. I would like to recommend him to refer to the report, entitled *Competition Policy: The Key to Hong Kong's Future Economic Success*, published by the Consumer Council in 1996 to find out more about fair competition laws.

Meanwhile, since Secretary Dr York CHOW is here in this Chamber, I would like to talk about two issues. First, food safety. I sincerely hope that the issue of ciguatoxin poisoning caused by coral reef fish can be expeditiously dealt with. In recent years, there has been a sharp rise in the number of ciguatoxin poisoning cases caused by the eating of large coral reef fish by the public. Although the Government has, since the end of last year, requested the industry to voluntarily observe a code of practice, ciguatoxin poisoning cases have continued to happen. The effectiveness of the code of practice, if judged by this result, is apparently not entirely satisfactory. I also understand that the number of practitioners in the industry who have registered voluntarily and

provide information to the Food and Environmental Hygiene Department is less than 10%. This mode of voluntary compliance, even if it is to last a decade, is not going to work. Therefore, legislation must be enacted to tackle the problem at source. We cannot wait any further as enacting effective legislative measures on imported coral reef fish of high risk is a matter of great urgency.

Another issue which must be noted is the labelling of nutrition information, about which a motion was moved and passed in this Council not long ago. The views expressed in this Council were very clear. After separate voting, Members supported the adoption of the "1+9" option as the starting point for the enactment of legislation.

However, in a recent meeting held by the Panel on Food Safety and Environmental Hygiene, the Government once again insisted on the "1+5" option, and the "1+9" option would not be implemented until two years later. The endorsement by this Council of such a clear motion actually represents public opinion. I very much hope that the Government can respect the view of this Council. Furthermore, the international trend is gradually matching this option too. To protect the health of Hong Kong people, I suggest the Government to improve our labelling system for pre-packaged food in conformity with public opinion.

If the strong leadership mentioned by Mr TSANG actually means that the Government will forcibly sell policies inconsistent with public opinion to the people, I believe strong leadership, so to speak, carries the same meaning as making arbitrary decisions and acting dictatorially. Although the proposed labelling of nutrition information has not aroused much public attention, what would be the case if there is another attempt of enacting legislation on Article 23? I was also present at the closed-door seminar held in the Hong Kong Convention and Exhibition Centre, the one mentioned by Mr Andrew CHENG earlier. I believe it was for the sake of currying favour with some members of the Election Committee that Mr TSANG said that the legislation should be enhanced as it was still not completely safe. I think this approach of "saying different things to different people" is inadvisable. I hope Mr TSANG will not do so in the future — of course, he has made it clear that legislation will not be enacted on Article 23 in the next two years. I believe he does not wish to hold the post for two years only, or else he will not have decided to receive the ball.

I shall now say a few words on the creation of the posts of deputy secretaries and administrative assistants. I consider this entirely a political deal to serve the actual purpose of buying votes, instead of introducing a fundamental institutional reform or really establishing a direct link with various political parties. In my opinion, it will be even clearer if ruling and opposition parties co-exist in the muddy water of politics.

I hope the Government can listen to the views expressed by Members on this motion today. I also hope Mr TSANG can bring a new scene with the delivery of the policy address in October.

I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, today's question is to discuss our expectations for Mr TSANG. He is not present in this Chamber at the moment. I have learnt from the television report that he should be home in Barker Road. I wonder whether he is watching our debate, feeding his goldfish or whistling at the moment.

Given that today's question is related to expectations, I would like to invite Mr TSANG to listen to our expectations for him. Actually, someone held expectations for him a long time ago and even betrayed himself by a slip of the tongue. As if he was looking into a crystal ball, Mr Stanley HO predicted a long time ago that Donald TSANG would implement a high land price policy. Furthermore, that was not the first time Mr HO said something like that. Prior to the departure of "Ah TUNG", he also made a similar remark: "Mr TUNG would know what to do. We will not ask the Government. Mr TUNG would know what to do." The result really turned out as predicted. Nine or 10 measures were immediately launched by the Government at that time — Secretary Michael SUEN is here in this Chamber too — it was the Secretary who implemented the measures instantly. This is what we mean by real expectations, our expectations for the competent.

The representative of the pan-democratic camp did not get even a chance to take part in the Chief Executive Election because he had not been nominated to run in the election. Neither would I nominate him. How can we have expectations for the Chief Executive, who was elected *ipso facto* without going through a formal voting procedure? There is no grief greater than utter despair.

Why do we not turn our grief into strength! We would merely be wasting our time should we have expectations for a person who would simply not listen to us and require no support from us.

However, the public might have some expectations because "Ah TUNG" has gone and he is immediately succeeded by "Ah TSANG". I would like to tell those friends who are watching the television that it is useless to have expectations for "Ah TSANG" because he simply does not see. The only thing we can do is to voice out our wishes in the 1 July mass rally for then he might have a chance to listen. There is no grief greater than utter despair. Let us turn our grief into strength and tell Donald TSANG that, despite the support from the 700-odd people, those people are letting "their buttocks control their brain". And then, he would let his buttocks control his brain in administering the affairs affecting the 7 million-odd Hong Kong people. The fact that his brain would control all matters affecting everyone, from clothing, food, housing to transportation, is a clear reflection of the decadence of the system.

Therefore, people who hold expectations for Mr TSANG should not expect Members of this Council to express their expectations for them. Should Mr TSANG have the slightest intention to listen to people's views, he should have come here today to listen to our views for he would be meeting with the Central Authorities the day after tomorrow. Mrs FAN has clearly notified the Government on our behalf that Members of this Council would debate our expectations for Mr TSANG today and that a number of Members would propose amendments too. Even if we are all putting on a show, we should take the matter seriously. However, he has not attended the meeting today.

What is the present situation? In order to thank those who supported him, Mr Donald TSANG will definitely keep them satisfied by transfer of benefits. He is even worse than Mr TUNG in that even if Mr TUNG serves another term, he would not know which post he would be promoted to upon the expiry of his term. But now, in order to pave the way for another term, Mr TSANG would unavoidably have to continue colluding with business because of such a decadent system. Mr Stanley HO has let himself be betrayed by a slip of the tongue in saying that people benefited from the small-circle election were merely congratulating each other on the prospect of getting good appointments.

Honourable Members, what is the present situation? Like the remarks made by the Communist Party in ridiculing the Kuomintang: While people on the

top are often treated to lavish dishes, those at the bottom have begun starving. Egg tart is one of the favourites of Mr TSANG. He ate those made by the Tai Cheong Bakery too. While the owner of the Bakery can no longer continue operating there, Mr TSANG is truly fed with an endless supply of food. For prominent officials and eminent personages, food is simply excessive; for the general public, food is in short supply.

Mr TSANG has still not replied to my letter wrote to him on 1 April. Neither will he respond to our requests made in this Council today. He has only kept stressing strong governance and swift action. This is indeed a decadent system. Actually, Mr TSANG has to face Members' questions sooner or later. In my opinion, if Hong Kong is to have a bright future, the first thing he has to do is to tell the Central Government that 70% of Hong Kong people hope to have universal suffrage. He should tell the leaders of the Central Authorities on Friday that he is prepared to witness democracy for Hong Kong and China. This is what a committed man who loves Hong Kong and the country will do. I hope Mr TSANG will think twice.

MR JAMES TIEN (in Cantonese): Madam President, I believe what people in every country will expect from their leader is nothing more than a decent living environment in which they can live happily and comfortably. I feel that Hong Kong people also share this simple expectation. For this reason, the Liberal Party raises a similar expectation on behalf of our voters and the community.

I have noticed from the findings of a number of studies conducted recently that the public is most concerned about whether the Chief Executive, Mr TSANG, can continue to improve our economy to increase job opportunities and raise wages. Insofar as these areas are concerned, a number of members of the Liberal Party have specifically expressed their views earlier. They have also pointed out that, for instance, over the past couple of years, the Government has attracted a lot of tourists to improve the economy. Among the initiatives taken, the Individual Visit Scheme is an excellent policy. It is hoped that Mr TSANG can enable it to continue.

The implementation of CEPA is merely a starting point. Many professionals still hope to, through CEPA, increase their opportunities of development on the Mainland. If the Government can do better in this area,

more people, such as those of the middle class and the professionals, will be able to have more opportunities of development on the Mainland.

Further still, the Government should continue promoting to overseas countries the investment immigration scheme launched two years ago (the policy of granting the applicants right of abode in Hong Kong after they have invested \$6.6 million here) to enable more people to come to Hong Kong for investment. On the other hand, the work carried out by the Government through the Economic and Employment Council, headed by Financial Secretary Henry TANG, to facilitate business by removing barriers and lifting restrictions has shown progress.

These are our expectations for Mr TSANG. It is hoped that he can try his best to put things into implementation and step up the implementation of a couple of measures already launched. In my opinion, further deepening and improving these measures can further improve the business environment so that more people will be able to find suitable jobs and wages may possibly rise. We think this is, by and large, the first thing the people hope to see.

On employment, the Liberal Party has also noticed that job-seeking is indeed extremely difficult in certain districts, such as New Territories East, the constituency to which I belong, including Sheung Shui, Fan Ling, and so on. Many people in the districts feel that, with better development in the local economy, they will be able to find a job in their own districts. Even if they earn only \$5,000 to \$6,000 a month, it will be the same as earning \$7,000 to \$8,000 a month if they are required to go to work in Central because of the exorbitant transport expenses. Besides having to spend more than \$1,000 solely on transport to and from their workplace, they have to spend more on lunch in Central as well. If the job opportunities in various districts can be increased, they would be able to lower their transport expenses while obviating the need to spend one more hour travelling to work in the morning and returning home in the evening. For these reasons, they hope the Government can help expanding the job opportunities in various districts so that they can have more choices without having to travel to work outside their own districts. I think the Government should give more consideration to this area.

Furthermore, I have noticed that many in the middle class expect that, should there be improvement in government finances and the fiscal condition permit (Mr TSANG has mentioned this point too), the Government will, in next

year's Budget, lower salaries tax and bring it back to the level of 2003. Of course, the Liberal Party believes the best method to alleviate poverty is to improve job opportunities. In his speech earlier, Mr Tommy CHEUNG expressed his views on the minimum wage issue. The business sector and the Liberal Party do have reservations about this. We do not think imposing a minimum wage can definitely alleviate poverty or resolve this problem. However, we do not oppose Mr TSANG's decision to examine this issue. In my opinion, he should examine any issues on which the community has expressed a lot of diverse views, and we support him in doing so.

Another matter of concern to us is the air pollution problem. Last year, in this Chamber, Members unanimously requested the Government to discuss with Guangdong Province and pay special attention to the cross-boundary air pollution problem in the hope that more efforts can be made by the Government.

Madam President, as Chairman of the Liberal Party, I think it is necessary for me to say a few words on our expectations for the Government in relation to the executive and legislature. Of course, it would be most satisfactory if all major political parties in Hong Kong support the Government's policies. However, I also noticed from their speeches earlier that many Members from the Democratic Party had reservations about this, particularly the confidentiality and collective responsibility system. I would like to take this opportunity to tell colleagues from the Democratic Party that while the two expressions, namely "confidentiality" and "collective responsibility", might sound very frightening when they were first heard, actually, when we think at greater depth, it would not be so frightening when the system really works. Under the so-called collective responsibility system, only the pan-democracy camp or members of the Democratic Party in the Executive Council are required to be collectively responsible alongside the Executive Council. Not all Members of the Democratic Party are required to abide by the collective responsibility system. What is more, District Council members and locals of the Democratic Party need not abide by this system just because a certain member of the Democratic Party has joined the Executive Council.

As regards confidentiality, we agree that many matters are highly confidential in nature. Even Members of the Executive Council might not be informed of new measures, such as when wine duty will be increased and profits tax be lowered, until the morning of the day on which they are implemented, whereas an announcement will be made by the Financial Secretary in this

Council in the afternoon of the same day. Therefore, such an act of keeping confidentiality is actually subject to a time limit, sometimes just a couple of hours. Policy-wise, after certain policies are passed by the Executive Council in its meetings held on Tuesday morning, media briefing sessions might possibly be held by government officials either in the afternoon of the same day or on Wednesday. Actually, Members of the Executive Council will not be requested to keep certain information confidential for months or years. I consider people harbouring excessive worries about this are like, as described by Mr TSANG, "imposing shackles on themselves". As such, can the relevant people reconsider it?

In our opinion, it would be ideal in Hong Kong if the Government is assisted by a number of political parties in administration, without the presence of any opposition parties. Of course, before this ideal becomes reality, I think a feasible option is for the Executive Council to rely on the support of several friendly political parties. As regards the *modus operandi* of these political parties, consultation is the key. We do not hope the Government, after deciding a policy, to expect that Members of the friendly political parties, who are also Members of the Executive Council, will definitely render support and even further lobby other Members of this Council to support the Government. We prefer the approach of consultation. After a consensus is reached on a certain policy, we will vigourously defend the Government to facilitate the implementation of the policy easier. These are the expectations of the Liberal Party.

Thank you, Madam President.

MR FREDERICK FUNG (in Cantonese): Madam President, the new Chief Executive will assume office today. In fact, my expectations for Mr Donald TSANG are no different from those for Mr TUNG Chee-hwa, who served as the first Chief Executive, that is, I hope they can return to the basics, the ABCs. What actually are the basics, the ABCs? For what reason did the Hong Kong Special Administrative Region (SAR) come into being? Why is the operation of the SAR different from that of other places on the Mainland? It is a national policy of China formulated in the '80s to establish the SAR and implement the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" in the SAR. I hope the new Chief Executive can return to these three axioms and put them into practice.

I will try to look at "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" from three angles, namely, the rule of law, democracy and people's livelihood. First, the so-called "one country, two systems" principle means that the socialist system will continue to be practised on the Mainland, whereas the capitalist system will be practised in Hong Kong. A capitalist system does not merely mean being able to do business or practise a free economy or free trade but that there must also be a complementary system. Insofar as Hong Kong is concerned, this means the rule of law and moving towards a democratic society. On the rule of law, what we demand is not just ruling Hong Kong according to the law but ruling Hong Kong by the rule of law. The rule of law was not an idea that we conceived on our own, nor would it be given to us merely because Hong Kong people demanded it. In fact, in the process of drafting the Basic Law and when the Basic Law was passed, the Standing Committee of the National People's Congress (NPCSC) had already bestowed on us the rule of law, so it was given to us by the State. Members can look at Article 18 and Section 4 in Chapter IV of the Basic Law. These relevant provisions tell us that the laws and systems adopted in Hong Kong in the future will be different from those on the Mainland. The State allows us to govern Hong Kong according to the spirit of common law. What I want to point out in particular is that the State allows us to govern Hong Kong and handle the internal affairs of Hong Kong.

However, in the past few years, have we done a good job with all this? In particular, I attach great importance to the interpretation of the Basic Law and the legislation on Article 23 of the Basic Law (Article 23). However, some of the remarks made by Mr TSANG during the election campaign made me worry. In some closed-door meetings, Mr TSANG said to some members of the Election Committee that the bill on Article 23 drawn up in the past had been too lax. Certainly it was reported in the press. This remark of his was astonishing. How tight should such a bill be before it is considered to have met the requirements of the Basic Law? In fact, when we had discussions back then, all the people concerned agreed that if it was necessary to put in place a piece of legislation, then it had to be in line with the Bill of Rights as well as the Johannesburg Principle. Therefore, a member of the legal sector said back then that the legislation on Article 23 should be drawn up according to the principles of common law and the rule of law. Although Mr TSANG said that he would not embark on this task in the next two years, if he considers the previous bill to be too lax, I am concerned whether he will continue to govern Hong Kong according to the rule of law.

The second area is a democratic system. Obviously, Hong Kong is a society that practises capitalism and free economy. In overseas societies adopting the same kind of economic system, the political systems adopted are democracies. Through the Basic Law, the NPCSC conferred on Hong Kong people the right to elect the Legislative Council and the Chief Executive by universal suffrage in future and the question is only when and how. I think that throughout his election campaign, not only did Mr TSANG fail to include the aspirations of Hong Kong people for universal suffrage in 2007 and 2008 in his platform or even to make it the basis of his discussions with the Central Government, he was not even willing to give an account on the timetable. This cannot but make us wonder to what extent the principles of "one country, two systems" and "Hong Kong people ruling Hong Kong" have been and will be reflected in Mr TSANG's remarks, policy agenda and governance. This is also our worry and concern.

Although the third area may not be related to the system of governance, it is closely related to people's livelihood. In fact, what is the objective of politics? Everyone has his own goals and aspirations, but to Frederick FUNG and the Hong Kong Association for Democracy and People's Livelihood (ADPL), the goal of participation in politics is to improve people's livelihood through a system that sees involvement of the people. If involvement in politics cannot serve to improve people's livelihood, then there is something wrong with the political system and it can even be said that the system has failed. However, the remarks made by Mr TSANG about several issues during his electioneering really make us very worried.

Let me give some examples. The first one is the plan to build the Government Headquarters at the Tamar site. I remember that during the SARS outbreak, the Government at one point said that in view of fiscal problems and the political situation, the plan involving the Tamar site would be postponed indefinitely. However, during some closed meetings with members of the Election Committee, Mr TSANG said that in order to increase job opportunities and improve the economy, consideration would be given to placing the construction of the Government Headquarters at the Tamar site on the agenda again. What changes occurred during the interim? Back then, this plan was proposed also with the aim of boosting the economy and increasing job opportunities. Why is it that when there was no election, the plan was put on hold but when there was an election, a promise was all of a sudden made to the Election Committee?

The second example has to do with Radio Television Hong Kong (RTHK). Mr TSANG said in the course of electioneering that he believed there was something very wrong with RTHK producing horse-racing or entertainment programmes and that it should not do so. Of course, there is nothing unusual if Mr TSANG holds such views but I believe that before any policy or directional proposal on the role, positioning, identity or the way forward had been made, it is not desirable to single out one or two programmes for comment. To put it simply, this is to exert pressure on RTHK.

Finally, on the issue of people's livelihood, in sum, the disparity of wealth is a problem that we have always been concerned about, as well as one that needs to be addressed. However, Mr TSANG has time and again put the blame on the mainlanders who come to Hong Kong on one-way permits, numbering at 150 persons per day, saying that their poor financial capability has caused the Hong Kong economy to perform poorly — to put it more harshly, they are a liability to us. In fact, after they have lived in Hong Kong for seven years, they will also become Hong Kong residents. Each year, there are 50 000 newcomers from the Mainland. After seven years, there will be 350 000 such people. How are we going to deal with such a continuous flow of mainlanders into Hong Kong? Will the Government continue to fix the economy by focusing on one aspect only and working only on high technology? I do not oppose this, but should we not also have a second-tier and third-tier economic development? Should we not encourage and develop low-skill and labour-intensive industries to create a greater variety of jobs and posts, so that these people can also find employment, make money and support themselves? Thank you.

MR ABRAHAM SHEK: Madam President, Mr Donald TSANG has been officially declared the new Chief Executive. With our Premier WEN Jiabao's stamp of approval given yesterday, Hong Kong has entered a new era of TSANG's leadership. What kind of policies and what kind of leadership will dawn on us in the coming two or seven years? Your guess is as good as mine. But I am sure that we all share one common wish — that the TSANG's era will bring common good to the common people of Hong Kong.

The Honourable Martin LEE's motion is a timely one for us to debate on our expectations and aspirations for the new Chief Executive. Having listened attentively to over 25 speeches given by my honourable colleagues, I do not intend to expound my humble views on this issue, for what needs to be said has

been preached, and what advice needs to be given has been rendered. I am sure that the new Chief Executive must be worn out by now if he has listened to my colleagues, and would surely be a wiser person if he could follow the wishes of the DAB, the pleadings of the Liberal Party and the demands of the Democratic Party and the others. I, for my humble self, would like to share with Mr TSANG and the others in the course of the next few minutes the wisdom of the sages on the subject of leadership, and that Donald could take heed of these words of wisdom and be a leader with true conscience.

DYER, the famous bestselling author of *Your Sacred Self*, wrote an article on leadership, and in it, he quoted Lao Tzu's teachings on leadership which I would like to share with you. Lao Tzu wrote, "True leaders are hardly known to their followers. Next after them are leaders that people know and admire. After them those they fear. After them those they despise. To give trust is to get no trust. To give no trust is to get no trust. When the work's done right, with no fuss or boasting, ordinary people say, 'Oh, we did it'."

Literally, according to Lao Tzu's words, leadership of the first order must go to Mr TUNG because he is hardly known to many of us and to the people of Hong Kong. History will make a decision on that. And according to Lao Tzu's words, Donald, with his popularity, could only be a leader of the second order. History will again make record of that. But what Lao Tzu actually said was that the true leader acts in such a way as to be hardly known in the entire process of government. This leader offers trust, encouragement and congratulations as others find their own way. To qualify as true leaders they must silence themselves and hear the populace express, "Yes, we created this great economy ourselves". This is the very essence of what democracy is. A good leader must give trust in order to receive trust.

DYER further wrote in his article which I again quote, "True leader leads unobtrusively, offering trust whenever possible. Gently smile at your ego's desire to take credit and silently acknowledge your true leadership when you hear others say, 'Oh yes, we did that ourselves.'" Here are some suggestions for applying the wisdom of Lao Tzu. Firstly, before acting, stop and ask yourself if what you are about to say is going to create hate, fear, admiration or self-awareness. Choose to nurture self-awareness. Secondly, act on your desire to be a true leader by being as quietly, effective as possible. Catch someone doing something right. Thirdly, become aware that it is the ego part of you that is suggesting you are a failure. Rather than seeing yourself as a

failure when no credit comes your way, remind yourself that you have succeeded as a leader, and good-naturedly let your ego know that this is the way to successful leadership. With these words, I wish Donald the best leadership he can attain, and may God bless him.

MR ABRAHAM SHEK (in Cantonese): Madam President, several Members mentioned Dr Stanley HO's remarks about the high land premium policy and Chief Secretary Donald TSANG also pointed out here that the Government's policy is to let market lead the land premium. I would like to take this opportunity to state that the Real Estate Developers' Association supports a market-led policy but not a high land premium policy. Thank you, Madam President.

MR PATRICK LAU (in Cantonese): Madam President, I support the motion and the amendments proposed by Members.

First of all, I think the new Chief Executive's policy objectives of developing the economy and improving the employment situation are correct. Just look at the industry that I represent and we can see that given the serious shortage of construction projects in recent years, the unemployment rate among members of the industry is indeed alarmingly high. Mr TSANG has undertaken to expeditiously launch all the \$29 billion-worth infrastructure projects, and also the outstanding community development projects of the two former Municipal Councils; he has again mentioned the development of the Tamar Site, which means that the future plan of the Legislative Council may also be realized.

As for the policy objective of consolidating Hong Kong's position as an Asian cosmopolitan, I hope that the Government will, under the leadership of the new Chief Executive, focus on policies for improving the environment. The West Kowloon Cultural District development should be implemented. It is necessary for every city renowned as a cosmopolitan to have aesthetic, quality and sustainable cityscape planning, and this is what we refer to as hardware. As for software, it certainly requires government support in terms of policies on education, culture, and so on. I, therefore, consider that the Government should organize more architectural design competitions of various kinds, with a view to enhancing the quality of hardware and providing support to the Government in developing policies on software in the future.

In his policy agenda the new Chief Executive put forth the idea of strengthening governance, and this has won applause from the public. To achieve this objective, I think a key is to facilitate co-operation among various bureaux and departments, and this has to do with the streamlining of government structure as often mentioned by Members. Cumbersome administrative formalities are time-consuming and can do great damage to our cost-effectiveness. The industry that I represent is particularly dissatisfied with the requirement that they have to go through repetitive and complex vetting procedures at three departments, namely, the Planning Department, the Lands Department and the Architectural Services Department, and also the bad habit of government departments trying to shirk responsibilities over construction projects and passing the buck to each other. We sincerely hope that this situation will disappear as soon as possible under the leadership of the new Chief Executive.

In relation to our expectation relating to the rule of law, the industry and I have always been concerned about, and have placed emphasis on, the need to enhance transparency in developing public-private partnership. Apart from upholding the principles of equity, impartiality and openness in conducting tenders for development projects, it is necessary to carefully review the arrangement in the introductory guide to public-private partnerships of allowing private companies to bypass established procedures and giving them full rights in carrying out development projects, in order to avoid making the same mistake as that of the Cyberport which has given people the impression of collusion between business and the Government.

On the agenda of democratization, I think many colleagues of this Council have already expressed their different expectations. I believe Members do support the policy objective stated by the new Chief Executive in his policy agenda of hoping to build a closer and better relationship with the Central Authorities, and it is most important that the wish of Hong Kong people can be reflected. I believe this will be immensely helpful to the gradual and orderly implementation of constitutional reforms in future in the light of the actual circumstances in the progress towards democracy.

Here, I must express my expectations of the new Chief Executive in respect of the education policy. The training of talents is an area of work that absolutely cannot be taken lightly in any country. All sectors of the community already understand the importance of innovative teaching approaches and liberal

studies, and the Government is also implementing education reforms in this direction gradually. I hope that apart from paying attention to tertiary education, the new Chief Executive, Mr TSANG, will continuously invest in basic education. As it is said in the motion debate on early childhood education which has just obtained unanimous support from Members, we should provide broad and yet focused education to our next generation starting from their early childhood complemented by improved teachers' qualification and enhanced parents' co-operation, and the "3+3+4" academic structure should be implemented with the support of small-class teaching, with a view to achieving the objective of "Learning: It's more than scoring".

Finally, Madam President, I hope that the new Chief Executive can expeditiously honour all the undertakings that he made during the election and provide a reasonable timetable and also implement the policy objective of strong governance and harmonious society for the benefit of the people which he emphasized in his speech in a public forum to answer questions from the public.

Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, Mr Donald TSANG was elected uncontested with wide public support. This shows that the public does have expectations of Mr TSANG, hoping that he can perhaps lead Hong Kong out of the impasse in which it has been caught for several years. Mr TSANG was the Chairman of the first term of the Council for Sustainable Development, and members of the public have fairly high expectations of him as to how he will lead Hong Kong onto the path of sustainable development. In this connection, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) urges Mr TSANG to make wise decisions on major environmental issues in order not to disappoint the public.

I will express the views of the DAB on several environmental issues. First of all, on waste disposal, we are already at the crossroads in history. Should the Government make wrong decisions again, each and every Hong Kong citizen and their posterity would suffer. Therefore, the Chief Executive must rethink and rethink. He cannot give up environmental principles, and he cannot spend all the efforts and a colossal sum of public money on building the two super incinerators as presently planned. He cannot just burn down a huge recyclable treasure in one go directly. I hope the Government can choose to

follow the world trend and consistently implement the principle of waste reduction and recycling. It should adopt the most cost-effective and environmentally-friendly means and target all the efforts on the reduction of waste, and with the implementation of separation at source and central separation, it can set up a sustainable waste disposal system and at the same time create a healthy environment for the local recycling industry and also create a large number of low-skill jobs.

Like their attitude towards waste disposal, the public also holds an unequivocal attitude towards enhanced efforts in greening and protection of old trees and famous trees. Over the last four years, I have twice proposed a motion debate on this topic, and the motion was passed with the support of Members on both occasions. Public support is beyond doubt. Regrettably, the Government has neglected the common aspiration of the people. Whenever legislation on the protection of trees is mentioned, it will reject any such proposal at the first instance, saying that the existing administrative guidelines are effective and flexible. But it is precisely because they have too much flexibility that many so-called safeguards in tree protection are rendered virtually null and void. Whenever there is a need for development, so to speak, the defence line will totally collapse, and there are many such examples. I already presented a list in the motion debate two months ago. In this connection, the DAB urges the Chief Executive to conduct a comprehensive review and reverse his past position by giving support to the private Members' bill that I will table at this Council soon.

Madam President, since the Government cannot see trees, how can we ask the Government to see the woods? No wonder the work of the Government in nature conservation is riddled with loopholes. In fact, as early as in 2001 I already proposed a motion debate on this topic, urging the Government to formulate comprehensive and active policies on nature conservation. Over the last four years, the Government has, on the surface, proposed a set of policies and put forth some proposals, such as management agreement and public-private partnership, but these so-called policies are confined only to 12 sites. The Government has not explained the targets in respect of the other sites with ecological value in Hong Kong. Nor has it drawn up any timetable. As a result, the objective of conservation has not been truly achieved and conflicts between the Government and landowners have not been solved either, and this has even made people doubt whether the true intention of the Government is to

cross out the rest of the sites from the conservation list in one go, in order to give a green light to large-scale construction works at these places.

For the sake of the Government's integrity and in order to truly implement conservation work, it is hoped that the Government led by the Chief Executive will immediately draw up a comprehensive conservation policy and at the same time explain the territory-wide conservation objectives.

Finally, I would like to talk about the green house aspect. To reduce green house gas emission, experts have suggested different ways to conserve energy. A direct and effective way is to adjust the air-conditioned room temperature to around 25 degree Celsius. In fact, the Environment, Transport and Works Bureau also issued a similar guideline at the end of last year. Regrettably, the Government has said one thing but done another thing. According to surveys conducted by some organizations, the temperature of most public premises of the Government does not meet this standard. I agree that the weather of Hong Kong is relatively humid and so, the temperature requirement can be slightly relaxed. I would suggest it to be between 23 and 25 degree Celsius, instead of 25.5 degree Celsius. But even if the threshold is lowered, these premises still fail to meet the standard and that is why Hong Kong is considered a "freezer". In this connection, the DAB hopes that the Government can set a good example by supervising its departments to ensure their strict compliance with the requirement of adjusting the room temperature to between 23 and 25 degree Celsius.

To support this measure, I urge the Chief Executive to really take off his suit and "bow-tie" during the hot summer time to show his sincerity in supporting environmental protection by dressing casual.

To conserve energy, apart from targeting actions at air conditioners, many scientific researches have proven that if a large number of buildings in a city can be built with "green roofs", the temperature in the entire city can be effectively reduced. At present, "green roofs" have already gone beyond the stage of scientific research into the stage of practical use. The relevant technologies are mature, and the cost has also come down to a level affordable to the people. The Mayor of Tokyo has strongly encouraged buildings to convert to "green roofs", so as to reduce the city temperature by 1 degree Celsius. The DAB urges the Government to take the lead to actively study these proposals, in order to bring a cool, green summer to the territory.

Madam President, it seems that I still have some time and so, I would like to talk about other green issues, particularly the problem of air pollution, which has aroused grave concern among all members of the business community and the public. I hope that the Government can accord priority to solving this problem. Since the Acting Chief Secretary for Administration is here in the Chamber, I hope the authorities can expeditiously and effectively improve the air quality in Hong Kong, and water resource is also a problem. In general, I hope the Government can step up its efforts in environmental protection.

MS AUDREY EU (in Cantonese): Madam President, today's motion has to do with the expectations for the new Chief Executive. Our words are intended for him but he is not here, so this is actually not too good a beginning in improving the relationship between the executive and the legislature.

When Mr Albert CHAN spoke earlier, he said he had nominated Mr Donald TSANG, so he does have some expectations of Mr TSANG. Ms Emily LAU and Me LEUNG Kwok-hung, on the other hand, do not hold any expectation of him since they did not nominate him, moreover, they believe that this motion moved by the Democratic Party is just a waste of breath.

Madam President, I believe we must always have hope. I also agree with Dr Fernando CHEUNG's remarks that even though Mr TSANG has not come here to give audience to our debate, we still have the responsibility to express our expectations of him. Today, many Honourable colleagues have spoken and every one of them has offered sincere and heartfelt advice, raising issues such as sustainable development, transport, IT, education and conservation. In sum, all Members have expressed a lot of expectations in relation to areas of concern to them and have conveyed these expectations to Donald TSANG.

Donald TSANG has made it known right from the beginning that matters of policy will be studied by the Bureau Secretaries and matters of co-ordination will be handled by two Secretaries of Departments and he is only interested in dealing with political affairs. In fact, things can only turn out this way. His term of office is only two years or perhaps even shorter, because the Chief Executive of the third term will be selected in March 2007. Besides, if he wants to deal with constitutional reform proposals and if changes can be

introduced to the electoral system, he also has to think about how it can be changed. Finally, there is the issue of a second term of office. Does this mean two years plus five years, or plus a further five years? Does that mean it will actually last seven years or 12 years in all? Members only have to pause and think a little to realize that all these issues are closely related to him, so there is little wonder he is not interested in other areas except handling political affairs.

Madam President, concerning Mr Donald TSANG's remarks, what struck me as most impressive was his remark that the election had made him realize who his real friends were and who his enemies really were, that he would sort that out in the next two years, so he was only interested in hearing Members talk about politics. In view of his remarks, I have only one expectation of Mr Donald TSANG, that is, he will really bring about a breakthrough in constitutional reform, so that the mainstream opinions of the Hong Kong public on constitutional reform can be accepted. Tomorrow, he will go to Beijing but he does not want to be alone, so he will go there together with Secretary Stephen LAM and Secretary Elsie LEUNG. I believe they will discuss the issue of constitutional reform, therefore, I hope that the constitutional reform proposal conceived by him will not serve only to pave the way for a second term of office for him but that it can really bring about a breakthrough. I hope that it will not only serve to bring about what he described as a Hong Kong-style democracy but a package of democratic constitutional reform proposals acceptable to Hong Kong people, so that we can put aside this issue for the time being and handle other problems of great concern to Honourable colleagues, such as education, environmental protection, transport and helping the poor.

Madam President, in addition, I also wish to comment on the remarks made by Mr TAM Yiu-chung in the speech delivered by him just now. He voiced his opposition to Dr YEUNG Sum's amendment and cited two reasons. The first is that the amendment talks about "safeguarding the basic rights of the Hong Kong people, and ensure that the local affairs of the HKSAR are not interfered with by the Central authorities". Dr YEUNG Sum has already aired his views on this point and I do not wish to repeat them. Another reason for his opposition of Dr YEUNG Sum's amendment is that it mentions "upholding the common law", therefore, he opposes the amendment. Dr YEUNG Sum did not explain this point but I do not quite understand why Mr TAM Yiu-chung should oppose upholding common law either, so I will talk about this point. Why does he not support this part?

In fact, a lot of provisions in the Basic Law have made references to common law. For example, Article 8 says that the laws previously in force shall be maintained and that includes common law. Article 18 has made references to the laws in force as well as common law. Article 19 says that our judicial system shall be maintained. Article 81 says that the Court of Final Appeal, the original judicial system and the power of the Court are all based on the existing judicial system. Article 82 mentions the Court of Final Appeal, which may as required invite Judges from other common law jurisdictions to take part in hearings. Article 84 says that the precedents of other common law jurisdictions may be referred to. In addition, Chapter III of the Basic Law is on our fundamental rights and they are all based on our common law system. In view of this, if we do not uphold common law, then what are we supposed to uphold?

Of course, what Mr TAM Yiu-chung means is probably that according to Article 158 of the Basic Law, the NPCSC has the power to interpret the Basic Law. However, we can see that the design of Article 158 is in fact very clear. Since "one country, two systems" would be implemented and the Central Authorities also understand that the common law system is practised in Hong Kong, in order to protect this system in Hong Kong, the design of Article 158 is such that after adjudication by the Courts at various levels, before the Court of Final Appeal makes a final judgement which are not appealable, it can seek an interpretation from the NPCSC if the provision concerned falls within the scope prescribed by Article 158. Unfortunately, when seeking interpretations on the last three occasions, this channel was not taken. The very first thing that Mr TSANG did after he had assumed office was to seek an interpretation for the third time. In doing so, he has damaged common law. The Legislative Council has debated this point a number of times in the past and I am not going to repeat here.

Mr Frederick FUNG mentioned in his speech that in a closed meeting, Mr Donald TSANG mentioned Article 23 of the Basic Law. I was also present on that occasion. He did say that the legislation on Article 23 tabled to the Legislative Council back then was lax and had loopholes in it and national security could not be safeguarded. I find this most regrettable and hope that he can explain in greater detail. These are the expectations of Mr Donald TSANG that I can express in a speaking time of seven minutes.

MR TIMOTHY FOK: Madam President, our new Chief Executive has a life story that is also the story of Hong Kong. Mr Donald TSANG has been with the Government for 40 years. He knows how to administer. We have confidence in him doing exactly what is for the next two years and beyond.

We have long wondered what makes a city great. We are aware that greatness is more than the sum of a city's economics. New York, London and Paris are the cities we are to admire. They have all their attributes. They now want to host the 2012 Olympics as their crowning glory. The Government here has assured us that it would build a sports hub. We hope that the plan will go ahead so that we may start to emulate those great cities as Asia's world city.

Hong Kong is rich not only in finances but also in the many arts. We have the film, the publishing, and the design capital of the region. We have to ensure that creative talents are not stifled, but nurtured. I know Mr TSANG understands this very well because he is of the people.

One of Mr TSANG's initiatives was the West Kowloon Cultural District project. We hope he will complete what he has started. The finish and not the promise is how leadership is measured.

With these words, Madam President, I support the original motion that gives the Chief Executive our support.

MRS SELINA CHOW (in Cantonese): Madam President, when Mr TSANG was standing for the election, he mentioned from time to time that his first job while he was young was that of a salesman. Maybe that job was a mind-expanding experience for him because he secured the support and nomination of 714 members of the Election Committee. This shows that his marketing skills are excellent. However, I hope that in future, Mr TSANG will not just focus on marketing because marketing means he will do all the talking but no one else can. I hope that he will not just lend an ear to opinions, rather, as it is said in English, listen to them rather than just hear them, that is, apart from giving audience to them, he also has to take them on board, instead of allowing the voices of the public to go in at one ear and out at the other.

For many years, be it before or after the reunification, I have constantly demanded that various departments change their territorial culture of each

department minding only its own business. When the Accountability System for Principle Officials was established, I thought that my wish would finally come true. It turned out that the greater the hope, the greater the disappointment. The accountability system did not boost or consolidate the team spirit of the executive, for on the contrary, due to a change in the role of the Chief Secretary for Administration as the head of Bureau Secretaries and the "big envelope" arrangement for operating expenditure, the mentality and phenomenon of each bureau minding its own business were created. There was no improvement in the implementation of some inter-bureaux policies and problems have also frequently occurred in the co-operation between Policy Bureaux and the departments under them. The greatest failing lies in the frequent blunders made when handling crisis calling for inter-departmental efforts, thus leading to widespread complaints and discontents among the public and eroding the confidence in the Government.

I still hold the view that our legion of civil servants is outstanding and the officials in the directorate grade are the cream of society. The accountability system is an inevitable stage in the democratization of our constitution. The key lies in whether the executive under the leadership of the Chief executive can give full play to the team spirit. Similarly, it is also a matter of whether the official and unofficial Members in the Executive Council can operate as one team in making decisions and make concerted efforts to respond to the demands of the public. I believe the most pressing task for Mr TSANG is to form such a governing team and this indeed brooks no delay.

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

However, constitutional reform takes time and this is not something that can be achieved overnight and there are also some urgent issues that have to be addressed immediately. Of course, there are numerous such problems, however, I believe there are two issues that call for urgent attention. Firstly, as a directly elected Member representing New Territories West, I am very concerned that the commissioning of the Deep Bay Link and the completion of the Hong Kong-Zhuhai-Macao Bridge will bring about severe traffic congestion in New Territories West. Even now, the capacity of the Tuen Mun Highway is often exceeded, whereas Route 3, which should serve to divert some of the traffic, is not preferred by drivers who prefer to take the Tuen Mun Highway

instead, even though it is more congested, because it is necessary to make a detour and the trip is longer. Moreover, it is necessary to pay toll and this is the greatest problem. Although Route 3 was built by the private sector, over \$7 billion in public resources were spent in its construction. However, it is not being fully utilized and this is indeed a great waste. I urge the Government to actively consider negotiating a reasonable price with the operator concerned for acquisition of Route 3, and then open it up for use by motorists free of charge.

Meanwhile, it is also necessary for the Government to expedite the construction of roads connecting the Deep Bay Link with the eastern part of the territory, so that vehicles can be channelled to Route 3 and the traffic diverted. In this way, the congestion on Tuen Mun Highway can be eased and this will also significantly ease the overall traffic burden in New Territories West. Not only will this move benefit motorists in general, it will also be of great help to the transport and logistic industries, as well as various other trades and industries. On such a burning issue, the Government has not taken any action for extended periods of time and this is unacceptable.

In addition, in the past few years, I have received many complaints alleging that the Government was dragging its feet on various projects and they were seldom completed on schedule. Moreover, I believe Members can see that not only are many projects being implemented at a snail's pace but also no dates have been set for the launch of other projects. Members may say that this is attributable to the fiscal deficit but this is in fact not the reason because even in times of fiscal deficit, the Government told us that \$29.7 billion had been set aside as the annual public works expenditure. Since funds have been reserved, why is it that they have never been fully utilized?

In a nutshell, it is again the "big envelope" that is doing the mischief. This is because the money in the big envelope includes money for the construction of the "hardware" as well as the recurrent expenditure. Since various bureaux are going their separate ways, they have to be extremely frugal in case some unforeseen circumstances will tax the recurrent expenditure, thus leading to overspending. As a result, the various bureaux dare not give the green light to the construction of "hardware". They may even refrain from building roads temporarily because it will also incur other expenses, such as those on lighting, cleaning and maintenance.

The situation in respect of recreational facilities is also the same. On the construction of recreational facilities, it is not the case that there is not enough money to pay for the hardware but that the subsequent management, cleaning and operation will all require recurrent expenditure, so this has caused the Secretaries concerned to drag their feet. Such a situation is unacceptable to the public because these transport or community facilities are in fact daily necessities. In fact, each time members of the District Councils come here to hold discussions with us on these problems, they are always clamouring about such matters.

I hope Mr TSANG will conceive satisfactory solutions to these problems with the structure. Thank you, Madam Deputy.

MR ALAN LEONG (in Cantonese): Madam Deputy, the new Chief Executive will soon assume office, so it is particularly meaningful that this motion is moved in this Council today. Since Mr TAM Yiu-chung's amendment has highlighted five essential aspects in such areas as democracy, human rights, the rule of law and people's livelihood, I also wish to take this opportunity to elaborate each of them.

Firstly, on adhering steadfastly to the "one country, two systems" principle, we noticed that in accordance with this idea conceived by Mr DENG Xiaoping, the promise of "one country, two systems" was made in the Basic Law. Since Hong Kong people believe in this promise and since all of us have made Hong Kong our home, we are prepared to stay here to develop Hong Kong. On the whole, the process of reunification can also be considered smooth.

The Central Authorities must understand the insistence of Hong Kong people on their established core values and their tenacity for the established systems. This is also the reason why Mr DENG Xiaoping's design included "two systems" in "one country".

Madam Deputy, the rule of law and judicial independence are valued in Hong Kong, financial management here is clear and orderly, public administration is open and transparent, the exercise of official power is effected through a due process, the civil servants are clean and law-abiding, and the flows of news and information are unobstructed. Hong Kong people advocate fair competition, reject cronyism, eschew back-door deals and enjoy their inalienable

human rights and freedom. All these values and systems are cherished and treasured by Hong Kong people. If the Central Authorities want to make good the promise of "Hong Kong people ruling Hong Kong" and "a high degree of autonomy", they should trust Hong Kong people, allow us to preserve the original system and take the values of Hong Kong to a new level.

Hong Kong people have the right to expect that all the promises made in the Basic Law will be honoured. We must bear in mind that no ruler can establish himself without trust from the people, so those in power must always remind themselves of this and must not go back on their own words. The Chief Executive designate is an indigenous and home-grown person, so he should have an intimate understanding of the concerns, entrenched beliefs and insistence of Hong Kong people. I hope that he can be an effective link between Hong Kong and the Central Authorities. Moreover, when the system in Hong Kong is being misunderstood, he should explain to and lobby the leaders in Beijing and the reverse also holds true. He must not allow any misunderstanding to deepen the distrust between the Central Authorities and Hong Kong. If he manages to do all the foregoing, he will doing people infinite good.

Madam Deputy, the second aspect is the rule of law in Hong Kong. We must understand there is a difference between the Mainland and Hong Kong in the extent to which the rule of law has developed and the understanding of it. Not only has the established system in Hong Kong won international acclaim, it has also won wide recognition and is considered to be the cornerstone of the SAR's success. In order to preserve Hong Kong's status as an international financial and trading centre and in order to contribute towards the modernization of China, the Central Authorities must allow Hong Kong to preserve the existing system. It should not lightly demand that the system in Hong Kong mesh with that on the Mainland. Not only will doing so be at great odds with the concepts underlying the Basic Law, it will also deviate greatly from the expectations of Hong Kong people.

The Chief Executive surely understands that the establishment of a well-developed and reliable legal system takes time. If we do not nurse it carefully, it can easily be destroyed in one stroke. In our system, the law is never merely a tool for the powers that be to manifest their will, nor does the rule of law allow any compromise for the sake of expediency. On the work to insist

on the rule of law, the responsibilities that the Chief Executive assumes are onerous and have far-reaching repercussions, so he must not act rashly.

Madam Deputy, thirdly, on uniting various sectors in society, we noticed that in the eight years when Hong Kong was under the rule of Mr TUNG Chee-hwa, there were too many quarters issuing commands and this is in stark contrast with the top-to-bottom chain of command in the colonial era and the practice of allowing policies to mellow before they were publicized. To promote social stability and harmony, the Chief Executive must display his breadth of mind and profound humility by recruiting people based on merit, consult a broad spectrum of opinions, garner the best ideas and take on board the views from the high-quality and mature civil society in Hong Kong. He should base his governance on the political consensus reached by the leftist, centrist and rightist camps, as well as the upper, middle and lower classes. He must not try to cobble together anything without making reference to reality, nor can he be self-righteous.

In the forthcoming Fifth Report on constitutional reform, he has to outline a proposal that can truly answer the aspirations of Hong Kong people for universal suffrage and straighten out the relationship between the legislature and the executive, so that public opinions can be dealt with within the establishment. It is necessary to avoid compelling the public and those participants in politics to engage in negative monitoring due to the failure to involve them in policy formulation, leading to incessant squabble and frequent internal attrition, thus wasting limited public resources without being able to solve the many urgent problems confronting Hong Kong.

Fourthly, on being people-oriented and improving the livelihood of the public, I must point out that it seems the term "people-based" has been misused. The people who said this often did not seem to understand that to be truly people-oriented, it is necessary to begin from the heart and show adequate respect for each person as an individual. Moreover, it is necessary to have empathy, put oneself into other people's shoes and understand their concerns. For Hong Kong to really take off again, there is no other way but to govern with benevolence and aspire to building a caring and just society.

The series of visits that the Chief Executive made to various districts should have enabled him to appreciate the livelihood of the common folks by virtue of the flesh-and-blood cases that present themselves to him. If he can

bear in mind what was impressed on him, then he will be able to truly follow the dictates of his heart and place emphasis on showing a human touch. The public will surely be able to feel this and consequently, society will become more harmonious and peaceful.

Madam Deputy, fifthly, on promoting co-operation between Hong Kong and the Mainland, I must first point out that between the systems in Hong Kong and on the Mainland, as far as the flow of people, goods and capital are concerned, there is in fact no need to draw any line over this. However, in such areas as public policies, financial management, the administration of justice and legislation, Hong Kong must continue to preserve and consolidate its original package of software and hardware. Not only is this important to Hong Kong but also highly beneficial to our country. Unfortunately, after the reunification, it seems that the policy of the SAR Government has put the cart before the horse: insofar as the systems are concerned, there has been a shift towards those on the Mainland, but insofar as the flow of people, goods and capital are concerned, restrictions have been imposed everywhere and line after line of hurdles have been created.

It can be said that in recent years, policies such as the Individual Travel Scheme, the closer economic partnership arrangement and the "Nine plus Two" arrangement have broken down the barriers in the flow of people, goods and capital between the two systems, creating a win-win situation for both sides, so it can be said that the right direction has been taken. If greater efforts are made on this basis, it will not be long before both sides can feel the benefits of a win-win situation. Thank you, Madam Deputy.

MR BERNARD CHAN: Madam Deputy, for the first time in Hong Kong's history, we are led by a local person who has the support and the confidence of a broad majority of citizens from all social classes and age groups. This support base seems to have spread across most of the political spectrums especially those from the middle.

Mr TSANG's achievement in gaining this approval was the easy part. But he is going to face the same old challenges and conflicting demands. Health care financing, broadening the tax base, food labelling, anti-smoking, the West Kowloon Cultural District development and the old age pension are just to name a few. It is almost unrealistic to expect any consensus on all these issues.

There have been many talks about the remixing or the regrouping of the Executive Council, and ways to improve the relationships with this Council. But in many cases, opposition in the Legislative Council comes out of a tradition of opposing for its own sake. It is one of the few ways legislators can make an impact. How can our new Chief Executive, with his solid popularity among Hong Kong people, change that part of the executive-legislature relationship? Will adding a few new faces in the Executive Council do the trick?

There is also this idea of "Assistant Minister", and their job is to influence the officials or perhaps the other way round. But will this strengthen the communication between the Principal Officials, the civil servant and the Legislative Council, or is it creating more bureaucracy?

Perhaps the answer partly lies outside the Legislative Council. The new Chief Executive has already said that he wants a more inclusive approach, with broader participation in the advisory bodies and the Executive Council itself. And perhaps, winning those people, including the many moderates whose voices often go unheard, will be one step forward in building a consensus in public opinion. Thank you.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, recently, when we listen to the radio or watch the television, we will see our new Chief Executive, Mr TSANG, putting forward a series of philosophies and expectations. They include serving for the well-being of the people, creating a harmonious society, reducing arguments and forging social unity which many colleagues have also mentioned earlier. Whenever I read such news or hear his remarks, I think to myself that we share the same views, but while his philosophies and expectations are premised on social harmony, unity and fewer arguments, it is necessary for the Government to clearly spell out the details in administration.

Mr TSANG said that he very much hoped to have the support of the people in his future governance. This is certainly important. But I must add that the SAR Government, in order to achieve this objective, must make the first step to address some problems. For example, we can see a wealth gap in society; over a million people have difficulties in employment; and many people are in plights because of poverty. Last week I read this news report and I still felt uncomfortable in the following days. It was about a middle-age man of 30-odd years old. He was married with several children, and there were six members

in his family. This father did not wish to draw the Comprehensive Social Security Assistance (CSSA) for he wished to stand on his own feet and so, he worked 15 hours a day and earned some \$7,000 to support his family. Finally, he could no longer stand it and after writing a letter to his family, he killed himself.

I think we can see that today, the economy has turned from deflation to inflation, and in society, while public opinions had first been diverse with all sides refusing to concede ground, it now seems that the problems have been solved quite satisfactorily. But why is society still in a state of disharmony with arguments and disunity? I think in order to serve for the well-being of the people, create a harmonious society, minimize arguments and forge social unity, it is necessary to enable all the 6 million-odd people in the entire society to live in peace and work in contentment and to share the joy and worries of society. Only in this way can social cohesion be achieved and a harmonious atmosphere created. Otherwise, I think no matter how we discuss it, how we try to make our voices heard, how hard we work and how we try to lobby support, some problems would remain unresolved in the end.

Having been a Member of the Legislative Council for such a long time, I think it is necessary for the SAR Government to work out a set of philosophies. Let us not expect for the time being that this set of philosophies can truly achieve the objective of serving the well-being of the people. But this set of philosophies should enable each and every member of the community to share the fruits of economic development. Can people who live in society really feel that they have been given equal treatment? As our colleagues also agree, this is a core value that many people in society are talking about. Without such philosophies, how can the Chief Executive lead society to develop in this direction? If we cannot address squarely the plights faced by most people in making a living, how can the people's livelihood be improved?

Madam Deputy, we have said that the wealth gap in Hong Kong is very serious and suggested that the prime culprit is the lack of jobs in the employment market. Today, the *Hong Kong Economic Times* published an article by an academic, Mr FUNG. He asked, "Do we really wish to receive the CSSA?", and he said, "It is only because we have no job." In the past, insofar as single-parent families are concerned, only those parents whose children were over 15 years of age had to work and the parent did not have to work if his or her children are under 15, but now, the age is reduced to six. We must ask how the entire package of policies is co-ordinated? A very important question is: Are

there sufficient jobs in the market? When a large group of people go out to work, the labour force will indeed be boosted, but it will drag down the wages. All the problems now are exactly caused by the phenomenon of working poverty.

Concerning the middle-age man whom I just referred to, he would not have to work 15 hours a day had he not been caught in abject poverty, and this case happened only recently. We, therefore, proposed setting a minimum wage and standard working hours. It is most imperative for the Government to do these properly. But while efforts are made in these areas, if the Government does not launch a diversified economic development, then I think despite the setting of the minimum wage and standard working hours by the Government, it would still be very difficult to take these policies forward, because there are too many poor workers and there are too many people desperately vying for the same job. So, even though the wages are further lowered, they would still accept it and take up the job. What should we do then? Certainly, we hope that legislation can be enacted in this connection, but we reckon that many problems would arise by then. All these are issues that need to be discussed in society, and it is necessary for us to look into them and identify solutions to the problems faced by workers, so that they can have more jobs and bargaining power in the labour market.

(THE PRESIDENT resumed the Chair)

After the reunification in 1997, there had long been problems in the Hong Kong economy. The Hong Kong Federation of Trade Unions have done a lot of work, and we have made proposals including proposing an employment-based economic development strategy, creating jobs through diversification of the economy, supporting environmental initiatives and providing assistance to the recycling industry, launching programmes relating to community economy or local community economy, cultural economy, and so on. We have made all kinds of proposals, and the Secretary has also conducted visits with me and seen various situations. I can see that while the entire Government did not understand what we were trying to say at first, Mr TUNG managed to understand it at last. Having said that, however, many policies of the Government are seriously fragmented.

Madam President, earlier on I went with a group of residents to a meeting with the officials of a public body and there, I had been scolding them for two

hours. As I scolded them, I asked why they still could not fully understand what we were trying to say about an issue that had been raised for discussion for more than a decade. Another question is that why they had failed to see the importance of creating more job opportunities. Very often, we find that government departments are fragmented. They have neither the philosophies nor measures to support each other. No matter how Mr TSANG said that he would serve for the well-being of the people, create social harmony and unity, and reduce arguments, his subordinates have done many things to the contrary.

Secretary, the other day I had brought you to San Po Kong to take a look there. The Government has now permitted the factories to stay until May, which means an extension of two months. But some 20% of the factories there wish to continue to operate their small and medium business with their own efforts, just that the Government has paid no attention to us — it should be that the Government has refused to pay attention to us. During his recent visit to Central and Western District, Mr TSANG said that in his view, community development should not move in a single direction and rather, it should be made more diversified. I think it is good to hear this from him. But how can this philosophy be consistently taken forward in the entire new SAR Government under a new leadership? I hope that the Government will not talk about creating jobs on the one hand but strangle opportunities of creating jobs on the other. We have actually seen many such cases.

On the question of poverty, there is the Commission on Poverty to address the problem. As to how the phenomenon of working poverty can be resolved, how the problem of workers not having bargaining power be resolved, and how the minimum wage can be set and how more opportunities can be created in the economy, these are the directions in which government departments should develop. Only in this way will there be hopes for Hong Kong. Only when these tasks are accomplished that the well-being of the people can be served, a harmonious society created..... (*the buzzer sounded*) and arguments reduced, or else the 1 million-odd people will be continuously marginalized.....

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, your speaking time is up.

MISS CHAN YUEN-HAN (in Cantonese):what should we do? Thank you, Madam President.

MR LEE WING-TAT (in Cantonese): Madam President, in the next two years, I believe the Chief Executive, Mr Donald TSANG, will at least face four major challenges in his governance and policies.

The first is about whether his loyalty should rest with the Central Authorities or Hong Kong people. Certainly, the most official answer is that he is loyal to both the Central Authorities and Hong Kong people. But we all know that this is a rather diplomatic and official answer. On many significant issues, the views of the Central Government are different from those of Hong Kong people. Examples include their views on the political system, the interpretation of the Basic Law *vis-a-vis* the rule of law, and even the recent incident of CHING Cheong.

Take the political system as an example. Even though the Central Government has rejected universal suffrage for the elections in 2007 and 2008, many Hong Kong people or the vast majority of Hong Kong people still hope that a clear timetable of constitutional development can be provided and that the element of democracy can be enlarged on the current basis as far as possible. But much to our regret, as Mr TSANG told reporters in a question and answer session recently, these seem to stand little chance of success. If Mr TSANG still reacts as he usually did in the past — a pet phrase of his is "Mr TUNG is the boss" and if that is to become "the Central Authorities are the boss" now, then it appears that Hong Kong people are not his boss.

Sometimes it is very difficult for one to serve two masters. So, I hope that Mr TSANG will consider this more thoroughly. Since he is the Chief Executive of Hong Kong, he must do his utmost to reflect the views of Hong Kong people on such issues as the constitutional system, the rule of law and freedom of the press. Should he fail to do so, his role would become nothing more than the mouthpiece of the Central Government on certain major issues.

The second challenge is how the relationship between the legislature and the executive can be truly improved. Over the past three weeks, Mr TSANG has put forth many views on ways to expand the Executive Council and the Commission on Strategic Development. But with due respect, I think these are not well-thought-out views. Moreover, I have great misgivings about the results and effectiveness of these views.

In general, I think what Mr TSANG has suggested now is only a proposal which shows his reluctance to share his powers with the Legislative Council and political parties returned by the people and also his inclination to arrogate all powers to himself. But the reality is that in the Legislative Council there are 40-odd to 50 colleagues with the background of affiliation with political parties, organizations or groups. Many of them were returned by direct elections. Many colleagues who were returned to the Legislative Council in Functional Constituency elections also have a broad electoral base. In view of a Legislative Council with such a strong popular mandate, if the Government proposes an executive-led system simply by chanting slogans, this sometimes cannot really serve the purpose. What we have done and suggested is not just chanting slogans, but about ways to guarantee that the Government, which has no vote in the Legislative Council, can have stable and majority support on every Wednesday for its legislation and funding applications to be endorsed. Judging from the present development, particularly when more colleagues from political parties feel that they have the right and responsibility to strike a balance, I believe Mr TSANG's proposal is impracticable.

The Democratic Party has consistently proposed adopting an approach which can balance powers and responsibilities to facilitate the gradual development of party politics. As I have pointed out on many occasions, I absolutely do not mind the Government choosing from the Legislative Council political parties with which co-operation is considered possible, such as the Liberal Party, the DAB, the Alliance, and so on, inviting their members to join the Executive Council and inviting even more of their members to work as accountable officials in the next term, that is, after 2007, so that whilst powers are shared with them, they will in turn promise to support the policies of the Government in the Legislative Council. Besides, in debates of the Legislative Council, they also have to stand up to throw weight behind the agenda of the Government.

In fact, I have visited the parliamentary assemblies of many overseas countries, and it is strange to find that an overwhelming majority of the members who stand up oppose the government. In Britain, when the Labour Party discusses a policy and if the Conservative Party makes criticisms, Members of the Parliament of the Labour Party will stand up to refute the critics. This is seldom seen in Hong Kong. The DAB, the Liberal Party or the Alliance will remain silent at the most, leaving the Government in lone defence. Defending itself all on its own is a painstaking task. Is it not, Secretary Michael SUEN?

Whether to the Central Government, the SAR Government or Mr TSANG, such a system is actually unsustainable. If Mr TSANG still seeks to adopt the approach of arrogating all powers to himself like that adopted during the colonial era, thinking that the relationship between the legislature and the executive can be truly improved by slightly expanding the Executive Council, that would only be a dream.

The last two challenges involve policies on the people's livelihood. The third challenge is how to get rid of the Government's deep-rooted image of it colluding with the business sector. Over the past six months, surveys conducted by the Democratic Party show that 65% to 70% of the people consider this to be the image of the Government. The public has such a deep impression because of many past cases, such as the Cyberport, the West Kowloon development, and the many government policies in favour of the interest of moguls and major consortiums. If this continues, I think under Mr TSANG's leadership, there will again be collusion between government and business. If we allow this to intensify continuously, the grassroots and the middle class will certainly feel that the Government, in implementing policies — even when implementing policies on the people's livelihood — has not considered the angle of balancing interests, but has favoured the interests of certain social strata or the business sector.

Finally, I think the wealth gap has become more and more serious. Some of the approaches now adopted by the Government actually cannot solve the problem. I think the Government should have a new mindset; it should formulate inter-bureau policies, so as to pre-empt the crisis of a widening gap between the rich and the poor. This is not purely an economic or employment problem. Social crises can sometimes be triggered off by a wealth gap. Although an ignition is lacking now, these crises may bring terrible consequences once an ignition is fired. Thank you, Madam President.

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

MR ALBERT CHENG (in Cantonese): Madam President, Mr Martin LEE has told me that I am the 47th Member to speak. Should be the 46th? Well, I actually wanted to be the 45th. But this is no longer possible. Ha! Ha!

According to Mr Bernard CHAN, some Legislative Council Members have been raising opposition just for the sake of opposition. There are frankly no such Members. There are only opposition parties in the Legislative Council, and no Members have been opposing anyone just for the sake of opposing. Mr Bernard CHAN, sorry, your remark is irresponsible.

In the past seven years, TUNG Chee-hwa suppressed pro-democracy Members in the Legislative Council. He suppressed all voices of dissent, and he also suppressed dissenting views outside the Legislative Council. I was one of the victims. Why am I speaking in the Chamber now? Why am I no longer the "Chief Executive before 10 am? Because I was a victim of his suppression. In the past seven years, Hong Kong people have lived in despair and fear. Hong Kong used to be one of the Four Little Dragons of Asia, dwarfing other economies. However, following the Asian financial turmoil, the economy of Hong Kong nosedived to the bottom, leading to high unemployment and plunging its people into misery. If SARS and the avian flu were natural disasters, then the actions of toppling Hong Kong's four pillars of success — the rule of law, human rights, free market economy and freedom of speech — must be a man-made calamities.

Of all these four pillars, the rule of law was the hardest-hit. The repeated interpretations of the Basic Law by the NPCSC have rocked the very foundation of the rule of law in Hong Kong, resulting in a confidence crisis in the ability of Hong Kong to uphold common law and its power of final adjudication under "one country, two systems". The second pillar that was almost toppled was human rights. The attempts made by the TUNG Chee-hwa Administration in 2003 to push through local legislation on implementing Article 23 of the Basic Law posed threats to human rights, thus inducing several hundred thousand people to take to the streets twice. The third pillar was free market economy. Although the capitalistic system managed to remain basically unchanged after the establishment of the SAR, there emerged a series of incidents involving collusion between the Government and business and the transfer of benefits. The Government turned a blind eye to the misery of the people; Hong Kong hence fell to the ranks of developing countries in Africa and Latin America in terms of the wealth gap. What was more, the TUNG Chee-hwa Administration even implemented the wavering housing policy of "85 000 housing units", which created numerous negative equity assets. But then, under the pressure of

property developers, the Government stepped in to jack up the property market. The fourth pillar was the freedom of speech. Out of non-commercial considerations, a certain commercial radio station suddenly forced a number of "famous talk-show hosts" to quit. This served as a warning to others, thus producing the effect of a "gag" on local media and toppling the last remaining pillar, the freedom of speech.

Recently, Mr Donald TSANG has talked about the very sensitive issue of Radio Television Hong Kong (RTHK), thus leading to the worry that the Government may interfere with the freedom of speech. Although I am now a Legislative Council Member and need not worry about this problem anymore, I still want to remind Members that WONG Yuk-man (one of the most popular talk-show hosts in Hong Kong) is still making a lot of "noise" every Saturday on Commercial Radio from 10.30 pm to midnight, the time when Mr Martin LEE should be enjoying the television broadcast of soccer matches. If RTHK is to be run as a public channel, why is it impossible for it to allow a place for WONG Yuk-man? Some say that RTHK cannot afford any high pay, but WONG Yuk-man says that he is prepared to do it for free, or just for the payment of transportation expenses. I used to be the most highly-paid talk-show host in town, a "golden microphone", but I am now willing to do it for free as well, or I am even prepared to pay them money to let me host a programme. But no one is willing to let me do so, and every time I ring up a radio station on this, they will refuse me on various excuses. Even when I want to respond to others who have named me in their comments, the radio stations will simply say, "Sorry, you have spoken too much already. We do not necessarily need any reply from you every time." Therefore, I honestly hope that the Government can reorganize RTHK. But the reorganization should not be aimed at suppressing the freedom of speech. The aim should be the transformation of RTHK into a public channel free from any political and commercial pressure, one which produces programmes that no commercial radio station will produce, and which poses no competition to its commercial counterparts. I am not talking about programmes like horsing racing, songs or radio dramas. What I mean is a genuine public channel standing up for the freedom of speech in Hong Kong.

Regarding collusion between the Government and business, Mr Donald TSANG has mooted the idea of appointing administrative assistants. But if anyone ever wants to start a career in politics, he can actually run in District

Councils and Legislative Council elections. Why should we spend taxpayers' money on enabling these people to join the Government direct as administrative assistants who will do the jobs of Administrative Officers? Are these people supposed to stay beside Bureau Directors, playing the role of Secretaries of the Party Committee? In democratic countries, governments are accountable to the people for the mandate they receive, and the elected governments will appoint their own ministers. However, the Hong Kong Government is not returned by "one person, one vote", so if the accountability system in Hong Kong is something like "A" goods, then the future administrative assistants will be "B" goods. It just will not do if an Andrew LO is put beside every Bureau Director, including Acting Chief Secretary for Administration Michael SUEN.

Finally, when it comes to my expectations of the new Chief Executive's governance in the coming two years, I wish to quote a saying of Chairman MAO: We need a helmsman for a voyage across the rough seas. I hope that in the future, Mr Donald TSANG can identify all inadequacies, rectify mistakes and genuinely implement people-based governance. It is also hoped that he can thus build up a just society, lead all Hong Kong people in sailing through and defying the stormy seas and finally deliver them from their miseries.

But then, Donald TSANG is no Chairman MAO, not the Great Chairman MAO. He is just a politician, or the so-called politico. Therefore, the promotion of democracy in Hong Kong through the early introduction of universal suffrage for the election of the Chief Executive and the Legislative Council should be the only way to open up new horizons for Hong Kong.

I support the motion of Mr Martin LEE and wish to thank him for moving it today. His motion has given us an opportunity to express our views on the topic and put forward our expectations of the new Chief Executive and the SAR Government. I hope they will not disappoint the people of Hong Kong.

I so submit. Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Mr Martin LEE, you may now speak on the amendments. You have five minutes.

MR MARTIN LEE (in Cantonese): Madam President, although the Democratic Party is prepared to support every amendment, unfortunately, I heard Mr TAM Yiu-chung say that they, Members of the DAB, are unable to support Dr YEUNG Sum's amendment. He even pointed out that Dr YEUNG Sum's proposed amendment reflects the Democratic Party's long-standing distrust in the Central Authorities. I am really disappointed about this. There are only two points with which Mr TAM Yiu-chung disagrees, namely "this Council urges that the new Chief Executive must ensure that the local affairs of the HKSAR are not interfered with by the Central authorities" and "this Council urges that the new Chief Executive must uphold the common law". It baffles me why he cannot agree with, or even opposes these two points.

First of all, Ms Audrey EU has done me a favour by explaining for me why it is wrong to disapprove of "upholding the common law". This is because the Basic Law has clearly provided that common law must be adopted. Article 8 of the Basic Law reads, "The laws previously in force in Hong Kong, that is, the common law, rules of equity shall be maintained." If it is maintained, are there any problems for us to request the Chief Executive to uphold common law? Actually, there is a barrister, Mr KWONG Chi-kin, in the DAB. Perhaps he should be consulted — though he belongs to the Hong Kong Federation of Trade Unions (FTU), he is nevertheless your friend, right? (*Laughter*)

Furthermore, why is the request to "ensure that the local affairs of the HKSAR are not interfered with by the Central authorities" not allowed? I wonder if the DAB has overlooked Article 14 para 3 of the Basic Law, in which it is provided that "military forces stationed by the Central People's Government in the Hong Kong Special Administrative Region for defence shall not interfere in the local affairs of the Region." Article 22 para 1 of the Basic Law has even clearly spelt out that "No department of the Central People's Government and no province may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law." In other words, the Basic Law has made it clear that the Central Government and various departments must not interfere in Hong Kong affairs. Furthermore,

Article 43 para 2 of the Basic Law also stipulates, "The Chief Executive of the Hong Kong Special Administrative Region shall be accountable to the Central People's Government and the Hong Kong Special Administrative Region in accordance with the provisions of this Law." In other words, our new Chief Executive must, according to the provisions of the Basic Law, including the provisions of Articles 8, 14 and 22 of the Basic Law, be accountable to the Central Government and the SAR.

Obviously, if we look at the matter in this way, Dr YEUNG Sum would, on the contrary, violate the provisions of the Basic Law should he fail to make these requests whereas his act of making the requests is fully consistent with the Basic Law. So how can the DAB object? Is it the case that they wish to tell the Central Government that they do not support the Basic Law? Do they want the newly elected Chief Executive of the SAR violate the Basic Law? I hope the DAB can think twice and hope that it is just oversight. I also hope the DAB can, after consulting their friendly barrister, support this amendment. Otherwise, I cannot but say that the act of the DAB illustrates its long-standing distrust in the Democratic Party, thus leading to its decision to violate the Basic Law. I hope the DAB can think twice. Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Mr Howard YOUNG to move his amendment to the motion.

MR HOWARD YOUNG (in Cantonese): Madam President, I move that Mr Martin LEE's motion be amended.

Mr Howard YOUNG moved the following amendment: (Translation)

"To add ", as the new Chief Executive has been elected," after "That"; to delete "the new Chief Executive" after "this Council urges" and substitute with "him"; and to add "the development of Hong Kong's economy," after "in relation to policies regarding"."

PRESIDENT (in Cantonese): I now propose the question you and that is: That the amendment, moved by Mr Howard YOUNG to Mr Martin LEE's motion, be passed.

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

(Members raised their hands)

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

(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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, as Mr Howard YOUNG's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members on 21 June. In accordance with the House Committee's recommendation which I have also accepted, when you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR TAM YIU-CHUNG (in Cantonese): Madam President, I move that Mr Martin LEE's motion as amended by Mr Howard YOUNG, be further amended by my revised amendment.

Madam President, I would like to make a simple response to the comments made by Mr Martin LEE on the amendment proposed by me. In fact, the last point he said is quite correct. He said it might be attributable to the DAB's long-standing distrust in the Democratic Party. This is a fact. This is because we can see that Dr YEUNG Sum's amendment only mentions a small part of the relevant issue. For example, in Article 8, Chapter I of the Basic Law, it says, "The laws previously in force in Hong Kong, that is, the common law, rules of

equity, ordinances, subordinate legislation and customary law", but his amendment only mentions the upholding of the common law. We have doubts as to why he does not mention other parts, and that is why we do not support his amendment. In fact, Article 21 also mentions — sorry, I have mistaken the numbering of the article — it should be Article 22. This article says, "No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law." This point has been clearly stipulated in Article 22. However, Dr YEUNG Sum's amendment also causes us misgivings. Of course, if we have to support a cause, we must find out its underlying implications, and this explains why we do not support his amendment. Thank you, Madam President.

Mr TAM Yiu-chung moved the following amendment to Mr Martin LEE's motion as amended by Mr Howard YOUNG (Translation)

"To add ", and that he must: (a) strictly adhere to the principle of 'one country, two systems', uphold national unity, and be fully committed to implementing the Basic Law and the principle of 'Hong Kong people ruling Hong Kong' with 'a high degree of autonomy'; (b) strive to uphold and develop the spirit of the rule of law in Hong Kong, ensure equality before the law, and safeguard the human rights and freedoms of Hong Kong people in accordance with the law; (c) unite all strata of the community to foster social stability and harmony, endeavour to improve the standard of governance, and promote the constitutional development in Hong Kong; (d) persevere in the 'people-oriented' spirit, strive for improvement to people's livelihood, and raise the standard of living for the community; and (e) exert all efforts to promote co-operation between Hong Kong and the Mainland, enhance public understanding of the motherland, and open up a new phase of political mutual trust, reciprocal economic benefits and cultural exchanges" after "people's livelihood, etc". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr TAM Yiu-chung's amendment to Mr Martin LEE's motion as amended by Mr Howard YOUNG, be passed.

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to move his amendment to Mr TAM Yiu-chung's amendment.

DR YEUNG SUM (in Cantonese): Madam President, I move that Mr TAM Yiu-chung's amendment be amended.

Dr YEUNG Sum moved the following amendment to Mr TAM Yiu-chung's amendment: (Translation)

"To delete "and" after "uphold national unity,"; to add ", safeguard the basic rights of the Hong Kong people, and ensure that the local affairs of the HKSAR are not interfered with by the Central authorities" after " 'a high degree of autonomy' "; to add "uphold the common law," after "the rule of law in Hong Kong,"; to add "in the direction of democratic elections by universal suffrage" after "constitutional development in Hong Kong"; to delete "and" after "people's livelihood,"; to add ", and alleviate the disparity between the rich and the poor" after "standard of living for the community"; to add "enable the Central Government to have an in-depth understanding of the different opinions of the people of Hong Kong," after "public understanding of the motherland,"; to delete "and" after "reciprocal economic benefits"; and to add "and social integration" after "cultural exchanges"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr TAM Yiu-chung's amendment, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

PRESIDENT (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for three minutes, after which the division will start.

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:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Mr Timothy FOK, Ms LI Fung-ying, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr Patrick LAU and Miss TAM Heung-man voted for the amendment.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung and Mr Albert CHENG voted for the amendment.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted against the amendment.

Mr James TIEN, Mrs Selina CHOW and Miss CHAN Yuen-han abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, nine were in favour of the amendment and 13 abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 12 were in favour of the amendment, seven against it and three abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr TAM Yiu-chung's amendment to Mr Martin LEE's motion as amended by Mr Howard YOUNG, 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, as Mr Howard YOUNG's amendment and Mr TAM Yiu-chung's amendment have been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members on 21 June. In accordance with the House Committee's recommendation which I have also accepted, when you move your revised amendment, you have up to three minutes to explain the

revised terms in your amendment, but you may not repeat what you have already covered in your earlier speech. You may now move your revised amendment.

MR WONG KWOK-HING (in Cantonese): Madam President, I move that Mr Martin LEE's motion as amended by Mr Howard YOUNG and Mr TAM Yiu-chung be further amended by my revised amendment.

My amendment is quite different from the original motion and the amendments proposed by the several Members, for I did not tack on many Christmas presents to that Christmas tree. All I have done is to drive a few more screws at the base of the Christmas tree. I think it is necessary to "bend the tip of the nail". The reason is that the Chief Executive has issued many cheques, and I would wish to see these cheques cashed as promised. Since his assumption of office, the countdown to the end of his term has started, and only two years are left for him to honour his undertakings. So, under the circumstance, if the Chief Executive can draw up specific timetables, measures and steps with regard to the many details of his policies or strategies, so that the Directors of Bureau will understand them and the upper echelons of the Government can provide support, and Members of the Legislative Council will also know about them clearly and people from all sectors or strata of the community are aware of the progress and can hence participate and provide support, then the plans of the Chief Executive in governing Hong Kong can be materialized as scheduled in a gradual and orderly manner. I think we would be happy to see the achievement of all these, particularly with regard to the minimum wage and standard working hours which are of the utmost concern to us in the labour sector. When fighting for these causes, we can see that it is not enough to only ask Mr TSANG to spell out some philosophies. It is important that efforts are made step by step to honour his undertakings. Otherwise, if "serving for the well-being of the people" is just a vague and general vow, how will the well-being be served? Whose well-being will be served? When will it be served? We would have no idea at all as to what we should do. I cited this example because I wish to emphasize once again that not only the Chief Executive must have plans in mind, we must also support the Government and we must have plans in mind too. All the people of Hong Kong must support the Chief Executive, and we all must have plans in mind. So, I have "bent the tip of the nail" and driven in a few more screws, in the hope that the cheques issued by Mr TSANG can all be honoured. Thank you, Madam President.

Mr WONG Kwok-hing moved the following further amendment to the motion as amended by Mr Howard YOUNG and Mr TAM Yiu-chung: (Translation)

"To add ", and should expeditiously implement the undertakings he gave during his election campaign and present to this Council a timetable for implementation" after "cultural exchanges"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Kwok-hing's amendment to Mr Martin LEE's motion as amended by Mr Howard YOUNG and Mr TAM Yiu-chung, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Howard YOUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Howard YOUNG has claimed a division. The division bell will ring for three minutes, after which the division will start.

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:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the amendment.

Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG voted against the amendment.

Dr Raymond HO, Dr LUI Ming-wah, Mr Bernard CHAN, Mr Timothy FOK, Mr Abraham SHEK and Mr Patrick LAU abstained.

Geographical Constituencies:

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr LI Kwok-ying, Mr Alan LEONG, Mr CHEUNG Hok-ming and Mr Albert CHENG voted for the amendment.

Mr James TIEN, Mrs Selina CHOW and Mr LEUNG Kwok-hung voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, nine were in favour of the amendment, seven against it and six abstained; while among the Members returned by geographical constituencies through direct elections, 23 were present, 19 were in favour of the amendment and three against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr Martin LEE, you may now reply and you have one minute 16 seconds.

MR MARTIN LEE (in Cantonese): Madam President, I am very grateful to the 46 Members, being practitioners of politics, who have spoken on their suggestions and expectations of the governance of a politician who is above 7 million Hong Kong people but below 60 million communists. Mr DENG Xiaoping once said that, as long as a good system is in place, even the bad guys cannot do anything bad; likewise, without a good system, then even the good guys cannot do any good things, and may even be forced to do bad things.

Mr TUNG Chee-hwa is a good guy who likes to wear a necktie, whereas Mr Donald TSANG is a good guy who likes to wear bow-ties. However, as they were not elected through a democratic system, they could easily be forced to do bad things. Therefore, I can only wish Mr Donald TSANG good luck, and hope that he can successfully persuade leaders of the Central Authorities into trusting Hong Kong people, thereby allowing us to build up a good democratic system as soon as possible. Otherwise, it will be most miserable. Hong Kong people will be caught in at least two years' of bad luck, or seven years' of bad luck, or even as long as 12 years!

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Martin LEE, as amended by Mr Howard YOUNG and Mr TAM Yiu-chung, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the motion 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, who are present. I declare the motion as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday, 29 June 2005.

Adjourned accordingly at Nine o'clock.