

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 8 February 2006

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 LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

THE HONOURABLE WONG YUNG-KAN, J.P.

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

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU KONG-WAH, J.P.

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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, G.B.S., 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 JAMES TO KUN-SUN

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

THE HONOURABLE LAU CHIN-SHEK, J.P.

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

PUBLIC OFFICERS ATTENDING:

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

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

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

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

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

MS PAULINE NG MAN-WAH, ASSISTANT 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>
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Undesirable Medical Advertisements (Amendment) Ordinance 2005 (Commencement) Notice 2006	16/2006
Employment (Increase in Penalty for Offences under Section 63C) Ordinance 2006 (Commencement) Notice	17/2006
Road Traffic (Traffic Control) (Amendment) Regulation 2005 (Commencement) Notice	18/2006
Waste Disposal Ordinance (Amendment of Fourth Schedule) Notice 2006	19/2006
Public Health (Animals and Birds) (Licensing of Livestock Keeping) (Amendment) Regulation 2006	20/2006

Other Papers

No. 60	—	Employees' Compensation Insurance Levies Management Board Annual Report 2004/2005
No. 61	—	Employees Compensation Assistance Fund Board Annual Report 2004-2005
No. 62	—	Occupational Deafness Compensation Board Annual Report 2004-2005
No. 63	—	Pneumoconiosis Compensation Fund Board Annual Report 2004

- No. 64 — Report by the Controller, Government Flying Service on the Administration of the Government Flying Service Welfare Fund for the year ended 31 March 2005
- No. 65 — Report by the Commissioner of Correctional Services of Hong Kong Incorporated on the Administration of the Correctional Services Department Welfare Fund for the year ended 31 March 2005

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Members, today is the first Legislative Council meeting in the year of *Bing-Xu*. I wish you all good health, and fruits and achievements from your work. We will now start the meeting. Questions. First question.

Use of Vaccines Unregistered in Hong Kong

1. **MR ANDREW CHENG** (in Cantonese): *Madam President, in early December last year, some private clinics and medical centres operating as a conglomerate were found to have administered vaccines not registered in Hong Kong on people. In this connection, will the Government inform this Council:*

- (a) *whether the Department of Health (DH) has tracked down all the clinics and medical centres which acquired such vaccines and contacted all those who have been injected with such vaccines, and whether the DH has seized all such unused vaccines;*
- (b) *of the respective legislation or codes of practice breached by doctors of private clinics, persons-in-charge of medical centres and doctors employed by such centres for possessing or using pharmaceuticals which are not registered in Hong Kong, and the legal and professional consequences that they have to bear; whether the persons involved in the above vaccination incidents will be held liable; if so, of the details; and*
- (c) *whether it will take measures to prevent the recurrence of similar incidents; if so, of the details?*

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

- (a) As soon as coming to notice that some members of the public were administered flu vaccines which had not been registered in Hong Kong, the DH immediately contacted the relevant medical centres to find out the source of such vaccines, and inspected the clinics and medical centres implicated in the incident, including three private practice clinics and three medical groups. The DH seized all 1 347 doses of vaccines relevant to the incident. The DH also instructed the medical groups and private practice clinics concerned to contact all those who had been administered the above vaccines to see if they had experienced any adverse effects. Most of the clients have been contacted and no adverse effects were found to have developed after injection of these vaccines. There are still 13 persons who have not been contacted as these persons have not provided the medical centres/clinics concerned with valid contact details. Since the incident coming into light, the DH has been urging people who have been administered the concerned vaccines to get in touch with the medical centres/clinics. Up to the present moment, the DH has not received any reports of adverse effects relating to the injection of these flu vaccines.
- (b) Under the current Pharmacy and Poisons Ordinance, all pharmaceutical products for sale in Hong Kong including vaccines must first be registered with the Pharmacy and Poisons Board. Anyone who is in possession of any unregistered pharmaceutical products for the purpose of sale commits an offence and is liable on conviction to a maximum fine of HK\$100,000 and to imprisonment for two years. As a statutory body tasked to regulate the professional standards and conduct of registered medical practitioners in Hong Kong, the Medical Council of Hong Kong (MCHK) issued a Professional Code and Conduct for the Guidance of Registered Medical Practitioners (the Professional Code) to ensure that members of the general public are provided with medical services which meet the required professional standards. The Professional Code requires medical practitioners to ensure that the drugs they prescribe and dispense are suitable for use by their

patients. The MCHK is vested with statutory powers to conduct disciplinary inquiries into any case of suspected violation of the Professional Code by medical practitioners and to impose punishments of different degrees to those medical practitioners who are found guilty of dereliction of professional responsibilities.

The DH has just completed the investigation into the incident of unregistered vaccines. Advice is being sought from the Department of Justice on whether prosecution is to be instituted against those involved. If those prosecuted and convicted because of the above incident are medical practitioners, the DH will follow the established procedures to refer the case to the MCHK for follow-up actions to determine whether the medical practitioners involved have been in violation of the Professional Code.

- (c) As said earlier, under the current Pharmacy and Poisons Ordinance, all pharmaceutical products for sale in Hong Kong must first be registered with the Pharmacy and Poisons Board and possession for the purpose of sale of any unregistered pharmaceutical products is an offence. The Ordinance also requires that importers, exporters and wholesalers of pharmaceutical products must obtain a licence from the Pharmacy and Poisons Board. In addition, the current Import and Export Ordinance also stipulates that importers/exporters of pharmaceutical products are required to apply for an import/export licence as appropriate from the DH for every batch of pharmaceutical products to be imported/exported. Importers, exporters and wholesalers of pharmaceutical products are required to keep a record of transactions of the pharmaceutical products. The record is subject to inspection by pharmacist inspectors from the DH, and the DH will step up inspection in this regard.

The Customs and Excise Department adopts risk management strategies to inspect inbound and outbound goods and luggage by sea, land and air. If any pharmaceutical products are found to be imported or exported illegally, the relevant persons will be prosecuted and the relevant products will be seized.

To enable the sectors concerned to have a better understanding of the Pharmacy and Poisons Ordinance, the DH has issued a letter to all medical practitioners in Hong Kong after the incident to remind them that they should use only registered pharmaceutical products. The DH has also organized two seminars in December 2005 to explain to the medical groups about the requirements relating to the procurement, dispensing and recording of pharmaceutical products as stipulated in the local legislation on pharmaceutical products. The medical groups have also been reminded that no unregistered pharmaceutical products should be used. In order to better monitor the operation of the private medical services, the DH is considering making proactive inspection visits to private clinics including those operated by medical groups to ensure that their operation is in compliance with the relevant legislation.

MR ANDREW CHENG (in Cantonese): *Madam President, according to the reply to part (b) of the main question, the punishments imposed on medical practitioners and medical centres using unregistered pharmaceutical products are different: for medical practitioners, their licence may be suspended; for medical centres, the persons-in-charge very often may only be fined, although they may also be sentenced to imprisonment. Will the Government consider amending the legislation to avoid punishments of different degrees? For example, depending on different standards, can we follow overseas practice and stipulate that the persons-in-charge of the medical centres must be medical practitioners, so that doctors of these centres will be more vigilant in their practice? Moreover, will the Government order medical centres which have breached the law to close down, instead of just imposing fines, so that protection for both doctors and patients can be reasonably assured?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, medical groups now are corporations engaging in group practice and the Government does not have specific legislation to regulate them. In other words, a group of doctors can join together to conduct group practice. Alternatively, they can form a company and operate in the same way. As to other business conduct, the Government has not established any supervisory mechanism either.

We have discussed with representatives of medical practitioners on regulating by legislation corporations jointly-funded and managed by a group of doctors. Medical practitioners, be they shareholders or not, have to be treated equally and are required to meet the same professional standards. However, as far as pharmaceutical products and the standards of medical services are concerned, there must be a medical practitioner taking charge. Medical practitioners on duty or responsible for treating patients, be they shareholders or major shareholders, must assume the professional responsibilities to ensure that the pharmaceutical products used come from a statutory source, and that they must meet professional standards in making clinical decisions or treating patients. Therefore, we will certainly take into consideration problems in this regard, but as with a lot of the problems that we have to handle, we will adopt an indiscriminate approach. Doctors, be they shareholders or not, will be treated equally.

MR ANDREW CHENG (in Cantonese): *The Secretary has not answered the second part of the supplementary question, which is, whether the Government will order medical centres to close down.*

PRESIDENT (in Cantonese): Secretary, do you remember that part of Mr Andrew CHENG's supplementary question?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Sorry, I did not catch that part.

MR ANDREW CHENG (in Cantonese): *President, let me repeat it.*

PRESIDENT (in Cantonese): Mr CHENG, please do.

MR ANDREW CHENG (in Cantonese): *The second part was about the differential punishments meted out. In other words, the licence of the medical practitioner may be suspended, but the medical centres may only be fined. Will the Secretary consider amending the legislation so that, other than imprisonment*

or fines, punishments can be stepped up, for example, by stopping the entire medical centre which has breached the law from operating, thereby enhancing the effectiveness of supervision?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): We will consider different possibilities. As to whether the medical centre will be ordered to stop operation, it will depend on the types and severity of the offences that it has committed.

MR LI KWOK-YING (in Cantonese): *At present, medical groups very often will procure pharmaceutical products collectively and then distribute them among other clinics. In part (b) of the main reply, the Secretary mentioned that these pharmaceutical products have to be monitored by and registered with the relevant department, but the management or the procurers are not required by law to possess professional qualifications. As such, they may not have the qualifications or experience to distinguish the genuine products from the counterfeits. In this connection, will the Secretary consider stipulating the qualifications of the management or the procurers?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, regardless of medical groups or clinics, decisions in relation to the procurement of pharmaceutical products have to be made by a professional who must be a pharmacist or a medical practitioner. Therefore, while the shareholders of the medical groups may not be medical practitioners, decisions in relation to the procurement of pharmaceutical products must be made by professionals. Medical practitioners practising in medical groups or operating on an individual basis are thus treated indiscriminately under the current legislation and professional code of conduct.

DR YEUNG SUM (in Cantonese): *Madam President, it has been two months since the incident took place, but 13 patients have still not been traced. If those unregistered pharmaceutical products did have serious side-effects, the incident would lead to grave consequences. May I ask the Secretary whether the incident has shown that there is a fundamental problem in the keeping and maintenance of patients' medical records? What methods does the Government have in solving this problem?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I have to state that, despite 13 patients have not been contacted, we have conducted tests on the vaccines concerned and confirmed that they came from valid pharmaceutical companies and contain the active ingredients of the vaccine. They were also verified to have been sterilized and free from impurities such as bacteria or viruses. We thus hold that the vaccines are safe to use. Of course, these vaccines came from an illicit source, for which we will follow up. Advice is being sought from the Department of Justice on whether prosecution is to be instituted against the relevant parties.

With regard to the patients' records, I do not have the detailed information on the 13 patients. Sometimes patients may provide incorrect addresses or telephone numbers to doctors. Such situation does happen and that is where problems arise. Of course, we hope that patients, when attending medical appointments, will furnish the doctor with their correct addresses and telephone numbers, or the necessary information that can help us to trace their residence, so that doctors or the DH can follow up in the event of special incidents.

MR HOWARD YOUNG (in Cantonese): *President, the Secretary stated in his main reply that no adverse side-effects had been found in the unregistered vaccines. May I ask the Secretary what adverse side-effects he may expect to find in unregistered vaccines in general? Will healthy people get sick or lose their body resistance against diseases after injection of such vaccines? What are the adverse side-effects that the Secretary was referring to?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, if we have doubts about the source of a certain pharmaceutical product, we will first find out whether the product is in its right dosage and composition. Secondly, if the problem concerns the improper handling of a pharmaceutical product, we will check whether it has been contaminated and thus led to the breeding of bacteria and viruses. Thirdly, if the pharmaceutical product has expired or changed, we will determine if it will cause other adverse side-effects. If it concerns the common flu vaccines, we think the possibility of cause adverse side-effects is little. As regards this incident, we have monitored the situation for quite a while. I believe if there have not been any adverse side-effects up to the present moment, it is most unlikely that there will be in

future. We are thus not very worried about the situation, and we believe that the incident has ended. Meanwhile, we have traced the source of those vaccines and discovered that they are vaccines intended for use in the Mainland. They are not ineffective vaccines, but are vaccines that have not been registered in Hong Kong and did not carry the necessary authorization for import into Hong Kong.

MR LEE WING-TAT (in Cantonese): *The problem of medical groups consisting of medical practitioners and laymen remains a cause of concern to me. At present, the persons-in-charge or shareholders of medical groups can be laymen. When problems arise, the punishments meted out to them in general are different from those imposed on medical practitioners operating on an individual basis. In the reply to Mr Andrew CHENG just now, the Secretary seemed to have noted this problem, but he has not stated a clear view on it. When the policy changes in future, does he consider it necessary to eliminate or narrow the difference in treatment between them? I wish the Secretary will provide a clear answer in respect of policy.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we have to clearly differentiate who should be held liable for the professional liability and who should be held liable for the business liability of medical groups. I believe many medical groups have shareholders who are not medical practitioners. We have to allow such a situation to exist. However, anything involving professional judgement, such as the procurement of pharmaceutical products and the standards in treating patients, has to be supervised by professionals. We thus have to determine how to handle these two aspects in a well thought-out manner, if we are to legislate or formulate any policy of supervision on this issue. I have also been discussing the issue with the representatives of medical practitioners, such as the Hong Kong Medical Association. They have expressed a strong wish to have a mechanism in place to regulate these medical groups. However, if we are to separately regulate these medical groups, we must also regulate clinics operating on an individual basis at the same time, in order to determine whether it is necessary to stipulate that the shareholders or the medical practitioner will also be held liable. Frankly, the existing regulatory mechanism in Hong Kong mainly focuses on the professional aspect.

PRESIDENT (in Cantonese): Last supplementary question.

DR KWOK KA-KI (in Cantonese): *The Secretary stated in the main reply that there are two sides to the problem and many Members have mentioned that the Government has adopted differential treatment for medical practitioners and medical groups. The Secretary seems to have mixed up medical groups with groups jointly operated by several doctors. What we are talking about now is medical groups, in other words, those corporations operated purely for commercial purposes, and many of them are not operated by doctors. My question is not about those engaging in group practice, but on those commercial corporations. Can the Secretary learn from this incident and see if any improvement is required policy-wise? President, the reply given by the Secretary just now cannot ease our concerns.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I have to point out that we are very concerned about problems that we are handling now, in particular medical problems concerning professional standards. I thus mentioned just now that we are treating medical practitioners within medical groups in the same way as those in private practice. If a group of doctors engaging in group practice is subject to a supervisory mechanism which is different from the mechanism applied to medical groups operated as a conglomerate, we will have to find out in what ways they are different. I do not think that medical practitioners in group practice do not have to make profits, because every corporation will have to fulfil its commercial needs. The most important point is that the services they provide are accepted by the public, and that whether they have provided special arrangements which have breached professional conduct and practices. Of course, some corporations may have many innovative ideas in operating their business or different ways to promote their business, but I hold that we should discuss with the sectors concerned to see how these problems can be solved. Moreover, we have to be indiscriminate in treatment. No matter the shareholders are medical practitioners or not, we have to treat them equally.

PRESIDENT (in Cantonese): Second question.

Tour Bus Services

2. **MR HOWARD YOUNG** (in Cantonese): *President, it has been reported that the Hong Kong Tourism Board has estimated that the number of inbound tourists will reach 27 million this year, representing an increase of 17% over last year. The rapid growth in the number of tourists leads to an increase in the demand for tour bus services. However, as the Government imposes a limit on the number of non-franchised buses (NFBs), tour buses are in short supply. Licence fees and rentals for tour buses have been elevated as a result of speculative activities, thereby increasing the operating costs of travel agents. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed if the current number of NFBs operating tour services is sufficient to meet the future market demand; if so, of the assessment results and supporting data; if not, the reasons for that;*
- (b) *whether it will review regularly the measures for regulating the operation of NFBs; if it will, of the next review date; as the tourism industry is dissatisfied with the authorities' stringent regulation on the operation of NFBs and restriction on the number of such buses, whether the authorities will consider conducting interim reviews on such regulation and restriction; and*
- (c) *of the measures in the short and medium terms to help the industry solve the problem of insufficient tour buses to meet the demand arising from the rapid increase in tourists?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): President, the Government has an overall transport policy in respect of the operation of NFBs. With limited road space and the community's concern about the environmental impact brought by public transport, the Government's policy is to adopt the railway as backbone of our public transport system. Priority is given to the development of mass transport systems like railways and franchised buses. As for other mode of transport like NFBs, public light buses and taxis, they are to perform a supplementary role and to provide services to different market sectors. The Government will continue to review this policy from time to time to meet the situation. The Government has

not imposed any limit on the number of NFBs, including those operating tour services. We understand that imposing a limit on the number of NFBs will not only undermine the operational flexibility of the trade, but will also restrict the flexibility in meeting the genuine demand of some service sectors which may require additional vehicles due to special circumstances. The measures for regulating the operation of NFBs introduced by the Government last April were only aimed at addressing the problems of oversupply of NFBs and the operation of unauthorized services by individual operators in recent years. These improvement measures were put in place after consultation with the NFB trade, groups of the users concerned and the Legislative Council Panel on Transport.

Indeed, the Transport Department (TD) has maintained liaison with the Tourism Commission (TC), the Travel Industry Council of Hong Kong (TIC) and the NFB trade to gauge the tourism industry's demand for tour bus services so as to ensure that the level of tour service can keep pace with the development of the tourism industry.

Regarding the first part of Mr YOUNG's question, the TD conducted a survey on NFB service in February 2005. At that time, there were a total of 7 200 registered NFBs, about 44% (that is, 3 200) of which were allowed to provide tour service. Of these, about 40% were providing tour service at the time of the survey. The average occupancy rate of each bus was around 55%.

Both the results of the survey and the number of NFBs allowed to provide tour service indicate that the existing NFB fleet has sufficient capacity to cope with tourists' demand for NFB tour service. The TD will continue to conduct traffic surveys from time to time and maintain contact with the stakeholders including the tourist industry to keep abreast with the latest operational mode, development as well as the demand and supply of the tour bus services. It will also make appropriate arrangements to complement the tourism development.

Regarding the second part of the question, the TD will constantly take note of changes in the number of various types of NFBs and conduct traffic surveys. It will continue to consult the trade through regular meetings and maintain liaison with the TC and the TIC so as to monitor the implementation of the measures. The TD will also consider fine-tuning these measures, if necessary, to dovetail with development and changes. Meanwhile, we have no plan to conduct another review in the near future.

Regarding the third part of the question, as I mentioned before, currently nearly half of the NFBs are allowed to provide tour service. The results of the survey conducted by the TD in February 2005 also show that there is no shortage of tour buses.

Following the completion of various new railway projects including the Lok Ma Chau Spur Line, Hong Kong's major border control points (for example, the Airport, Lo Wu and Huanggang) will be served by convenient railway links. In the urban areas, tourists can make use of the various forms of public transport available to go to the major tourist and shopping attractions. We will continue to identify possible areas of improvement in the transport system to cater for tourists' transport needs. Under the existing transport policy where railways serve as the backbone of Hong Kong's public transport system, NFB service will continue to play a supplementary role. As for tour bus services, under the existing policy for regulating the operation of NFBs, operators of NFBs may apply for an increase in the number of buses according to market demand or adjust the type of service provided by their existing fleet in line with tourism development. The TD will consider the justifications for application, service demand, adequacy of the existing transport services and other factors before making the appropriate decision.

MR HOWARD YOUNG (in Cantonese): *President, the Secretary stated right at the beginning of the main reply that the Government has not imposed any limit on the number of tour buses. Yet, my main question is about restrictions. I think, in practice, the operation of tour bus is subject to certain restrictions. For instance, the purchase of a tour bus has to go through numerous complicated procedures which even require that an old bus be purchased and then written before buying a new one. To make an analogy, if someone wants to buy an apple, he must first buy an orange from the market and then discard it before buying the apple. Regarding the measures which are, in effect, restrictions, will the Government consider removing these outdated measures?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, the operation of NFBs as a whole is diversified. The relevant licence is not solely for tour buses and the holder concerned can switch to provide A01 service upon issuance. Therefore, it is necessary to maintain a balance in the overall control to pre-empt oversupply. If there is an oversupply

of NFBs, individual drivers or operators will engage in unlawful activities. For example, in order to maintain their livelihood, they may have to drive around to look for passengers for profits, which will result in traffic chaos and congestion. Therefore, the regulatory measures are not specifically targeted at tour buses, but the operation of NFBs as a whole. We must maintain a balance in the market.

PRESIDENT (in Cantonese): There are altogether eight Members waiting for their turn to ask supplementary questions, so will Members who have the opportunity to put supplementary questions be as concise as possible.

MR BERNARD CHAN (in Cantonese): *President, right at the beginning of the main reply, the Secretary expressed concern about the road conditions and factors such as the environment and air quality, such that the number of NFBs running on roads should not be overly relaxed. May I ask the Secretary, given that there are already so many NFBs, whether the Government has set any special policy directions? As far as I know, there are different types of tour bus, some with 20-odd seats while others are very large in size. Certainly, the problem of narrow roads must be addressed to facilitate vehicle access, but will air pollution further deteriorate if there are too many small vehicles running on roads? Therefore, in relation to vehicle types, has the Government implemented any policy to facilitate the issuance of licences for a particular vehicle type for the purpose of encouraging its use? Despite that various types of vehicles are equipped with environmental control devices, but is there any policy — because I worry that the number of tourists will grow continuously, the types of bus.....*

PRESIDENT (in Cantonese): Will you please allow the Secretary to answer your supplementary question?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, the main feature of NFB service is its flexibility. As service need varies with different individuals or places, the bus size is therefore different. Given that buses with 20-odd seats is more than sufficient to satisfy the need of a particular region or an activity, there is no reason for us to force

them to use large buses with 50-odd seats. To maintain flexibility is the main feature of the service. No directives have been issued to give large buses priority in issuance of a licence. We have never adopted such a principle.

MR ANDREW LEUNG (in Cantonese): *President, the Secretary mentioned in part (c) of the main reply that both the Lok Ma Chau Spur Line and the Western Corridor have been completed. Many tour buses are in fact operating cross-boundary services, and so the transport service of Lok Ma Chau must be opened up to other transport modes, rather than serviced by railways alone. Does the Secretary have statistics showing the percentage of cross-boundary buses among NFBs, and whether the other NFBs are sufficient to cope with the rapidly growing tourism industry?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, according to our statistics, among the 7 200 NFBs, 3 126 (about 40%) are deployed to provide tour service while that for cross-boundary service are only 912. Therefore, the deployment of buses to provide cross-boundary service will not reduce the number of buses deployed for tour purpose. In case there is a real growth in the demand for cross-boundary buses, all applications will be handled on an individual basis and applicants will not be forced to apply for tour bus licence. The provision of service is determined by need and rationality.

MR LAU WONG-FAT (in Cantonese): *President, in order to enhance the quality of service, travel agents hope that those small-to-medium sized tour buses, which have 23 seats but no trunk, can be upgraded to large tour buses, where visitors can sit more comfortably and do not have to cramp in with their luggage. In order to encourage travel agents to enhance the quality of service, will the authorities consider streamlining the application procedure for "upgrading small vehicles to larger ones", including the time required in the application process, as well as the filing and submission of documents?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, the TD will examine each application in detail. In regard to the application procedures, we have maintained frequent

communication with the industry. As to how the application procedures for licences or approval of change in the vehicle type, the industry's views, if any, will be conveyed to the TD through the council established for this purpose. While we do not oppose that the work should be expedited, I consider the existing procedures very clear. Yet, it is hoped that the issue of efficiency enhancement can be raised for discussion in that council.

MR SIN CHUNG-KAI (in Cantonese): *President, the Secretary said in the main reply that no limit has been imposed on the number of NFBs, but I have some doubts. Specifically, 3 200 buses have been approved to operate as tour buses over the past three years, but the number of tourists has probably increased significantly since 2002. Can she tell us the number of buses providing tour service before 3 200 of them were approved to operate for such purpose? That is, what is the rate of increase, or what was the increase over the past three years?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): According to the statistics from 2003 to 2005, it can be seen that the number of buses was maintained at about 3 300 to 3 200 or 3 100 with no major fluctuations. Neither were there major increases in the number of applications. We cannot see any upsurge in market demand.

MR SIN CHUNG-KAI (in Cantonese): *President, I would like to ask the Secretary to elucidate her reply. How can she show that no limit has been imposed if there is no increase at all?*

PRESIDENT (in Cantonese): Mr SIN, I cannot allow you to make this request because this is not part of the supplementary question you asked earlier.

MR DANIEL LAM (in Cantonese): *President, there have been large annual increases in the number of tourists in Hong Kong in the past two years, thereby boosting the demand for tour buses as many tourist attractions in Hong Kong are in remote locations. Will the new licensing measure implemented to control the*

number of NFBs run counter to the government policy of promoting the development of tourism? May I ask whether the authorities will consider relaxing the limit on the number of tour buses?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): President, I wish to emphasize that no limit has been imposed on applications for licences of either NFB or tour bus. Therefore, the answer to Mr LAM's supplementary question is relaxation would not be required in the absence of a limit.

MS MIRIAM LAU (in Cantonese): *President, the Secretary pointed out that there was oversupply, but the industry — the tourism industry in particular — considered there was a shortfall instead. It appears that the Government's view is totally different from that of the industry. Among the existing 7 200 NFBs, 3 200 of them can provide tour service, and yet only 40% is actually providing such service. Will the Government purposely grant more endorsements for tour service (A01 endorsement) to other NFBs to address the problem encountered by the industry in response to its complaints about the shortfall?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): President, if the industry wants to change the endorsement of NFBs to that of tour service, it must first obtain another bus licence when filing an application, which will then be changed into a tour bus licence. According to our records, no applications have been rejected due to an absence of licence.

The point raised by Ms Miriam LAU just now is precisely our policy on NFBs because there had been mismatches in many NFBs in the past. The operation of school bus is an example. If school bus operators do not get enough business, an A08 endorsement will be granted to enable them to operate other types of commercial services, tour service or free shuttle bus service for passengers commuting to and from supermarkets. Following numerous mismatches, the endorsement has become meaningless. But since they also have to make ends meet, we cannot disallow them from using their vehicles for other purposes in a draconian manner. For instance, after the conversion of primary schools to whole-day schooling, school buses make two trips less than

before and has actually rendered many school bus operation uneconomical. Therefore the operators concerned have to switch to other services by changing the endorsement to tour service.

Just as I have said earlier, the main feature of NFB is its flexibility. While the operators are switching the services they operate, the Government hopes that assistance can be given to help them change the endorsements they hold, so as to make ends meet. Despite that the number of buses has not increased as a result of the switch of services, but the respective percentages of the services have changed, that is, some have dropped while others have risen. It is only in this way that the available resources of the society can be better utilized. This is the approach we currently adopt.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *President, it appears that the survey cited by the Secretary is more than adequate, only that she did not separate cross-boundary buses from local buses. According to my observation, cross-boundary tour buses are usually full and the bus fares for advance booking are also very high. Following the completion of the new control point, will the Secretary consider increasing the quota of cross-boundary tour buses and striving for additional quota before the commissioning of the new crossing?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, apart from the NFB licence issued by Hong Kong, cross-boundary buses have to apply for licences of both sides as well. In this connection, we also have to discuss with the mainland authorities concerned. In case there is a new border control point, for example, upon completion of cross-boundary facilities such as the Hong Kong-Shenzhen Western Corridor or Lok Ma Chau Spur Line, we will certainly consider increasing the number of cross-boundary buses. At present, we are holding active discussions with the Guangdong authorities concerned.

PRESIDENT (in Cantonese): Third question.

Measures Dealing with Animal Abuse

3. **MS MARGARET NG** (in Cantonese): *President, regarding the measures adopted by the Government for dealing with animal abuse, will the Government inform this Council:*

- (a) *whether it will consider imposing heavier fines on animal abusers to enhance the deterrent effect;*
- (b) *how it will improve the procedures adopted by law-enforcement agencies for handling reports by the public on animal abuse cases, and to strengthen publicity and education among the public, especially the young people, on animal protection, so as to make them understand that they should respect life; and*
- (c) *whether it will review the existing legislation on animal protection to see if there are any outdated provisions; if so, of the specific details of the review plan?*

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

- (a) According to our past experience in enforcement and investigation, most of the animal cruelty cases are due to negligence, such as failing to provide adequate care. Cases of ill treating animals with intention are generally uncommon. Under the Prevention of Cruelty to Animals Ordinance (Cap. 169) (PCAO), the maximum penalty for cruelty to animals is a fine of HK\$5,000 and imprisonment for six months. The Administration is studying the level of penalty on animal cruelty of other countries. We are considering to increase the maximum penalty to enhance the deterrent effect.
- (b) If the public discover any act of animal cruelty, they can call the police, or call the Agriculture, Fisheries and Conservation Department (AFCD) via 1823 "Citizen's Easy Link" hotline. The public can also report via email. Upon receipt of reported cases, the enforcement agencies will deal with the case as soon as possible.

If there is sufficient evidence showing that the person concerned violates the PCAO, the offender will be prosecuted. According to the PCAO, any senior veterinary officer, any other officer of the AFCD of the grade of Field Officer II and above and authorized in writing by the Director of Agriculture, Fisheries and Conservation, health officer, health inspector or police officer may enforce the PCAO. The current procedures adopted by the enforcement agencies in handling reports of cruelty to animals are considered both appropriate and sufficient. The police and the AFCD will continue to work in close collaboration with the Prevention of Cruelty to Animals (SPCA) in tackling these types of offences.

Pet owners have the responsibility to take good care of their animals. The AFCD conducts regular village and community campaign, such as educating the public to be responsible to their pets and ensure that they comply with vaccination and licensing requirements. Website of the AFCD contains educational materials available to the public. The AFCD takes every opportunity in dog shows or animal related activities to educate the public. A radio Announcement of Public Interest (API) on the topic of prevention of cruelty to animals has been produced. In addition, we will produce series of TV and radio APIs to remind people the importance of treating pets well, Responsible Pet Ownership and respect the life of animals. The APIs will be ready for broadcast in February 2006. Posters and pamphlets on the same topics are being produced, which can be sent to schools, pet shops, veterinary clinics and private buildings when ready.

Besides, on the prevention and education fronts, the Police Public Relations Bureau (PPRB) has formulated an action plan for 2006 to enhance public awareness through established channels, that is, Police TV Programmes, Junior Police Call Radio Programmes and press interviews, with the aims of highlighting the responsibilities of pet ownership and care, and also seeking to enlist public support in reporting instances of cruelty to animals to police.

Where an investigation unit considers a public appeal appropriate for a specific case or series of cases, the PPRB will also arrange for prompt publicity.

- (c) Currently, the PCAO covers various aspects of physical suffering of animals and the coverage is adequate. Strengthening enforcement, education and publicity together with deterrent penalty would be an effective way to address the problem. We remain open to review the relevant Ordinance.

MS MARGARET NG (in Cantonese): *President, I would like to further ask the Secretary about the deterrent measures stated in part (a) of the main question. Actually, at present, cases of animal cruelty with intention are not uncommon. According to the information provided by an organization called "Action Group 108", from September last year to February this year, there were already nine cases involving animal cruelty with intention. This kind of behaviour is really disturbing. Thus, may I ask the Secretary, instead of depending solely on the promotion of animal protection message to the public, whether deterrent measures against animal cruelty with intention will be put in place? The measures adopted should have a deterrent effect, for if animal cruelty with intention is discovered, the consequence may be serious and may cause distress in society. May I ask the Secretary whether any specific actions in this respect will be taken? The Secretary has specifically stated in the main reply that reference has been made to the relevant penalty overseas, what are the details in this respect and to what extent will the relevant penalty be increased?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, so far, among the successful prosecution cases, fines ranging from \$200 to \$4,000 have been imposed for a majority of cases. At present, the maximum penalty under the relevant Ordinance is a fine of \$5,000 and six months' imprisonment.

As for the number of cases with imprisonment sentences, there were only two such cases in the past three years and the imprisonment terms imposed for both cases were less than a month. We thus think that the lenient sentence passed by the Courts is one of the factors leading to the present state of affairs. But, at the same time, we are aware that the Ordinance was enacted years ago and the value of \$5,000 at that time would mean quite differently today. We thus consider that the penalty should be increased. Moreover, we will join

hands with the voluntary organizations concerned and animal protection organizations to examine the issue to ensure that the increased penalty will be acceptable to the majority public, for I think this is a point of great importance.

With regard to the act of animal cruelty included under the PCAO, I think the coverage is already quite extensive, and I believe all cases we currently considered as animal cruelty can be properly dealt with.

MS MARGARET NG (in Cantonese): *President, the Secretary has not given the specific increase in penalty he intended to make?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, for the time being, we have yet set a specific amount, but at least I consider the existing maximum penalty of \$5,000 is not adequate.

MR JASPER TSANG (in Cantonese): *President, in respect of the review of the existing legislation on animal protection, the Secretary said in the main reply that various aspects of physical suffering of animals were covered by the PCAO. May I ask the Secretary whether he agrees that many pet owners are now aware that the protection of animals means more than just guarding them against physical suffering, for they know, for example, that the lack of exercise space and relevant facilities will undermine the health of animals? In this connection, has the Government ever considered the need of pet owners; and will the space and facilities concerned be provided?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as far as I understand it, the need in this respect has been covered by the existing legislation, that the size of carriers or baskets used for holding animals has been particularly stipulated to prevent animals from suffering any undue pain and hardship caused by the limited space provided. The law has already covered this aspect. Certainly, in the course of law enforcement, we should not simply regard the initiation of prosecution as the end. I believe we should, by means of education, let the public know, particularly at the moment they decide to buy a pet, that they should make sure they have

enough space for the activity of their pets. Though the existing law does not require that one has to prove the size of his or her accommodation or meet certain requirements before the purchase of pets, insofar as I understand it, the authorities concerned of public housing estates have already imposed certain restrictions on tenants of public housing flats. I think the first thing we should do now is to increase the fine and penalty provisions.

MR JASPER TSANG (in Cantonese): *President, perhaps the Secretary has not got my question right. My supplementary question states that pet owners all know their pets need to have some outdoor exercise space, but owing to the lack of such facilities and space, they are brought into conflict with the people in the neighbourhood and thus unable to bring their pets out for exercise. May I ask the Secretary whether the authorities concerned have noticed the problem in this respect?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we surely know that. However, in Hong Kong, in particular in the urban area, the exercise space available is limited. For example, dog owners should know that nearly all dogs have to exercise every day, and dog owners or their family members have to walk their dogs every day. I think it is their responsibility to do so, and dog owners in particular should know how to handle this. Certainly, we rely mainly on education and promotion in this respect. However, at the same time, if it is discovered that the health of any pet is being jeopardized because of the lack of exercise space, we will advise the pet owner concerned to make appropriate arrangements. If the case is serious, prosecution will be initiated.

MR TAM YIU-CHUNG (in Cantonese): *In the Secretary's main reply, it is stated that consideration will be given to increasing penalty. But I would like to ask the Secretary: In the past three years, how many prosecutions were initiated by the Government under the PCAO and how many were successful?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, please wait a moment.

Among the animal cruelty cases investigated by the AFCD, there were 224 in the year 2004, of which advice was issued in 146 cases. In the year 2005, the number of cases investigated by the AFCD was 185 while advice was issued for 136 times. Moreover, in the year 2004, 18 prosecutions were initiated by the AFCD and the police, of which 15 cases were successful. During the period of January to September in 2005, the AFCD together with the police initiated 11 prosecutions and all were successful.

MR LEUNG KWOK-HUNG (in Cantonese): *President, in respect of penalty, may I ask the Secretary through the Chair whether animal abuser, regardless if the animal being ill treated belongs to the abuser or not, will be counselled by probation officers under the present arrangement? For I believe education is very important. Animal abusers may have made such mistakes out of their ignorance of animal protection. Will the authorities concerned consider the setting up of a probation system so that these abusers can receive appropriate counselling?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, according to our experience, a majority of the offenders of the PCAO are, in general, guilty of failing to provide suitable care for their pets, and these cases can simply be dealt with by the provision of advice. However, for some abuse cases of a more serious nature, particularly a recent case where the abuser has almost broken all the legs of a cat, I consider, in the light of that incident, that assistance in other aspects may be deemed necessary for the person concerned. Particularly, if the person concerned is found to have psychological problems, I think counselling service must be provided to him. We are now waiting for the ruling of the Court, but still, we will take the initiative to examine whether the incident is related to the psychological or mental status of the person concerned and provide assistance accordingly.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, has your supplementary question not been answered?

MR LEUNG KWOK-HUNG (in Cantonese): *Yes.*

PRESIDENT (in Cantonese): Please state the part which has not been answered.

MR LEUNG KWOK-HUNG (in Cantonese): *President, Secretary Dr York CHOW has not yet said whether he intends to propose the setting up of a probation system.*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down first. Secretary, will you please give your answer.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the question of probation is decided by the Court. However, as far as I know, the Court has given community service orders to one or two offenders, which is in a way related to probation. However, whether the person concerned must be put under probation, there is no fixed practice at present.

MISS CHOY SO-YUK (in Cantonese): *President, the Secretary stated in his main reply that the coverage of the relevant ordinance was adequate. However, I believe the existing ordinance fails to cover or include one aspect, that is, if a driver knocks down an animal and causes injuries to it in the course of driving, any witness of the incident must immediately report the incident to the police. May I ask the Secretary whether consideration will be given to amend the relevant ordinance?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the situation cited by Miss CHOY So-yuk just now is not regarded as abuse under the existing ordinance. I believe, more often than not, the driver concerned does not intend to knock down or injure the animal; these are only accidents. However, I agree that if an animal is knocked down and injured, the AFCD should be notified as soon as possible, so that the injured animal can receive treatment by a veterinary surgeon. I think this is worth considering. However, should such regulation be legislated, I think this must be considered cautiously. No matter how, we will give it some thoughts.

PRESIDENT (in Cantonese): Miss CHOY, has your supplementary question not been answered?

MISS CHOY SO-YUK (in Cantonese): *Yes, President. The Secretary said that these are accidents. However, if the death of the animal is caused from the lack of prompt treatment owing to the failure of the witness of the accident to report the case immediately, should this be regarded as a kind of animal cruelty?*

PRESIDENT (in Cantonese): Miss CHOY, I do not think this is part of the supplementary question you raised just now, and I hope you can raise this question on another occasion.

MR LEE CHEUK-YAN (in Cantonese): *President, the Secretary admitted just now that the existing highest fine of \$5,000 can no longer achieve a deterrent effect. Particularly, when it is heard that the fine imposed by the Courts recently only ranges from \$200 to \$4,000 in general, we cannot help thinking that the deterrent effect of penalty has come to nought. However, at present, the Secretary has not yet decided the level to which the fine will be increased. Then, in terms of timing, when does the Secretary plan to complete the perfecting of the legislation? Moreover, the Secretary said in the main reply that reference will be made of the relevant penalty imposed overseas. Will the Secretary inform us of the overseas penalties which reference has been made, and whether such penalties will be used as the benchmark for the early improvement of the ordinance?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the amendment of the PCAO was made in the year 1979. The value of \$5,000 at that time was more significant and different from that of \$5,000 nowadays. Therefore, I consider that the penalty must be increased. But to what extent should it be increased and should other punishment with deterrent effect be included, we have to make reference to approaches adopted by other advanced countries in animal protection. We do have to spend some time on this before we can give a detailed report.

MR LEE CHEUK-YAN (in Cantonese): *The Secretary has not answered the question on timing. How long do the authorities concerned need?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we do not have any timetable for the time being.

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

MR ABRAHAM SHEK (in Cantonese): *President, the Secretary does not seem to have answered the supplementary question raised by Mr Jasper TSANG earlier, I thus would like to follow up. May I ask the Secretary whether the Government will consider granting dogs access to parks or beaches, if so, dog owners may walk their dogs in those places?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I am not sure if this is directly related to animal cruelty, but the answer is certainly subject to the designated purpose of the public place concerned. I believe if it is only out of the concern of providing space for animals, it does not necessarily be parks or beaches. Moreover, we have to consider the possible influence such practice may have on the cleanliness and environment of parks and beaches, as well as the attitude and acceptance of the public in this respect.

MR ABRAHAM SHEK (in Cantonese): *I think dogs, like human beings, do need the opportunity to go out for a walk. The supplementary question I raised just now asked whether more space could be provided for animals, for failing to provide space for animals is also regarded as animal cruelty.*

PRESIDENT (in Cantonese): This is not the time for debate. You have deviated from the rules of speaking you should observe during Question Time. We will now proceed to the fourth oral question.

Introduction of Environmentally-friendly Vehicles

4. **MR JEFFREY LAM** (in Cantonese): *President, regarding the introduction of environmentally-friendly vehicles to reduce vehicular emissions, will the Government inform this Council:*

- (a) *of the results to-date of the operational tests conducted on the five electric-petroleum hybrid motor cars purchased by the Government last year; and how such vehicles compare to ordinary petroleum motor cars in terms of emissions, fuel consumption and repair and maintenance costs; and*
- (b) *whether it will consider offering tax concessions to encourage the public to switch to environmentally-friendly vehicles?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese): President,

- (a) In April 2005 the Government introduced five hybrid sedans for a two-year trial in various government departments. The trial was to assess the maintenance requirements and operating efficiency of this type of vehicle when used in the Government's vehicular fleet under local conditions. Results of the initial seven months of operation show that:
 - (i) The maintenance cost for hybrid sedans is similar to that for petrol-fueled sedans of the same class. However, due to the short duration of the trial, conclusion can be made only when the data are subject to detailed analysis upon the completion of the test;
 - (ii) The fuel consumption for hybrid sedans is about half of that for petrol-fueled sedans of the same class.

According to the information we gathered, the emissions of hydrocarbons and nitrogen oxides of these five hybrid sedans are about 40% less than those of petrol sedans of the same class

complying with the Euro IV standard. These two key pollutants are responsible for the photochemical smog affecting Hong Kong in recent years. In terms of green house gases, the emission of carbon dioxide is also halved.

- (b) The Chief Executive has clearly pointed out in his 2005 policy address that the Government will consider using hybrid vehicles that have lower emissions on a wider scale, once more models become available on the market and are judged to be cost-effective, and will also encourage the community to do the same. We will closely monitor the market conditions with a view to formulating an appropriate policy to encourage the use of hybrid vehicles.

MR JEFFREY LAM (in Cantonese): *President, the Secretary has not yet answered the part on tax concessions. On encouraging the public to switch to environmentally-friendly vehicles, the business and industrial sectors have all along supported this proposal and are willing to include environmentally-friendly vehicles in their fleets. May I ask the Secretary whether the Government will take the lead to switch to environmentally-friendly vehicles in its fleet with a view to improving the air quality and leading the public to switch to these green vehicles, thus improving the air quality and environment in Hong Kong?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As to whether tax concessions will be offered, I believe it is a question for the Financial Secretary, for this is an issue to be decided by the Financial Secretary. On the question of the use of hybrid vehicles in the government vehicular fleet, my Bureau of course will strongly recommend it for all sorts of tests have already indicated that this type of vehicles is environmentally-friendly and can achieve cost-effectiveness in terms of fuel saving. I believe the major question now is how this type of vehicles can be fitted into the government vehicular fleet. Moreover, at present, there is only one agent in Hong Kong supplying this type of hybrid vehicles. Is the using of parallel-imported vehicles feasible? The Government has to take this into account in its procurement policy. We are actively considering the use of this type of vehicles.

PRESIDENT (in Cantonese): There are altogether 12 Members waiting for their turns to raise supplementaries. Will Members who have the chance to raise supplementaries please be as concise as possible.

DR LUI MING-WAH (in Cantonese): *According to the main reply, hybrid sedans have a number of advantages: first, fuel consumption can be reduced by half; and second, emission of pollutants can be reduced by 40%.*

In part (b) of the main reply, the Secretary mentioned that when hybrid sedans became cost-effective, the Government would consider actively promoting its use among the public. Since hybrid sedans after all require power charging, has the Government considered whether the pollution caused by power companies in coping with the electricity consumption of batteries-charging will exceed the emissions of these vehicles? Should the Government not take social benefits into account?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I think Dr Lui Ming-wah has somehow misunderstood the construction of this type of hybrid vehicles. Actually, the power of this type of vehicles is drawn from two sources; one is generated by an electric motor and the other from a fuel engine, in short, a motor and an engine. When the engine is started and running, its motion enables it to perform the power charging function and the battery of the vehicle will be recharged. Therefore, owners of these vehicles need not charge their batteries by plugging in at home and no consumption of electricity generated by power companies is required. This type of vehicles is fuel saving because it can be recharged by the energy generated during the operation of the engine. These vehicles are not run by the combustion of fuel all the time, for some of the time the battery will be charged by the energy generated from the operation of the engine, and the vehicle will be run by the motor driven by the battery. When the vehicle is in the motor-driven phase, it will not only save fuel consumption but also cause no pollution, for energy generated from a motor can drive a vehicle without causing any pollution. The torque — I do not know the Chinese translation of this term but I believe Dr Lui Ming-wah surely know about this — of the motor can generate enough power to run the vehicle up the steepest gradient in Hong Kong.

MR LEUNG YIU-CHUNG (in Cantonese): *All the information and opinions provided by the Secretary in the main reply is positive. May I ask the Secretary whether drawbacks of hybrid vehicles have been discovered despite the abundant positive information available at present? The Secretary mentioned that time was required to analyse the data. In fact, how long will the analysis take and what kind of data will be analysed?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Drawbacks may be found in two aspects. First, since this type of vehicles carries two sets of machine, a motor and an engine, one can imagine that their prices are relatively expensive. Moreover, the computer system of these vehicles is quite complex, for it has to control the automatic switch between the motor and the engine, that is to kick-start the auto-recharge process during the down-hill phase and to supplement power during the up-hill phase. Since the computer system is very complex, we thus have to pay attention to the repairs and maintenance of these vehicles and see whether it can be carried out by ordinary garages or must rely on the agent.

The second drawback is the battery. The agent of these vehicles does say that the lifespan of the battery is the same as that of the vehicle itself. However, since these vehicles are new models, user experience in this respect differs. Some people may find their batteries in good condition despite prolonged usage. But some may find the charging and discharging capacity of their batteries diminishing only after three years of use. I believe we may have come across similar problems in the use of mobile phones. To replace the batteries of these vehicles, the cost may amount to \$20,000-odd. If a comparison has to be drawn between this type of vehicles and petrol-driven vehicles, it is impossible to assess its cost-effectiveness if only the cost of fuel consumption is taken into account. The Government certainly adopts a very stringent approach in financial management and has to assess whether using this type of vehicles will bring about any material economic benefits. I, myself, will consider it in terms of environmental protection, if these vehicles can reduce pollution, they will bring economic benefits. We must also take this point into account. The green GDP mentioned by Miss CHOY So-yuk is rather abstract and can hardly be reflected in financial figures. This is the down side of it.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary has not answered how long will the trial take.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): The trial has been conducted for seven months and an initial conclusion has actually been drawn. Our trial covers different aspects, including the financial aspect, at the same time. As for the technical side, as I have mentioned earlier, maintenance is the major problem. In respect of experience, California does have over 100 000 vehicles of this type and they have a wealth of experience in this respect. We have maintained close liaison with the council on environment protection of California and figures provided by them have boosted our confidence in environmental protection. Now, we only need to examine how prices can be adjusted to a reasonable level so that requirements of the relevant finance legislation can be fully met when the Government purchases this type of vehicles.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary still does not understand my follow-up question. My question is: How long will it take to complete the trial?*

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

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I have said earlier that all the trials commenced in July 2005 and these two-year trials will be completed in July 2007.

MR CHAN KAM-LAM (in Cantonese): *The Secretary has provided rather positive results earlier. Actually, this type of hybrid sedans is good for the environment, and I believe a two-year trial is not called for. May I ask the Government whether a conclusion in this respect could be drawn earlier? Though it is said that not many choices are now available in the market, the Government does have an interactive role to play in the market which may bring about positive results. Will the Government do that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): When I answered Mr LEUNG Yiu-chung's question earlier, I already mentioned that trials on environmental protection and fuel consumption would be conducted simultaneously. Though it is said that two-year trials have to be conducted, other issues lie mainly in the financial aspect, involving the examination of ways to achieve cost-effectiveness. Actually, in terms of environmental protection and technical issues, we are 90% prepared to draw the conclusion. The only thing we are not sure is whether the lifespan of the batteries will really be the same as that of the vehicle itself as the agent claimed, that is, how long the batteries could work. This is the only problem which needs some time to examine. As for the other issues, I believe a number of Policy Bureaux of the Government will make the decision on whether the use of this type of hybrid vehicles in the government fleet can be expedited by all means. We will do it step by step.

DR RAYMOND HO (in Cantonese): *I strongly support the current trails being conducted by the Government on these five electric-petroleum hybrid vehicles. However, there are many types of environmentally-friendly vehicles. Will the Secretary consider trying out other types of environmentally-friendly vehicles which are now being tested in other countries, such as vehicles running totally on electric power? In the past, the Government said that prices of the batteries of electric vehicles were expensive. However, as far as I understand it, the price of batteries has come down substantially now. Does the Government have any information in this respect? Will it consider trying out more different types of vehicles, such as pure electric vehicles?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): In respect of electric vehicles, Hong Kong actually has been conducting relevant studies all along and universities of Hong Kong have conducted tests on different brands of electric vehicles. The Government knows that electric vehicles have their advantage in terms of environmental protection when running on the road and has thus put in place some policies, the waiving of the first registration tax which was introduced in the year 1994-95, to promote the use of these vehicles among the public. However, neither in the United States nor Japan has the use of this type of vehicles brought about satisfactory outcomes owing to the inconvenience of battery-recharging. Just as Dr LUI Ming-wah has said, the process of recharging should be taken into

consideration. Given a living environment like Hong Kong, how can we identify locations for recharging facilities? This is a problem. I know that only a very limited number of people have used vehicles run totally on electric power, but they also find the recharging of batteries very inconvenient. Therefore, it is not that the Government has not promoted the use of electric vehicles, only that the use of this type of vehicle in Hong Kong does have practical difficulties.

MS EMILY LAU (in Cantonese): *President, the Secretary mentioned in the main reply the many advantages of electric-petroleum hybrid sedans in terms of environment protection. However, in part (b) of the main reply, the Secretary mentioned that the Chief Executive had pointed out in his policy address that the active promotion of the use of hybrid vehicles had to depend on its supply, that is, the market supply and cost-effectiveness of these vehicles. But the Secretary said earlier that there were 100 000 hybrid vehicles in California, so supply should not be a problem. The Secretary then raised the issue of price. What factors actually have to be considered? If electric-petroleum hybrid sedans are conducive to environmental protection, and that the authorities have mentioned the introduction of an incentive policy in the reply to Mr Jeffrey LAM's main question, many people should want to buy one. In the present case, is it that many people are unable to buy these vehicles even if they are willing to pay the money? Or, is the Government unwilling to promote the use of these vehicles because of the high prices charged? For the business sector has suggested that some concessions should be offered to them. These vehicles are good, why does the Government not promote them?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): First of all, the 100 000 vehicles of this type now found in California is an accumulative figure. At present, if one orders a hybrid vehicle of the most popular model in California, he or she will have to wait for six to eight months. In Hong Kong, the same situation applies, that means if you order a vehicle of this type, you may still have to wait for months. I do not know the latest situation, but not long ago, one had to wait for eight to 10 months. As such, the supply is inadequate. We have been discussing this with the agent all along. We have stated that if we purchase these vehicles in bulk and introduce a concessionary policy, the agent must supply these vehicles and should not turn the concession we offered into a premium so that it may push up the price, thus denying the public the benefit.

In respect of the models of these vehicles, in addition to the model officially imported by the agent, there are indeed eight other parallel-imported models and we have already submitted all the information to the Financial Services and the Treasury Bureau. With regard to procurement, we do have a choice. The current policy of the Government allows the use of parallel imports, but we have to be responsible for the repairs and maintenance of these items ourselves. This is the question we have to examine. Since this is a new kind of technology, is the Government capable of doing the relevant repairs and maintenance itself? We must be sure about this before we can purchase these vehicles in bulk. Otherwise, we can hardly explain the case to the public if these vehicles cannot be used.

Therefore, we are pursuing the issue from various angles at the same time. On the environmental protection front, the use of this type of vehicles is unquestionable, that is, it surely can reduce pollution effectively. But financially speaking, could cost-effectiveness be achieved? Moreover, in relation to the model and use of these vehicles, some people do ask whether the cabin of these vehicles is relatively small. The cabin of these vehicles is in fact a bit small, so, could these vehicles suit our needs? I believe the Government must be very cautious in the procurement of these vehicles. Otherwise, when an application for provision is submitted to the Finance Committee of the Legislative Council, Members may veto it.

MISS TAM HEUNG-MAN (in Cantonese): *May I ask the Secretary whether she knows, in addition to the five environmentally-friendly vehicles now being tried out by the Government, the number of environmentally-friendly vehicles now running on the roads of Hong Kong?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I believe Miss TAM Heung-man is asking about the number of hybrid vehicles, for other vehicles using liquefied petroleum gas are also regarded as environmentally-friendly vehicles. According to our rough estimation, I believe, including hybrid vehicles, there are about 20 000 such vehicles.

MR ANDREW LEUNG (in Cantonese): *The Secretary said earlier that choices of up to eight models of parallel-imported hybrid vehicles are now available and*

that about 20 000 hybrid vehicles are found; this shows that the number of these vehicles is on the rise. We notice from websites that various new models will be launched in succession in the year 2006-07 and that 100 000 vehicles of this type are found in California. However, all these vehicles as well as many new vehicles are left-hand drive vehicles. May I ask the Government whether it has planned to allow left-hand drive hybrid vehicles to be imported into Hong Kong so that the public may have more choices and will indirectly promote the cause of environmental protection?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I support the use of environmentally-friendly vehicles and facilitating the running of these vehicles in Hong Kong by all means. However, left-hand drive vehicle is a separate issue for road safety is involved. If too many left-hand drive vehicles are running on the road, it will pose certain problems. We have discussed this with colleagues of the Transport Department and they have great reservations about this.

MS MIRIAM LAU (in Cantonese): *The Government has been quite active in introducing these five hybrid vehicles, but it seems to be utterly passive in recommending them to the public. As it is said that adequate supply in the market and cost-effectiveness have to be taken into account, we really do not know when we will be supplied this type of vehicles. Let us take a look at different places around the world. In addition to California mentioned by the Secretary earlier and the United States mentioned by Mr Andrew LEUNG, Japan, the Netherlands and Britain have been vigorously promoting the use of this type of hybrid vehicles, and many tax concessions or subsidies are offered to encourage the public to use them. Will the Government consider all the policies and measures adopted elsewhere in the world, including the offer of tax concession, and to introduce these policies and measures in Hong Kong as soon as possible so that people in Hong Kong may enjoy the benefit of protecting the environment earlier?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I believe every place and every government does have their own concerns, and I hope our Government will put environmental protection on the top of its priority list. On the use of hybrid vehicles, our considerations have

converged on one common purpose. However, just as I have said earlier, the Government has to be very cautious in handling every issue. Overseas countries do not have to face the problem of parallel imports and genuine goods for overseas markets are bigger. In view of the many different types of hybrid vehicles available, the only concern we have now is to ensure that when the Government decides to use hybrid vehicles, different types of hybrid vehicles will have a fair chance to compete, and the question of repairs which I mentioned earlier is thus a concern.

As for tax concessions, I fully support the formulation of policy in this respect, but a final decision should be subject to a comprehensive review of overall financial factors.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Last supplementary question.

MISS CHOY SO-YUK (in Cantonese): *President, the Secretary may not have factored the green GDP into the calculation when she considers the issue. She may have only calculated the cost of repairs and the possible loss, but she has failed to take into account the cost of pollution borne by society. In this connection, will the Secretary discuss with the Financial Secretary so that we do not have to wait for two more years? The Secretary knows pretty well that if the benefit of society as a whole is taken into account, the answer is crystal clear. In view of this, will the Secretary discuss with the Financial Secretary the immediate implementation of the relevant arrangements rather than waiting for two more years?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I definitely have done that. We have to include the cost to the environment in order to calculate the real figure that enables us to know how society can benefit from the arrangement. I hope that the cost to environment will be considered from different aspects. When the relevant application for provision is submitted to the Legislative Council in future, I hope Members will also support it.

PRESIDENT (in Cantonese): Fifth question.

Abuse of Elderly Persons

5. **MR TAM YIU-CHUNG** (in Cantonese): *President, as a number of cases of abuse of elderly persons have recently come to light, will the Government inform this Council of:*

- (a) *the number of cases of abuse of the elderly handled by the relevant authorities in each of the past three years and, among them, the respective percentages of cases involving psychological abuse and physical abuse; and*
- (b) *the measures to prevent abuse of the elderly and enhance protection for them?*

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

- (a) Different countries have different views on the definition of "elder abuse". In Hong Kong, in accordance with the Procedural Guidelines for Handling Elder Abuse Cases (the Guidelines), elder abuse refers to the commission or omission of any act that endangers the welfare or safety of the elders, including physical abuse, psychological abuse, neglect, financial abuse, abandonment and sexual abuse. A large proportion of the elder abuse cases involve physical abuse or psychological abuse.

The Social Welfare Department (SWD) has put in place the Central Information System on Elder Abuse Cases (the System) to collect statistics on elder abuse cases handled by the SWD, Hong Kong Police Force, Hospital Authority, Department of Health, non-governmental organizations (NGOs), and so on. The SWD has no official statistics on elder abuse cases that took place during or before 2003 since the System was not set up until 2004. According to statistics collated through the System, there were 329 elder abuse cases in 2004, of them 201 (61.1%) cases were physical abuse, and 45 cases (13.7%) were psychological abuse. As for the period between January and September 2005, 176 elder abuse cases were recorded, of them 142 cases (80.7%) were physical abuse and 14 cases (8%) were psychological abuse.

According to the data collected during the period between January and September 2005, victims in most of the abuse cases were female, involving 108 cases (61.4%). As regards the age of abused victims, regardless of the gender of the victims, most of them were in the 60 to 64 age group, accounting for 57 cases (32.4%).

As to the relationship between the abused victims and the abusers, most of them are spouses, accounting for 144 cases (81.8%) followed by parents and children, accounting for 16 cases (9.1%), and parents-in-law and daughters-in-law, accounting for six cases (3.4%).

- (b) The objective of the Government's elderly policy is to enable elders to live with dignity, and provide them with necessary support, with a view to enhancing their sense of belonging and enabling them to enjoy a quality life.

The Elderly Commission (EC) has held discussions over the problem of elder abuse. Taking into account the valuable advice of the EC, we have set the working priorities of tackling the problems as follows:

- (i) Enhance the awareness of the public and the professional sectors on the problem of elder abuse through community education, case intervention, outreaching services, volunteers training, and so on.
- (ii) Implement the Guidelines and adopt an inter-departmental/institutional/professional collaboration approach to handle elder abuse cases.
- (iii) The SWD will regularly organize training courses for relevant personnel (including social workers, medical personnel, police officers and other non-professional staff, and so on) to enhance their knowledge and skills of handling elder abuse cases.
- (iv) Strengthen publicity and public education to promote a sense of worthiness among elders and create a social climate of caring for the elders.

- (v) The SWD staff will accord top priority to the safety and welfare of the elders and take immediate intervention actions once an elder abuse case has been discovered, including the call of multi-disciplinary case conference.
- (vi) Targeting the abusers, the SWD will roll out a pilot counselling scheme this year. It will be run by the Department and an NGO respectively. The results of, and experiences gained from, the pilot scheme will help us better shape the way forward.

The Administration will also continue to offer assistance to the abused elders and their families through the existing services provided by various organizations at different levels, including crisis intervention, counselling and other support services.

MR TAM YIU-CHUNG (in Cantonese): *President, it is pointed out in the main reply that according to the statistics of the System of the SWD, the numbers of elder abuse cases in 2004 and during the period from January to September 2005 are 201 and 176 respectively. Under the current legislation, the authorities can institute criminal prosecution against any acts which constitute physical abuse. May I ask whether there are any such examples and the number of successful prosecutions? However, since under the current legislation, the authorities cannot institute prosecution on the ground of psychological abuse, what measure does the Government have in order to tackle this?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, according to my understanding, there were 56 prosecution cases between January and September 2005 instituted by the police with information submitted by the SWD. Regarding psychological abuse, we are now considering how it can be included into the scope of prosecution. I think, at present, it is easier to prove physical abuse. We also have some information, in particular concerning physical abuse, which can be used for analysis. However, since the existing database has been operated for just a year or so, there is no detailed analysis result at the moment.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, has your supplementary question not been answered?

MR TAM YIU-CHUNG (in Cantonese): *President, no, rather it is the figures being not clear enough. Can the Secretary repeat the figures again? May I ask the number of prosecutions and the successful prosecution rate in 2005? What are the respective numbers in 2004 and 2005? It seems that the Secretary has not mentioned those figures. I just heard that there were 56 cases. Can the Secretary repeat them again? And concerning psychological abuse.....*

PRESIDENT (in Cantonese): You think the Secretary has not mentioned the figures clearly and totally revealed the relevant information?

MR TAM YIU-CHUNG (in Cantonese): *Yes.*

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

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I do not have the number of prosecutions at hand and perhaps let me provide the figures in writing later. (Appendix I)

PRESIDENT (in Cantonese): A total of 11 Members are on the waiting list to ask supplementary questions. Will Members who have the chance to ask questions please be as concise as possible.

MR RONNY TONG (in Cantonese): *President, from the media we often see that there are elder abuse cases in elderly homes and other similar institutions. Can the Secretary provide some more specific details regarding part (b)(ii) of the main reply? In respect of supervision of elderly homes, for instance, what concrete and specific sanctions will be imposed if elder abuse cases are discovered? What kind of support can the Government provide if support is needed by these institutions?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, all elderly homes are under the supervision of the SWD and are provided with the Guidelines. Should elder abuse cases arise, we can act in accordance with the Guidelines. We can also institute prosecutions or impose sanctions on them. As I do not have information concerning the number of elder abuse cases in elderly homes at hand, I will give an account on this later.

MR RONNY TONG (in Cantonese): *Can the figures be provided in writing later?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Yes, certainly. (Appendix II)

DR JOSEPH LEE (in Cantonese): *President, we know that animals are also under protection by legislation. But concerning elder abuse, there is no legislation protecting the elders unless criminality is involved. At hospitals, we often see that the elders are neglected and abandoned. So, I find it strange that the figures in the main reply do not reflect these two situations because these problems are so common. How will these problems be tackled by the Government? In fact, abandonment and neglect of elders frequently occurs. According to the definition provided by the Secretary, these can also be regarded as elder abuse, why are such problems not reflected in the figures?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I think we do have such figures. But as I just said, these figures are lower than that relating to psychological abuse and, in particular, physical abuse. I will provide detailed information later. (Appendix III)

PRESIDENT (in Cantonese): Dr LEE, has your supplementary question not been answered?

DR JOSEPH LEE (in Cantonese): *President, I just want to ask the last part of my supplementary question: How can the problem be tackled?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the SWD will certainly take follow-up actions should a case be considered falling within its ambit, particularly if the elder's family members can be located and it is proved that there is neglect. We can provide counselling or institute prosecution. At the same time, if it is necessary to entail police assistance, we will also co-operate with them. At present, we have done a very good job in inter-departmental and multi-disciplinary aspects. I think I have to emphasize that very often, it is not necessary to institute prosecution if these problems arise because of poor family relationships. A solution to the problem can be found if we can talk with the family members.

MS AUDREY EU (in Cantonese): *President, in the main reply, it is mentioned that according to the data collected in 2005, victims in most of the abuse cases were female, accounting for 61.4% of the total number of cases. However, in part (b)(i) to (vi) of the main reply, it seems that the working priorities mainly focus on the provision of training or guidelines to the public or the professional sectors. So may I ask the Secretary, among the working priorities of the Government, which one can help the female victims? If there is none, can the Secretary inform this Council what measures the Government has in order to solve or at least ameliorate the problem? Will the Government consider providing activities to the elderly couples so as to help them solve the problem?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I would like to explain why the number of female victims is higher. On the one hand, I believe that in most cases, it is the husband who abuses his wife. And on the other hand, females have a much longer life expectancy. So, among the elderly population, the females outnumber the males. This is part of the reason.

As for maintaining a harmonious relationship within a family, family members should exercise mutual accommodation and tolerance and take care of each other instead of solving their problems by means of punishment. Of course, as I just said, the Government has provided many activities and

implemented a lot of promotional policies in the communities. Meanwhile, we also hope that children can also take part in the family because very often, elder abuse has been a persistent problem in the family for a period of time, but no one is aware of it or fails to provide information to us so that our professionals can take follow-up actions.

At the same time, I believe that if people in the neighbourhood can take part in the community activities, it can enhance their spirit of mutual assistance. The Government has also tried to arrange more activities in the elderly centres in order to encourage the participation by elders and their spouses. In our opinion, many elder abuse cases occur when the elders have reached a certain age and their physical health begins to deteriorate, resulting in the need of extra care from the family or other family members. So, apart from taking care of the elders, we should also take care of the mental health and the mindset of the carers of the elders so that they can exercise patience and tolerance when taking care of the elders at home.

MS AUDREY EU (in Cantonese): *President, the Secretary has not answered my supplementary question. Concerning the priorities of work in part (b)(i) to (iv) of the main reply, which one pinpoints the problem? The Secretary has mentioned a lot of activities, but I cannot see what is included. Can the Secretary give us a clear reply?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, for example, in part (b) (iv) of the main reply, it is said that we will strengthen publicity and public education to promote a sense of worthiness among elders and create a social climate of caring for the elders. In fact, similar promotional activities are organized in the elderly centres of each district. Of course, our target in this aspect is not the professionals, rather, it is the elders themselves.

MR ALBERT HO (in Cantonese): *President, some elder abuse cases occur in elderly centres or elderly homes, and many occur in the family, thus constituting a kind of family violence. The Government has been publicizing the policy of "zero tolerance" to family violence. However, the Secretary just said that it was not necessary to institute prosecution against the family members concerned.*

The Secretary then disclosed a figure. From January to September 2005, he said, there were 56 cases of prosecution. However, there were 142 cases of physical abuse in that year, as provided by the Government. So, if only one third of the cases are subject to prosecution, and in addition, the Secretary said that it was not necessary to institute prosecution, may I ask how the "zero tolerance" policy is interpreted by the Secretary? Why is no prosecution instituted despite so many such abuse cases? Should enforcement be further stepped up so as to curb physical abuse at least?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, according to my understanding, in many cases, the elder concerned and his family members will conduct a review after such a incident has occurred. If the victims are reluctant to pursue the case, it is very difficult for the police to continue the prosecution. Of course, sufficient evidence is also required before prosecution can be instituted.

I have just got some information on the number of people prosecuted in 2005 and would like to correct the figure just mentioned: there were 75 prosecutions, 55 convictions and 20 acquittals. And there were 107 cases in which the police applied to the Court that the abusers be imposed a bind over order. These have also included the 200 or 300 cases I just mentioned. So, these figures are more reliable.

MR ALBERT HO (in Cantonese): *President, in fact, the question I asked is very simple: What is the policy of "zero tolerance"? It seems that the Secretary has not answered this question.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we have adopted a policy of "zero tolerance" towards any abuse, not only elder abuse or other kinds of abuse. Of course, sufficient evidence is required, apart from the co-operation of the witnesses, should prosecution be instituted against any person.

DR FERNANDO CHEUNG (in Cantonese): *President, for the elder abuse problems nowadays, some cases can be solved through policy or assistance to the*

elders. According to my understanding, many elders, though living with their family members, have a poor relationship with them, thus leading to abuse. For instance, although the elders cannot make a living, their family members do not provide any financial assistance. With regard to applying for Comprehensive Social Security Assistance (CSSA), under the prevailing system, if the elders are living with their family members, the CSSA application should be submitted by the whole family, thus leading to a plight. Under some circumstances, if the elder is the tenant of a public housing flat, he cannot move out. Regarding these situations, may I ask the Government whether the CSSA application policy will be reviewed so that the elders can apply for CSSA on an individual basis?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we have a policy for protecting elders who are not taken care of by their children. They can apply for CSSA independently. This is the existing policy. But we think the most important thing now is that our CSSA system can encourage the elders to live with their family members. If the elders have to live on their own due to whatever reason, we will consider it as an exceptional case. However, as far as our policy is concerned, we do not encourage any family members to apply for CSSA independently.

DR FERNANDO CHEUNG (in Cantonese): *President, the Secretary just said that if the elders do not receive any support from their children, they could apply for CSSA independently. My supplementary question is: Even though the elders are living with their children, they will still lead a hard life if their children do not give them money. This is also a kind of abuse or neglect. Under such circumstances, the existing policy cannot solve the problem. I asked the Secretary how this problem could be tackled. But the Secretary just said that elders who are not supported by their children can apply for CSSA independently. Regarding those who have children but are not given any support by them, what can they do?*

PRESIDENT (in Cantonese): Secretary, just now you have provided some information. Would you please repeat what you have said so that Dr CHEUNG can hear it clearly.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I would like to emphasize that if the elders are living with their family members and in case of disputes or squabbles, resulting in the neglect of the elders, we can prosecute their family members in accordance with the existing legislation. This is what we can do. Of course, we have to, first of all, prove that they have abused their elders. Meanwhile, if it is purely a matter of financial assistance, many elders can now receive the "fruit grant", which belongs to the elders who can use it freely. Of course, consideration should be given to the fact that the health of some elders is deteriorating as they grow old and will rely heavily on the care of their youngsters who may not be able to provide proper care to them. Should these problems occur, I believe our social workers and relevant support organizations can provide assistance to them.

PRESIDENT (in Cantonese): Council has spent 22 minutes on this question. We will now proceed to the last oral question.

Land Boundary

6. **MR PATRICK LAU** (in Cantonese): *President, it has been reported that the Court of Final Appeal (CFA) recently ruled that land in "adverse possession" in the New Territories were not affected by the New Territories Leases (Extension) Ordinance, and that for the land in the New Territories taken in possession both before and after 1997, it was not necessary to take 1997 as the commencement date in calculating the number of years of adverse possession of the land concerned. These rulings apply to the illegally occupied private or government land in the New Territories. Moreover, the New Territories Land Boundary Survey Plans currently in use by the Government were drawn up in 1904. Such plans are not only too sketchy and incomplete but are also outdated. Although the Lands Department (LandsD) has been updating the relevant land boundary information, the progress is too slow and hence grey areas or inaccuracies have long existed in some of the land boundaries. As a result, the locations of some of the leased land as shown in the land boundary plans do not tally with their actual locations. In this connection, will the Government inform this Council:*

- (a) *as the existing legislation provides that a piece of government land will become the occupant's property after it has been continuously occupied for 60 years, whether the authorities have assessed the*

number of Government land lots in the New Territories which have become the land of the relevant occupants as a result of the above provisions and rulings; of the sizes of the land involved and the amounts of revenue foregone in terms of land premium and government rent, and so on, as well as the measures taken by the authorities to prevent government land in the New Territories from unauthorized occupation;

- (b) whether it has any policies or measures to prevent and deal with legal proceedings on ambiguous or controversial New Territories land boundaries arising from the relevant rulings; and*
- (c) of the measures taken by the authorities to rectify the mistakes in the land boundary records, so as to avoid privately owned land lots being incorrectly shown as government land on the relevant records, thereby causing the land owners concerned to be regarded as having taken possession of government land while the private land as shown on the relevant records are left in disuse?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, I wish to outline briefly the judgement recently delivered by the CFA on a case involving adverse possession of private land in the New Territories by way of background.

At the outset, there is a time limit to bring legal action to recover land in "adverse possession". The limitation period to bring action to recover government land is 60 years from the date on which the right of action accrued, and that for private land is 12 years¹.

The judgement of the CFA concerns cases involving the lot owners and squatters of private lots in the New Territories. The New Territories land leases expiring before 30 June 1997 was extended by the New Territories Leases (Extension) Ordinance, Cap. 150. The CFA held that this did not give rise to any new lease and hence the time period after the return of sovereignty should

¹ The Limitation Ordinance, Cap. 347, was amended in 1991 which amended the limitation period to bring action to recover private land from 20 years to 12 years.

continue to accrue towards the number of years of adverse possession. However, as Cap. 150 does not apply to unleased government land, the judgement of the CFA is not applicable to adverse possession cases over unleased Government land.

I wish to respond to the three parts of the question now:

- (a) Under the Land (Miscellaneous Provisions) Ordinance (Cap. 28), it is unlawful to occupy unleased Government land for private use without permission. Any person who, without reasonable excuse, does not cease to occupy unleased land as required by a notice issued by the Authority shall be guilty of an offence and be liable on conviction to a fine of \$10,000 and to imprisonment for six months.

The total area of the Hong Kong Special Administrative Region (SAR) is 110 173 hectares, leased and managed by the SAR Government. Of these, around 31 860 hectares of land are unleased, most of which are located in the New Territories and outlying islands. Due to the large-scale clearance exercises undertaken for the development of new towns and large-scale infrastructure projects in recent years, unlawful occupation of government land has been significantly reduced.

Through different means and channels, the Government also strengthens land control to prevent unlawful occupation of unleased government land. Legal actions will be taken against unlawful occupiers of government land to deter them doing so. If unlawful occupation is found by land control officers, appropriate action will be taken to rectify the situation, for instance by invoking the relevant provisions in Cap. 28. If circumstances permit, the District Lands Offices may also issue short-term tenancies to occupiers, thereby bringing the uses associated with unlawful occupation of unleased government land regularized. This can generate revenue and reduce the possibility of unlawful occupation. If necessary, the District Lands Offices will fence off unleased government land which are prone to unlawful occupation, and put up warnings at prominent locations to deter persons who wish to occupy such land unlawfully.

If a person wishes to apply to the Court claiming "adverse possession" over unleased government land, the onus of proof is on the claimant, and he needs to satisfy the Court that he has been occupying the relevant unleased government land during the required period of time without interference or being challenged. In view of the land control measures I mentioned just now, we believe it would be very difficult for the claimant to provide sufficient evidence to establish his case.

(b) and (c)

I would answer parts (b) and (c) of the question jointly, as both of them concern land boundary records.

Over 210 000 private lots in the New Territories are held under Block Government Leases, and are known as old schedule lots. These old schedule lots were surveyed 100 years ago using graphical survey method for the purpose of recording ownership and related taxation purposes.

The number of the lots involved is great, and to re-survey their boundaries according to the present survey standards will require huge resources and considerable amount of time. According to an estimate by the Hong Kong Institute of Surveyors, such a re-survey will cost about \$1.9 billion and require 10 years.

Under the resources constraints, it will not be possible for the LandsD to re-survey the boundaries of all old schedule lots. Notwithstanding this, the LandsD will, during the course of its work, such as land resumption for infrastructure projects, processing development of land and processing of small house applications, conduct surveys for lots with unclear boundaries and will update the land boundary records if and when the needs arise. In the longer run, if resources permit, the LandsD will consider undertaking more re-survey of old schedule lots.

If it is detected by the LandsD during the course of its work that the boundary of a lot is inconsistent with the record, a deed of rectification can be entered into with the lot owner and the land boundary record updated.

However, if the lot owners concerned do not agree with the rectification, or if the lot owners concerned cannot be located, there will be difficulties in establishing the re-surveyed lot boundary.

MR PATRICK LAU (in Cantonese): *President, the Secretary mentioned in part (a) of the main reply that unlawful occupation of Government land will be reduced when the Government develops the land. However, the Secretary has not answered whether the Government has assessed the severity of the current problem of unlawful occupation of Government land. It is because, in my main question, I asked the Government what was the approximate size of the land being occupied and the amount of revenue forgone in terms of land premium. Will the Secretary please answer?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, I have explained clearly in the main reply that the relevant process is not automatic. Rather, it must be initiated by someone who makes the claim having regard to his own circumstances, and during the process, the onus of proof is on the claimant. Just as I have said very clearly earlier, the claimant has to prove that he has been occupying the land for 60 years without interference.

Just as I have explained earlier, we are undertaking various aspects of work in relation to the implementation of control of Government land according to different legislation. I have pointed out from the very start that the occupation of Government land itself is unlawful, and shall be subject to sanction under the legal system. Offenders shall be liable to imprisonment or a fine, and both are very effective sanctions. Furthermore, just as I have pointed out clearly in the main reply, there are also other administrative measures. As a number of control and management initiatives are in place, we consider it extremely difficult for anyone to produce proof on this. In fact, it is impossible for us to find out who have the intention to do so, and so far there has been no such case.

MR DANIEL LAM (in Cantonese): *President, will the Secretary inform this Council whether the Government will or how it will assist the affected persons who have no idea about the condition of their land to reconfirm the land boundaries?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, I have pointed out in the main reply that survey work was conducted 100 years ago, and relevant plans and official records are available. However, the Demarcation District (DD) Sheets produced at that time were mainly for recording ownership and related taxation purposes, so they are not very accurate. Problems will certainly arise as a result. Yet, just as I have pointed out in the main reply, the LandsD will undertake re-survey if the landowner concerned considers it necessary to do so and has kept the relevant record. Upon agreement of the two sides, a deed of rectification will be entered into and a new record filed.

Just as I have said earlier, as a result of the implementation of infrastructure projects, land resumption, building of small houses and land development, and so on, 400 such cases are received every year. Any person who considers there is such a need may proceed by going through the necessary procedures.

MR CHEUNG HOK-MING (in Cantonese): *President, the Secretary mentioned in the main reply that there is a time limit to bring legal action to recover land in "adverse possession": 60 years for Government land and 12 years for private land. In either case, the claimant is required to provide evidence until the Court is satisfied and makes a final decision in his favour.*

In his reply to the supplementary question, the Secretary pointed out that the occupation of Government land for private use is unlawful. However, an extensive area of private land in the New Territories has been occupied by the Government for many years, including some drainage channels and footpaths. My supplementary question is: Is it unlawful for the Government to occupy private land? How can the Government protect these landowners?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, as far as I know, there are various means through which the Government can occupy private land. One is land acquisition where compensation will be paid. If the land concerned was not recovered by resumption but merely being occupied, the Government will in general provide what we called "wayleave", but I am not sure about its Chinese rendition. In other words, the Government is allowed to use that piece of land by means of

wayleave. In some cases, the lots being used are not necessarily on the surface, but probably underground, for instance, a lot used for providing underground pipework. All such cases must go through due legal process.

If Mr CHEUNG can provide examples to illustrate that the above means is not followed for our reference, we will study the circumstances of each case. However, generally speaking, such a situation should not arise.

MR CHEUNG HOK-MING (in Cantonese): *President, I would like to thank the Secretary for his reply just now. I also have in hand similar.....*

PRESIDENT (in Cantonese): Mr CHEUNG Hok-ming, has any part of the supplementary question you put just now not been answered? If so, you just.....

MR CHEUNG HOK-MING (in Cantonese): *President, the Secretary has definitely not answered my supplementary.*

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR CHEUNG HOK-MING (in Cantonese): *I am telling the Secretary that the reply he gave just now was not entirely true.....*

PRESIDENT (in Cantonese): It is not necessary for you to agree or disagree with the Secretary's reply. You simply repeat the part of your supplementary question that has not been answered. This is the provision of the Rules of Procedure concerning Question Time.

MR LAU WONG-FAT (in Cantonese): *Madam President, the concept of adverse possession comes from the English common law, but the Basic Law expressly provides that the rights of private property should be protected. Will*

the Government inform this Council whether the authorities are aware that adverse possession may contravene the Basic Law and what are the measures in place to address this concern?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, maybe I will answer in this way. The recent CFA judgement, just as Mr LAU Wong-fat has said, which definitely involves landowners and squatters of private lots in the New Territories, has no direct relation with the Government. In other words, there is no direct relation between them in this regard. However, we will consider any legal problems arising from this judgement.

MR CHIM PUI-CHUNG (in Cantonese): *The Secretary has specifically mentioned in his reply that the Government would provide compensation to some landowners in the New Territories. Regarding the motion on Cheung Chau Wong Wai Tsak Tong which the then Legislative Council passed, may I ask the Government whether reasonable and normal compensation has been offered in this case in compliance with the laws which the then Legislative Council passed? If the Secretary does not have the relevant information in hand, I really hope that he will let the community have a detailed understanding of the policy and stance of the Government.*

PRESIDENT (in Cantonese): Secretary, I think you probably do not have the relevant information in hand now.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, I thought that the discussion today is about land affected by adverse possession, and as far as I can recall, Wong Wai Tsak Tong does not fall within the scope. Maybe I can exchange views with Mr CHIM Pui-chung on Wong Wai Tsak Tong after the meeting. Fine?

MR ALBERT HO (in Cantonese): *The Government pointed out in the reply that measures would be taken to prevent the occupation of Government land and to curb the proliferation of the so-called adverse possession, that is, to prevent the occupation of Government land for private use. However, it is noted from the*

Government's reply that the biggest problem is the lack of clear land boundaries. We can often see private lands being included in the short-term tenancies when they were granted by the Government. And yet, very often, Government land is occupied for the construction of small houses in the New Territories and the Government is totally unaware of it.

Therefore, it is impossible to have a clear idea of the accurate land boundaries so long as a complete survey is not conducted by the Government. As such, how can the Government guard against adverse possession of its land? My supplementary question is therefore whether the Government really does not have any plan to undertake an accurate and complete survey? If not, how can it be ensured that Government land will not be occupied for private use?

PRESIDENT (in Cantonese): Mr Albert HO, before I ask the Secretary to reply, I hope you can remove the badge on you. Since eating is not allowed in the Chamber, so it does not matter whether or not you are on a hunger strike.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, just as I have said in the main reply, such work takes a very long time to complete. Apart from the time required, considerable resources are also required, and yet no provision has been set aside for this purpose. However, President, the point is not that we have not surveyed lots in the New Territories as relevant official records are available, only that the prevailing DD Sheets are relatively small and less accurate. Therefore, in relation to certain details, it may be difficult to clearly delineate the boundaries. But in most cases, there will not be any significant impact.

I explained earlier that in case it really has any effects, a re-survey will be conducted in an acceptable manner according to the established procedures where the existing standard applies. The work is undertaken every year, and if a person considers it necessary to establish his own lot, relevant procedures are available for this purpose. Certainly, whether or not there is such a need, has to be decided by the owner concerned in different manners.

As for the granting of land by the Government, in the case of unclear land boundaries for short-term tenancies issued, for instance, I think it was attributed

to the negligence on the part of the staff concerned. Since establishing land boundaries for short-term tenancies issued by the Government lies within our scope of work, such mistakes should not be made easily.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Obstruction of Pavements

7. **MS MIRIAM LAU** (in Chinese): *President, I have noticed that the pavements along certain sections of Nathan Road are often obstructed, resulting in pedestrians having to walk on the road and competing with vehicles for road space. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of verbal warnings given and prosecutions instituted in the past three years in respect of illegal hawking, on-street promotional stands, unauthorized expansion of business areas by shops and the occupation of areas larger than permitted by newspaper stands on the pavements along Nathan Road;*
- (b) *whether it will step up the above prosecution actions to keep the pavements along Nathan Road unobstructed; and*
- (c) *of the details of the measures to be implemented by the authorities to address the problem of competition between pedestrians and vehicles for road space along Nathan Road?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): President, keeping the pavements unobstructed is a street management problem that involves a number of government departments. Generally, enforcement departments will give verbal warnings to the offenders. If the situation remains, enforcement departments will take prosecutions against the offenders.

- (a) In 2003 to 2005, in respect of illegal hawking, on-street promotional stands, unauthorized expansion of business areas by shops and occupation of areas larger than permitted by newspaper stands on the pavements along Nathan Road, the numbers of verbal warnings given and prosecutions taken by the police and the Food and Environmental Hygiene Department (FEHD) are as follows:

	<i>Verbal warnings¹</i>	<i>Prosecutions</i>
Illegal hawking	363	304
On-street promotional stands	55	0
Unauthorized expansion of business areas by shops	47	40
Occupation of areas larger than permitted by newspaper stands	264	234

- (b) Relevant enforcement departments will keep in view the situation and take enforcement action as appropriate. For example, the police will take enforcement action where the obstruction arising from the activities causes either public order or public safety concerns. The FEHD will take enforcement action to maintain environmental hygiene and combat illegal hawking. Where necessary, relevant departments will take joint operations to keep the pavements along Nathan Road unobstructed.
- (c) The Transport Department (TD) has been working on measures to improve pedestrian facilities along Nathan Road to minimize vehicle-pedestrian conflict. Such measures include widening of pedestrian crossings at Argyle Street and Dundas Street, as well as commissioning of traffic signals and a pedestrian crossing at Hamilton Street.

Apart from the measures at grade, there are also six pedestrian subways across Nathan Road at Fife Street, Argyle Street, Nelson Street, Soy Street, Pitt Street and Waterloo Road to separate pedestrians from vehicles between Mong Kok Road and Waterloo Road.

¹ The statistics on verbal warnings are from the FEHD only. The police does not have statistics on verbal warnings given.

In addition, the TD is also planning to improve the pedestrian footbridge system at Mong Kok Road. It is expected that works to extend the footbridge across Nathan Road will commence by the end of this year.

Separately, the Planning Department will commission a consultancy study entitled "Area Improvement Plan for the Shopping Areas of Mong Kok" in February 2006. The study aims to formulate a comprehensive plan to improve the environment of the shopping areas of Mong Kok in terms of better land use, enhanced pedestrian circulation, better traffic management, a more comfortable pedestrian environment and enhanced streetscape. Reduction of vehicle-pedestrian conflict in Mong Kok is an issue that would be examined. The study is expected to complete in two years.

Juvenile Crime

8. **MR JAMES TIEN** (in Chinese): *President, recently, a number of juveniles were arrested allegedly for serious offences such as robbery, criminal intimidation, criminal damage and wounding, and so on, with the youngest one being 11 years old only. In this connection, will the Government inform this Council:*

- (a) *of the number of juveniles arrested in each of the past three years, and the percentage of such juveniles in all the persons arrested, broken down by the category of offences allegedly committed by them;*
- (b) *whether it has looked into the causes of juvenile crime and ascertained if there is a trend of juveniles committing offences at a younger age; if it has, of the results; and*
- (c) *of the measures to curb juvenile crime?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The number of juveniles arrested in 2003 to 2005, and the percentage of such juveniles in all the persons arrested, broken

down by the category of offences allegedly committed by them, are set out at the Annex.

- (b) The Administration has been keeping under review various studies on the causes of crime, including juvenile crime, and has taken them into account in designing its crime prevention and education efforts. These causes range from personal reasons to the social environment.

As seen from the figures at the Appendix, there does not appear to be a discernible increasing trend of juvenile crime. There is also no such indication that crimes are increasingly being committed at a younger age.

- (c) Our strategy is to deter first-time offenders and to reduce recidivism.

For juvenile offenders, the Police Superintendent's Discretion Scheme (PSDS) has been implemented for years. The PSDS emphasizes corrective supervision rather than criminal sanction. In addition, depending on the young offender's welfare needs, he/she may be referred to the Police Juvenile Protection Section (JPS), Social Welfare Department (SWD), Education and Manpower Bureau and Community Support Service Scheme for follow-up social services.

As for unruly children below 10 years of age coming to their attention, the police have already established a direct referral mechanism with both the SWD and Education and Manpower Bureau to strengthen support measures for them. Depending on their needs, the police would refer the unruly children for support services. A Youth Services Information Leaflet (YSIL) will also be served on the parents/guardians of these children and the police would refer the appropriate parties to the JPS for follow-up service.

Moreover, in order to contain any triad infiltration and minimize the adverse effects of juvenile crimes on students, district anti-triad squads and other front-line police officers have continued to conduct anti-crime operations at crime black spots and known places of frequent by youths.

As far as prevention is concerned, the Administration adopts a multi-agency approach. For example, the Police Secondary School Liaison Officers (SSLOs) and School Liaison Officers (SLOs) maintain liaison with the school management. The police and Education and Manpower Bureau have also organized the "The Smart Teen Challenge Programme". The Junior Police Call (JPC) is another effective anti-juvenile crime prevention scheme.

The Administration will continue to closely monitor the trend of juvenile crime in this area, and will adjust its strategies if necessary to ensure that the problem is handled with the most effective means.

Annex

Table 1: Number of arrested persons under the age of 18

	2003	2004	2005
(A) No. of arrested persons (all ages)	42 051	42 991	40 804
(B) No. of arrested persons under the age of 18	7 918	7 566	6 821
Percentage of (B) over (A)	18.8 %	17.6%	16.7 %

Table 2: Major offences committed by arrested persons under the age of 18

<i>Offence</i>	2003	2004	2005
Shop theft	2 002	1 802	1 659
Miscellaneous theft	1 284	1 459	1 413
Wounding/serious assault	1 218	1 156	1 082
Robbery	619	544	329
Triad offences	249	249	256
Serious narcotics offences	177	148	105
Other offences [@]	2 369	2 208	1 977
Total	7 918	7 566	6 821

@ Other offences include arson, blackmail, burglary, criminal damage, disorderly conduct/fighting in public place, indecent assault, possession of offensive weapon, murder and manslaughter, unlawful sexual intercourse, and so on.

Training Programmes for District Council Members

9. **MR LAU WONG-FAT** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the titles, specific contents and dates of training programmes organized for District Council (DC) members in the past three years;*
- (b) *how the authorities, in organizing the above training programmes, assess whether their contents can meet the actual operational needs of DC members, and whether the views of DC members have been sought in this regard; and*
- (c) *whether it will consider setting up a training board for DC members, with DC members included in its membership, to study the training needs of DC members, design the contents of training programmes and work out the specific implementation details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) From 2003-04 to 2005-06, the Home Affairs Department (HAD) offered a total of 115 training courses for members of the 18 DCs and their assistants. Of the 115 training courses, 37 were on information technology, 18 on public administration, 45 on DC work and 15 on building management. More information on the training courses is contained in the attached table for Members' reference.
- (b) The HAD distributed questionnaires to all DC members in June 2002 and February 2004 to invite all DC members to indicate their training requirements. In drawing up training programmes for DC members and their assistants for 2003-04, 2004-05 and 2005-06, the

HAD made reference to the respective surveys to ensure that the training courses offered for DC members and their assistants met their training and operational needs. To facilitate the drawing up of training programmes for DC members and their assistants for 2006-07, the HAD will distribute questionnaires to all DC members again in March 2006 to seek their views on training requirements.

- (c) In the latest survey conducted in February 2004, the HAD received a total of 301 replies (56.9% of all 529 DC members). This provided a good representation of the views of DC members. From 2006 onwards, the HAD will distribute questionnaires annually to all DC members to consult them on their training requirements. Proposals from DC members are also welcome any time during the year. While the existing mechanism provides an effective platform for all DC members to indicate their training requirements to the HAD, the Administration will keep in view the question as regards whether a training board should be set up.

HAD Training Courses Offered to DC Members and Their Assistants from 2003-04 to 2005-06

2003-04

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
August 2003	- DC Business (three courses)	- One course in time management, one in negotiation skills and one in counselling skills.
March 2004	- Information Technology (four courses)	- Two courses in Microsoft Frontpage (Introduction) and two in Cang Jie Chinese input method.

Note: Because of the outbreak of atypical pneumonia and the 2003 DC Election, only seven training courses were organized for DC members and their assistants in 2003-04.

2004-05

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
June 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (five courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft network (Introduction). - One course in mediation skills, two in time management and two in chairing meetings.
July 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (three courses) 	<ul style="list-style-type: none"> - Two courses in Cang Jie Chinese input method. - One course in conflict management and two in communication skills in meeting the media (Introduction).
August 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (four courses) - Building Management (two courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft FrontPage (Introduction). - Two courses in presentation skills and two in leadership skills. - Two courses in building maintenance.
September 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - Public Administration (four courses) - DC Business (two courses) - Building Management (two courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft PowerPoint (Introduction). - Two courses in environmental protection and two in public transport. - Two courses in skills in mediating domestic discords. - Two courses in mediation skills in building management.
October 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (six courses) 	<ul style="list-style-type: none"> - Two courses in Adobe Photoshop. - Two courses in negotiation skills, two in counselling skills and two in arbitration skills (Introduction).

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
November 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - Public Administration (four courses) - DC Business (two courses) - Building Management (two courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft Excel (Introduction). - Two courses in public finance and two in medical and health care services in Hong Kong and relevant medical and health care ordinance. - Two courses in conflict management (Introduction). - Two courses in environmental hygiene of multi-story buildings.
December 2004	<ul style="list-style-type: none"> - Information Technology (two courses) - Public Administration (four courses) - Building Management (two courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft Access (Introduction). - Two courses in Employment Ordinance and two in Employees' Compensation Ordinance. - Two courses in demolition of unauthorized building works.
January 2005	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (two courses) - Building Management (four courses) 	<ul style="list-style-type: none"> - Two courses in Macromedia Dreamweaver (Introduction). - Two courses in project planning and management. - Two courses in the role and functions between flat owners, owners' corporations and building management companies and two in Building Management Ordinance.
February 2005	<ul style="list-style-type: none"> - Information Technology (two courses) - DC Business (four courses) 	<ul style="list-style-type: none"> - Two courses in Microsoft network (Advance). - Two courses in chairing meetings and time management (Advance) and two in mediation skills (Advance).

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
March 2005	- Information Technology (five courses) - DC Business (two courses)	- Two courses in Microsoft FrontPage (Advance), two in Microsoft Excel (Advance) and one in Microsoft PowerPoint (Advance). - Two courses in arbitration skills (Advance).
April 2005	- Information Technology (one course)	- One course in Microsoft PowerPoint (Advance).

Note: In the first year of the new DC term, a total of 78 training courses were organized for DC members and their assistants in 2004-05 to facilitate their discharge of duties.

2005-06

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
July 2005	- Information Technology (one course) - DC Business (one course)	- One course in Macromedia Dreamweaver (Introduction). - One course in conflict management (Introduction).
August 2005	- Information Technology (two courses) - DC Business (two courses)	- One course in Microsoft Access (Introduction) and one in Microsoft FrontPage (Introduction). - One course in presentation skills and one in communication skills in meeting the media (Introduction).
September 2005	- Information Technology (one course) - Public Administration (one course)	- One course in enhancing PowerPoint using multimedia element. - One course in Hong Kong's anti-discrimination laws — equality between men and women.

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
	- DC Business (three courses)	- One course in mediation skills (Introduction), one in effective communication skills and one in mediation skills in disputes between employers and employees.
October 2005	- Information Technology (one course) - Public Administration (three courses) - DC Business (one course) - Building Management (one course)	- One course in Adobe Acrobat 6.0. - One course in solid waste management and recycling, one in the role of a prosecutor in domestic violence matters and one in legal aid service in Hong Kong. - One course in handling domestic violence. - One course in mediation skills in disputes between flat owners, owners' corporations/mutual aid committees and building management companies.
November 2005	- Information Technology (one course) - Public Administration (two courses)	- One course in Video Studio. - One course in public welfare services provided for youth and new arrivals and one in social security support in Hong Kong.
December 2005	- Information Technology (one course) - DC Business (one course) - Building Management (one course)	- One course in Adobe Illustrator. - One course in crisis intervention skills. - One course in Building Management Ordinance.
January 2006	- DC Business (one course) - Building Management (one course)	- One course in creative problem solving. - One course in third party insurance.

<i>Date</i>	<i>Area</i>	<i>Course Title and Course Content</i>
February 2006	- Information Technology (one course) - DC Business (two courses)	- One course in Macromedia Dreamweaver (Advance). - One course in motivating people and one in communication skills in meeting the media (Advance).
March 2006	- Information Technology (one course) - DC Business (one course)	- One course in Microsoft Access (Advance). - One course in conflict management (Advance).

Note: A total of 30 training courses are organized for 2005-06.

Price War in Non-life Insurance Market

10. **MR BERNARD CHAN** (in Chinese): *President, with respect to the price war in non-life insurance market and the action taken by the Government in this regard, will the Government inform this Council of the cause of this price war, the current situation and the details of the actions taken by the authorities in this regard, as well as the results of the preliminary assessment conducted by the Office of the Commissioner of Insurance (OCI) on the impact of the price war on the relevant market?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, the OCI is concerned about the significant premium rate cut in employees compensation (EC) insurance business in 2004 because of fierce competition. In the first half of 2005, the premium rate continued to fall, especially in construction EC business, and for certain individual EC insurers, the decline has exceeded 40% in comparison with 2004.

To enable early assessment of the impact of premium cut on the solvency position of insurers, the OCI has, commencing from the second quarter of 2005, required EC insurers to submit quarterly, instead of yearly, returns on EC premium incomes and related information. Such returns, which provide a breakdown of the gross premium income on EC business of 10 trades together

with the relevant amounts of wages or contract values, will enable the OCI to assess the average premium in respect of each trade and the premium level of individual insurers for the purpose of ensuring their financial soundness.

Upon receipt of the relevant returns for the second quarter of 2005, the OCI had immediately evaluated the impact of premium cut on the solvency position of insurers. So far, no insurers are found to have failed to meet the statutory solvency margin requirement because of the premium cut. Nevertheless, the OCI considers it necessary to bring, and has brought, the matter to the attention of the board of directors of those insurers which have underwritten substantial EC business and with significant premium rate cut, in order to get a better understanding of their approach towards the formulation, implementation and supervision of their underwriting policies. The board of directors, being the ultimate policy makers of the insurers, are urged to strengthen the insurers' corporate governance and monitor the adequacy of their claims reserves. The OCI will continue to closely monitor developments in the insurance market and take appropriate measures to safeguard the interests of policyholders.

Alcoholic Level Assessment

11. **MR ALBERT CHENG** (in Chinese): *President, it was reported that, when handling a traffic accident involving a person suspected of drink driving in January this year, the police officer at the scene did not assess the alcohol level of that person immediately by using the portable breath screening device (commonly known as "breathalysing"). The screening breath tests were conducted in a seven-seat station wagon that that person subsequently called to the scene. Although the results of the first breath test indicated that his alcohol level exceeded the prescribed limit, the police officer breathalysed that person twice again, and these test results indicated that the prescribed limit had not been exceeded. The police did not conduct further investigation to ascertain if that person had committed the drink driving offence. In this connection, will the Government inform this Council:*

- (a) *whether the police have guidelines to specify the breathalysing procedures; if so, whether the breathalysing arrangements in the above case complied with the prescribed procedures, and whether special treatment was given to the person concerned;*

- (b) *whether persons suspected of drink driving are given the right to choose the place for breathalysing, and whether they can be breathalysed in places other than a police station or the scene of incident; and*
- (c) *how many times a person suspected of drink driving is normally required to be breathalysed in a breath test; if more than once is required, how the police will handle the discrepancies in the test results, and whether there are on-site testing methods which are more sophisticated than breathalysing?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President, the police have guidelines that specify the circumstances that require screening breath tests and the procedures for such tests. As the case referred to in the question is still under investigation and in view of privacy considerations, we are not in a position to offer comments.

The location for conducting screening breath test is determined by the police officer. He will take into account the site conditions, such as whether it is safe and spacious enough to conduct the test. A person who is subject to the screening breath test has to provide a specimen at or near the place as required by a police officer, or at a breath test centre, a police station or a hospital specified by the police officer.

The current legislation has not specified the number of screening breath tests that a motorist has to take. If the specimen of breath taken is not sufficient to enable the test to be carried out satisfactorily, the police officer can require the motorist to provide further specimens. However, if the specimen is sufficient to enable the test to be carried out, the police officer on site will normally not require a motorist to take further breath tests unless he has reason to believe that there are problems with the test equipment. Discrepancies in test results hence will not arise under normal circumstances. At present, there is no information that indicates the availability of other more accurate on-site testing methods. The police will continue to keep in view the development of new methods for alcohol testing.

Disparity in Household Income

12. **DR RAYMOND HO** (in Chinese): *President, will the Government inform this Council whether:*

- (a) *it has assessed the position of disparity in household income and the relevant trend of the Gini Coefficients for Hong Kong in the next five years; if so, of the assessment results; if not, the reasons for that; and*
- (b) *it will take measures to prevent the problem of disparity in household income from worsening?*

FINANCIAL SECRETARY (in Chinese): President,

- (a) The Gini Coefficient, as a measurement of the disparity in household income, is compiled based on the data obtained from the population Census/By-census conducted at five-year intervals. Past data show that the Gini Coefficient of Hong Kong were 0.476, 0.518 and 0.525 for the years 1991, 1996 and 2001 respectively. The next population By-census will be conducted in the latter half of 2006 and the results will be made available in 2007. The Gini Coefficient can then be updated. Thus owing to the data constraint, together with the fact that household income distribution is affected by a host of socio-economic factors such as household size, demographic structure, employment opportunities, wage rates, labour market structure, work incentive, the rate of technological progress, and so on, it is difficult to assess what the Gini Coefficient would be like in 2006, not to mention its future trend in the next five years.

Moreover, it should be noted that the Gini Coefficient as a summary indicator of income distribution has not taken into account the income redistribution effect brought about by taxation, welfare assistance and government subsidies in various services. For instance, after discounting the impact of salaries tax, public housing benefits and education benefits, the Gini Coefficient for 2001 would

be reduced from 0.525 to around 0.450. Therefore, the figures on Gini Coefficient have to be interpreted with caution especially in comparison with that of the other economies where the data collected and survey methodology may be different.

- (b) The Chief Executive has highlighted "fostering harmony in the community" as a cornerstone of his "people-based" government policy in his policy address last October. The maintenance of a fair and just society is pivotal for the balanced and sustainable development of Hong Kong. The Government has been rallying the efforts of all sectors to create favourable conditions for personal development, thereby creating more opportunities for upward social mobility. At the same time, the Government has also been assisting the disadvantaged and low-income groups to meet their basic daily-living needs. For instance, the Government has been providing free and universal basic education as well as heavily subsidized higher education, so that the low-income group can climb up the social ladder through participation in economic activities. For the lower-skilled workers who are affected by the rapid economic restructuring, various training and retraining programmes have been put in place to help equip them with the necessary skills. In addition, heavily subsidized public housing, medical care and other social services are provided by the Government to enhance the general well-being of the people. For people in financial difficulties, they are assisted by the Comprehensive Social Security Assistance Scheme. Allowances under our salaries tax system are very generous by world standards, and low-income employees basically all fall outside the salaries tax net. These have contributed to narrowing the disparity in household income. In 2005, the Commission on Poverty has also been set up to take stock of the various existing policies and to look into areas where the Government's efforts could be improved.

Civil Servants Associating with Undesirable Elements

13. **MS LI FUNG-YING** (in Chinese): *President, it has been reported that in the first 11 months of 2005, there was a substantial increase, by more than 25%, compared to the same period in 2004, in the number of cases in which the*

Independent Commission Against Corruption (ICAC) suggested that the government departments concerned should take disciplinary or administrative actions against civil servants who had been involved in corruption reports. Among such cases, those involving association with undesirable elements were particularly serious, as their number had increased substantially from three to 32. In this connection, will the Government inform this Council:

- (a) of the respective numbers of civil servants who were subject to disciplinary or administrative actions over the past three years, broken down by department and nature of case; and among such civil servants, the number of those who had lodged appeals and the results of such appeals;*
- (b) of the details about the existing guidelines and monitoring mechanisms formulated by various government departments against civil servants associating with undesirable elements;*
- (c) whether it has examined the reasons for the substantial increase in the number of such cases; and whether it will re-examine and assess if the existing guidelines are clear enough regarding civil servants who had operational need to associate with undesirable elements; if it will, of the details; if not, the reasons for that and how it can prevent the unclear guidelines from imposing additional psychological burden on civil servants and affecting their performance; and*
- (d) of the measures to prevent the continuous increase in the number of such cases?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): President, the Administration is committed to upholding high standards of conduct and probity in the Civil Service. Over the years, the Civil Service Bureau (the Bureau) and the ICAC have been working closely with bureaux/departments to entrench a culture of integrity in the Civil Service.

In 2005, the ICAC received 1 161 corruption reports against civil servants, relative to 1 286 cases in 2004 and 1 541 cases in 2003. In 2005, 25 civil

servants were prosecuted for corruption and related offences. The corresponding figures for 2004 and 2003 were 38 and 50 respectively.

In some of the cases, the ICAC's investigations might reveal evidence of suspected misconduct/malpractice. On the advice of its Operations Review Committee, the ICAC would refer these cases to the relevant bureaux/departments for consideration of disciplinary or administrative action (these cases are hereinafter referred to as "ORC referrals"). If subsequent departmental investigations yield evidence to substantiate disciplinary charges against an officer, the concerned bureaux/departments would initiate disciplinary action. In addition, bureaux and departments would act on any management loopholes that the ORC referrals might reveal, in the interest of minimizing opportunities for corruption and malpractice.

For the year of 2005 as a whole, the ICAC has recently advised that the number of ORC referrals was 170, relative to 161 referrals in 2004 and 234 referrals in 2003. Annex A gives further details about the ORC referrals made in the past three years, broken down by the nature of the allegations made against civil servants.

With regard to part (a) of the question, in the three years ending 2005, 565 officers were named in cases referred by the ICAC to bureaux/departments for consideration of disciplinary or administrative action. At the end of 2005, departmental investigations regarding 334 officers were completed. Out of the completed cases, 169 did not yield adverse findings that warrant disciplinary/administrative action. The remaining 165 officers either received disciplinary punishments ranging from verbal/written warning to dismissal, or received advisory letters, or were subject to other administrative action. Annex B gives further details about these 165 cases, broken down by department and the nature of the misconduct. Ten officers lodged appeals under the relevant provisions of either the Public Service (Administration) Order or the disciplined services legislation, or by way of judicial review against the disciplinary action taken. Of the 10 appeals, six have been rejected, three allowed, and one is being dealt with.

With regard to part (b) of the question, service-wide guidelines have been promulgated to set out the standard of behaviour expected of civil servants at all

levels. For instance, in the *Civil Servants' Guide to Good Practices*, a booklet that is distributed to every civil servant, "honesty and integrity" have been highlighted as one of the core values that all civil servants are expected to share and uphold.

As officers in certain departments (notably the disciplined services) are particularly vulnerable to accusations of association with undesirable elements, owing to the nature of their work, these departments have issued detailed departmental guidelines to help officers avoid and guard against undesirable association.

In the Police Force, for instance, officers who are filling or about to transfer to posts considered more susceptible to exposure to accusations of association with undesirable elements will receive a specific briefing on the dangers of undesirable association. The Police Force also closely monitor the number of undesirable association cases involving police officers and develops, in conjunction with the ICAC, strategies to address any problems arising. Similarly, in the Correctional Services Department, officers are prohibited from associating with undesirable characters or visiting places of poor or doubtful reputation except in the course of duty. They are also reminded to be cautious even when engaged in casual encounter if they have reason to suspect that the other party is an undesirable character, and in no circumstances should they allow themselves to be drawn into a situation where their official status or duty may be compromised.

With regard to parts (c) and (d) of the question, of the ORC referrals made in 2003 to 2005, 66 cases involved suspected association with undesirable elements (please see Annex A). The Police Force accounts for 65 of these cases. We believe this has much to do with the nature of police work which renders police officers particularly susceptible to accusations of association with undesirable elements.

Through the Force Anti-Corruption Strategy Steering Committee on which the ICAC is represented, the Police Force have been working closely with the ICAC in developing and maintaining a sustainable strategy to minimize opportunities for corruption and reduce corruption influences. The Police Force have disseminated clear guidelines against undesirable association, in

keeping with its commitment to maintaining a high standard of integrity and conduct amongst its staff. In addition, there is an established system of regular staff briefings on the dangers of undesirable association. Officers who are in doubt are encouraged to seek guidance from their supervisors.

Police Force management have a zero-tolerance policy towards staff who knowingly associate with criminals, triad personalities and persons of doubtful or undesirable reputation, other than in the course of duty. This is well-understood amongst police officers. Police Force management have also spared no efforts in inculcating good values among staff with a view to maintaining a clean and honest Police Force. Efforts made range from an ongoing healthy lifestyle campaign, through the launching of "Living-the-Values" workshops, to the commissioning of corruption prevention studies and the promulgation of administrative instructions on areas calling for attention.

At the service-wide level, the Bureau strives to ensure that all ORC referrals, including cases involving undesirable association, are properly acted upon. Quarterly returns are called to monitor the progress of actions taken by bureaux/departments in individual cases. The outcome of completed cases is copied to the ICAC for the information of the Operations Review Committee.

We fully appreciate the public's expectations for a clean and honest Civil Service. Taken together, the statistics referred to in the above paragraphs suggest that the overall ethical climate in the Civil Service remains stable over the past few years. But there is of course no room for complacency. We will remain vigilant and continue to work closely with the ICAC and bureaux/departments to fortify the culture of integrity in the Civil Service. We will continue to pursue a three-pronged approach, namely, prevention, education and sanction. The ICAC will continue to conduct assignment studies from time to time to ensure that checks and balances put in to minimize opportunities for corruption and malpractice remain adequate and relevant in present-day circumstances. We will ensure clear policies and guidelines are made available to provide guidance to individual officers whilst sustained efforts are made (through induction training, seminars, and workshops, and so on) to promote good standards of conduct at all levels in the Civil Service. We will ensure disciplinary action is taken promptly (with punishments of sufficient deterrence meted out) against civil servants found guilty of misconduct.

Annex A

ORC referrals: nature of cases

<i>Nature of Cases</i>	<i>Number of officers involved</i>		
	<i>2003</i>	<i>2004</i>	<i>2005</i>
Unauthorized loans	39	35	21
Misuse of authority	70	48	70
Neglect of duty	22	8	12
Malpractice over attendance/overtime	5	8	7
Outside employment	5	5	1
Acceptance of gifts and free/discounted meals or entertainment	22	15	13
Undesirable association	30	4	32
Gambling	33	27	-
Others	8	11	14
Total	234	161	170

Source: ICAC

Annex B

Number of civil servants subject to disciplinary or administrative action
taken pursuant to ORC referrals made in 2003 to 2005

Breakdown by department and nature of case

[illegible]

[illegible]

<i>Department</i>	<i>No. of officers subject to disciplinary or administrative action</i>									
	<i>UL</i>	<i>MA</i>	<i>ND</i>	<i>MA/O</i>	<i>OE</i>	<i>AG/ME</i>	<i>UA</i>	<i>G</i>	<i>O</i>	<i>Total</i>
(A) No. of officers subject to disciplinary or administrative action	47	53	12	3	2	18	6	18	6	165
(B) No. of officers for whom no disciplinary or administrative action is deemed necessary	21	50	12	4	6	16	15	32	13	169
Total no. of officers in respect of whom investigation has been completed (that is, (A) + (B))	68	103	24	7	8	34	21	50	19	334

Legend:

UL Unauthorized loans

MA Misuse of authority

ND Neglect of duty

MA/O Malpractice over attendance/overtime

OE Outside employment

AG/ME Acceptance of gifts and free/discounted meals or entertainment

UA Undesirable association

G Gambling

O Others

Appointment of Non-official Members to Advisory and Statutory Bodies

14. **MS AUDREY EU** (in Chinese): *President, the Government requires that, in general, non-official members appointed to any advisory or statutory bodies should not serve for more than six years in any one capacity, and a person should not serve as a member on more than six boards or committees at the same time. In this connection, will the Government inform this Council:*

- (a) *of the number of members appointed to advisory or statutory bodies since the current Chief Executive assumed office;*
- (b) *among the members mentioned in (a), whether any of them has served a term exceeding six years on a board or committee, or for more than six years in the same post of a board or committee, or has served as a member on more than six boards or committees; if so, of the names of the boards or committees and of the members concerned, their posts, the dates of their appointment and duration of their service, as well as the rationale for appointing them; and*
- (c) *of the measures to ensure that all bureaux and departments strictly meet the above requirements in the appointment of non-official members to advisory or statutory bodies?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President,

- (a) From 21 June 2005, the day on which the Chief Executive assumed office, to 31 December 2005, 1 323 appointments to advisory and statutory bodies (ASBs) were made. These appointments were made by either the Chief Executive or the relevant appointment authority.
- (b) Of the 1 323 appointments made, 87 post-holders will have served on a board or committee for more than six years, and 72 of these 87 post-holders will have served for more than six years in the same post of a board or committee by the end date of their current term of appointment; and 14 persons are serving on more than six boards or committees. Details of appointment for the 87 post-holders serving on a board or committee for more than six years (including name of the member concerned, the board or committee, post, the dates of appointment and duration of service, as well as the rationale for appointment) are at Annex 1. Details of appointment for the 72 post-holders serving in the same post of a board or committee for

more than six years, and for the 14 persons serving on more than six boards or committees are at Annexes 2 and 3 respectively.

The main reasons for not complying with the "six-year rule" include:

- (i) some serving non-official members have particular skills or experience essential to the effective and efficient functioning of the board or committee;
- (ii) serving members could provide continuity during a period of change, for example, when several appointments are expiring at the same time;
- (iii) nominating bodies which have a statutory or traditional right to have their interests represented on a particular body continue to nominate the same individuals for appointment; and
- (iv) certain office-holders are traditionally appointed to a particular committee (for example, District Council Chairmen and Vice-chairmen are appointed to the Municipal Services Appeals Board).

The main reasons for not complying with the "six-board rule" include:

- (i) some persons have certain skills or experience essential to the effective and efficient functioning of a particular board or committee;
- (ii) appointment of certain serving members to a particular board or committee could ensure continuity; and

- (iii) appointment of certain office-holders to a particular committee could facilitate its effective operation.

Active measures are being taken to ensure compliance with the "six-year rule" and the "six-board rule" as far as possible. As shown in Annex 3, for instance, five out of the 14 persons serving on more than six boards or committees as at 31 December 2005 have subsequently tendered their resignation from or retired from certain boards, as a result of which they are now serving on six boards only. We shall continue to take appropriate measures to deal with those cases that are exceptions to the "six-board rule" and the "six-year rule".

As a point of clarification, appointment of non-official members of ASBs are subject to the "six-year rule", that is, a non-official member of an advisory or statutory body should not serve more than six years in any one capacity. Where a member is appointed to a different post (for example, chairman or vice-chairman) of a board or committee, it will be regarded as a "new" appointment and the six-year count starts again.

- (c) The "six-year rule" and "six-board rule" are general guidelines for making appointments to ASBs. Bureaux and departments have been reminded of the need to observe these rules in making appointments. Apart from the "six-year rule" and the "six-board rule", we need also to ensure that the most suitable individuals are appointed taking account of the functions and responsibilities of the bodies concerned and their effective operation. Given the diverse circumstances of ASBs, bureaux/departments may, on occasions, consider it necessary and appropriate to make an exception to the "six-year rule" and "six-board rule" for the boards and committees under their purview. Any such exception must be justified having regard to the circumstances of the case.

Annex 1

Appointments made since 21 June 2005 of Non-official Members of Public Sector ASBs who have served on the same body for more than six years (position as at 31 December 2005)

Name of Body: Advisory Committee on Travel Agents

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Ms CHAN Vivien	Member	1/11/1998	31/10/2003	5	Ms CHAN was appointed as the Chairman in November 2003 after serving on the Committee for five years as Member. She was appointed because of her leadership, her knowledge in the policies and issues concerning the travel agents sector, and particularly her legal background. This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Chairman	1/11/2003 (1/11/2005)	31/10/2007	4	

Name of Body: Appeal Board Panel (Consumer Goods Safety)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr HO King-man, Kenneth	Deputy Chairman	20/10/1999	19/10/2003	4	Mr HO was reappointed primarily because of his experience in handling consumer goods safety related appeal and for continuity of the work of the Appeal Board panel. This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Chairman	20/10/2003 (20/10/2005)	19/10/2007	4	

Name of Body: Appeal Boards Panel (Education)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr HOO Alan	Chairman	1/1/2000 (1/1/2006)	31/12/2007	8	The appointments were made for the sake of continuity. This is because the Panel has to examine the appeal lodged in 2005 which is still in progress.
Mr LEUNG Chung-wan, Eric	Member	1/1/2000 (1/1/2006)	31/12/2007	8	

Name of Body: Banking Advisory Committee (BAC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr the Honourable LI Kwok-po, David	Member	1/12/1981 (1/12/2005)	30/11/2008	27	Dr LI has an excellent record of service, integrity, and expertise in banking and financial matters. He is also the Finance Constituency's representative on the Legislative Council. He was last reappointed to BAC for a further three-year term on 1 December 2005.

Name of Body: Board of Review (Inland Revenue Ordinance)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr SO Chun-kung, Anthony	Member	27/6/1997	31/12/2005	8.5	See below
	Deputy Chairman	1/1/2006 (1/1/2006)	31/12/2008	3	
Mr James Julius BERTRAM	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	
Mr Robin M. BRIDGE	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	
Mr HO Kai-cheong	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LI Ka-fai, David	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WONG Ho-ming, Horace	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

Reason for Appointment

The Board of Review (Inland Revenue Ordinance) was set up under section 65 of the Inland Revenue Ordinance (Cap. 112) to determine tax appeals. Given its special quasi-judicial nature and the fact that subject matters that fall within its purview are highly technical and specialized, it is vital for the Board to be served by competent, experienced and respected persons drawn from the relevant fields in order to ensure its effective operation and to maintain public confidence in the Board.

While recognizing the need to ensure a healthy turnover of members of the Board and continuing the appointment of new members to replace existing long-serving ones where appropriate, the adjustment would be gradual so as to retain expertise and experience in the Board and ensure smooth transition.

Having regard to the general guideline not to recommend non-officials to sit on a post in the same advisory/statutory body for more than six years as far as practicable but taking into account the circumstances of the Board, the Members concerned were reappointed because of their valuable experience and competence, and devotion and notable contribution to the Board's affairs.

The appointment of Mr SO Chun-kung, Anthony as Deputy Chairman is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.

Name of Body: Broadcasting Authority (BA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Ms TSUI Wai-ling, Carlye	Member	1/9/2000 (1/9/2005)	31/8/2007	7	The reappointment of Ms TSUI was necessary so as to retain her experience and provide the necessary continuity for the BA.

Name of Body: Clothing Industry Training Authority (CLITA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr WANG Kuk-kei, Kenneth	Chairman	5/9/1997 (5/9/2005)	4/9/2007	10	Dr WANG was renominated by the Hong Kong Garment Manufacturers' Association to CLITA. He has contributed a lot to the establishment of a number of centres of excellences for the Authority to meet the training needs of the industry. Since nine out of 17 CLITA members are newly appointed, Dr WANG was reappointed for another term to ensure better transition.

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr CHAN Chun-tung, John	Member	5/9/1999 (5/9/2005)	4/9/2007	8	Dr CHAN was renominated by the Federation of Hong Kong Industries to the Authority. His expertise and the knowledge of the industry have greatly contributed to the operations of CLITA. Dr CHAN was therefore reappointed as member of CLITA for another term.
Dr FUNG Kin-keung, Michael	Member	5/9/1999 (5/9/2005)	4/9/2007	8	Dr FUNG was renominated by the Executive Director of the Vocational Training Council. He has been actively participating in the Authority's activities through his membership in five out of six committees under CLITA. Dr FUNG was therefore reappointed to be member of CLITA for another term.

Name of Body: Committee on Community Support for Rehabilitated Offenders

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr KONG Chur-hoi, Billy	Chairman	1/11/1999 (1/11/2005)	31/10/2007	8	Mr KONG's latest appointment was made having regard to his personal character, ability and experience and his knowledge of and enthusiasm in offender rehabilitation work. The Correctional Services Department (CSD) noted the "six-year rule" but a more suitable candidate was not available at the time of Mr KONG's reappointment. The CSD plans to appoint a new Chairman in 2007.

Name of Body: Consumer Council

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr KWOK Lam-kwong, Larry	Member	1/1/1999	6/10/2001	2.8	Mr KWOK was reappointed because of his experience and proven track record in consumer affairs and contribution to the work of the Consumer Council.
	Vice-Chairman	7/10/2001 (7/10/2005)	6/10/2007	6	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.

Name of Body: Council for the AIDS Trust Fund

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof CHAN Tai-kwong	Member	31/3/1999	31/7/2005	6.3	Prof CHAN was appointed based on his outstanding background and expertise in the field. This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Chairman	1/8/2005 (1/8/2005)	31/7/2008	3	

Name of Body: Council of City University of Hong Kong

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LEE Kwok-jing, Jack	Member	1/1/1999 (1/1/2006)	31/12/2006	8	Mr LEE was appointed in view of his significant contribution to the Council.

Name of Body: Council of The Hong Kong University of Science and Technology

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr CHAN Yau-hing, Robin	Member	1/8/1999 (1/8/2005)	31/7/2006	7	Dr CHAN was appointed in view of his significant contribution to the Council.
Miss LOH Kung-wai, Christine	Member	1/8/1999 (1/8/2005)	31/7/2006	7	Miss LOH was appointed in view of her significant contribution to the Council.

Name of Body: Country and Marine Parks Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof CHAU Kwai-cheong	Member	16/8/1997	31/8/2003	6	Prof CHAU has served as member of the Board for six years before being appointed as the
	Chairman	1/9/2003 (1/9/2005)	31/8/2007	4	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>Chairman in 2003. Prof CHAU was reappointed as the Chairman in 2005 as he is an experienced member and the most suitable candidate for the position.</p> <p>This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.</p>

Name of Body: Environmental Campaign Committee (ECC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LEE Chung-tak, Joseph	Member	1/1/2001	31/12/2003	3	Mr LEE was appointed as Chairman after serving in the ECC for three years as a very dedicated member. During his first two years of chairmanship, he
	Chairman	1/1/2004 (1/1/2006)	31/12/2007	4	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>displayed strong leadership. In 2005, he was reappointed as Chairman for another two years as he was the best candidate for the position.</p> <p>This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.</p>
Ms LAW Kwan-mei, Elizabeth	Member Vice-chairman	1/1/2001 1/1/2006 (1/1/2006)	31/12/2005 31/12/2007	5 2	<p>Given Ms LAW's dedication and experience in serving the ECC for five years as a member, she was appointed in 2005 as the Vice-chairman to ensure the smooth operation of the ECC.</p> <p>This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.</p>

Name of Body: Exchange Fund Advisory Committee (EFAC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term)</i> (dd/mm/yyyy)	<i>End Date of Appointment</i> (dd/mm/yyyy)	<i>Duration of Appointment</i> (in number of years)	<i>Reasons for Appointment</i>
The Honourable CHEUNG Kin-tung, Marvin	Member	24/10/1991 (1/10/2005)	30/9/2007	15.9	Mr CHEUNG has an excellent record of service, integrity, and expertise in financial and accounting matters which would be difficult to replace. Apart from serving as a Member of EFAC, he also chairs the EFAC Governance and Audit Sub-Committees and plays an important role in improving transparency and governance matters for the Hong Kong Monetary Authority. He previously also served as a Member of the EFAC Currency Board Sub-Committee. He was last reappointed to EFAC for a further two-year term on 1 October 2005 in view of his service record and expertise, and in order to provide continuity.

Name of Body: Fish Marketing Advisory Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable WONG Yung-kan	Member	1/1/1987 (1/1/2006)	31/12/2006	20	Mr WONG is the Legislative Council Member representing the Agriculture and Fisheries Constituency and has made significant contributions to the Board.

Name of Body: Fisheries Development Loan Fund Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable WONG Yung-kan	Member	1/10/1998 (1/1/2006)	31/12/2007	9.3	Mr WONG is the Legislative Council Member representing the Agriculture and Fisheries Constituency and has made significant contributions to the Committee.

Name of Body: Gas Safety Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr KONG Chee-kwong, Raymond	Member	7/1/2000 (1/9/2005)	31/8/2007	7.7	Mr KONG is Chief Executive Officer of a recognized testing laboratory of domestic

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					gas appliances in Hong Kong. He possesses expert knowledge and abundant experience in the safety standards of domestic gas appliances and provides key support to the implementation of the Approval Scheme of Domestic Gas Appliances.

Name of Body: Hong Kong Council for Academic Accreditation (HKCAA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof David DUNKERLEY	Member	8/6/1996 (1/10/2005)	30/9/2006	10.3	These two members have extensive experience in quality assurance.
	Member	8/6/1997	30/9/2001	4.3	
Mr HUI Ho-ming, Herbert	Vice-chairman	1/10/2001 (1/10/2005)	30/9/2006	5	<p>Their continued presence is vital to HKCAA's reforms in preparation for its new duties under the Qualifications Framework.</p> <p>Mr HUI's case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.</p>

Name of Body: Hong Kong Export Credit Insurance Corporation Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LI Man-kiu, Adrian David	Member	1/12/2001 (1/1/2006)	31/12/2007	6.1	The first appointment of Mr LI started on 1 December 2001 and the subsequent appointments were on 1 January to align with the appointment exercise of other members.

Name of Body: Hong Kong Productivity Council

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TAM Wai-ho, Samson	Member	1/1/2000	31/12/2004	5	With his profound industrial background and management experience, Mr TAM has provided substantial contribution to Hong Kong Productivity Council. He was appointed as Deputy Chairman on 1 January 2005. This case is in compliance with the six-year rule. Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Deputy Chairman	1/1/2005 (1/1/2006)	31/12/2007	3	

Name of Body: Hong Kong War Memorial Pensions Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LO Koon-yung	Member	1/7/1999 (1/9/2005)	31/8/2007	8.2	Mr LO has rare experience and knowledge about war-related matters, which is useful to the work of the Committee.

Name of Body: Hospital Authority

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof WONG Kwok-shing, Thomas	Member	1/12/1999 (1/12/2005)	30/11/2007	8	Prof WONG was reappointed in his capacity as the Dean of the Faculty of Health and Social Science at The Hong Kong Polytechnic University.

Name of Body: Judicial Officers Recommendation Commission

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable	Member	1/7/1997 (1/7/2005)	30/6/2006	9	Four out of seven non-official members

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr Justice CHAN Siu-oi, Patrick					were newly appointed in the appointment exercise. To maintain some degree of continuity, Justice CHAN was reappointed for a one-year term (as opposed to the usual term of two years).
The Honourable Mr Justice PANG Kin-kee	Member	27/1/2000 (1/7/2005)	30/6/2006	6.4	When Justice PANG was appointed, his service with the Commission was less than six years. Four out of seven non-official members were newly appointed in the appointment exercise. To maintain some degree of continuity, Justice PANG was reappointed for a one-year term (as opposed to the usual term of two years).
Dr FUNG Kwok-king, Victor	Member	1/7/1997 (1/7/2005)	30/6/2006	9	Four out of seven non-official members were newly appointed in the appointment exercise. To maintain some degree of continuity, Dr FUNG was reappointed for a one-year term (as opposed to the usual term of two years).

Name of Body: Mandatory Provident Fund Schemes Appeal Board (MPFSAB)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr FOK Joseph Paul	Member	25/10/1999	24/10/2005	6	<p>Mr FOK was a member of MPFSAB from 25 October 1999 to 24 October 2005, and was appointed as the new Chairman from 25 October 2005.</p> <p>Considering Mr FOK's expertise and the need to maintain the continuity of MPFSAB (as no member could be reappointed according to the "six-year rule" and we have to replace all the vacancies with new members), he was appointed to the Board in his new capacity as the Chairman from 25 October 2005 to 24 October 2007.</p> <p>The Chairman and members of the Board perform different roles.</p> <p>Mr FOK's appointment as Chairman complies with the "six-year rule". This is because where a member has been appointed as Chairman from among the current membership of an</p>
	Chairman	25/10/2005 (25/10/2005)	24/10/2007	2	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					advisory or statutory body, it would be regarded as "new" appointment and the six-year count will start afresh.

Name of Body: Midwives Council of Hong Kong

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Ms NG Chung-yee, Sharon	Member	1/11/1999 (1/11/2005)	31/10/2007	8	Ms NG was nominated by Queen Elizabeth Hospital and appointed by the Secretary for Health, Welfare and Food with the delegated authority from the Chief Executive under section 3 of Midwives Registration Ordinance. Section 3(3)(e) of Midwives Registration Ordinance provides that the Midwives Council shall consist of a registered midwife to be nominated by each hospital declared by the Council to be a training school for midwives. Queen Elizabeth Hospital is one of the hospitals,

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					which are responsible for the nomination. Queen Elizabeth Hospital considered Ms NG to be a suitable nominee.
Miss CHOW Wai-mui, Anne	Member	18/2/1991 (1/11/2005)	31/10/2007	16.7	Miss CHOW was nominated by Prince of Wales Hospital and appointed by the Secretary for Health, Welfare and Food with the delegated authority from the Chief Executive under section 3 of Midwives Registration Ordinance.

Name of Body: Municipal Services Appeals Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHAN Tak-chor	Member	1/1/2000 (1/1/2006)	31/12/2008	9	The Administration undertook to appoint all District Council Chairmen and Vice-chairmen, on an <i>ad personam</i> basis, as panel members of the Board. The appointees in question are District Council Chairmen/Vice-chairmen.
Mr CHAU Yin-ming, Francis	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr CHENG Chun-ping	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
The Honourable LAM Wai-keung, Daniel	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable LAU Wong-fat	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr LEUNG Che-cheung	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr LEUNG Kin-man	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr NG Sze-fuk, George	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr PANG Cheung-wai, Thomas	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Dr TANG Siu-tong	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Ms TING Yuk-chee, Christina	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WAI Kwok-hung	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WONG Kam-chi	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WU Chor-nam	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

Name of Body: Panel of Film Censorship Advisers

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHAN Ho-yee	Member	1/7/1996 (1/7/2005)	30/6/2006	10	The members were reappointed because of their regular attendance and the provision of useful advice to the censors on film censorship matters.
Mr CHAN Wing-cheung, Jimmy	Member	1/4/1996 (1/7/2005)	30/6/2006	10.3	
Miss CHENG Ka-lai, Elsa	Member	1/7/1996 (1/7/2005)	30/6/2006	10	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHOW Choi-yuen, Jimmy	Member	1/5/2000 (1/7/2005)	30/6/2006	6.2	
Ms CHUE Yin-yin	Member	1/5/1997 (1/7/2005)	30/6/2006	9.2	
Ms CHUI Siu-yuk	Member	1/7/1996 (1/7/2005)	30/6/2006	10	
Mr FUNG Wing-cheong, Patrick	Member	1/5/1997 (1/7/2005)	30/6/2006	9.2	
Mr HO Kwok-cheong	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	
Mr HSIEH Haw-shane, Gary	Member	1/7/1999 (1/7/2005)	30/6/2006	7	
Mr KWAN Wing-kwan	Member	1/9/1999 (1/10/2005)	30/9/2006	7.1	
Miss LAI Yuk-chun	Member	1/7/1998 (1/7/2005)	30/6/2006	8	
Mr LEUNG Kin-shing	Member	1/7/1997 (1/7/2005)	30/6/2006	9	
Mr LEUNG Sai-keung, Eric	Member	1/5/1998 (1/7/2005)	30/6/2006	8.2	
Miss MA Fung-ming	Member	1/7/1996 (1/7/2005)	30/6/2006	10	
Mr NG Chak-hung, Tommy	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	
Miss NG Yan-yan	Member	1/7/1998 (1/7/2005)	30/6/2006	8	
Mr TAM Hoi-leung	Member	1/5/2000 (1/7/2005)	30/6/2006	6.2	
Mr WONG Chi-ming	Member	1/7/1997 (1/7/2005)	30/6/2006	9	
Mr WONG Chung-keung	Member	1/5/1996 (1/7/2005)	30/6/2006	10.2	
Miss YEUNG Wai-tak	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	

Name of Body: Management Committee of the Police Children's Education Trust

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TAM Siu-ping, George	Member	1/3/2000 (1/7/2005)	30/6/2006	6.3	Mr TAM has contributed much to the Management Committee (MC) in the past. Since the MC annual meeting is normally held at the end of February/in early March, the current appointment would allow him to participate in the next MC annual meeting.

Name of Body: Management Committee of the Police Education and Welfare Trust

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TAM Siu-ping, George	Member	1/3/2000 (1/7/2005)	30/6/2006	6.3	Mr TAM has contributed much to the Management Committee (MC) in the past. Since the MC annual meeting is normally held at the end of February/in early March, the current appointment would allow him to participate in the next MC annual meeting.

Name of Body: Secondary School Places Allocation Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Sister (Sr) WONG May-may	Member	1/1/1995	31/8/2002	7.7	Sr WONG was nominated by Hong Kong Association of Heads of Secondary Schools to serve as Committee Member. She was elected as Chairperson in the annual election. This case is in compliance with the "six-year rule". Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Chair-person	1/9/2002 (1/9/2005)	31/8/2006	4	

Name of Body: Investment Advisory Committee (IAC) of the Sir David Trench Fund for Recreation

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TSANG Chung, Jabcob	Member	1/7/1999	30/6/2005	6	Mr TSANG is the Treasurer of the Hong Kong Jockey Club. Given his profession and
	Chairman	9/8/2005 (9/8/2005)	30/6/2008	2.9	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					his experience in the IAC for six years, Mr TSANG is suitable for appointment as the new Chairman of IAC. Mr TSANG's appointment as Chairman should be regarded as a "new" appointment and the six-year count should start afresh.

Name of Body: Tourism Strategy Group

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHEN Nan-lok, Philip	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	The Tourism Strategy Group is a working group advising the Commissioner for Tourism on the overall tourism policies and strategies. It is most important to retain experienced members in the tourism industry so that we can tap into their expertise and experience, as well as their professional advice on tourism matters.
Mr CHEUNG Wing-sum, Ambrose	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
Ms LUI Wai-yu, Paddy	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
Dr Allan ZEMAN	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
The Honourable YOUNG Howard	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	

Name of Body: Travel Industry Compensation Fund Management Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TUNG Yao-chung, Joseph	Member	15/10/1997 (15/10/2005)	14/10/2007	10	The appointment is made on operational ground. Mr TUNG is the Executive Director of the Travel Industry Council of Hong Kong and is operationally responsible for the collection of the Travel Industry Compensation Fund levy.

Name of Body: Vocational Training Council (VTC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable LEUNG Kwan-yuen, Andrew	Member Chairman	1/7/1998 1/1/2006 (1/1/2006)	31/12/2005 31/12/2007	7.5 2	Mr LEUNG is appointed in view of his standing in the industry, the leadership skills he has demonstrated and his enthusiasm in the work of the VTC. This case is in compliance with the "six-year rule". Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHEN Cheng-jen, Clement	Member	1/7/1998	31/12/2003	5.5	Mr CHEN is appointed in view of the valuable contribution he has made to the VTC. This case is in compliance with the "six-year rule". Where a member has been appointed as Chairman or Vice-chairman of the advisory or statutory body, the six-year count will start afresh.
	Deputy Chairman	1/1/2004 (1/1/2006)	31/12/2007	4	
Dr LAW Song-seng	Member	1/1/1998 (1/1/2006)	31/12/2006	9	Dr LAW is Director and Chief Executive Officer of Singapore's Institute of Technical Education. He is appointed under a reciprocal appointment arrangement between the HKSAR and Singapore.

Annex 2

Appointments made since 21 June 2005 of Non-official Members of Public Sector ASBs who have served the same position for more than six years (position as at 31 December 2005)

Name of Body: Appeal Boards Panel (Education)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr HOO Alan	Chairman	1/1/2000 (1/1/2006)	31/12/2007	8	The appointments were made for the sake of

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LEUNG Chung-wan, Eric	Member	1/1/2000 (1/1/2006)	31/12/2007	8	continuity. This is because the Panel has to examine the appeal lodged in 2005 which is still in progress.

Name of Body: Banking Advisory Committee (BAC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr the Honourable LI Kwok-po, David	Member	1/12/1981 (1/12/2005)	30/11/2008	27	Dr LI has an excellent record of service, integrity, and expertise in banking and financial matters. He is also the Finance Constituency's representative on the Legislative Council. He was last reappointed to BAC for a further three-year term on 1 December 2005.

Name of Body: Board of Review (Inland Revenue Ordinance)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr James Julius BERTRAM	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	See below
Mr Robin M. BRIDGE	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr HO Kai-cheong	Member	27/6/1997 (1/1/2006)	31/12/2008	11.5	
Mr LI Ka-fai, David	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WONG Ho-ming, Horace	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

Reason for Appointment

The Board of Review (Inland Revenue Ordinance) was set up under section 65 of the Inland Revenue Ordinance (Cap. 112) to determine tax appeals. Given its special quasi-judicial nature and the fact that subject matters that fall within its purview are highly technical and specialized, it is vital for the Board to be served by competent, experienced and respected persons drawn from the relevant fields in order to ensure its effective operation and to maintain public confidence in the Board.

While recognizing the need to ensure a healthy turnover of members of the Board and continuing the appointment of new members to replace existing long-serving ones where appropriate, the adjustment would be gradual so as to retain expertise and experience in the Board and ensure smooth transition.

Having regard to the general guideline not to recommend non-officials to sit on a post in the same advisory/statutory body for more than six years as far as practicable but taking into account the circumstances of the Board, the Members concerned were reappointed because of their valuable experience and competence, and devotion and notable contribution to the Board's affairs.

Name of Body: Broadcasting Authority (BA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Ms TSUI Wai-ling, Carlye	Member	1/9/2000 (1/9/2005)	31/8/2007	7	The reappointment of Ms TSUI was necessary so as to retain her

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					experience and provide the necessary continuity for the BA.

Name of Body: Clothing Industry Training Authority (CLITA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr WANG Kuk-kei, Kenneth	Chairman	5/9/1997 (5/9/2005)	4/9/2007	10	Dr WANG was renominated by the Hong Kong Garment Manufacturers' Association to CLITA. He has contributed a lot to the establishment of a number of centres of excellences for the Authority to meet the training needs of the industry. Since nine out of 17 CLITA members are newly appointed, Dr WANG was reappointed for another term to ensure better transition.
Dr CHAN Chun-tung, John	Member	5/9/1999 (5/9/2005)	4/9/2007	8	Dr CHAN was renominated by the Federation of Hong Kong Industries to the Authority. His expertise and the knowledge of the industry have greatly

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					contributed to the operations of CLITA. Dr CHAN was therefore reappointed as member of CLITA for another term.
Dr FUNG Kin-keung, Michael	Member	5/9/1999 (5/9/2005)	4/9/2007	8	Dr FUNG was renominated by the Executive Director of the Vocational Training Council. He has been actively participating in the Authority's activities through his membership in five out of six committees under CLITA. Dr FUNG was therefore reappointed to be member of CLITA for another term.

Name of Body: Committee on Community Support for Rehabilitated Offenders

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr KONG Chur-hoi, Billy	Chairman	1/11/1999 (1/11/2005)	31/10/2007	8	Mr KONG's latest appointment was made having regard to his personal character, ability and experience and his knowledge of and enthusiasm in offender rehabilitation work.

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					The Correctional Services Department (CSD) noted the "six-year rule" but a more suitable candidate was not available at the time of Mr KONG's reappointment. The CSD plans to appoint a new Chairman in 2007.

Name of Body: Council of City University of Hong Kong

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LEE Kwok-jing, Jack	Member	1/1/1999 (1/1/2006)	31/12/2006	8	Mr LEE was appointed in view of his significant contribution to the Council.

Name of Body: Council of The Hong Kong University of Science and Technology

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr CHAN Yau-hing, Robin	Member	1/8/1999 (1/8/2005)	31/7/2006	7	Dr CHAN was appointed in view of his significant contribution to the Council.

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Miss LOH Kung-wai, Christine	Member	1/8/1999 (1/8/2005)	31/7/2006	7	Miss LOH was appointed in view of her significant contribution to the Council.

Name of Body: Exchange Fund Advisory Committee (EFAC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable CHEUNG Kin-tung, Marvin	Member	24/10/1991 (1/10/2005)	30/9/2007	15.9	Mr CHEUNG has an excellent record of service, integrity, and expertise in financial and accounting matters which would be difficult to replace. Apart from serving as a Member of EFAC, he also chairs the EFAC Governance and Audit Sub-Committees and plays an important role in improving transparency and governance matters for the Hong Kong Monetary Authority. He previously also served as a Member of the EFAC Currency Board Sub-Committee. He was last reappointed to EFAC for a further two-year term on

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					1 October 2005 in view of his service record and expertise, and in order to provide continuity.

Name of Body: Fish Marketing Advisory Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable WONG Yung-kan	Member	1/1/1987 (1/1/2006)	31/12/2006	20	Mr WONG is the Legislative Council Member representing the Agriculture and Fisheries Constituency and has made significant contributions to the Board.

Name of Body: Fisheries Development Loan Fund Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable WONG Yung-kan	Member	1/10/1998 (1/1/2006)	31/12/2007	9.3	Mr WONG is the Legislative Council Member representing the Agriculture and Fisheries Constituency and has made significant contributions to the Committee.

Name of Body: Gas Safety Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr KONG Chee-kwong, Raymond	Member	7/1/2000 (1/9/2005)	31/8/2007	7.7	Mr KONG is Chief Executive Officer of a recognized testing laboratory of domestic gas appliances in Hong Kong. He possesses expert knowledge and abundant experience in the safety standards of domestic gas appliances and provides key support to the implementation of the Approval Scheme of Domestic Gas Appliances.

Name of Body: Hong Kong Council for Academic Accreditation (HKCAA)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof David DUNKERLEY	Member	8/6/1996 (1/10/2005)	30/9/2006	10.3	Prof DUNKERLEY has extensive experience in quality assurance. His continued presence is vital to HKCAA's reforms in preparation for its new duties under the Qualifications Framework.

Name of Body: Hong Kong Export Credit Insurance Corporation Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LI Man-kiu, Adrian David	Member	1/12/2001 (1/1/2006)	31/12/2007	6.1	The first appointment of Mr LI started on 1 December 2001 and the subsequent appointments were on 1 January to align with the appointment exercise of other members.

Name of Body: Hong Kong War Memorial Pensions Advisory Committee

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr LO Koon-yung	Member	1/7/1999 (1/9/2005)	31/8/2007	8.2	Mr LO has rare experience and knowledge about war-related matters, which is useful to the work of the Committee.

Name of Body: Hospital Authority

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Prof WONG Kwok-shing, Thomas	Member	1/12/1999 (1/12/2005)	30/11/2007	8	Prof WONG was reappointed in his capacity as the Dean of

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					the Faculty of Health and Social Science at The Hong Kong Polytechnic University.

Name of Body: Judicial Officers Recommendation Commission

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
The Honourable Mr Justice CHAN Siu-oi, Patrick	Member	1/7/1997 (1/7/2005)	30/6/2006	9	Four out of seven non-official members were newly appointed in the appointment exercise. To maintain some degree of continuity, Justice CHAN was reappointed for a one-year term (as opposed to the usual term of two years).
The Honourable Mr Justice PANG Kin-kee	Member	27/1/2000 (1/7/2005)	30/6/2006	6.4	When Justice PANG was appointed, his service with the Commission was less than six years. Four out of seven non-official members were newly appointed in the appointment exercise. To maintain some degree of continuity, Justice PANG was reappointed for a one-year term (as opposed to the usual term of two years).

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr FUNG Kwok-king, Victor	Member	1/7/1997 (1/7/2005)	30/6/2006	9	Four out of seven non-official members were newly appointed in the appointment exercise. To maintain some degree of continuity, Dr FUNG was reappointed for a one-year term (as opposed to the usual term of two years).

Name of Body: Midwives Council of Hong Kong

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Ms NG Chung-yee, Sharon	Member	1/11/1999 (1/11/2005)	31/10/2007	8	Ms NG was nominated by Queen Elizabeth Hospital and appointed by the Secretary for Health, Welfare and Food with the delegated authority from the Chief Executive under section 3 of Midwives Registration Ordinance. Section 3(3)(e) of Midwives Registration Ordinance provides that the Midwives Council shall consist of a registered midwife to be nominated by each hospital declared

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					by the Council to be a training school for midwives. Queen Elizabeth Hospital is one of the hospitals, which are responsible for the nomination. Queen Elizabeth Hospital considered Ms NG to be a suitable nominee.
Miss CHOW Wai-mui, Anne	Member	18/2/1991 (1/11/2005)	31/10/2007	16.7	Miss CHOW was nominated by Prince of Wales Hospital and appointed by the Secretary for Health, Welfare and Food with the delegated authority from the Chief Executive under section 3 of Midwives Registration Ordinance.

Name of Body: Municipal Services Appeals Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHAN Tak-chor	Member	1/1/2000 (1/1/2006)	31/12/2008	9	The Administration undertook to appoint all District Council Chairmen and Vice-chairmen, on an <i>ad personam</i> basis, as
Mr CHAU Yin-ming, Francis	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHENG Chun-ping	Member	1/1/2000 (1/1/2006)	31/12/2008	9	panel members of the Board. The appointees in question are District Council Chairmen/Vice-chairmen.
The Honourable LAM Wai-keung, Daniel	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
The Honourable LAU Wong-fat	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr LEUNG Che-cheung	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr LEUNG Kin-man	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr NG Sze-fuk, George	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr PANG Cheung-wai, Thomas	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Dr TANG Siu-tong	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Ms TING Yuk-chee, Christina	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WAI Kwok-hung	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WONG Kam-chi	Member	1/1/2000 (1/1/2006)	31/12/2008	9	
Mr WU Chor-nam	Member	1/1/2000 (1/1/2006)	31/12/2008	9	

Name of Body: Panel of Film Censorship Advisers

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHAN Ho-ye	Member	1/7/1996 (1/7/2005)	30/6/2006	10	The members were reappointed because of their regular attendance and the provision of useful advice to the censors on film censorship matters.
Mr CHAN Wing-cheung, Jimmy	Member	1/4/1996 (1/7/2005)	30/6/2006	10.3	
Miss CHENG Ka-lai, Elsa	Member	1/7/1996 (1/7/2005)	30/6/2006	10	
Mr CHOW Choi-yuen, Jimmy	Member	1/5/2000 (1/7/2005)	30/6/2006	6.2	
Ms CHUE Yin-yin	Member	1/5/1997 (1/7/2005)	30/6/2006	9.2	
Ms CHUI Siu-yuk	Member	1/7/1996 (1/7/2005)	30/6/2006	10	
Mr FUNG Wing-cheong, Patrick	Member	1/5/1997 (1/7/2005)	30/6/2006	9.2	
Mr HO Kwok-cheong	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	
Mr HSIEH Haw-shane, Gary	Member	1/7/1999 (1/7/2005)	30/6/2006	7	
Mr KWAN Wing-kwan	Member	1/9/1999 (1/10/2005)	30/9/2006	7.1	
Miss LAI Yuk-chun	Member	1/7/1998 (1/7/2005)	30/6/2006	8	
Mr LEUNG Kin-shing	Member	1/7/1997 (1/7/2005)	30/6/2006	9	
Mr LEUNG Sai-keung, Eric	Member	1/5/1998 (1/7/2005)	30/6/2006	8.2	
Miss MA Fung-ming	Member	1/7/1996 (1/7/2005)	30/6/2006	10	

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr NG Chak-hung, Tommy	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	
Miss NG Yan-yan	Member	1/7/1998 (1/7/2005)	30/6/2006	8	
Mr TAM Hoi-leung	Member	1/5/2000 (1/7/2005)	30/6/2006	6.2	
Mr WONG Chi-ming	Member	1/7/1997 (1/7/2005)	30/6/2006	9	
Mr WONG Chung-keung	Member	1/5/1996 (1/7/2005)	30/6/2006	10.2	
Miss YEUNG Wai-tak	Member	11/9/1996 (1/10/2005)	30/9/2006	10.1	

Name of Body: Management Committee of the Police Children's Education Trust

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TAM Siu-ping, George	Member	1/3/2000 (1/7/2005)	30/6/2006	6.3	Mr TAM has contributed much to the Management Committee (MC) in the past. Since the MC annual meeting is normally held at the end of February/in early March, the current appointment would allow him to participate in the next MC annual meeting.

Name of Body: Management Committee of the Police Education and Welfare Trust

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TAM Siu-ping, George	Member	1/3/2000 (1/7/2005)	30/6/2006	6.3	Mr TAM has contributed much to the Management Committee (MC) in the past. Since the MC annual meeting is normally held at the end of February/in early March, the current appointment would allow him to participate in the next MC annual meeting.

Name of Body: Tourism Strategy Group

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr CHEN Nan-lok, Philip	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	The Tourism Strategy Group is a working group advising the Commissioner for Tourism on the overall tourism policies and strategies. It is most important to retain experienced members in the tourism industry so that we can tap into their expertise and experience, as well as their professional advice on tourism matters.
Mr CHEUNG Wing-sum, Ambrose	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
Ms LUI Wai-yu, Paddy	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
Dr Allan ZEMAN	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	
The Honourable YOUNG Howard	Member	1/9/1999 (1/11/2005)	31/10/2006	7.2	

Name of Body: Travel Industry Compensation Fund Management Board

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Mr TUNG Yao-chung, Joseph	Member	15/10/1997 (15/10/2005)	14/10/2007	10	The appointment is made on operational ground. Mr TUNG is the Executive Director of the Travel Industry Council of Hong Kong and is operationally responsible for the collection of the Travel Industry Compensation Fund levy.

Name of Body: Vocational Training Council (VTC)

<i>Name of Member</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Dr LAW Song-seng	Member	1/1/1998 (1/1/2006)	31/12/2006	9	Dr LAW is Director and Chief Executive Officer of Singapore's Institute of Technical Education. He is appointed under a reciprocal appointment arrangement between the HKSAR and Singapore.

Annex 3

**Appointments made since 21 June 2005 of Non-official Members of Public
Sector ASBs serving more than six bodies
(position as at 31 December 2005)**

Name of Member: Mr CHAN Yiu-wah

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Secondary School Places Allocation Committee	Member	1/9/2003 (1/9/2005)	31/8/2006	3	Mr CHAN is a nominated representative of the North School Net.

Name of Member: Ms CHENG Yeuk-wah, Teresa

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					rule" to work down the number of advisory or statutory bodies they serve on.

Name of Member: The Honourable CHEUNG Kin Tung, Marvin

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Exchange Fund Advisory Committee (EFAC)	Member	24/10/1991 (1/10/2005)	30/9/2007	15.9	Mr CHEUNG has an excellent record of service, integrity, and expertise in financial and accounting matters which would be difficult to replace. Apart from serving as a Member of EFAC, he also chairs the EFAC Governance and Audit Sub-Committees and plays an important role in improving transparency and governance matters for the Hong Kong Monetary Authority. He previously also served as a Member of the EFAC Currency Board Sub-Committee. He was last reappointed to EFAC for a further two-year term on 1 October 2005 in view

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					of his service record and expertise, and in order to provide continuity. Mr CHEUNG has retired from the Municipal Services Appeal Board with effect from 1 January 2006. He is now serving on six boards and committees only.
Operations Review Committee, ICAC	Member	1/1/2004 (1/1/2006)	31/12/2007	4	Mr CHEUNG has retired from the Municipal Services Appeal Board with effect from 1 January 2006. He is now serving on six boards and committees only.

Name of Member: Dr CHOI Yuen-wan, Philemon

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.</p>

Name of Member: Ms FANG Meng-sang, Christine

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.
Review Committee on Trust Fund for SARS	Member	8/11/2003 (8/11/2005)	7/11/2007	4	To ensure continuity, all the members of the Review Committee on Trust Fund for SARS (the Review Committee), including Ms FANG, were reappointed for another two years.
Social Welfare Advisory Committee	Member	1/12/2001 (1/12/2005)	30/11/2007	6	As the Chief Executive of the Hong Kong Council of Social Service, Ms FANG has been providing a useful link between the Government and the welfare sector.

Name of Member: Mr HO Ambrose

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Telecom-munications (Competition Provisions) Appeal Board	Member	31/8/2005 (31/8/2005)	30/8/2007	2	The appointment was made to widen the pool of practising barristers among members of the Appeal Board, which would boost the needed legal expertise.

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					Mr HO's appointment to the Appeal Board Panel (Toys and Children's Products Safety) ended on 31 December 2005. He is now serving on six boards only.

Name of Member: The Honourable LAM Kin-fung, Jeffrey

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Hong Kong Trade Development Council	Member	1/1/2004 (1/1/2006)	31/12/2007	4	Mr LAM has resigned from the Steering Group on the Promotion of Innovation and Design, effective from 1 January 2006. He is serving on six boards as from 1 January 2006.

Name of Member: The Honourable LAU Sau-shing, Patrick

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	The Commission on Strategic Development is an important advisory body of the Government.

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.</p>

Name of Member: Mr LEE Chung-tak, Joseph

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					for Hong Kong's development. We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.
Curriculum Development Council	Member	1/9/2001 (1/9/2005)	31/8/2007	6	Mr LEE is a member from the field of Business and/or Information Technology sector. Given his keen interest in educational services, his knowledge of youth matters, and his supervisorship of various primary schools, secondary schools and tertiary institutions, Mr LEE is capable of providing valuable input to educational and curriculum matters from different angles.
Environmental Campaign Committee (ECC)	Chairman	1/1/2004 (1/1/2006)	31/12/2007	4	Mr LEE was appointed as Chairman after serving in the ECC for three years as a very dedicated member. In 2005, he was reappointed as Chairman for another two years as he was the best candidate for the position.

Name of Member: The Honourable LEUNG Kwan-yuen, Andrew

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.</p>

Name of Member: Dr LIAO York

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.</p>

Name of Member: Prof LIU Pak-wai

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.

Name of Member: Mrs NGAN NG Yu-ying, Katherine

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Commission on Strategic Development	Member	15/11/2005 (15/11/2005)	30/6/2007	1.6	<p>The Commission on Strategic Development is an important advisory body of the Government. We need to ensure that the most suitable individuals serve on the Commission to carry forward its work, which will have important and long-term implications for Hong Kong's development.</p> <p>We have been working with members who do not meet the "six-board rule" to work down the number of advisory or statutory bodies they serve on.</p>

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					The membership of Mrs NGAN in the Assessment Panel of Design Support Programme under the DesignSmart Initiative ended on 31 December 2005. She is now serving on six boards.

Name of Member: Ms WONG Yu-pok, Marina

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
Broadcasting Authority (BA)	Member	1/9/2005 (1/9/2005)	31/8/2007	2	Ms WONG, being an accountant, has been able to provide useful business and professional perspectives to the deliberations in the BA. The membership of Ms WONG in the Consumer Council and Council of City University of Hong Kong ended on 31 December 2005. She is now serving on six boards.
Social Welfare Advisory Committee	Member	1/12/2001 (1/12/2005)	30/11/2007	6	Ms WONG, being an accountant, has been able to provide useful business and professional perspectives to the

<i>Name of Body</i>	<i>Position Held</i>	<i>Start Date of Appointment (Start Date of Present Term) (dd/mm/yyyy)</i>	<i>End Date of Appointment (dd/mm/yyyy)</i>	<i>Duration of Appointment (in number of years)</i>	<i>Reasons for Appointment</i>
					<p>deliberations in the Committee. She has been reappointed to provide continuity.</p> <p>The membership of Ms WONG in the Consumer Council and Council of City University of Hong Kong ended on 31 December 2005. She is now serving on six boards.</p>

Disbursement of Contractual Payments to IT Project Contractors

15. **MR SIN CHUNG-KAI** (in Chinese): *President, regarding the disbursement of contractual payments to contractors of information technology (IT) projects, will the Government inform this Council:*

- (a) *of the criteria adopted by government departments for deciding whether payment is to be disbursed in stages or upon completion of the entire project; differences between these two disbursement arrangements in terms of administrative procedure and the number of government departments involved; and provide a breakdown by the disbursement arrangement on the number of contracts for IT projects awarded by government departments in the past three years;*
- (b) *of the time usually taken for full settlement of contractual payments after completion of a project; and*
- (c) *whether it will draw up measures to expedite the disbursement of payments to the contractors to avoid small and medium-sized*

enterprises from abandoning the projects due to cash flow problems; if it will, of the details of the measures; if not, the reasons for that?

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

- (a) Government bureaux and departments (B/Ds) determine the type of payment arrangement based on the length of contract period, the contract value and project delivery plan proposed by the contractor. In the past three years, staged payments were adopted most often for IT contracts with contract period over 10 months or contract value above \$500,000.

Before the start of each project, B/D and the contractors agree on the project plan and quality plan, which specify the quality and quantity of services and deliverables of each project phase and their methods of acceptance. During each project phase, B/D would then base on the agreed plans to accept the services and deliverables delivered by the contractor. Upon acceptance of its services and deliverables of a project phase by the Government, the contractor would produce the invoice for the accepted part of the contract to the Government for arranging payment.

The procuring departments will send to the Treasury the certified invoices for arranging payments. This procedure applies to all types of payment irrespective of whether it is a staged payment or completion-of-work payment.

During the past three years (that is, 2003 to 2005), B/Ds awarded 1 042 IT contracts, of which 666 adopted staged payments and 376 adopted completion-of-work payments.

- (b) The Government settles payment within 30 days upon receipt of invoice. We do not have information on the time taken from completion of a project to full settlement of payments by individual departments.

- (c) To facilitate the cash flow of contractors including small and medium enterprises, different types of payment arrangement are provided in the Standing Offer Agreements for Quality Professional Services awarded in December 2005. In addition to completion-of-work payments and staged payments, departments can also make monthly or regular payments for contractor's human resources spent on the project.

Domestic Rental Income of Housing Authority

16. **MR LEUNG KWOK-HUNG** (in Chinese): *President, regarding the domestic rental income of the Hong Kong Housing Authority (HA), will the Government inform this Council of:*

- (a) *the domestic rental incomes generated respectively by the following building categories in each year during the period between 1999-2000 and 2004-05, as well as their respective percentages in the relevant total incomes of the years concerned:*
 - (i) *buildings completed before 1973;*
 - (ii) *buildings completed between 1973 and 1999, together with a breakdown of such figures by geographical distribution (urban areas, extended urban areas and the New Territories); and*
 - (iii) *buildings completed after 1999, together with a breakdown of such figures by geographical distribution (urban areas, extended urban areas and the New Territories); and*
- (b) *the reasons for the increase in the total domestic rental income in 2004-05 as compared to the two preceding years; and whether the HA plans to reduce or waive public housing rentals; if not, of the reasons for that?*

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

President, my reply to the two-part question is as follows:

- (a) Breakdown figures on income from the HA's public rental housing programme from 1999-2000 to 2004-05 are set out in the Annex.
- (b) No adjustment to public housing rents has been made since 1998. The increase in overall rental income in 2004-05 as compared to the previous two financial years is due to the following three main reasons:
 - (i) the total number of flats has increased from 646 681 flats in 2002-03 and 660 916 flats in 2003-04 to 676 676 flats in 2004-05. The increase in households has brought in additional rental income;
 - (ii) with implementation of the Comprehensive Redevelopment Programme, more older-type flats of lower rents have been replaced by new, larger and better-provisioned flats of higher rents; and
 - (iii) in 2002-03 and 2003-04, to assist public housing tenants to tide over the economic downturn, the HA waived the payment of rates which formed part of public housing rents, resulting in reductions in rental incomes in these two years. In 2004-05, with economic recovery in evidence, the HA did not grant any further waiver and rental income had correspondingly bounced back to the normal level.

The HA has no plan to reduce public housing rents across the board, but will instead adopt a targeted approach of providing rental relief for tenants in financial hardship who are unable to afford normal rents. The HA has decided to further enhance the eligibility criteria of the "Rent Assistance Scheme". While non-elderly tenants with household income below 50% of the Waiting List Income Limit or with rent-to-income ratio exceeding 25% will continue to enjoy a 50% rent reduction, an additional eligibility tier will come into effect from 1 March this year to provide 25% rent reduction to non-elderly tenants whose income is between 50% and

60% of the Waiting List Income Limit or whose rent-to-income ratio stands at 20% to 25%. The new arrangement, which has in practice capped the rent-to-income ratio of public housing tenants at 20%, provides an effective relief to ensure rents are affordable to individual tenants.

The Court of Final Appeal ruled on the judicial review cases on public housing rents in November 2005. These cases clearly demonstrate the need for a more flexible and viable rent adjustment mechanism which can truly reflect tenants' rental affordability, offer more choices for public housing tenants and ensure the sustainability of the public housing programme. The HA is now conducting a comprehensive review of its domestic rent policy. The public will be consulted on the proposals shortly.

Annex

Income from Public Rental Housing of the HA from 1999-2000 to 2004-05

Year	Rental Income (categorized by flat completion date)									Total annual income from public rental housing (\$ million)
	Flats completed before 1973	Flats completed between 1973 and 1999				Flats completed after 1999				
	Income (\$ million) (% of annual total)	Income (\$ million) (% of annual total)				Income (\$ million) (% of annual total)				
	Territory-wide	Urban area	Extended urban area	New Territories	Sub-total	Urban area	Extended urban area	New Territories	Sub-total	
1999-2000	680 (7.3%)	3,948 (42.1%)	2,817 (30.0%)	1,932 (20.6%)	8,697 (92.7%)	not applicable				9,377
2000-01	673 (7.1%)	4,082 (42.7%)	2,866 (30.1%)	1,848 (19.4%)	8,796 (92.2%)	44 (0.5%)	6 (0.1%)	8 (0.1%)	58 (0.7%)	9,527
2001-02	561* (6.3%)	3,693 (41.6%)	2,503 (28.2%)	1,520 (17.1%)	7,716* (86.9%)	250 (2.8%)	108 (1.2%)	250 (2.8%)	608 (6.8%)	8,885
2002-03	579* (6.0%)	3,748 (38.5%)	2,571 (26.5%)	1,543 (15.9%)	7,862* (80.9%)	549 (5.6%)	225 (2.3%)	502 (5.2%)	1,276 (13.1%)	9,717
2003-04	607* (5.7%)	3,904 (36.9%)	2,726 (25.7%)	1,641 (15.5%)	8,271* (78.1%)	743 (7.0%)	364 (3.4%)	610 (5.8%)	1,717 (16.2%)	10,595
2004-05	612 (5.5%)	4,030 (35.9%)	2,791 (24.9%)	1,678 (15.0%)	8,499 (75.8%)	867 (7.7%)	562 (5.0%)	675 (6.0%)	2,104 (18.7%)	11,215

* Due to the one-month rent holiday for all public housing tenants in 2001-02, rates waiver for three quarters in 2002-03 and rates waiver for one quarter in 2003-04, rental incomes from public housing decreased in these three financial years.

Enhancing Road Safety

17. **MR WONG KWOK-HING** (in Chinese): *President, regarding efforts to enhance road safety and combat red-light jumping by motorists, will the Government inform this Council of:*

- (a) the progress of the plan to install overhead traffic signals at 40 locations;*
- (b) the progress of the feasibility study conducted on the installation of vehicular countdown or flashing green devices at traffic lights; and*
- (c) the current percentage of prosecutions using evidence from cameras, among all red-light jumping prosecutions?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President, we have installed overhang traffic signals at 10 road junctions. The installation works at another 16 locations will be completed in mid-2006. As for the remaining 14 locations, due to engineering problems, such as the need for diversion of underground utilities, the installation works will be completed by 2007.

We have obtained from the Shenzhen Government a set of flashing green device for our examination in late 2005. The study shows that the device is technically not compatible with the traffic signal control system in Hong Kong. Moreover, according to studies conducted in the United States, Israel, Austria and the United Kingdom, different responses of drivers to these types of devices will increase the risk of head-rear collisions. We therefore consider that the proposal to install vehicular countdown or flashing green devices at traffic lights requires careful examination. We will continue to monitor researches and development in this respect.

In 2005, 78% of all the red-light jumping prosecution cases rely on records of red light cameras as evidence. We expect the percentage to reach about 97% when the number of cameras has increased from the existing 28 to 96.

Cross-boundary Ferry Terminal in Tuen Mun

18. **MR CHEUNG HOK-MING** (in Chinese): *President, in reply to my question on the cross-boundary ferry terminal in Tuen Mun on 27 April last year, the authorities advised that they would "try to facilitate the tenant's work with a view to enabling the early commissioning of the cross-boundary ferry terminal". The target completion date originally set by the tenant for the modification works of the terminal was December 2004 and was subsequently postponed to late April 2005. Nevertheless, it has been reported that the works have not yet been completed. In this connection, will the Government inform this Council:*

- (a) of the details and updated progress of the modification works undertaken by the tenant;*
- (b) of the reasons for the Government not specifying, in the tenancy agreement signed with the tenant, the deadline for completing the works and the penalties concerned;*
- (c) of the measures taken by the authorities to facilitate the tenant's work with a view to enabling the early commissioning of the terminal;*
- (d) whether the authorities have set a target commissioning date for the terminal; if not, of the reasons for that; and*
- (e) of the circumstances under which the authorities will consider putting up this project for re-tendering?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President, the Tuen Mun Pier has been serving as a domestic ferry pier. In order to modify part of the pier for operating cross-boundary ferry services, the tenant has to carry out alteration works and provide building services and related systems as required by the Buildings Ordinance and the operating departments.

There were some changes in the tenant's shareholding and management structure in early 2005. The pier modification works recommenced in June 2005, and the structural and partition works have been substantially completed.

Installation of air-conditioning, fire services and electricity equipment is currently in progress, and this will be followed by the installation of lifts, ceiling, floor, water mains and drainage pipes. The tenant has indicated that it would procure vessels shortly and that it plans to start providing cross-boundary ferry services in mid-2006.

The Government has leased part of the Tuen Mun Pier to the tenant for operating cross-boundary ferry services under a tenancy agreement, which requires the tenant to pay a monthly sum of around \$1.35 million. We consider that under this arrangement, the tenant should be allowed to determine the timing for commencing the operation of the terminal, taking into account its own commercial considerations and the progress of its preparation works. The tenancy agreement therefore has neither specified any deadline for completing the pier modification works nor penalties.

To enable early commissioning of the cross-boundary ferry terminal, relevant government departments have been facilitating the work of the tenant, including expediting the vetting of its building plans, meeting the tenant regularly, reminding the tenant of the areas that require special attention, providing advice on the modification works, and so on. The departments concerned are also making the necessary preparations, including staff arrangement and procurement of equipment, in tandem with the tenant's commissioning programme. We will continue to maintain close liaison with the tenant in all respects.

Whether or not the terminal has commenced operation, the tenancy agreement requires the tenant to pay around \$1.35 million each month with effect from December 2004. From the commercial perspective, we believe the tenant would endeavour to complete the pier modification and other preparation works and launch the cross-boundary ferry services as soon as possible.

Since the commencement of the tenancy agreement, the tenant has not breached any of its terms. The pier modification works is also in progress. We have no plans to re-tender the project at this stage.

Property Valuation

19. **MISS TAM HEUNG-MAN** (in Chinese): *President, under the new accounting standards, government and non-profit-making bodies registered as*

body corporates or limited companies, such as hospitals, the Vocational Training Council, universities, school sponsoring bodies and social service agencies should, like other companies, engage valuers to make valuations every year on the property they hold, and the price changes should be included in their profits. In this connection, will the Government inform this Council:

- (a) as the engagement of valuers will exert financial pressure on non-profit-making bodies, whether the authorities will discuss with the Hong Kong Institute of Certified Public Accountants (HKICPA) with a view to exempting non-profit-making bodies from valuating their property, so as to alleviate their financial burdens; if they will, of the details; and*
- (b) if the authorities will not conduct the discussion, the reasons for that and whether they will consider subsidizing the engagement of valuers by non-profit-making bodies; if not, the reasons for that and whether the authorities will assist non-profit-making bodies in avoiding the situation in which, because their shareholders or members do not make valuations in accordance with the new accounting standards due to the excessively high valuation costs, the auditors of their accounts express reservations in their reports; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, under the Professional Accountants Ordinance (Cap. 50), the Council of the HKICPA is empowered to issue accounting standards which are required to be observed, maintained or otherwise applied by any certified public accountant. The Administration has thus consulted the HKICPA in the formulation of this reply.

According to the HKICPA, Hong Kong Financial Reporting Standards (HKFRS) include all Hong Kong Accounting Standards (HKAS) and are designed to apply to the general purpose financial statements of profit-oriented entities, although not-for-profit entities may also apply these standards, apart from any reporting requirements prescribed in their enabling legislation, as appropriate.

Hong Kong Accounting Standard 16 "Property, Plant and Equipment" (HKAS 16) applies to properties for use in the supply of goods or services or for administrative purposes. HKAS 16 provides an entity with an option to choose either the cost model or the revaluation model for measurement of a property after initial recognition. In other words, under HKAS 16, whether an entity will revalue its property depends on its own choice of an accounting policy. Revaluation increases are generally taken to a reserve within equity and not through the income and expenditure account. It should be noted that not-for-profit entities usually prepare "income and expenditure account" rather than "profit and loss account" to emphasize the different objectives *vis-a-vis* profit-oriented entities.

Hong Kong Accounting Standard 40 "Investment Property" (HKAS 40) applies to properties held to earn rentals or for capital appreciation and not occupied by the owner. Under HKAS 40, an entity may choose either the cost model or the fair value model to measure the value of an investment property for reporting in the balance sheet. If an entity uses the cost model, it should still determine the fair value of an investment property and disclose it in the notes to the financial statements.

Neither HKAS 16 nor HKAS 40 mandates the use of professional valuers. Both standards note that an entity is encouraged, but not required, to determine the fair value of a property on the basis of a valuation by professionally qualified valuers. In Hong Kong (unlike many other jurisdictions), information about property values is more readily available and an entity can decide whether to use this information or whether to seek the services of a professional valuer. Given the amount of publicly available data, valuers are often able to provide relatively low-cost desktop valuations if an entity requests it.

Furthermore, the HKICPA has advised that two recently issued standards have eased the reporting burden for not-for-profit entities:

- (i) The HKICPA has issued in November 2005 an amendment to HKAS 16 permitting charitable, government subvented and not-for-profit entities to recognize their properties at carrying amounts on transition to HKFRS and then to make the election between the cost model and the fair value model; and

- (ii) The HKICPA has issued in August 2005 the Small and Medium-sized Entities Financial Reporting Framework and Financial Reporting Standard to reduce the reporting burden on those smaller entities eligible to apply it. This Framework and Standard allow the cost model to be used for all property measurement.

Given the above, the HKICPA is of the view that the question of subsidizing these entities for the engagement of professionally qualified valuers does not arise.

Children Undertaking Menial Work

20. **MR ABRAHAM SHEK:** *Madam President, a social service organization has estimated that some 2 000 children are undertaking various menial work, such as cleaning, refuse collection and scavenging in dustbins for saleable items, in dirty and even hazardous environments in order to help their families make ends meet. In this connection, will the Government inform this Council:*

- (a) *whether it will provide subsidies to these children so as to free them from such menial work;*
- (b) *how it cares for the physical and mental health of these children;*
- (c) *as many of these children come from families receiving payments under the Comprehensive Social Security Assistance (CSSA) Scheme, whether it will consider increasing such payments; and*
- (d) *how the Commission on Poverty (CoP) will tackle this problem at the district level?*

SECRETARY FOR HEALTH, WELFARE AND FOOD: Madam President,

- (a) The Administration pays special attention to the development of children and will provide assistance to cater for their special needs in various areas. The principle of according priority treatment to

the needs of our children has been well embedded in social security policies through the CSSA Scheme. Under the CSSA Scheme, children are provided with higher standard rates than other able-bodied recipients. They are also provided with a range of special grants pertaining to their education and school-related needs (Please refer to part (c) of the reply). In addition to cash assistance, CSSA recipients are given free medical services in all public clinics/hospitals. As at the end of 2005, the number of CSSA recipients aged below 18 was 151 870, which corresponded to 28% of the total recipients.

Non-CSSA families with financial difficulties may apply for medical fee waiver on a one-off basis or for a prescribed period. It is our policy that no child should be deprived of medical services because of a lack of means. In regard to education, it is our policy that no student should be deprived of education due to financial difficulties. At present, the Student Financial Assistance Agency (SFAA) administers a number of means-tested financial assistance schemes to provide assistance to needy students at various levels in the form of school textbook assistance, home-school travel subsidies, tuition fee remission, grant and loans, and so on, as appropriate.

In addition, child employment is regulated by law in Hong Kong. The Employment of Children Regulations made under the Employment Ordinance (Cap. 57) prohibit the employment of children aged under 13 and impose stringent restrictions on the employment of children aged 13 but below 15 in non-industrial establishments with a view to ensuring that they can enjoy full-time education and protecting their safety, health and welfare. The Regulations also prohibit the employment of children in any industrial undertaking.

- (b) The Administration has all along been committed to developing a comprehensive network of services, many of them highly subsidized, to take care of our children's developmental needs. We have developed a continuum of preventive, supportive and remedial welfare services for families in order to provide targeted assistance to help families in need. For instance, working parents in need of child care services for young children, or after-school

care service for their school-age children can receive highly subsidized child care and after-school care services from the Social Welfare Department or non-governmental organizations (NGOs).

The Administration is also committed to meeting the needs of children at different developmental stages and ensuring that they are adequately protected and cared for. There is an extensive network of 61 Integrated Family Service Centres (IFSCs) over the territory to provide them with a range of support services, from developmental programmes to intensive counselling. Social workers of the IFSCs adopt a proactive approach to reach out to the needy, including children in vulnerable circumstances or those who are new immigrants. They establish networks with various parties, such as social security field units, Maternal and Child Health Centres, Student Health Service, schools, and so on, to facilitate the referral of children in need of welfare services to the IFSCs for early identification of problem and timely intervention.

With regard to education, children in Hong Kong can enjoy nine-year free education. The Education and Manpower Bureau has also earmarked a recurrent provision of \$75 million per annum starting from the 2005-06 financial year to enable schools to provide school-based after-school learning and support programmes, in collaboration with NGOs, so as to increase students' learning effectiveness, broaden their learning experiences outside classroom, and raise their understanding of the community and sense of belonging.

To support needy students to participate in extra-curricular activities organized by schools, the Hong Kong Jockey Club Charities Trust has set up a Life-wide Learning Fund with a sum of about \$140 million in 2002 for a period of five years. Primary Four to Six or Secondary One to Three students who are eligible for CSSA or full-rate grant from the SFAA are eligible to apply. During 2002 to 2004, each year, some 60 000 eligible students from more than 1 100 schools received assistance through the scheme.

- (c) Through the CSSA Scheme, the Administration provides a safety net which especially meets the needs of children. These measures include:

- providing higher standard rates for children than for able-bodied adults, ranging from \$1,280 to \$1,930 per month per child (\$130 to \$320 higher);
- providing children with special grants relating to study, covering expenditure items such as school fees, meal allowance for students, transport expenses, public examinations fees, selected items of school-related expenses, such as books, stationery, school uniforms, miscellaneous and minor one-off expenses. A child attending lower secondary school may receive up to \$3,810 in a school year to meet the selected items of school-related expenses;
- exempting Hong Kong residents aged below 18 from the residence requirement for CSSA. This enables children from a new arrival family to be eligible for CSSA, regardless of the length of residence of the family; and
- providing an additional monthly supplement of \$225 to single-parent families to recognize the special difficulties which single parents face in bringing up a family.

The Director of Social Welfare would exercise his discretion under the CSSA Scheme to assist children in need, having regard to the situation of each family.

We will continue to closely monitor the movement of the Social Security Assistance Index of Prices (SSAIP) and adjust the rates annually to take account of price changes. Based on the movement of the SSAIP, the Finance Committee of the Legislative Council approved the upward adjustment of the standard payment rates of the CSSA (including those for children) by 0.4% to take account of inflation on 16 December 2005. The new rates have been effective from 1 February 2006. Since then, the estimated average monthly CSSA payments for three-person and four-person households without income are \$7,753 and \$9,118 respectively.

- (d) Tackling inter-generational poverty is one of the work priorities of the CoP. The Task Force on Children and Youth under the CoP

has examined the wide range of existing services and programmes to ensure that children and youth from disadvantaged families or with special needs can be identified, and have access to appropriate support and opportunities for balanced and healthy development. The Task Force will continue to work closely with relevant bureaux and departments at both central and district levels in this direction. Separately, the CoP Task Force on District-based Approach is working with the Home Affairs Department to allocate additional funding to fund sustainable district initiatives, including those which help to tackle inter-generational poverty and promote community building.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Three motions with no legislative effect.

First motion: Reports of the Subcommittee on West Kowloon Cultural District Development.

REPORTS OF THE SUBCOMMITTEE ON WEST KOWLOON CULTURAL DISTRICT DEVELOPMENT

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

The West Kowloon Cultural District Development (WKCDD) has been an important issue of great concern to society in the past several years. The general public is concerned about the WKCDD not just because this development involves the disposal of 40 hectares of valuable land resources, but also because it has profound implications on the long-term cultural and arts development in Hong Kong. This is precisely the reason for the Legislative Council establishing the multi-party and cross-panel Subcommittee on West Kowloon Cultural District Development (the Subcommittee).

After a year of study and convening more than 20 meetings during this period, as well as a duty visit to Bilbao, the Subcommittee published its Phase I

Study Report and Phase II Study Report in July last year and January this year respectively. The reports give a detailed account of the changes that occurred from the conception of the WKCDD, through holding the Concept Plan Competition, the issue of the Invitation for Proposals (IFP), the first stage of assessment of the IFP, to the modifications to the development approach in response to the criticisms of the public. They also explored the development approach and strategy adopted by the Government and how they can accord with the overriding principle of supporting cultural development.

Madam President, before presenting the contents of the two Reports on the two phases of study and the recommendations of the Subcommittee, in my capacity as Chairman of the Subcommittee, I wish to make some heartfelt comments on behalf of members of the Subcommittee. From day one of its work to today, the Subcommittee has always adhered to the same principle and has been guided by the same desire throughout in exploring how this project in West Kowloon can be better implemented and to ensure that the valuable resources of the Hong Kong public can yield maximum benefits by adopting a reasonable approach that will deliver value for money. Be it the Phase I Report or the Phase II Report, Members will find on reading them carefully that the Subcommittee has pointed out the problems in the direction and approach of the WKCDD and has made recommendations, in the hope that the Government can gain an understanding of the present potential risks and problems in the entire project, so as to take appropriate remedial measures and actions and avoid being caught in a quagmire. The aim of the whole study is simply to perform the duty of the legislature in monitoring the Government properly. However, after the publication of the Reports, not only did the Government fail to respond to the Subcommittee formally or directly, what is more, it even slapped some perplexing accusations on the Subcommittee. Not only is it unfair to the devotion and time that the Subcommittee has put in, it is also a disappointment in view of the expectations and good intentions expressed by the cultural sector, architectural sector and many experts and art lovers, that the Reports speak for.

Madam President, the WKCDD has been under planning for many years and the concept appeared for the first time in the policy address published in October 1998. Originally, the plan was to build a new state of the art Performance Venue to host world-class cultural events in the West Kowloon Reclamation (WKR). Then, in March 2000, the Government decided to expand the project into a cultural district comprising a number of theatres and a museum complex, together with residential developments and grade A offices. While

conducting the Concept Plan Competition in April 2001, the Government said that it would draw up a detailed masterplan before deciding how the Scheme Area in West Kowloon would be developed, whereas packages within the Scheme Area suitable for private sector development will be put to public tender, which will be open to all. One year later, the Government announced that the canopy design submitted by Foster & Partners was awarded the first prize, however, this immediately elicited strong responses from various sectors, which cast doubts on the cost and technical issues relating to the canopy design.

In 2003, the Government launched the IFP for the WKCDD. The development strategy had, without being publicized, changed to a single-package mode of development all of a sudden and the proponent has to undertake everything from preparing the masterplan, making financing arrangements, to designing, constructing and operating the cultural facilities, in exchange for the right to use the 40-hectare land for 50 years and for the profits to be made from developing the non-cultural component on this piece of land during the tenure. By then, it was clear that what had been a cultural project was turned into a property development project. However, before making this decision involving such important changes, not only had the Government not adequately consulted the Legislative Council, even the Executive Council had only been given a briefing. The whole decision was only made by a Steering Committee chaired by the Chief Secretary for Administration and composed of principal officials and heads of government departments. There is little doubt that the Government's action has bypassed the Legislative Council, which plays the role of monitoring the Government and approving public expenditure and it is also impossible for the Executive Council to perform its duties and functions.

Madam President, what the Subcommittee finds most disappointing is that it cannot find any clear vision whatsoever in the process of thrashing out the entire WKCDD, nor can it find any connection between the WKCDD and cultural development. The Subcommittee believes that the Government does not have any macro and holistic concept for fusing cultural, social, economic needs and urban development together, so as to forge an environment in which creative talents can give full play to their strengths and pursue excellence in the context of the WKCDD, so that there is room for the development of creativity and Hong Kong can keep its momentum in the process of economic restructuring. No matter in the whole IFP or the document on the modified development approach published by the Government in October 2005, we can only find a wide array of infrastructural facilities, however, there is no mention whatsoever of how such facilities will tie in with the development of the cultural software.

In the course of the study, what the Subcommittee found most disconcerting was that no systematic consultation or detailed study on the West Kowloon Cultural District (WKCD) or any particular cultural facility has ever been conducted by the Government. The Government has all along stressed that the most effective approach in developing West Kowloon is to engage in a partnership with the private sector, so as to capitalize on the resources, originality and creativity in the market. Although the Government has drawn up guidelines on the adoption of the Public Private Partnership (PPP) mode, the recommended procedure in the guidelines was not followed in the case of the WKCD. The most obvious example is the requirement to construct a Public Sector Comparator (PSC) to confirm that adopting a PPP mode will deliver value for money. Unfortunately, the Government has so far failed to construct any PSC, citing the financially free-standing nature of the WKCD and the non-involvement of public funds as the grounds, let alone any value-for-money analysis. How possibly can the public be convinced that the mode of development adopted for the WKCD is in line with public interest? I must reiterate it is certainly not true that the WKCD does not involve any public funds as the Government claims. No matter from how we look at it, this 40-hectare lot at the seafront is valuable public resources. The Subcommittee is of the view that the bargaining power of the Government in negotiations with the proponent will be seriously compromised if the Government relies solely on the proponent to submit a development blueprint and proposal, yet it does not have any objective basis for comparison that can serve as indicators in the negotiations.

In the Phase I Study Report, the Subcommittee pointed out that there are disadvantages and unfairness in the mode and strategy of development under the framework of IFP. Among them, due to the absence of competition, the single-package development approach would only eventually lead to monopolization by consortia, as a result, the bidding prices will tend to be lower, less funds can be invested in arts and culture, and the public coffers and the public will suffer losses. The Government announced its modified development approach in October 2005, however, even though the scale had been reduced slightly, the modified development approach was still in spirit and substance a single-package development approach. The Successful Proponent still retains the sole development rights of up to 65% of the floor areas in the WKCD; it can also propose the portion to be carved out for bidding and is responsible for the overall co-ordination of the WKCD. The modified development approach would still enable a single developer to monopolize the WKCD, thus leaving very little room for market competition.

Madam President, one of the key proposals in the modified development approach is the requirement that the Successful Proponent has to pay an amount of \$30 billion upfront to establish an independent trust fund to generate a recurrent return to cover the net operating expenditure of the core arts and cultural facilities (CACF) and other communal facilities, such as the canopy, and the operating expenditure of the new statutory body. However, the rough financial data released by the Administration fail to convince the Subcommittee that the recurrent annual return of the trust fund is enough to cover the recurrent and capital expenditure for the long-term operation and maintenance of the CACF and other communal facilities. Any shortfall will have to be met by monies from the public purse. Such an arrangement arouses the concern of the Subcommittee that in the end, the development of software and other supports for arts and culture will be compromised.

As regards the implementation strategy, the Subcommittee is of the view that the Government's modified development approach is still a one-off delivery. Such a one-off implementation strategy would not allow enough flexibility to respond to the evolution of the community needs over time. According to the observations of the Subcommittee in a visit to Bilbao, the Basque authorities have considerably enhanced the land price by adopting an incremental implementation strategy in the Abandoibarra project, so it is absolutely worthwhile for us to consider this approach.

Although the Administration recognizes that the establishment of an independent statutory body for taking forward WKCDD is a major demand from the Legislative Council and most concern groups, it is unlikely that the statutory body proposed in the modified development approach will answer public aspirations. By the time the statutory body is established according to the timetable proposed by the Administration, that is, the first and second quarters of 2007, many important decisions in respect of WKCDD would already have been made and many important projects launched. The proposed statutory body would have no role to play in any of these most material and important tasks.

The Subcommittee has pointed out in both the Phase I Study Report and Phase II Study Report that the Government has not conducted any structured consultation throughout the whole process of developing the WKCDD. We have also made recommendations urging the Government to make reference to examples of consultative mechanisms, namely, the Financial Services Authority of the United Kingdom and the Metropoli-30 of Bilbao.

Before I sum up the recommendations of the Subcommittee, I wish to point out in particular that just like the majority public, the Subcommittee is full of expectations for the WKCDD and hope that it can be launched as soon as possible. We express our regret on the Government's failure to make good use of the past six to seven years to formulate a clear cultural policy, conduct technical and financial studies, outline a vision on arts and culture or to give a clear account of the specific strategies and measures to realize the vision. Nevertheless, no matter if the screened-in proponents will eventually take part in the development, the Subcommittee believes that after summarizing the Phase I Study and Phase II Study, the following six recommendations must be taken into consideration: firstly, to adopt an integrated and co-ordinated approach when considering the masterplan for the WKR; secondly, to further refine the modified development approach by separating the cultural and non-cultural components on the WKR, and the cultural component must be subject to detailed study and structured public consultation before it is implemented incrementally; thirdly, enter into a partnership with the private sector in the management of arts and cultural facilities and review the current management style of the Leisure and Cultural Services Department; fourthly, establish a statutory body immediately to spearhead the WKCDD; fifthly; set up consultation panels to conduct structured public consultation and sixthly, remove the canopy as a mandatory component of WKCDD.

Madam President, I beg to move the motion and hope that Honourable colleagues will endorse the Subcommittee Reports on the two phases of the study.

Mr Alan LEONG moved the following motion: (Translation)

"That this Council endorses the Phase I and Phase II Reports of the Subcommittee on West Kowloon Cultural District Development."

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

MR CHEUNG HOK-MING (in Cantonese): Madam President, the faces and things around us have changed a lot in the course of a decade and to most Hong Kong people, the past 10 years can be described as a roller-coaster ride, but for the tens of hectares of land in West Kowloon, these 10 years have been

unproductive. The West Kowloon Cultural District Development (WKCDD) project is considered pivotal in the Government's effort to develop Hong Kong into a cultural and arts hub in Asia. Unfortunately, the attention of society has focused on whether the WKCDD will become a prime example of selling properties in the guise of culture.

Generally speaking, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) still has a lot of queries concerning this project and it hopes the Government will respond to the following questions in earnest before deciding to go ahead. The first is related to the financing arrangement for the WKCDD. The Government floated a modified proposal in October last year and apparently, it has abandoned the single-tender approach. However, to the DAB, a single-tender approach is still in spirit and substance adopted for this project. The modifications this time around require the Successful Proponent to carve out the development rights of at least 50% of the residential and commercial gross floor area (GFA) for bidding and development by other parties. Meanwhile, the residential GFA in West Kowloon is capped at no more than 20% of the total GFA. The Government also reiterated that the plot ratio cannot exceed 1.18. With all these restrictions, the WKCDD seems like a chunk of fat meat with its fat removed, however, is its leanness now just right? I trust the three screened-in consortia already have some idea. However, as a Member of the Legislative Council and a member of the public in Hong Kong, my greatest concern is that while the Government has changed its strategy in haste, would it lower the requirements of its own volition and even inadvertently draw up unequal terms for itself, thus compromising public interests and planting at least two time-bombs for the future? We believe the first time-bomb is the Government giving the successful consortium full say in deciding which piece of land to carve out and how it should be carved out. This proposal arouses concern about what fair and objective criteria the successful consortium will adopt in carving out land. I hope the Government will control the power on granting land in the WKCDD, so as to ensure that the land carved out to other consortia for development will not be second-rate or of lower quality. When carving out land to other consortia, the Government should also follow normal land disposal procedures, that is, to allow consortia to bid for the land by public auction. Only in this way can it be ensured that this last remaining premier lot in the urban area will be sold at the fairest and most reasonable prices.

The second time bomb is the estimate of \$30 billion for the operating fund. One concept underlining the WKCDD is that it can be financially free-standing.

However, under the Government's modified development approach, the successful consortium has to pay \$30 billion in admission fee, to be used as the operating fund for the WKCDD in future. Up to now, I still do not understand how this \$30 billion was calculated, nor do I know if this \$30 billion will be enough in meeting the expenses incurred by the cultural facilities in future. Of course, four months ago, when the Chief Secretary for Administration replied openly to my question in the Legislative Council, he said that \$30 billion would be sufficient, however, he did not give any assurance on what follow-up action would be taken if the amount was found to be inadequate.

Concerning the financing arrangements for the WKCDD, the DAB has always requested that the land not intended for arts and cultural facilities be sold by public auction. The revenue from the auction should be credited to the coffers and a fixed amount of operating expenditure should be allocated from the coffers each year. I hope the Government will reconsider the DAB's proposal.

Besides, there can be no denying that the potential profits that consortia can make under the modified approach have decreased. The issue of greatest concern to the public is whether consortia will cut costs in response, such that standards will decline and the cultural district cannot reach world-class standards for culture and arts. The DAB requests the Government to disclose the financing arrangements put forward by the three screened-in consortia to the public as soon as possible. I hope in future, it will not so turn out that one can only find the canopy but hardly any exhibit in this cultural district.

The second query is on the powers and functions of the WKCD development authority. The DAB proposes that the Government set up the authority as soon as possible after the conclusion of the consultation period. Its powers and functions are to develop the hardware in the district through discussions with cultural and art groups, then draw up a master zoning plan, so as to design a cultural and arts district that meets the needs of society. The authority will steer arts development in the cultural district and will even be the organization responsible for formulating the overall policy on arts and culture in Hong Kong. Meanwhile, the authority will also be responsible for co-ordinating the cultural and recreational facilities throughout Hong Kong.

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

However, the Government plans to wait until March or April this year before tabling a bill to the Legislative Council and it is anticipated that the statutory authority will come into being only in the middle of next year. In other words, the successful consortium can be considered the natural mother of the cultural district, who, after giving birth without mishap to the baby, entrusts it to the authority which becomes its stepmother. However, the nutritional intake by the mother during her pregnancy is vital to the healthy growth of a baby. We do not wish to see an embarrassing situation of innate deficiency and subsequent malnourishment arising. Therefore, the DAB requests the Government to establish an authority as soon as possible and ensure that the successful consortium will heed the opinions of the authority.

The third issue is related to relinquishing the canopy. The DAB believes the costs of building and maintaining the canopy will probably create an enormous financial burden, which is not cost-effective. A study shows that the annual cost of cleaning and maintenance in future will be difficult to estimate. The DAB believes the WKCD is already a landmark *per se*, so its function and effectiveness does not depend on the existence or otherwise of a canopy.

The last point that we wish to raise is that the Government must formulate a policy on culture. The DAB considers that Hong Kong's cultural policy is not clear, nor can we see how the WKCD can be integrated into the long-term cultural policy. If the Government really wants Hong Kong to become a cultural hub in Asia, it will not be adequate to just spend large sums of money to construct the hardware. We demand that the Government formulate a comprehensive cultural policy. If not, in future, the WKCD will only be a piece of hardware only with features resembling a flying Chinese dragon, devoid of a soul!

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

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

MR ALBERT HO (in Cantonese): Deputy President, throughout this whole saga, we believe the WKCD is essentially a property development project in a

cultural wrapper and also a repeat of the Cyberport on an even larger scale. When I first aired such a view, I was lambasted, saying that we had jumped to the conclusion, and the Government even said that we lacked the originality and vision to give this development approach a try. However, after this multipartite Subcommittee on West Kowloon Cultural District Development of the Legislative Council had worked hard for more than 10 months, during which it had a great deal of internal exchange of views and communication, made a lot of enquiries with the Government and had dialogues with officials in various government departments, the cultural sector and representatives of property developers that had expressed interest in property development, we came to the conclusion that the present mode of development is indeed undesirable and short of merits. We very much agree with the views expressed by Mr CHEUNG Hok-ming just now and also greatly appreciate his clear way of expression. Moreover, his line of reasoning and analyses are very consistent with the remarks made by the Chairman of the Subcommittee, Mr Alan LEONG.

In fact, although Members of various parties held different views on many issues in the past, a lot of our judgements on this issue are very similar. We cannot see why it is necessary to allow property developers to undertake everything in such a mammoth project. Initially, the Government went so far as to say that it was incapable of undertaking the design of such a complex project. The Government even said that it was incapable of designing the complex transport system in West Kowloon, so it was necessary for property developers to carry out the overall planning under a single-development approach. This is really laughable. I said a long time ago that the Government could finish the 10 airport core projects as planned and scheduled and everybody could see that, so why did the Government say that it was incapable of implementing a development project involving 40 hectares of land and had to rely on property developers instead?

Besides, the Government has again adopted the mode used in building the Cyberport by using land as the means of financing and bypassed the monitoring of the Legislative Council. What worries us even more is that if land will be used as a means of financing, we will have difficulty in seeing what financing arrangements property developers will make after gaining monopoly on this project. How can it be ensured that the cultural developments or facilities will meet our needs and the prescribed standards?

As we have pointed out repeatedly in these Reports, this type of Public Private Partnership lacks a Public Sector Comparator, so we doubt if it is appropriate to enter into such a partnership. How can we assess the cost-effectiveness mentioned in the proposal? How can we ensure that property developers will not vary the quality in view of the potential profit and develop the finest and first-rate property developments to make a profit but hand over to us cultural facilities that are all second-rate? More importantly, as Mr Alan LEONG said clearly on the behalf of the Subcommittee, there is a lack of an overall vision on cultural development. In these circumstances, this project must certainly not proceed any further in the original mode conceived by the Government.

Although the Government has proposed some modifications, such as requiring the successful bidder to hand over \$30 billion as a development fund and reducing the amount of land that a property developer can monopolize for its own development to about 65%, which are all desirable, this project has not changed in nature and there are still many inherent defects that cannot be eliminated. For this reason, Members can see that even though a lot of proposals have been put forward for the whole project, none of them is a formal tender. We often talk about the single-tender approach, in fact, it is incorrect to use the word "tender". Where is the tender? Given that even the criteria for screening the participants or interested bidders cannot be disclosed, without any objective criteria, how can people know how the Government makes its assessment? Therefore, it is totally impossible for us to look into this aspect. Furthermore, the financial reports of the developer cannot be disclosed either, so how can we be sure that there are objective criteria to ensure that the screening process is honest and fair? How can we ensure that the development can be implemented in a reasonable and fair manner in future, and as Mr LEONG put it, in a way that is truly value for money?

Deputy President, therefore, I believe it is still not too late for the Government to turn back instead of sinking deeper into this quagmire. The Subcommittee has already made a very good recommendation, that is, to separate the property development component and the cultural component. We should put the land for development to public auction and inject the proceeds into a public statutory body in charge of developing West Kowloon, so that the needs of the cultural sector can be catered to and we can formulate our vision and develop West Kowloon together, instead of wasting any more time. At present, on the one hand, the Government is saying that we are wasting time, while on the

other, it allows property developers to cause delays all the time. It was not a problem when it came to giving property developers a period of three or four months to consider the Government's proposal, however, the Government is now saying that there are a lot of problems. Therefore, I call on the Government not to adopt such a standard and realize that it is still not too late to turn back. Thank you.

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

MR JAMES TIEN (in Cantonese): Deputy President, the proposal relating to West Kowloon has been discussed for many years. However, in the past year or so, there has been renewed interest in this topic. Particularly in 2003, when the Hong Kong economy and the financial situation of the Government were in poor shape after the battle against SARS, it was therefore proposed then that West Kowloon be granted to one property developer for development, as the Government was financially straitened at that time.

I also remember that I said at that time the single-tender approach posed a major problem, that if the Government wanted to adopt a single-tender approach and if it was financially straitened at that time, why it did not parcel out the whole lot for auctions, or put it into the Application List and build the cultural facilities and the canopy (if the Government still insisted on building one) only when it had obtained the financial resources. The Government merely said then that this would not work and it did not have the financial resources at that time. I still remember that when I talked about the single-tender approach, I said that if the then Chief Secretary for Administration (who is now the Chief Executive) adopted the approach, he would have bypassed the Executive Council and that would be autocratic. After saying that, I was blasted in the editorials of a major newspaper for several days but I had little idea why. Nevertheless, I thought that if newspapers wanted to make a fuss in order to produce articles, so be it. It was only recently that I learned from a report in a weekly that the Chief Executive actually has a secret weapon — Mr Albert CHENG is certainly very familiar with this "secret weapon" — it turns out that Mr TO Kit, who has a flair in writing, is the Chief Executive's secret weapon. The report says that this person called TO Kit was the secret weapon that blasted me in the *Apply Daily* until I fell flat on the ground.

In fact, I did not mean to say that the then Chief Secretary for Administration wanted to bypass the Executive Council, only that the adoption of a single-tender approach is not quite right. The most interesting twist is that according to the conclusions of this report today, the only one who still side with the Government, support the Government and voice the views of the Government is the Liberal Party. In paragraph 6.25 on page 89 of the report, it is said that "some members representing one political party in LegCo are of the view that.....". This view is in fact that of the Liberal Party. I have always tried hard to defend the Government against all odds. If Members refer to paragraphs 6.25(a), (b) and (c) of the report, they will get some idea. Deputy President, I will spell out our views in detail again later. We do not insist that the project be sent back to the drawing board. If the Chief Executive still retains this secret weapon called Mr TO Kit, I call on Mr TO Kit to look clearly who are the friends and foes of the Government.

Deputy President, coming back to paragraph 6.25 of the report, the Liberal Party still maintains the same position nowadays as that two or three years ago. We believe that the single-tender approach is undesirable. Some modifications have of course been made in the present new proposal, however, we, and a lot of Honourable colleagues for that matter, believe that even after modification, it is still the single-tender approach albeit in another guise. This is an impression that we share. The present proposal seeks to grant the land to a consortium, which can decide on its own when to carve out a certain portion of the land and in what way it is to be auction.

A lot of people believe that whoever gets hold of West Kowloon will assume a dominating position. This is how property developers and the property sector put it. If someone can get hold of this large piece of land and set the price for each square foot of land, other property developers in Hong Kong will adopt this as the standard price for each square foot of land. The party who gets hold of this piece of land will have the power on whether or not to release it, so this will have a great effect on the price of each square foot of land. However, if the Government is willing to adopt the views of the Liberal Party and apply the so-called single-tender approach only to smaller lots slated for the construction of the canopy and cultural facilities and put the remaining land to auction, in that event, I believe public revenue will be even greater than the amount of \$30 billion at present. Besides, benefits will also be derived from the occasional sale of land by the consortium concerned. I believe if the Government does so, it will have the support of the property sector. More

importantly, it will be able to give a satisfactory account to taxpayers. In this way, the coffers will also have more sources of revenue, so a lot of people believe that this is a better course of action.

I believe that of all the present recommendations, the first and foremost thing is that the Government should, where possible, make further improvements and avoid allowing one consortium to have all the say. For example, we also raised this matter on the last occasion, saying that the Government should make decisions on its own, or let Secretary Michael SUEN decide whether to put the land involved on the Application List or put it to public auction, instead of single-mindedly allowing a property developer to get hold of the right to all the land at the seafront through the single-tender approach and then to put the land close to Canton Road offering little view to auction only in, say, 2009 and even in 2010 or 2012 as it pleases.

Secondly, we have a proposal. The Government has mentioned the sum of \$30 billion. Is it necessary for the amount to be as high as \$30 billion? The Government thinks that the annual recurrent expenditure is about \$500 million, so adding to this \$60 million, the whole sum will be \$560 million. The Government also says it is anticipated that the rate of return from the \$30 billion will be 5%, which is based on the average rate of return of the investments made by the Exchange Fund. On this basis, \$1.5 billion will be made each year and minus this by \$560 million, there will still be nearly \$1 billion left. Is it really necessary to put so much money back to the trust fund?

At that time, government officials said in reply that an additional \$1 billion or \$800 million had to be reserved for the repairs and maintenance of the canopy. The figure quoted is quite stunning. If the cost of building the canopy is \$4 billion and a return of \$1.5 billion is made each year, and if \$560 million is deducted from this amount, the saving will still be more than \$900 million per year. Are we saying that the point of saving up for several years is to rebuild the whole canopy? Therefore, the first point is, I believe there is no need to put down as much as \$30 billion. According to government figures, if the annual expenditure required is only some \$500 million, perhaps \$10 billion is already sufficient. I suggest that the Government put the remaining \$20 billion into the coffers and there is no need to put them into the trust fund.

Concerning the canopy, a lot of people have views on it. Recently, the University of Hong Kong conducted an opinion survey in January and found that

42% of the public supported the construction of the canopy in principle. However, on learning that it would cost \$4 billion to build the canopy and the annual cost of maintenance and repairs will run into millions and even billions of dollars, 77% of the respondents expressed objection. This is an opinion survey conducted by the University of Hong Kong, which found that only 12% of the people supported the construction of the canopy. Therefore, I believe the Government has to look into this new piece of information. The public would agree readily to the construction of the canopy, however, on learning that a certain sum is required for its maintenance and repairs, 77% voiced objection. I believe the Government should think further about this.

Deputy President, the Liberal Party has never demanded that the Government scrap the project and start anew. We can support the present approach adopted by the Government and the Government should submit the proposals we made to the Legislative Council for consideration. Thank you, Deputy President.

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, I support today's motion.

Concerning this piece of land in West Kowloon, I once asked Secretary Michael SUEN a question in the Legislative Council and also expressed my personal view that this piece of land was worth at least \$400 billion. How did I work out this sum? At that time, a lot in Ho Man Tin which was 1 hectare in area was put up for auction and sold for over \$9.6 billion. Everybody knows that the location of West Kowloon and that of Ho Man Tin are in fact worlds apart. Moreover, over the past two years, land prices have risen to astronomical amounts. At that time, Secretary SUEN said that since there is no reason to build in a cheek by jowl fashion, it was not possible to include all 40 hectares in calculating the value. What he said was reasonable, however, one must not forget the two factors that I have pointed out: West Kowloon is far superior in terms of location and environment.

All right, I said that that lot was worth \$400 billion, but now, I would even say that it is worth \$1,000 billion. The Government said it was not worth that much, anyway, it should provide a figure. If the Government wants to convince the public, first of all, it has to provide a specific figure, instead of just

agreeing that it is worth so much or saying it is not worth that much. I dare say it is worth \$1,000 billion. If the Government thinks that it is not worth that much but only \$100 billion, will the Government please say so?

Furthermore, the Government is in fact showing contempt of the Legislative Council. What do I say so? This is because the Government has all along adopted the strategy of taking out one target at a time. The views of various political parties are divergent, so these parties are constrained by one another. The Subcommittee on West Kowloon Cultural District Development has convened 22 meetings. Although I am one of its members, initially, I did not hold much hope, thinking that there would only be empty talk. However, the second Report makes me enraptured because it has the gumption to look squarely at the facts. Members have put in a great deal of efforts and put aside the differences between political parties in order to achieve a common goal. The common goal of the Subcommittee is to protect the interests and rights of the public, which is worthy of our commendation and encouragement.

Right, the attitude of the Government is actually one of avoidance, that of hiding in a corner. The Government came up with the idea of requesting developers to set down \$30 billion, however, what does this actually mean? Who worked out this figure of \$30 billion? The Government actually hopes that any of the three consortia will decide not to take part because of the inability to shell out \$30 billion. The problem is, if less than two consortia take part, the Government will have to start anew and the project will again be delayed.

Therefore, Deputy President, this is another kind of deep-rooted contradiction. What does this mean? Some Hong Kong people still hold the view that the Government is colluding with businesses, something left over by history. We can see that in the British-Hong Kong era before the reunification, special favours were in fact bestowed on many consortia. Similarly, after the reunification, some instances also revealed to us the collusion between the Government and businesses, or the fact that some people received special favours. Therefore, the Government has to recognize that there are deep-rooted contradictions and it has to dispel people's misgivings. If it tries to set up a barricade by citing a host of problems, this will only show that the Government's design this time is to make one last transfer of benefit. After that, the Government will perhaps change because circumstances have changed.

A rumour is doing its rounds that on one occasion, after the former Chief Executive took a plane back to attend a meeting, hardly had he taken any rest before asking a Member versed in matters of property to come to the meeting room of the Executive Council immediately and asked if the lot in West Kowloon was very large and worth a lot of money. How possibly could he not know? Anyway, this is just a rumour, still, I believe it is quite credible.

Deputy President, personally, my concern is that this piece of land in West Kowloon is the property of the public and it is worth a fortune. If we are willing to develop this piece of land properly by adopting the value judgements of the property sector, so that it can attract visitors from all over the world just like the Fifth Avenue in New York, is that not just as desirable? It may not be absolutely necessary to develop cultural facilities or other facilities on that piece of land. In order to achieve a win-win situation, this item of resources should be utilized properly. A number of Members have also said that the land use should be delineated clearly by separating the property development and cultural development. Why should the two be intermingled? Mingling the property and cultural developments together can only be further proof that the Government has designs to satisfy some private interests in future.

Everybody can see that a lot of senior officials have taken up posts in consortia after retirement. The public is worried and concerned about this. As Members of the Legislative Council, our job is to monitor the Government, however, in fact, we are incapable of doing so. Therefore, I very much hope that the Government will refrain from wielding its undue power, and this is particularly so with regard to our new Chief Secretary for Administration, whose recent actions do not accord with realistic interests. Of course, we understand that the mass media in Hong Kong have in fact been unified and some people are trying to help the Government behind the scenes. Regarding such a situation, we are powerless to change it. What the public see and hear is comments favourable to the Government. I myself am not totally against this, however, we must bear in mind that if the Government goes too far, one of these days, it will reap what it sows.

I very much hope that on this issue relating to West Kowloon, Members can be more united and express our wish to the Government, so as not to let the Government bypass the supervision of the Legislative Council on the ground that no public funds are involved. We understand that all public assets, be it in the

form of money or other forms of wealth (such as land), belong to the public. If the Government does not use them appropriately, the public ought to come forward boldly to express their criticisms and objections.

MS EMILY LAU (in Cantonese): Deputy President, I speak in support of the motion moved by Mr Alan LEONG on behalf of the Subcommittee.

As Mr Albert HO put it, if the WKCDD is really implemented in the way the Administration would have it, I believe many members of the public will still consider the problem of collusion between the Government and business very serious. We are also rather unhappy about the absence of the Chief Secretary for Administration from our meeting today, however, we hope that the Administration can really hear the views expressed by Members and look at the recommendations in the Reports. Although a Member from the Liberal Party made a point of reading out a passage referring to the party, saying that they might accept the present modified proposal, Deputy President, I hope the authorities will know that the great majority of Members in the Legislative Council does not accept it.

As Mr Alan LEONG has made it very clear, we think that the six recommendations made by us are practicable. However, Deputy President, what do we see in return? None other than a letter faxed by the Chief Secretary for Administration to Mr Alan LEONG today, saying that he could not attend this meeting and would ask Secretary Michael SUEN to come in his place. He also explained why he could not attend this meeting. He said he needed time to study the responses of the three screened-in proponents (that is, those consortia) to the proposal proposed by the Administration in October last year and that the process of considering the responses would include consulting the Executive Council. After the Government had completed all procedures and obtained more information, the Administration would inform the Legislative Council.

Deputy President, the present problem facing us is that the legislature has a very clear set of views that has the backing of many members of the public, whereas it is not known whose backing the executive authorities have for its set of proposals. However, what sort of press release did the Chief Secretary for Administration say the Government had issued soon after the release of our

Report on 6 January? The Government said that our proposals had deviated substantially from the original concept of the Government in developing the WKCD. Surely there is deviation, for we do not approve of the Government's approach. Deputy President, so what happens with the deviation? It is cast aside, so when we wrote to invite the Chief Secretary for Administration and other officials to come here, the Chief Secretary replied that he could not see any need in coming here and talking to us, therefore, he would come and talk with us only after the discussions have been concluded and there are some clues to the establishment of an independent body in charge of West Kowloon. In these circumstances, our legal adviser also reminded us that Articles 64, 73, 62, and so on, of the Basic Law all mention the duties of the authorities in the SAR. At that time, I also asked if the present actions amounted to a violation of the Basic Law. I notice that some academics also consider that this state of affairs pretty much fits that description. Such is the attitude of the Government.

Furthermore, the letter today says that the Government must consider the views of the three screened-in proponents and a decision will be made afterwards. The Executive Council will be consulted again and the final go-ahead can then be given (not to spur things on, as someone put it just now). Only then will the Chief Secretary for Administration come here. Deputy President, what is the point of coming here by then?

I believe the Secretary is aware of that at present, that if we want to improve the business environment in Hong Kong, we certainly cannot condone collusion between the Government and businesses or allow a small group of consortia which are so fattened as not being even able to tuck up their socks to wield undue influence and continue to enjoy such benefits. Moreover, it is necessary to let the business sector know that the situation is very bright and clear or how the situation here is like before they will make investments. The message issued is that — I wonder how the Secretary will reply later — the Legislative Council has a set of views. If this set of views can be put into practice, I believe the Liberal Party will also support it, if not, the Liberal Party will just say, "So be it, we can just be the loyalists.". However, the other 50 Members do hold a set of views but the Administration is saying, "It's none of my business. I couldn't care less what views you have.". It is now considering the responses of the screened-in proponents, after which it will submit the results to the Executive Council and then proceed.

Deputy President, if such a course of action is taken, what will be done in future? Does it mean that the Government will not submit the whole project to the Legislative Council for scrutiny? I do not believe this will be the case. Even if it is not incumbent upon the Government to submit the project to the Legislative Council for scrutiny, if such an important project is totally at odds with the views of the Legislative Council, why should the authorities still do such a thing? If things turn out this way, how can the business sector be convinced to make investments? Moreover, as Members have also pointed out, in future, when the \$30 billion is used, will the sum really be enough? If undertakings are not honoured or a lot of problems occur, what can be done then? Of course, a lot of people will no longer be in office by then, however, the public will still remain in Hong Kong, therefore, Deputy President, I believe these problems should be taken very seriously.

The Chief Secretary is telling Mr Alan LEONG that there is in fact no problem, in contrast with Mr LEONG's comment that he believes there was a problem with the attitude of the Chief Secretary for Administration. Certainly, the attitude of the Chief Secretary is very good and I noticed that his attitude at luncheons was even better. Deputy President, you were seated right in the middle, so you can bear witness to that. However, a luncheon is just a luncheon, so why did he come when it was a luncheon — Mrs Selina CHOW also once blasted Secretary Dr York CHOW, asking why, when he was invited to meals or to have seafood, he could make it, but when he was invited to meetings, he could not be present? Sometimes, I can also imitate the actions of the Liberal Party quite quickly.

The point is, if the Legislative Council invites officials to attend meetings and if the officials concerned say that some issues have not yet been settled, Members can understand such situations. However, this Report was released such a long time ago. It was published several weeks ago and the Legislative Council also issued many invitations to ask the Chief Secretary to come here. However, Deputy President, it turned out that in the end, not even one soul is present. Instead, a letter has been issued to the Legislative Council on the same day and photocopies have been distributed to us Members, so it can be seen that this is really an example of "we Hong Kong people talking on our own". If the practice in this West Kowloon saga is like this and so it is in other matters, what will the relationship between the executive authorities and legislature be like?

Therefore, the first issue is the relationship between the executive authorities and the legislature. On this issue over West Kowloon, if the authorities want to press ahead single-mindedly and completely ignore our recommendations, if they will only continue to consider the proposals of the three consortia concerned and even reply to them, then the Secretary really has to tell the Legislative Council and the public what measures will be adopted to iron out such matters as the relationship between the executive authorities and the legislature. In addition, how can the Government make the business sector feel that the executive authorities and the legislature will agree to certain measures that will create a bright and clear business environment?

Finally, Deputy President, I have to read out the last paragraph of the letter from the Chief Secretary. He said that he was glad that we had raised the issue of the powers and functions of the legislature and the executive respectively under the Basic Law. He would like to assure us that the Administration, in the near future, would give a comprehensive and substantive public elucidation on this important issue. He did not even mention the Legislative Council — of course, we can perhaps be treated as part of the public. In view of this, it can be seen to what position he has relegated the Legislative Council and I believe Members should already have a very clear idea.

MISS CHOY SO-YUK (in Cantonese): Deputy President, the West Kowloon Cultural District Development (WKCDD) is the largest development project after the reunification. It is also an integrated development project consisting of elements of tourism, property development and culture. Not to mention the fact that no property developer has any relevant experience in carrying out such a development, even the Government lacks the experience in carrying out similar projects or any other project of a comparable scale. Therefore, it is necessary to tread carefully to avoid any *faux-pas* that will lead to irreversible major mistakes.

In view of this, as early as the time when the WKCDD was mooted, the DAB summarized 10 major questions about three areas and demanded that both the Government and the consortia involved to state their positions clearly on such matters as the operation of the cultural component, public participation, mode of development, screening procedure, design of the software and hardware of the project, financing arrangements and overall planning.

The DAB fully supports the study Reports published by the Subcommittee because quite a number of the criticisms and recommendations set out concur with those made by us in the past, such as establishing an authority for the WKCD as soon as possible and enabling the authority to play a more important and active role, carrying out extensive consultation again and formulating a comprehensive cultural policy, relinquishing the canopy, separating the property development component and the cultural component, and so on.

We must stress that the DAB is not insisting that the WKCD be scrapped and started afresh. However, before developing West Kowloon, the Government has to truly put into practice the principles proposed by the Culture and Heritage Commission, namely, being "people-oriented", "establishing a partnership" and being "community-driven". The voices in the community are already very clear and the SAR Government cannot stick to the attitude it adopted before the reunification by claiming that there is no explicitly written cultural policy, or merely paying lip-service without putting into practice its policies when implementing projects or strategies, in an attempt to muddle through and shirk its responsibility of cultural development. In fact, a number of groups have further demanded that when formulating a long-term cultural policy, the Government has to adopt the principle of plurality from one origin, that is, to adopt Chinese culture as the origin and direction in developing the WKCD. In the final analysis, Hong Kong is part of China, so we cannot abandon our cultural roots even as we develop a world-class cultural landmark.

Deputy President, another issue which the Government should review is that, under the present planning, a large number of arts and cultural hardware will be included in the WKCD, including four museums, a number of theatres, a performance venue, arts galleries, an image studio, an art exhibition centre, an arts and design centre and a centre for cinematic studies, and so on. However, is there any compelling reason for the Government to build all the hardware in West Kowloon? Not to mention the issue of whether the transport will be convenient and whether there will be enough visitors, one cannot help but cast serious doubts on whether putting all these costly cultural venues in West Kowloon will yield the best results. Since the Subcommittee has urged the Government to split the cultural component and property development component in the West Kowloon project, why does the Government not take this opportunity to review the siting of such hardware again, for example, to consider

building it at the Tamar site and the Central Reclamation instead, whereas West Kowloon can be slated entirely for property development?

Finally, since the Government wants to shape West Kowloon into a world-class landmark, it should take this opportunity to showcase to the international community Hong Kong's efforts in achieving sustainable development. Specifically, apart from taking into full account environmental protection when carrying out development, it is also necessary for the Government to introduce a system of green auditing, so as to factor into the development cost such items as the expenses on repairing environmental damage and the cost of tackling air pollution. For example, we have to gain some understanding on how much demand for transport will be generated as a result of the WKCD. By then, how serious will the air pollution become? How much in medical expenses will society have to pay as a result? We also have to know how much damage the development project will inflict on the surrounding area. Has the consumption of natural resources been reduced to the minimum? How long will the buildings last? Should it be necessary to demolish them one day, what will the expenses be? All these areas should be factored into the financial account for the entire WKCD.

Deputy President, although there are still some controversies surrounding the aforementioned method of calculating the green GDP, this concept has been introduced in five cities on the Mainland. As the world city in Asia, how much longer do we have to wait? With these remarks, Deputy President, I support the motion.

MR LEE WING-TAT (in Cantonese) : Deputy President, when the Chief Executive was interviewed on the radio during the Chinese New Year, he made a remark and the thrust was that he felt the Legislative Council sometimes had gone too far in monitoring the Government. Sometimes, the press also asks what examples can substantiate this point. I remember that on some occasions, the Chief Executive, Mr Donald TSANG, expressed his discontent with such great supervision and interference from the Legislative Council over the power to use the land in West Kowloon because in his view, according to the provisions of the Basic Law, it is the inherent power of the executive to decide how land should be used, and if I may use a more colloquial expression, there is no reason for the Legislative Council to "stand in the way" and voice so many opinions.

On this, my response is very simple. If we are talking about an ordinary lot put up for auction, I, as the Chairman of the Democratic Party, will not make any noise. If this piece of land is put up for public auction and the procedure is open and fair, there is no reason for us to intervene. The problem is that this lot is worth \$100 billion — Mr CHIM Pui-chung put the value at \$400 billion but I do not know how he arrived at that figure. Some people put the value at \$100 billion, but Mr CHIM Pui-chung is "a great bull", so he put the value at \$400 billion. Since this huge piece of land worth over \$100 billion will not be put up for public auction, I believe it is right for the Legislative Council to represent the public in monitoring this matter. The Government believes that the power over land use rests with the executive, however, how possibly can this power be extended infinitely to include everything? If it could be, can the Government demarcate a concession? Of course, it cannot.

In fact, the crux of the first problem lies in the perception of the executive that its power over land use is being interfered with by the Legislative Council without good reason — but this is merely its perception. However, the lesson of history is that be it the Cyberport or the Hung Hom Peninsula in the past, whenever land development was involved, the public would harbour a lot of misgivings even though they were packaged in some other forms.

Even nowadays, if the public is asked questions about the Cyberport, I believe over half of them will still consider it more of a property development than a project in high technology. It is really difficult for the Government to exonerate itself from suspicions of collusion between the Government and business or the allegation that a certain group, consortia or family has bagged all the benefits.

Deputy President, the second issue that I wish to talk about has to do with the responses made by the Chief Secretary for Administration after listening to the Report of the Subcommittee last year. There are two points that particularly draw my attention. Firstly, he said that the recommendations in our Report had deviated substantially from the Government's decisions. They have certainly deviated from the Government's decisions because our views are different from the Government's. I am not going to dispute this point. Secondly, he asked a question to which we actually find necessary to respond, and that is: If the present mode is not adopted — the present mode is to sell the land so that \$30 billion will become available to build the facilities — how can the Legislative

Council ensure that this project will have stable financing, so that firstly, the cultural facilities can be constructed and secondly, the maintenance and repairs of those facilities can be assured? He asked us how we could ensure that.

In fact, firstly, when working out the amount, the Government has taken into account the adequacy of the fund amounting to \$30 billion in meeting the costs of the ongoing upkeep and operation of those cultural buildings after construction; secondly, how much money is needed for building the so-called cultural complex? In fact, an estimate was made in the past. I remember that a certain Prof HUI of the University of Hong Kong once made an estimation and the sum required was between \$10 billion to \$15 billion. No matter how one calculates the amount of money, I believe that, based on the present scale, the cost of constructing those cultural facilities, together with those of their ongoing upkeep and operation, will not exceed \$50 billion in any event. Is this piece of land worth \$50 billion? It obviously is. The Government can split the land into smaller parcels using this method and auction them separately. What we have to do is to see whether a consensus can be reached in society on allocating \$50 billion over a long period of time. Of course, when the public learn that \$50 billion has to be shelled out, they will think that it is better to spend it on health care and education. In fact, it is just the same if land is used instead. Sometimes, when the public look at this issue, they think that only banknotes count as money, however, land is in fact also money and the Government is actually shelling out \$100 billion in the form of land.

In my estimation, \$50 billion will suffice for carrying out cultural development and meeting the future costs of operation, repairs and maintenance. If there is a consensus in society to establish a fund for such purposes, it is not true that there is no alternative. To establish a fund for the purposes of operation, repairs and maintenance of this development is also a way of ensuring steady financial income. The Government often asks the Legislative Council and political parties what other arrangements they can come up with, so this is one. In fact, the Government's own proposal also indicates its preference.

Deputy President, of course, we hope that the Government will listen to and accept our views. However, sometimes, my concern is not about it refusing to accept them but that it will keep lowering its own requirements. Of course, I support this Report published by the Subcommittee and hope the Government will follow its recommendations, however, I have also made some adjustments to my expectations. The Government must not lower its

requirements time and again. In October last year, the Government said that it had two basic requirements. First, the property developer concerned must shell out \$30 billion as the trust fund. However, will Members please take a look at what property developers said to the press in mid-January? First, they asked whether this \$30 billion was warranted. What they meant was that they wanted the Government to reduce the sum. Second, they asked if it was really necessary to pay the sum at one go right from the start. Secretary Michael SUEN, you said in your statement that payment had to be made at one go at the beginning and payment in installments was not allowed.

Concerning the sum of \$30 billion, Chief Secretary Rafael HUI said in reply that — I am not sure which Member of the DAB he was responding to when he said this, but it seems to be Mr LAU Kong-wah — it was possible only to make the sum of \$30 billion more, but not less. Please refer to the verbatim record of Chief Secretary's reply to the question asked in the meeting of this Council on 6 October. He really did make those remarks. I am not worried that he will not accept my advice — I am sure it is most likely he will not accept it — rather, I am worried that he will lower the requirements again and again and later on, he will say the sum does not have to be \$30 billion and then say that there is no need to pay it at one go and payment in installments will be allowed.

Another issue is how the land should be parcelled out and this is very important. Who will have the say over which parts of the land will belong to the cultural complex and which parts will be put up for auction? We have no idea now. Who will decide when the land will be put up for auction? This will have an effect on the prices. The Government has not elaborated such matters so far.

Deputy President, of course, I support this demand made jointly by many parties, however, will the Government be able to meet the basic requirements spelt out by me? Will it change its stance time and again in order to accommodate property developers? I have no idea either. Does the Government have any "bottomline"? I really do not know what its "bottomline" is. I hope the Government will not change its stance time and again in order to accommodate property developers. Thank you, Deputy President.

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

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, the Chief Executive, Mr Donald TSANG, said when being interviewed on the radio last week that although the Legislative Council could play a monitoring role, we Members must not overstep our bounds and make politics our foremost consideration in every issue. Deputy President, I believe the West Kowloon Cultural District Development (WKCDD) is perhaps one of the issues which Mr TSANG thinks the Legislative Council has overstepped its bounds. This is because in the Government's original scheme of things, this project in West Kowloon would be implemented and managed in the single-development approach. Under this arrangement, no government funding is necessary, so according to the law, the Legislative Council can be completely bypassed. This situation is very similar to the Cyberport project, which was implemented in 1999.

Deputy President, when it comes to the word "Cyberport", I believe a lot of people will immediately think of another issue, that is, collusion between the Government and business. In fact, it has become synonymous with the Cyberport. At that time, the Government granted 26 hectares of land to a certain developer without putting it out to tender. In the past four years, the letting rate of the Cyberport is only as low as 54%, however, the Residence Bel-Air is another story altogether, with money rushing in like water. The Government anticipates that the developer will eventually make a profit of \$6.2 billion, a sum that is really stunning.

Deputy President, the land involved in the WKCDD is valued at \$200 billion, which is equivalent to one tenth of the Gross Domestic Product. The 40 hectares of land is also equivalent to 80% of the total area of land sold annually before the reunification. Given the precedence of the Cyberport, this time around, the Legislative Council will surely not lower its guard over the WKCDD, so it established a Subcommittee to scrutinize the whole project. I believe this is a responsibility incumbent upon the Legislative Council, not a case of the Council "overstepping its bounds".

The Subcommittee released two Reports in July last year and January this year respectively, pointed out the six mistakes made by the authorities over this project in West Kowloon and made some practicable recommendations to the authorities. If the Government can accept these recommendations, not only will the Legislative Council be able to play the role of a gatekeeper, this project in West Kowloon can also be launched as soon as possible. Deputy President, meanwhile, another very important matter is that the Government can wash itself

clean of suspicions of collusion between the Government and business, so that an all-win situation for the three parties can be achieved.

However, unfortunately, the Government still insists on implementing the WKCDD after making minor modifications. In fact, the new proposal is even worse than the original, since the consortia awarded the tender will still be given priority in securing half of the prime commercial and residential land. The new proposal will also absolve the consortium concerned of the responsibility to undertake the operation and repairs and maintenance of the cultural facilities for 30 years. In the event that such facilities as museums and theatres cannot align with the demand in society, it will be the overseeing authority that has to tidy up this shambles.

Deputy President, since the Subcommittee has pointed out the various problems and potential risks in the original concept proposed by the Government, as well as making recommendations that do not require scrapping the whole project, I do not understand why the Chief Executive, Mr Donald TSANG, and the Chief Secretary for Administration, Mr HUI, still want to stick to a deficient and defective proposal and refute that the recommendations of the Legislative Council are conservative. Does the Government want to be at loggerheads with the Legislative Council? Does it think it has to boot the Legislative Council out of this project in West Kowloon before strong governance is realized?

What is more, in the entire process of formulating the policy on this project in West Kowloon, the Government has all along only entangled itself in the single-package development approach and the canopy design. However, it has never given the cultural sector, the Legislative Council and the relevant Policy Bureaux any opportunity to explore, in the context of this project in West Kowloon, the development of and the vision on culture in Hong Kong, as well as other development blueprints. This is indeed disappointing.

Strong governance does not mean self-righteousness, still less does it mean enforcing policy directions arbitrarily with the full knowledge that they are problematic. Not only will this fail to advance the project in West Kowloon, the Government will also be unable to dissociate itself from suspicions of collusion between the Government and business, as I mentioned earlier. Such a course of action is really regrettable.

In fact, strong governance must be founded on a co-operative attitude adopted by both the executive and the legislature. Only in this way can the policies introduced by the Government have public opinion as its foundation and at the same time, win the backing of the legislature, thus promoting desirable developments. However, the present actions taken by the Government really give people the impression that the Government has lost all credibility. Therefore, I hope the Chief Executive and Chief Secretary Rafael HUI will not remain obstinate and should now turn back before it is too late, consider the recommendations made by the Subcommittee of the Legislative Council carefully and accept them.

I so submit, Deputy President.

MR RONNY TONG (in Cantonese): Deputy President, a number of Members have pointed out where the problems with the West Kowloon Cultural District Development (WKCDD) lie. In fact, the most important points are that, apart from the Government's overweening and self-righteous remarks and actions in dealing with this issue, the proposal presented also are also fraught with doubts, for example, those relating to the concept of a canopy, the financing arrangement, management and upkeep, the mode of development, risk exposure, and so on, so a host of problems exist. However, the most important thing is that the whole WKCDD gives people the impression that it is one massive property development project without any vision for cultural and arts development.

On this matter, the attitude adopted by the Government also gives people the impression that it lacks sincerity in facing the public. In the so-called consultation exercise, apart from the absence of any mechanism to collect, process and analyse public opinions systematically, a leading tactic was adopted in collecting public opinion to skew the opinions collected in the Government's favour as much as possible. For a while, the Chief Secretary for Administration even declined to attend the meetings of the Subcommittee and a number of Honourable colleagues have already voiced their views on this. Such behaviour of the Chief Secretary for Administration in fact only served to further tighten the tension between the executive and the legislature. In addition, the media reported that officials of the Home Affairs Bureau had told the media that they thought the recommendations of the Subcommittee were in fact designed to usurp power. Obviously, the attitude of the Government in this regard is reflected in the remarks made by the Chief Executive a few days ago, who said, "You have overstepped the bounds!"

A number of Honourable colleagues have mentioned this remark made by the Chief Executive, however, where are the bounds? Honourable colleagues, a former member of the Basic Law Drafting Committee, Prof XU Chongde, mentioned in his book, *A Course on the Basic Laws of Hong Kong and Macao*, that at that time (meaning when the Basic Law was drafted), there were mainly three views: (1) a legislature-led model, (2) an executive-led model and (3) mutual facilitation, as well as mutual checks and balances between the executive and the legislature. After prolonged discussions, the majority of members of the Basic Law Drafting Committee agreed to adopt the third option and to give substance to it in the Basic Law. In fact, we can see from Article 64 of the Basic Law that the line has been drawn clearly. It is stipulated *inter alia* that the SAR Government must — and it is "must", not "may" or "can" — be accountable to the Legislative Council and it shall obtain approval from the Legislative Council for public expenditure.

The Public Private Partnership (PPP) mode proposed by the Government seeks to use publicly-owned land to exchange for capital from consortia to implement the project. Moreover, on the grounds that the PPP mode, in which land is used to exchange for capital, will be adopted in carrying out the development and even in its future operation and management, and that no funding approval by the Legislative Council is required, the Government is trying to evade the supervision of the Legislative Council and the public. We have said publicly a number of times that constitutionally, and logically speaking, this argument is untenable. Just think about this. If the Government forgoes the revenue that could otherwise be derived from auctioning the land in West Kowloon and receives no money whatsoever in exchange for undertakings from the developer to build some public facilities, this is just the same as using the revenue that the coffers could have originally received to pay for the expenses on the relevant facilities. May I ask how one can possibly say that no public expenditure is involved?

Deputy President, in constitutional law, the Basic Law is a constitutional document and the provisions therein are general in nature and have their legislative intent. It is necessary for us to give them purposive construction. Therefore, the Government cannot be selective and give a narrow interpretation to Article 64, which I have mentioned, by arguing that through private agreements and in using land as the capital in its co-operation with consortia or to pay for government expenditure on public facilities and offsetting debts, this is beyond the scope of public expenditure subject to the supervision of the

Legislative Council. If this were the case, then Article 64 of the Basic Law would be useless and one may as well not spell it out.

Deputy President, as pointed out in the Subcommittee's Report, the WKCDD proposed by the Government is a project using arts and culture as the wrapper and the Government's irrational insistence on the single-package development approach has drawn continuous criticisms against collusion between the Government and business and the transfer of benefits. This is also the outcome on the WKCDD that the general public wish to see the least. We dearly hope that the Government will wake up to this fact and turn back before it is too late, so that arts and cultural development in Hong Kong can embark on a new course.

Finally, I wish to express my heartfelt gratitude to all members in the Subcommittee, in particular, to the Chairman, Mr Alan LEONG, and also express my support for the Reports on the Phase I and Phase II studies, and wish that they will be endorsed. Thank you, Deputy President.

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

DR YEUNG SUM (in Cantonese): Deputy President, I wish to express my gratitude to our Subcommittee. Under the leadership of Mr Alan LEONG, the Subcommittee has published its Phase II Report after convening more than 20 meetings. The most invaluable thing is that Members from different political parties and factions could work together with a common direction in mind and voice unequivocal challenges to the basic, or fundamental, principles underlining the Government's idea. This is indeed most invaluable. Usually, only technical challenges will be put forward, and challenges to fundamental principles or critical questions about the overall design are rarely seen in a report of this nature. The Subcommittee has also made a number of sound recommendations, and Mr LEONG has already discussed them earlier. I think these recommendations are all very clear and pragmatic.

Deputy President, since the West Kowloon Cultural District Development (WKCDD) has led to renewed attention to the Cyberport project in the past, the Chief Secretary for Administration and Chief Executive have repeatedly suggested or even said openly that the Legislative Council has overstepped the

bounds. On the Government's power of using land, in particular, they have repeatedly cited the Basic Law, saying that land is at the absolute disposal of the Government, and that since the use of land does not involve any public expenditure, there shall be no need for the Legislative Council's scrutiny and approval or any detailed consultation. I basically do not agree to such an argument because the Legislative Council is also responsible for approving the budget, and there must be the Legislative Council's approval for every funding application from the Government that exceeds a specified limit. Land is an important asset of Hong Kong, and its auctioning and open bidding will bring huge revenue increases to the Treasury. I therefore object very strongly to the saying that the Legislative Council is not supposed to monitor the use of land.

Another point I wish to raise is about the Government's frequent references to strong governance. But I must say that strong governance is not equal to intransigence and a refusal to accept divergent views that can bring forth amendments in line with the overall public interest. Members may review the case of the constitutional reform package put forward by the Government. At that time, it claimed that there would be no room for any amendment, but in the end, it hastily introduced some adjustments. However, all was already too late. It seems that all this has been repeating itself in the case of the WKCDD. The Reports of the Subcommittee fundamentally query the Government's design, but Secretary Michael SUEN has simply replied that its recommendations are a complete departure from the fundamental concept of the Government. This means that he will continue to go his own way despite the opinions of others, and that as long as the three screened-in consortia continue to indicate their interest, the Government will go ahead despite opposition. If this is really what they mean by strong governance, I am afraid I must say that it is a complete departure from State President HU Jintao's advocacy: the Government must forge a consensus and foster social harmony in Hong Kong.

Deputy President, I must point out clearly that the study reports of the cross-party Subcommittee are basically critical of the Government's original design for the WKCDD. If the Government remains so intransigent, how can it be possible to build up a harmonious relationship between the Government and the Legislative Council? What is more, having talked to some property developers, we can say that they strongly oppose the single-package development approach. It is true that so far, they have rarely expressed such a view openly, but during their closed-door meetings with us, they did voice the strongest opposition to this approach. They expressed the view that the single-package

development approach designed by the Government was in fact tailor-made for a handful of property developers. They do have strong grievances, but they dare not voice them openly. On my part, I am concerned about this question: Will the Government's approach completely destroy fair competition, which is presumed by both Hong Kong people and the international community to be a long-standing principle upheld here? Will people thus think that the Government is trying to funnel benefits to certain property developers? This will have very serious implications on the development of Hong Kong in future.

I also wish to point out that besides software, cultural development also needs hardware. The WKCDD is obviously designed as a cultural hardware facility with the aim of providing Hong Kong with a landmark for attracting inward investments or adding to its tourism attractions. Such a concept of design is attributable to the economic recession. But the economy of Hong Kong has been recovering gradually, while land auctions have seen improving results, bringing huge increases in Treasury revenue and making it possible for the Financial Secretary to reduce taxes. Therefore, in retrospect, I really doubt whether it is still necessary to adopt the concept of design put forward during the recession, that is, the approach of giving property developers the incentive of land profits in return for their promotion of cultural development, as in the case of the Cyberport.

I live near the Cyberport and when I bought my present home, the Cyberport was not yet constructed. But shortly after I had purchased my flat, the Government announced the construction of the Cyberport. Every night, when the lights were all on in the Cyberport site and when I looked at it from afar, I could not help asking, "How many people will really live there? How many units can really be rented out?" Then, when I looked at the luxury apartments of Bel-Air, I asked, "What results can we achieve if we rely on land and the efforts of property developers to promote the development of technologies and information technology? Who will reap the benefits anyway?" The beneficiaries are obviously property developers. Therefore, it will be very miserable for the WKCDD to follow the same old path of the Cyberport. I hope that when we still have the time and opportunity, the Secretary, the Chief Executive and the Chief Secretary for Administration can listen carefully to the views of all political parties and factions. It is hoped that they can stop before it is too late and then readjust the whole project on the basis of our opinions.

Thank you, Deputy President.

MS MARGARET NG (in Cantonese): Deputy President, the constructive recommendations contained in the Subcommittee's two Reports represent the efforts and sincerity displayed by Members from all political parties and factions as well as by the various social sectors in their serious discussions over the past one year or so. The Reports should receive the support and recognition of this Council and the SAR Government.

I wish to focus on one particular issue mentioned in paragraphs 6.27 and 6.31 of the Report: the immediate establishment of a statutory body responsible for promoting the development of the West Kowloon Cultural District (WKCD) and the setting up of an advisory committee for the conduct of a systematic public consultation exercise. People in the cultural sector are especially eager to know how we can ensure that the WKCD Development (WKCDD) can really foster cultural development. They want to ensure that the long-term policy on cultural development will not be formulated by bureaucrats behind closed doors but will be truly founded on the active involvement of the people and the cultural sector instead. How can this be achieved?

The Government's stance is like this: There has been consultation and there is already a long-term cultural policy. The existing project can already take full account of all factors, so if people keep on finding faults with it, if people still demand further consultation and discussions on a cultural policy, they are in fact trying to undo the whole thing and begin afresh.

Such a stance has put the general public, particularly the cultural sector, in a dilemma. The Subcommittee treasures the valuable opinions formed by the civil society through practice and careful thinking and it also recognizes the wish of all to see the launch of the WKCDD as early as possible. As a result, the recommendations made by the Subcommittee can cater for the demands of both sides. We propose the establishment of a permanent mechanism. First, a statutory supervisory body should be set up as quickly as possible to plan and lead the development of West Kowloon. Besides, at least two standing committees should be set up. One of these committees should comprise people from the "relevant sector", that is, the cultural sector. The statutory supervisory body must hold timely, focused and systematic discussions with this standing committee on all matters relating to the project, ranging from overall planning to each and every step on the adoption of software and hardware, so as to consult its views. If a proposal cannot be accepted in the end, a clear account of the reasons for rejection must be given. This is not only a sign of respect for

the proponents but also a way of ensuring that the decision-making process is underlined by genuine and full discussions, and that all the conclusions are backed up by sound justifications.

The Subcommittee believes that the cultural and arts policy must adhere firmly to a broad direction and principle. We also believe that there should be gradual development in keeping with social progress. The objective of our proposal is to ensure an institutional status and role of the cultural sector in the course of participation.

The Subcommittee is especially concerned about the fact that the ageing and bureaucratic management of cultural facilities has proved to be a major obstacle to cultural development. Consequently, in paragraph 6.26 of the Report, we put forward a new proposal on the "responsibility for arts development".

There are actually many more valuable opinions. In order to facilitate the adoption of the views put forward by the various social sectors, the Subcommittee has collated all the views received and compiled a "Compendium of Public Views" and a list of all submissions. That way, the views submitted to the Subcommittee will never be lost and can be accessed whenever necessary. The Chairman of the Subcommittee, Mr Alan LEONG, has referred to our painstaking efforts. This is only some small proof.

Deputy President, the Government has been trying to gainsay the study Reports categorically, even refusing to attend the discussions held by the Subcommittee. I really find this very regrettable. Mr Ronny TONG has already discussed the issue of constitutional responsibility just now and so have other Members. I will not therefore dwell on this. However, I hope the public can realize that this issue is by no means any complicated legal problem. It is a plain truth that the executive must be accountable to the legislature. It is the plain responsibility of the executive to hold itself accountable to the public through the legislature. However, the Government has evaded this responsibility, failing to answer the Subcommittee's questions so far. On 4 February, Mr Alan LEONG asked the Government a series of questions on behalf of the Subcommittee, but there has been no reply so far. This has already seriously impaired public confidence in the Government. I hope the Secretary can remedy this sufficiently in his reply later on.

Although Article 7 of the Basic Law provides that the Government shall perform the function of using the land of the SAR, it is also obvious that under this major principle, the Government should also be subject to supervision of the Legislative Council and be accountable to it in exercising the powers of using land. If the Government adopts a reasonable attitude, there will be no need to specify in detail the mechanism and formalities required for obtaining approval. But when the Government adopts such an extreme attitude, the public will definitely suspect that the Government actually intends to do whatever it likes and implement an irresponsible policy by invoking these provisions. They will certainly suspect that the Government wants to create a *fait accompli* and thus render the Legislative Council unable to do anything. This is most unfortunate.

With these remarks, Deputy President, I support this motion and hope that the Government can remedy the existing situation. Thank you.

DR JOSEPH LEE (in Cantonese): Deputy President, there are several aspects to the West Kowloon Cultural District (WKCD): the development of arts and culture in Hong Kong, town planning and commercial and property development. Since many issues are involved, our focus has been split, and we have been quibbling endlessly over such issues as the "single tender", "canopy design" and "Public Private Partnership". Therefore, I suppose we should now focus on the main subject again, that is, our arts and cultural development.

As pointed out in the Phase II Report of the Subcommittee, the Administration has not painted a vision or a blueprint for the development of our arts and culture in the WKCD. Culture and arts are after all abstract. What is meant by culture and arts? Interpretations will vary from person to person. What is the cultural policy of Hong Kong? I believe the majority public do not have any idea.

The WKCD will no doubt constitute a significant part in the cultural and arts development of Hong Kong, but it will after all be just part of the overall development. The successful bidder (assuming that the "single-package development approach" is adopted) or the WKCD Authority (assuming that it will be established) will invariably have to follow the overall arts and cultural development outline of Hong Kong. Therefore, we must formulate a long-term, sustainable and feasible direction for the development of arts and culture. This

is the only way to ensure that the WKCD, the largest development area in the history of Hong Kong, will not be wasted, will not be reduced to a costly white elephant, a mere cluster of buildings that possesses nothing but a veneer of grandeur and advanced facilities. It is believed that all in Hong Kong or even the whole world will prefer a landmark with real substance to one with nothing but just an attractive shell.

The Subcommittee proposes to split the project into cultural and non-cultural items. It is also proposed that the proceeds from land sales should be transferred to the Treasury, and requests for funds allocation to cultural development projects should be submitted to the Legislative Council in accordance with the existing procedures. But the Government criticizes that such an approach will undo what has been planned for the WKCD, breaking the whole project up.

Will the splitting of the project into cultural and non-cultural items make the whole project fragmented? As long as the Administration can draw up a satisfactory blueprint for the integrated development of the WKCD and set out the requirements clearly, we fail to see why the project should become fragmented. I support the idea of empowering the Legislative Council to approve allocations for the development of arts and cultural items. This can ensure that the Legislative Council can monitor the consortia concerned and avoid the emergence of problems.

Deputy President, many people in society have expressed support for the establishment of a WKCD Authority as early as possible, and in its Report, the Subcommittee also proposes that this independent statutory body should be charged with the responsibility of overseeing to the integrated development of the district. Since the controversies over the WKCD have dragged on for such a long time, we understandably want to see the early emergence of a cultural district that can become a source of pride for the people of Hong Kong. But we are at the same time afraid that haste may make waste.

It is therefore advisable to establish a broadly representative WKCD Authority responsible for administration and co-ordination. Matters relating to the mode of tendering, financial arrangements and the construction of facilities within the cultural district should be left to the WKCD Authority. That way, the negotiations with consortia on co-operation and development can bear fruit at

a sooner time. And, the WKCD can also be completed earlier to allay anxieties in society and prevent any further mention of collusion between the Government and business. The WKCD Authority will be similar to the Airport Authority, meaning that despite its autonomous operation, it will still be governed by the relevant legislation.

Regarding Public Private Partnership (PPP), we may make attempts to co-operate with private corporations or organizations in regard to existing cultural activities and facilities. That way, both sides can amass experience in co-operating with each other for promoting the development of arts and culture, and not only this, the restricted development pattern of arts and culture in Hong Kong can also be altered. What is more, this can also enable the public to see the results of PPP, thus assuring them that they can support private-sector participation in the WKCD project without any worries.

In regard to the WKCD project, the Government has no doubt made many adjustments after taking on board the views of many sides. However, since the items concerned will produce obvious and critical impacts on the development of arts and culture in Hong Kong, and its land use and economic development, I will still support the Subcommittee's Report on the WKCD project. I hope that the WKCD project can receive the recognition of the general public. I also hope that it can be developed successfully for the maximum interest of society.

Deputy President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, one may say that for quite some time to come, the West Kowloon Cultural District Development (WKCD) will be the largest project in Hong Kong. And, since the Government emphasizes that this is a cultural development project, it is only natural for the various social sectors to express concern. In this connection, I think that this project can really make Hong Kong people reflect seriously on the kind of cultural development Hong Kong needs and the ways in which we want this district to develop.

If the Government really pays heed to public opinions, if the Chief Executive was really honest in saying during the spring reception yesterday that he would adhere to public opinions as the basis of his governance, we should be

very happy. However, I notice that the Government has never used the findings of opinion polls as a significant basis of its governance. And, contrary to our wish, due to differences in opinion, many disputes have emerged. Initially, we requested that professionals and members of the cultural sector be invited to participate in the screening of the five proposals because we considered that there was such a need. But the Government rejected our request flatly. Then, as things continued to develop, Members put forward many further views. As we can now observe, the Government seems to have made some efforts and it has indeed introduced some adjustments to patch up after listening to us, but it has brushed aside the most important message in the findings of opinion surveys: it should be more receptive to our views, try to get the involvement of talents from different fields and establish a WKCD Authority. The Government has failed to do all this.

Instead of doing so, the Government simply says that it has already listened to the people, and that since they do not like the single-package development approach, it will abandon this approach. However, anyone who is literate will see that this so-called new proposal of the Government is still essentially a single-package development approach without the word "single" in its name. The project will remain one which is led by one single property developer. That being the case, how can Members calm down? Despite all their wishes to the contrary, people are bound to be confrontational and forced to express their views. It is therefore only natural to see this new round of debates. In the Legislative Council, all Members are not satisfied with the proposed WKCD project. All Members (regardless of their political affiliation and which organizations they belong to) have been voicing their views and scrutinizing the contents of the project together. Therefore, we very much hope that the Government can come to this legislature and listen to our opinions.

Unfortunately, however, no government officials turned up at our meeting last week, and this did rouse some sort of discussions at that time. I remember that this meeting was held last week (on the sixth day of the Chinese New Year). I suppose that if the Government really treated public opinions with a goodwill, then when the Legislative Council, as an institution representing the people, invited government officials to listen to the findings of its Report, the Government should theoretically accept the invitation. But no government officials turned up. If government officials did not turn up simply because they

wanted to listen to the opinions of all sides first, I think we may still wait. But if the Government was just contemplating something entirely different, I will be deeply worried.

(THE PRESIDENT resumed the Chair)

Madam President, some in society say that since we have been waiting for the WKCDD for much too long, people should not express so many views and cause any more delay. In response, I cannot help asking one question. People have already voiced their views, and in this legislature, many Members have joined hands to put forward their proposals. But the Government has simply replied that viewpoints and opinions are different, or even poles apart. It has even refused to send any officials here. How can the Government do so? Strictly speaking, the behaviour of the Government has also caused delay to the making of a final decision on the WKCDD. I believe the Government must also be blamed to a very great extent.

Some people from the cultural sector have told me, "Miss CHAN, you people must not cause any further delay. You've got to hurry up." I have told them that the real situation is not quite like their imagination. We have already put forward all our views — those from the relevant professionals, those from the cultural sector and those of the Legislative Council. All sides practically hold the same views, but for reasons unknown, the Government has chosen not to join hands with us to tackle the problems and find solutions.

I am therefore strongly dissatisfied with the practice of the Government. I remember that on the day before the sixth day of the Chinese New Year, Chief Secretary for Administration Rafael HUI's personal secretary rang me up and told me that Mr HUI would be unable to attend the meeting. I asked of the reason. The answer I got was that the Government had not come up with anything else specific. I said that even so, he could still come along to listen to our views, and that he should not refuse to come along simply because of differences in opinion. Therefore, I think we should all be very happy if the Chief Executive really means what he said last night, that is, if he will really use public opinions as the basis of his governance. The reason is that we have all

put forward many views on the WKCDD. I have of course also told the Chief Executive that the views expressed in the Legislative Council have yet to be consolidated and this will require a process. But the problem now is that right from the beginning, the Government should have delayed the WKCDD as per the general wish instead of putting forward a package that runs counter to public opinions (one that is based on property development and a single-package development approach). I do not think that the Government has made any changes in this respect.

My assistant once told me, somewhat jokingly, "Miss CHAN, it seems that the Government's present approach to the WKCDD is something like the China Travel Service trying to launch a satellite. Property developers instead of aeronautics experts are invited to take part." The greatest worry of Hong Kong people is that the Government plans to establish a cultural and arts centre in a certain district of Hong Kong, but then the contents of the whole project are entirely different from what they want. Personally, therefore, I must say that the Government must — I am bound to say so despite my wish to the contrary — stop all the misdeeds and act now like a Buddha. Please listen to the people's opinions. The only appropriate course of action now should be to let Hong Kong people make their decisions on the project. A WKCD Authority with statutory powers, similar to the Airport Authority back then, should be set up. Its members should be left to hold discussions, and the Government should on the other hand invite the public to voice more views, playing the role of a co-ordinator.

I think if the Government really intends to establish a cultural district, it must realize that all the political parties and factions have already voiced their views, and that all these views are quite mature. I think we are fully capable of reaching a consensus after negotiations. Therefore, I would like to take this opportunity to say a few words to some people here. They are all very concerned about this debate today and they fear that we will cause further delay. I must tell them that it is not our intention to cause any delay. In fact, the problem now all lies with the Government. We very much hope that the Government can start negotiations with us promptly, with a view to forging a consensus. I also hope the Government can understand and realize that society as a whole has already stepped forward to air its opinions. This should be a moment of delight for the Government, not an occasion of confrontation between it and the public.

I earnestly hope that when the Chief Secretary for Administration comes to the Legislative Council for discussions with us at the end of this month, the Government will no longer cling to its own arguments all the time, ignoring what we have to say. I hope it can instead consider how to consolidate the views of the Legislative Council and those of the general public. Such is the role that the Government should perform. However, even such a role is no longer appropriate in the present circumstances. The Government should now set up a WKCD Authority, and it will be much better to leave this issue to the Authority.

Madam President, I hope that the Government can really make amends instead of clinging stubbornly to its own approach. It should consider how it can consolidate all the views expressed in society. All Hong Kong people must seek to complete the WKCD as quickly as possible instead of clinging to their respective positions in the discussions because this will be meaningless. The Legislative Council and the general public have made their positions perfectly clear to the Government and they have put forward many views. I hope that the Government can change its original stance. Thank you.

DR KWOK KA-KI (in Cantonese): Madam President, this is the second time that the Legislative Council holds a debate on the WKCD. Many Members have pointed out that since the discussions on a cultural district have dragged on for a very long time, the public seem to have come to the view that we must proceed with the WKCD at full steam, instead of spending too much time on further discussions.

I wish to recap some history together with Members. In November 1999, the then Chief Executive ordered that a fresh review be conducted on the use of the southern portion of the West Kowloon Reclamation. Do Members happen to know the land use planning for this lot in West Kowloon before November 1999? At the very beginning, when reclamation started and when the Government first applied for funding from the Legislative Council, the West Kowloon reclamation area was designated to be the largest central park in Kowloon. There was an undertaking that the lot was to be used for the enjoyment of the public. The reason for choosing this site was that it was impossible to identify a more suitable green zone along the waterfront in Kowloon. This was what the Government should do at the very beginning.

Unfortunately, however, owing to the will of the one in charge, a request for reviewing the land use planning for the lot was made in November 1999.

Actually, the Government already had an idea in mind at that time — the development of a cultural district. For this reason, a Concept Plan Competition was held in April 2001. For reasons unknown, this competition came to be treated as the blueprint for the development of a cultural district on this 40-hectare lot in West Kowloon. There was no more room for other ideas in the ensuing discussions and everything must adhere to this blueprint, which comprises the most imaginative canopy design of the Foster and Partners. Had the people of Hong Kong ever been allowed to take part before the announcement of the whole thing in 2002? When have the people ever said that the land use of this site can be altered, so that it can be used for developing a cultural district, or property development for that matter?

The Government has repeatedly denied that this so-called cultural district in Kowloon is a property development project. But when we look at it closely, we will find that it is nothing but just a property development project. The greatest difference between this project and the Cyberport is that while the former is about culture, the latter is related to cyber technologies. The eyes of Hong Kong people are discerning and they all know what has been going on. They could be cheated once but they will not be taken in for a second time. Using culture as disguise, the Government wants to give away a lot worth over \$100 billion to a property developer. How can it be said that the Government has been responding to public demands?

Let me return to culture — Secretary Dr Patrick HO is present now. Throughout all the discussions, there has just been one single paper on the cultural policy of Hong Kong, a paper published by the Culture and Heritage Commission at that time. And, in this very paper, many other issues are discussed. I do not know at what time the Government first started to say that this must be done, and that this is an important task of the Culture and Heritage Commission. No matter how I look at the whole thing, I fail to see how the WKCDD can be treated as an integral part of the cultural policy, or even how this project should be regarded as the implementation of the recommendations of the Culture and Heritage Commission. Has the Culture and Heritage Commission ever said that without the WKCDD, there will be no cultural policy in Hong Kong?

A cultural policy can be implemented at any time — today or any year. One simply should talk about the construction of several blocks of exhibition halls and museums and then go on to claim that there is a cultural policy in Hong Kong. There has never been a clear cultural policy in Hong Kong. Arts organizations have never been allocated sufficient funds, and not enough efforts have been made to nurture talents. There has been a shortage of everything. But the Government still has the face to say that with a cultural district, all problems will be solved. How absurd indeed!

What is more, after learning that the Phase I Report does not favour the single-package development approach, the Government has simply proposed an alternative form of this particular approach, whereby the main bidder will still lead the allocation of land resources. What is the rationale of this? Is this fair? After learning that the Report proposes the establishment of an independent body, the Government says that the WKCD Authority should be set up to shoulder the expenses in the several decades to come only after all has been settled, after the bidding has been completed and the successful bidder has acquired the development right. What is the reason for not establishing the WKCD Authority from the very beginning, when the hardware is constructed and when decisions are taken on the kinds of cultural activities to be promoted? Therefore, in the Phase II Report, we point out that this disguised form of the single-package development approach proposed by the Government will not be feasible.

January has now passed, but the several major property developers are still saying that despite their wish to take part, they all find the required \$30 billion much too large in amount. They have asked whether it is possible to reduce the amount. But now, the Government has chosen to remain silent, saying that it needs to do some further studies. What do they mean by fairness? Before the end of January, the Government still insisted that if these consortia did not make their positions clear before the end of January, there would be no bidding. It now seems that there may be a change because the Government has not announced any rejection. Some people speculate that discussions on this rather controversial "hot potato" will be shelved until after the Chief Executive has won a second term of office.

Last week, when the Subcommittee of the Legislative Council discussed this issue, the three Secretaries of Departments all refused to come on the ground of other important businesses. Even Chief Secretary for Administration Rafael HUI, who is in charge of the WKCD, did not turn up. At the time, we could

not understand why, but a couple of days later, we realized the reason. We now know that the Chief Executive actually thinks that this is an act of over-intervention. It is considered that since the Legislative Council has been over-intervening, the Government should just go ahead with what it must do. It is considered that there is no need for the Government to put anything it wants to do before the Legislative Council for discussions, whether in the case of the WKCDD or the Tamar site. There is no need to discuss anything, and once the Legislative Council conducts any discussions, it will be over-intervention. But please do not forget that every Member present in this Chamber now have undergone the exposure of elections. They have the intrinsic duty of safeguarding the well-being of the people, so they must express their views on this issue. If the Government still clings stubbornly to its own opinions, there are bound to be more grievances and the relationship between the executive and the legislature will only worsen.

With these remarks, I support the original motion. Thank you, Madam President.

DR FERNANDO CHEUNG (in Cantonese): President, Hong Kong used to be described as a cultural desert, but the Government of the Hong Kong Special Administrative Region (SAR) suddenly announced that it wanted to construct a cultural district in West Kowloon. Basically, this should be something very good because it means that we will be able to promote arts and culture on this vast and magnificent lot, constructing a performance venue with a capacity of 10 000 people, three theatres, four museums and even an eternal landmark — a canopy. All this seems to be a grand and visionary project. In theory, arts and cultural workers will also be able to get more resources and room for development from this project and bring Hong Kong's unique cultural advantage into full play.

Strangely, however, there has been no cultural policy in Hong Kong so far, and there have been no vision and no planning as well. As for the Culture and Heritage Commission, which can be compared to a warrior killed before the battle is won, the cultural policy visions and policy recommendations it put forward a couple of years ago have never been implemented.

Our Government has always been commerce-oriented and it has never paid any special attention to our cultural development, but why has it suddenly turned

so nice and announced such a mammoth project? However, we have been unable to discuss any cultural policy or vision either before or after the mooting of the project. What actually is going on? If the West Kowloon Cultural District Development (WKCDD) is really implemented according to the Government's current plan or original plan, will it become another Cyberport? Will it be reduced to another white elephant, becoming a laughing stock?

We know that if we are to formulate a cultural policy and identify a direction of development, the establishment of an independent statutory body will be a matter of the utmost urgency. Such a statutory body can monitor the construction and management of our cultural facilities. In particular, it can conduct timely and systematic public consultations on the WKCDD. This is at least an intermediate measure. The Administration seems to agree that there is the need for such an independent statutory body. However, we all think that this independent body must be set up as early as possible. In this connection, I agree entirely to the recommendation on immediately establishing a framework similar to the Provisional Airport Authority put forward in the report of the Subcommittee on West Kowloon Cultural District Development (the Subcommittee).

The three consortia bidding for the WKCDD have all indicated their intention of continuing to participate in the project. However, over the past three months from the Government's introduction of the new parameters and conditions in October last year to the end of the consultation period, the authorities have failed to provide any further details of the revised plan, nor have they disclosed to the public what questions the consortia have asked the Government concerning the new parameters and conditions. I therefore cannot help wondering whether the Government and the consortia have been conducting any secret bargaining or have even reached a certain degree of tacit understanding.

Worse still, Chief Secretary for Administration Rafael HUI, who is in charge of the WKCDD, has twice refused to attend the meetings of the Subcommittee. This shows that the authorities lack any sincerity in increasing the transparency and accountability of the whole process by allowing the public to participate direct in this major project that will affect the development of Hong Kong in the decades to come.

Faced with the strong public outcries against the single-package development approach, the Government has proposed to require the successful bidder to parcel out at least half of the commercial and residential floor areas for bidding by other consortia. But it has failed to clearly explain the timing and mode of such open bidding. More importantly, we do not know how much power the Administration will have in deciding which parts are to be parcelled out for bidding. If the successful bidder holds too much power in this respect, it will be turned into some sort of a local overlord who can simply ignore the overall development of the WKCD, parcelling out only those commercial and residential areas that are less profitable. What is more, the successful bidder will be able to develop as much as 65% of the gross floor area under the WKCD, so the Government's revised proposal is nothing but the single-package development approach of a smaller scale. It therefore seems that the Government is just trying to muddle through with such an arrangement.

Moreover, the Government has also ignored the Legislative Council's constitutional function of approving public expenditure. On the excuse that the WKCD and its cultural and arts facilities are to be financed by land resources instead of general government revenue, the Government has bypassed the Legislative Council. I agree entirely to the conclusion drawn in the Subcommittee's Report: Since land is a form of public resource, the whole project should be subject to three control mechanisms, namely, the Executive Council, the Legislative Council and the Town Planning Board, so as to check whether there is any disguised form of subsidy by public money.

When we compare the Government's new proposal and its original package, we will see that although the successful bidder will be responsible for the core cultural facilities and should thus bear the costs of operation and repairs in the future, the consortium concerned will only have to pay a one-off sum of \$30 billion for the setting up of a trust fund under the new proposal. Thereafter, it will no longer have to bear the costs of operation. This seems to be a way of meting out some profits. But from another perspective, insofar as the successful bidder is concerned, there will in fact be an investment ceiling. And, it is also impossible for us to assess whether \$30 billion is an appropriate sum. Therefore, I agree with the Subcommittee that the land of the WKCD should be split up into two parts, residential and non-residential. The land should be sold under the usual procedures of the Government for residential, commercial and cultural development. I believe that with economic

development and rising property prices, the revenue will be able to sustain the development of the cultural district.

President, with these remarks, I support the passage of the Phase I and Phase II Reports of the Subcommittee on West Kowloon Cultural District Development.

MR LEUNG KWOK-HUNG (in Cantonese): President, today, we do not even have the chance to "sing to a mule" because there is not any "mule" here now. How miserable!

I know that Mr HUI may be watching television, so I can do nothing but show him this sheet of paper. But he may be just too old to see what is written on it. Written on it are "Maybe a human" and "May his soul return". The right side of the antithetical couplet reads "Away he runs from question sessions to allay public anxieties but here he comes for meals, horse betting and mahjong".

Before he said he could not come here, he mixed with Legislative Council Members upstairs, laughing, shaking hands and talking about wine, horse betting and mahjong. What kind of politics is this? The Legislative Council asks him to come here to face the public, but he chooses to engage in closet politics instead, shaking hands with Members friendly to him and telling them that things are alright. This should be the very place where the people of Hong Kong can monitor his performance and the whole process is broadcast live on television. But what kind of Secretary is this one? He is even higher in rank than a Secretary — he is the head of the Secretary for Meals, Secretary for Mahjong and Secretary for Horse Betting. He is the Chief Secretary for Administration. Such is the kind of government we have. Such is the way in which the Legislative Council is being treated. It has slapped us across the face. The seat over there is empty, because he is supposed to be sitting there. Therefore, I hope everybody can see this clearly: "Maybe a human" and "May his soul return". I do not think that he will come. I will wait four minutes. If he still does not come, I will tear this sheet of paper into pieces as a kind of protest.

Let me now get down to business. First, the Government has completely ignored the fact that the public and the Legislative Council are suspicious of it. With the single-package development approach, it has attempted to evade the

supervision of the Legislative Council and all organizations in society. How should this valuable lot be utilized? How to achieve their avowed objective of promoting cultural development? This is where the problem lies. Once the Legislative Council presses the button today, Rafael HUI will get away. The project was originally the responsibility of his good friend Donald TSANG. These two men are just birds of the same feather, and they were also responsible for the Cyberport. Had Rafael HUI already left the Government at that time? He should have left. Actually, Mr Rafael HUI should have distanced himself from the WKCDD from the very beginning because after leaving the Government, he was employed by a certain property developer as an adviser. And, the WKCDD is in essence a property development project under the guise of cultural promotion as a means of deceiving Hong Kong people and evading the supervision of the Legislative Council.

I do not want to say too much on this. I now have several tender documents, all prepared by large consortia. Members may look at them. But I got this document from a person I came across in the streets. That person said that he had also taken part in the planning of the project. I do not know whether the Legislative Council also has this document. That person also prepared a document but he did not have any money to pay the admission fee — the admission fee for the exhibition enabling Hong Kong people to indicate their choices was much too high. He did not have any money to pay the admission fee.

I think the main issue today is that we should undo everything and start afresh. There are two reasons for this. First, since the Government wants to evade the supervision of the Legislative Council and the criticism of the public, since it is bent on going its own way, it has pretended to abandon the single-package development approach. But in fact, it is still adhering to the single-developer approach, a policy under which only property developers will prosper while the public and cultural development will both suffer. What has the Government offered us? The Government asks a property developer to supply food to us and in return provides a large restaurant to the property developer for the display of rotten and stale foodstuff. And, after we have looked at the food in display, it claims that all Hong Kong people have tried the food. Then, after the conduct of a so-called opinion poll with ulterior motives, this prime lot is given away to the property developer, thus repeating the melodrama of the Cyberport.

We are very poor and so is Hong Kong. Recently, CSSA recipients have come under attacks again because some think that these recipients should be tortured by hunger. And, giving assistance to the poor is of course considered out of the question. But on the other hand, they still want to give this piece of pork to the property developer although the pork is much too fat to digest and one may have to see a doctor after eating it. This is where the problem really lies. What is culture? Culture is definitely not the food spat out by the over-fed property developer. What is culture? Culture is about creativity; it is based on education and marked by diversity, precipitation and accumulation. Which items in these booklets published by the several property developers can meet all these requirements? Members must look at them clearly. Can this be called culture? Just refer to any anthropology textbooks and we will realize what culture is all about. Therefore, I hope that all those sitting in this Chamber can resolutely vote down the Government's proposal, undo everything and start afresh. If not, we will surely face the same problem, that is, the problem of inadequate monitoring, as in the Cyberport case, which has become a laughing stock.

Rafael HUI will not be coming after all. I shall therefore pass a sentence on him. He is only good at eating, playing mahjong and horse betting. He does not deserve any respect. Therefore, may his soul return. I have to tear this sheet of paper into pieces. There are definitely no justifications. I hope Members can see this point. Members must undo the whole project and start afresh, so that the people can make their voices heard, so that talents with creativity can make their voices heard, so that we can conduct fresh discussions on the development of a cultural district in West Kowloon. Rafael HUI, may your soul return.

DR RAYMOND HO: Madam President, the planning of a new, state of the art performance venue on the West Kowloon Reclamation has been on the drawing board for eight years, but the project has been prone to being more publicly known for its controversies.

Amidst the divided public views on the adoption of the 20-hectare canopy design and the granting of the development right of the project to one single developer, the Government launched the Invitation for Initial Financial Proposals (IFP) for the West Kowloon Cultural District (WKCD) development project. The successful proponent will be given a 50-year land grant in return for winning

the rights to finance, design, build the WKCD and operate and maintain the core art and cultural facilities with the right to sell the residential and commercial premises developed on the site. A large canopy must also be incorporated in the design. According to the screened-in result, proposals from three consortia were accepted while two failed to meet the basic requirements laid down by the IFP.

The Legislative Council has set up a Subcommittee to look at this mammoth project. Although we have had many meetings with the Government, many issues have still not been adequately answered, including: (1) What are the criteria to be used by the Government to evaluate the financial arrangement? (2) Why plot ratio was not used as a main criterion for the assessment of the screened-in proposals? (3) How to ensure that the revenues from property development will be sufficient to finance the operation of WKCD as the former is susceptible to market fluctuations? (4) Are we able to capitalize and maximize on the land value? (5) What are the exact construction costs for the canopy and the expenses for its subsequent maintenance? (6) How to ensure that, under the Public Private Partnership (PPP) arrangement, adequate consultation and transparency will be achieved in the course or evolution of the project? And so on.

I also wonder how the Government could come up with the figure of the required amount for the developers to provide assurance for future financing of art and cultural development without knowing the exact mix of the art and culture contents to be developed in the WKCD. In coming up with the best mix of the art and culture contents, I believe that the Government must enlist the involvement of the art and culture groups. An independent authority should also be set up to take charge of the WKCD project, including working out the exact art and culture contents and facilities to be developed in the area.

Although the Government has subsequently decided to make some concessions, such as abolishing the "single-development" approach, setting the maximum plot ratio at 1.81 and requiring the successful proponent to pay \$30 billion for the establishment of a trust fund for ensuring the sustainable operation of the WKCD with 50% the property development area to be sold to other developers by auction, some major areas of public concern still remain unanswered. Indeed, we have much to learn from the Abandoibarra project in Bilbao, Spain, which I, together with four other colleagues, visited last September. Strong leadership of the Government, co-operation on the part of

the public administration and involvement of the private sector are all important factors contributing to its success. Indeed, the Bilbao project is an exemplar of public-private co-operation.

Unfortunately, the Government has cocooned itself within the warp of the PPP. Instead of enlisting the widest support by involving the public in the project, the Government is trying hard to steer clear of the oversight and scrutiny of the public, even that of this Council. It maintains that WKCD does not have sufficient capital or recurrent expenditure implications requiring the Legislative Council's approval because only land is involved. This line of thinking is consistent with the Chief Secretary for Administration's snub to our invitation to attend a recent meeting of the Subcommittee. He did not attend this session in the Chamber today either. His negative response to the Phase II Study Report of the Subcommittee and outright dismissal of its recommendations as conservative and departing away from the main project principles were another public display of the Government's arrogant attitude.

In fact, the 40-hectare land is important public resources. It was formed with funding from the public coffer. As stated in the Phase I Study Report of the Subcommittee, the disposition of such public resources and valuable property right and implementation of government policies concerning them must be subject to proper checks and balances, within the executive authorities as well as the legislature. It is equally important that the public at large must be consulted at every crucial stage before the irrevocable step is taken by the Government, and the Government must ensure adequate transparency in the course of the project.

In this regard, I urge the Government to consider seriously the recommendations made in the Phase I and Phase II Reports of the Subcommittee on WKCD. I would like to take this opportunity to express my appreciation of the excellent leadership of the Subcommittee Chairman, the Honourable Alan LEONG.

With these remarks, Madam President, I support the motion. Thank you.

MR ALBERT CHAN (in Cantonese): President, before I speak on the contents of the West Kowloon Cultural District Development (WKCD), I must condemn Chief Secretary for Administration Rafael HUI for not attending the meeting

today and the meetings of the Subcommittee on West Kowloon Cultural District Development. I think his conduct is a kind of flightism and dereliction of duty, something which Secretaries of Departments and Bureau Directors should be ashamed of. As the Chief Secretary for Administration, and in regard to such a significant policy that affects the public interest enormously, he must face Members, society and the masses on all occasions, especially the formal meetings of the Legislative Council (including those of the Subcommittee), so as to offer a clear account, explanation and report relating to the issue. If the Government wants to promote and defend its own policy, it should also take this opportunity to explain the position of the Government. Flightism is the behaviour of cowards and the weak and runs completely counter to strong governance. Therefore, by behaving in this manner, Mr Rafael HUI has in fact destroyed the Chief Executive's tablet of the so-called strong governance. He should resign for this kind of conduct.

President, in his letter to the Chairman of the House Committee, the Chief Secretary for Administration mentioned the reason for not attending the meeting. The letter was dated 2 February, and the last sentence of it reads "When the process of considering the proponents' responses (including the consultation with the Executive Council) is over, the Government will have more information to brief the Legislative Council (including the Subcommittee on West Kowloon Cultural District Development) on the latest progress." President, I think such an attitude is entirely wrong. No government official should adopt such an attitude in handling any opinions and problems, especially a development project that involves more than \$100 billion. Before any problems arising in the process are put before the Executive Council, a detailed account and explanation of them must first be given to the organizations concerned, especially the Subcommittee and all Legislative Council Members, so as to gauge their views. His unwillingness to listen to others' views beforehand indicates that the whole process is clandestine in nature, that he is secretly afraid of something, that he has something to hide, or that there is already a decision and nothing can change his mind.

Consultation is important, in the sense that before making any decisions, one can listen to the views of all sides, get to know how they think and see if there are any omissions. There were many instances, such as the listing of The Link REIT, where the failure of the Government to listen to peoples' views eventually led it to make mistakes to the disgrace of Hong Kong. The

Cyberport was a decision made in a clandestine manner, also to the disgrace of Hong Kong. People criticized that this project was an attempt of the top echelons of the Government to funnel benefits to large businesses, to look after the interests of some specified consortia. This is really the worst example of clandestine operation.

However, in handling the WKCD issue, Rafael HUI has kept on repeating the very same mistakes in many past cases. This is precisely the root cause of the endless blunders committed by the entire administrative machinery of Hong Kong. If there is no change to such an attitude, if the administrative machinery keeps on making mistakes, problems will only emerge again and again. And, other civil servants will have to bear the undesirable political consequences of the principal officials' improper handling. I think the 160 000 civil servants will all feel ashamed and angry.

President, since the very beginning, the WKCD has been designated as a cultural project. For years, the Government has been repeating the claim that it is a cultural project. Ironically, however, the bidders in this very project are all Hong Kong property developers. Even their partners are also property developers. None of the partners is a cultural organization. The most that these consortia or property developers have done is just to appoint, commission or persuade cultural organizations to act as their advisers. Cultural organizations are just targets of consultation or agents commissioned by property developers. In the Legislative Council, I once remarked that the cultural organizations commissioned by property developers had become cultural lackeys. On various occasions, these cultural organizations simply emphasized why the WKCD must be launched, totally ignoring the public interest and, most importantly, the sinister side of this property development project.

President, I can remember very clearly that when the Government first started to lobby Members, especially when Mr Albert HO moved his motion a couple of years ago, it made very vigorous efforts to market this project. Moreover, one major point it raised was that international consortia would be invited to participate in the project. Years back, when I discussed this issue with Donald TSANG — I cannot remember whether he was then the Financial Secretary or the Chief Secretary for Administration — he stressed repeatedly that international consortia would certainly be invited to take part in the bidding.

At that time, during the Legislative Council debate on this project, I remarked that I would render my support on two basic conditions. First, a statutory organization similar to the two former Municipal Councils must be established to take charge of co-ordination. Second, international consortia must be invited to take part in the bidding. However, it has subsequently turned out that there is only the participation of Hong Kong organizations. Admittedly, these local organizations are all very large in scale, but no non-Hong Kong organizations have ever played a major role in the whole project. I think the Hong Kong Government has misled and deceived the public and this legislature. And, the Government's estimation is also wrong.

Another wrong estimation is that since the completion of bidding, the Government has repeatedly changed the selection criteria in favour of one particular consortium. In the case of the property development items, for example, some consortia are able to get a bigger share while others cannot. Members have openly expressed the worry that the Government may give special favour to a certain consortium, but this consortium is not the one that gets the smallest share of the property development items. The Government has time and again changed the criteria. This has led the public to suspect that the consortium favoured by the Government will stand a greater chance of being awarded this project. Because of collusion between the Government and business, the Government has changed some of the criteria in order to suit the interests of one particular consortium.

This has made the people of Hong Kong think that the project is just a repetition of the Cyberport, another example of collusion between the Government and business and transfer of benefits. That being the case, I propose to undo the whole project and start afresh. Thank you, President.

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

MR ABRAHAM SHEK (in Cantonese): President, the motion today can be called the WKCD motion in short. To begin, whether the Chief Secretary for Administration can attend this meeting is not so important. The important thing is whether or not the Government has sent anyone to this meeting to listen to our views. Second, whether the Chief Secretary for Administration can hear our views is not so important either, because there are more than 1 million people

outside who can hear us. Therefore, I do not think that the presence or otherwise of the Chief Secretary for Administration at this meeting is such a big deal.

Is the WKCD a property development project? It is certainly a property development project. Since the very first time when this project was discussed here, I have been saying that it is a property development project. But is the WKCD also a cultural project? It is also a cultural project. Is it possible to combine a property development project with a cultural project? Actually, such a combination is nothing new because the same approach has been adopted for the MTR, KCR and urban renewal. Why has so much trouble arisen, turning something basically good to something that many people oppose? The Government must really conduct a serious review.

By now, something desirable has been reduced to a subject attracting criticisms. Mr Albert CHAN, in particular, has remarked that the project will "benefit" property developers because all bidders are property developers. But since the project is a property development project, why should property developers be barred from bidding? If property developers do not participate in bidding, who should then take part? Mr Albert CHAN? This is simply out of the question. Does he have the ability to do so? And, this is not where the problem lies either.

Do cultural professionals have any chance of giving their views on this project? In each of the three bidding consortia, there is the participation of many cultural professionals. That being the case, can one say that under this project, property developers are leading the cultural development? Of course not. Instead, it is the cultural sector who will lead the property developers in developing this project in West Kowloon. Why have so many problems emerged? Why is it that not only Legislative Council Members but also the cultural sector and even property developers are so discontented? Where does the problem lie? This involves precisely the review I referred to just now.

After several months of focused and serious studies on the project, the Subcommittee has put forward many recommendations. These recommendations all aim to achieve fairness, openness and impartiality. It is hoped that the Government can thus consider how to implement the WKCD project and use land as a means of developing other public facilities without at the same time hindering the development of Hong Kong.

Today is not the first time that we discuss the WKCDD. There were many discussions on this in the past few years, and every time when the topic was discussed, I would express my views. I have been opposed to the single-package development approach since the very beginning. We found it totally impossible to accept the proposals first mooted by the Government. But has the Government introduced any changes to the project? It is unfair to say that there have been no changes because the Government has in fact listened extensively to the views on solving the problems connected with the single-package development approach and also the opposition of the cultural sector.

This revised proposal of the Government was put forward in October. Under this revised proposal, the project is to be split into two parts: the cultural part and the property development part. And, there is also the issue of land bidding. The Government has in fact put forward this revised proposal only after listening to the views of many sides. Therefore, it is unfair to say that the Government has not listened to the views of others. Many people complain that the project will give benefits to property developers once again. If this is really the case, there will be no need for any further discussions today. All the property developers would have taken part in the bidding and promised to contribute \$30 billion and construct the facilities required. How can anyone still say that they are too fat to pull up their socks, too fat to tie their shoelaces? They are not like this. If Mr Albert CHAN is really right in saying that the project is very beneficial to property developers, they should have pressed ahead with it already.

The main point is that they have to shell out \$30 billion, and this means that including the costs of constructing the canopy and cultural facilities, they must spend as much as \$50 billion. In return for spending this \$50 billion, they can develop 28 000 sq ft of land. The price per sq ft will thus be between \$14,000 and \$16,000. The price per sq ft has never reached this level in the market. Therefore, is this project really that profitable to property developers? Of course not. Many people have asked, "Why is no one interested in this project which is worth over \$100 billion?" This is also a problem that needs to be examined.

The question now is: How are we going to solve all the problems we are facing? The Government has its own position. The Government required the three consortia to bid for the project in October. After 31 January, there are still

many outstanding problems. It is hoped that the Government can solve them as early as possible and reply to us and the consortia concerned. The problems should be presented for discussions, so as to see how we can implement this project in West Kowloon because Hong Kong really needs this project.

The Subcommittee has also made many recommendations on what should be done in case the project cannot be implemented. The Government should have no fear and must listen to its views because these are the conclusions reached by all political parties and factions. There is no need to bother about any embarrassment. If the project cannot be implemented, we should all examine what improvements can be made. This project may perhaps be able to improve the relationship between the legislature and the executive.

Speaking of the cultural policy, I do agree with Dr KWOK Ka-ki. I have long since been advocating the formulation of a cultural policy. I have been saying that the publication of a consultation document is simply not enough. What is meant by a cultural policy? Culture is not as simple as the construction of several museums. What is culture? We must state clearly the kinds of culture covered by our cultural policy. What does it cover — Western and Chinese cultures, western and southern cultures, or the local culture of Hong Kong? All this should be stated clearly in the cultural policy of the Government. We simply cannot spend billions of dollars on a project while we have no idea of what our own culture is.

For this reason, President, I support the report because I have spent lots of time already. I also agree that the Government has listened to the voices of many. I hope that the WKCD can really become a new landmark of Hong Kong. Thank you, President.

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

MR CHAN KAM-LAM (in Cantonese): President, a number of Members have earlier given a very clear account of the Reports of the Subcommittee on West Kowloon Cultural District Development we are debating today. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) basically supports the Reports because they coincide with its original proposals in many ways. Mr CHEUNG Hok-ming of the DAB has made this very clear already.

However, the DAB hopes that the Government can seriously examine the proposals of the Reports. Of course, we all hope that some achievements can be made. Many colleagues in this Council have expressed their views in detail. Though their proposals might not be entirely feasible, the Government should at least respond to the proposals, instead of acting like nothing has happened at all. Despite the Government's criticism that the proposals of the Subcommittee have deviated from the Government's original proposals, we would like to emphasize that the conclusions of the Reports are, after all, drawn after listening to the views of various sides. Though the Reports are imperfect, they are still worthy reference.

It must be pointed out that diverse views have indeed emerged in the community after the proposals were put forward by the Subcommittee. It is right that some Members consider it essential for the Government to give a positive response to the proposals raised by the Council. However, we might not fully agree with the view that the proposals must be accepted in their entirety, given the diverse views in the community on the Reports. We can see that the cultural sector has always disliked the idea of the Government financing the WKCD for fear that the WKCD might be operated in the same way as the Leisure and Cultural Services Department does.

There are also views that the Reports are obviously putting property developers in an advantageous position. Land sales will precede development of the WKCD. According to the Subcommittee's proposals, property developers will hold the initiative in undertaking the WKCD project. Should that be the case, the project might be delayed for an uncertain period. The funds derived from land sales for financing the WKCD project will also be affected by changes in the outlook of the property market. Under the existing land disposal programme, land sales must be conducted by the triggering arrangement. When the property developers are optimistic about the market, they might acquire land through the application list system. However, if they think otherwise and stop triggering the application list, what can be done? The WKCD site will not simply disappear. Just as Mr CHEUNG Hok-ming said earlier, the site is completely barren. We have no idea what to do even if the project is further delayed for a couple of years.

Another point I would like to raise is, even after the land is sold to property developers, the Government will still be responsible for the development of the WKCD while the property developers are not required to

assume any responsibilities. For the property developers, this is definitely the easiest. This explains why there are comments that this option is not the best. Some newspaper critics have also pointed out that the WKCD, as a huge infrastructural project, is rather controversial. The controversy can simply not be settled by the submission of a single report by the Council. To satisfy all parties, full consultation must be conducted and collective wisdom pooled. In particular, the Council and the Government must deliberate and give detailed consideration to the proposals in a dispassionate and harmonious manner. In my opinion, the views of various sectors of the community must be heeded too.

While the public considers the WKCD controversial, we find this perfectly normal, as we share the view that all major events must be fully discussed in the community. However, we are a bit concerned that there are comments in the community that the Government will have to face three thorny issues during the year: First, the enactment of local legislation for the elections in 2007 and 2008; second, the WKCD project; and third, the review of the powers and functions of District Councils. There are comments in the community that the opposition will make use of the project to fiercely attack the Government for they consider that, according to the proposals of the Reports, the WKCD will have to start all over again and the site split up for sale, with arts and entertainment being dealt with separately. The project, if implemented according to the Government's proposal, will definitely meet strong objection from the opposition of this Council. On the other hand, Donald TSANG's strong governance will definitely suffer a heavy blow if the project is eventually aborted. The public is quite concerned about all this. Actually, there will be widespread worry when such a view emerges in the community. It is unanimously hoped that the development of the WKCD will not be delayed any longer. It will actually be a loss to the people should the project fall through eventually.

It is also evident that Hong Kong politics are not progressing in an entirely satisfactory manner. The community regards the WKCD as an important struggle for political powers in Hong Kong in the future. Although we consider this view too pessimistic, there is undeniably such a worrying trend in the community. Of course, we do not want to see the Government disrespect the views of the Council. However, the Government should also take account of the diverse views and misgivings in the community. We hope the Government will act cautiously.

PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up.

MR CHAN KAM-LAM (in Cantonese): Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Housing, Planning and Lands to speak.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): President, our discussions today are about the two Reports of the Subcommittee on West Kowloon Cultural District Development (the Subcommittee). I have listened carefully to the speeches of all the 21 Members. Before giving my reply, I would like to thank Members for their advice. I must also express my gratitude to the Subcommittee chaired by Mr Alan LEONG for devoting so much time, costs and efforts to studying the West Kowloon Cultural District Development (WKCDD).

The Subcommittee published its Phase I and Phase II Reports in July last year and January this year respectively, and the Government has already responded to the advice and recommendations of the Subcommittee following the publication of the two reports. I would like to take this opportunity to explain to Members once again the principles upheld by the Government and also our beliefs and position.

The Government's policy objective for the WKCDD is to develop a world-class integrated arts and cultural district, enrich arts and cultural life, create job opportunities and promote the development of the tourism industry. The Government has adopted the principle of "partnership" as recommended by the Culture and Heritage Commission, in the hope that through the WKCDD, private-sector organizations and the cultural and arts sector can establish a partnership in the promotion of arts. Besides, the experience of other countries also indicates that the separate development and operation of arts and cultural

facilities will often incur losses. For this reason, the Government considers that it will be most cost-efficient to adopt an integrated approach for the cultural district, whereby commercial elements and a partnership with private corporations are introduced to achieve four aims:

1. to tap the resources, creativity and innovation of the private sector, so as to make sure that the WKCDD can better meet the needs of the people and Hong Kong;
2. to leave private corporations with all their expertise in commercial operation to bear the financial risks, so as to ensure that the WKCDD can be sufficiently funded to operate on a self-financing and sustainable basis;
3. to allow sufficient flexibility for the Government to negotiate with the proponents who are interested in the development and operation of the WKCD, in order that the Government can select a proposal that will best meet public aspirations and which is in the best public interest; and
4. to integrate the various kinds of cultural, commercial and residential facilities, so as to provide a meeting point of cultural activities, increase the flows of people and attract visitors, thereby injecting vitality into the WKCD.

Throughout the entire process of developing the WKCD, the Government has never stopped listening to public opinions and reporting the progress to the general public. As a matter of fact, public opinions are treated as the very basis on which the WKCDD is shaped.

With a view to gaining a full understanding of people's views, the Government conducted a large-scale public consultation exercise on the WKCDD between December 2004 and June last year to gauge people's opinions extensively.

During the public consultation exercise, the Government organized large-scale exhibitions and seminars on the screened-in proposals at various venues in the territory, and comment cards were provided to people for them to

express their views. We also arranged for the screened-in proponents to present their proposals to the Legislative Council, the Town Planning Board (TPB) and the Harbour-front Enhancement Committee and to listen to their views. The Secretary for Home Affairs and other government officials also attended meetings of District Councils to exchange views with District Council members on the WKCDD. We met with many professional bodies and cultural and arts organizations to gauge their views on the new development parameters and conditions. We also attended consultative activities of varying scales held by district organizations to discuss with people the various issues related to the development project. At the same time, the Government also co-operated actively with the relevant Legislative Council Subcommittee, providing it with the information required and attended a number of meetings to exchange views with Members. All this shows the sustained nature of our consultation on the WKCDD and the great importance we attach to public opinions.

As we reported to the House Committee of the Legislative Council in October last year, the public consultation exercise was a great success. More than 30 000 comment cards from the public and over 600 written submissions were received during the consultation period. There were records of the eight seminars and the discussion records and reports of the Legislative Council, District Councils and other statutory or advisory bodies. The Phase I Report of the Subcommittee was also included. In order to grasp all these views fully and to collate them in an objective and comprehensive manner, we commissioned the Public Policy Research Institute of The Hong Kong Polytechnic University (PolyU) as our independent consultant to conduct an objective, systematic and comprehensive analysis of all these views. Three large-scale random telephone surveys were conducted and some 45 00 people were successfully interviewed. The public opinions collected from different channels were scientifically verified.

Besides, we also note that while there are other opinion polls on the WKCDD in society, they are far smaller than our own survey in terms of scale. Their samplings of respondents are very small in scope and there is no collection of opinions from other channels for scientific verification. In contrast, the opinion poll conducted by PolyU earlier on is more scientific, comprehensive and reliable from the perspective of statistical science. Therefore, we believe that the findings and analyses of this opinion poll are highly reliable and can serve as one of the Government's sources of reference in policy formulation.

The findings of the public consultation indicate that the WKCDD is supported extensively by society and the public believe that its implementation will enrich our cultural and arts life, create job opportunities and promote tourism. They also hope that the WKCDD can be implemented as early as possible. At the same time, however, we also note that the general public and the Legislative Council are especially concerned about individual aspects of the WKCDD. We consider that the following four views should be addressed as priority areas:

- (1) abolishing the "single-package development" approach;
- (2) lowering development intensity and reducing commercial and residential buildings;
- (3) ensuring sufficient funding for the sustainable operation of arts and cultural facilities; and
- (4) establishing an independent body to take forward the WKCDD.

We have taken positive moves to fully address the concerns of the public. In October last year, after carefully studying and considering the consultation findings, we proposed to introduce new development parameters and conditions on the development approach. They include:

1. abolishing the "single-package development" approach by requiring the successful proponent, to parcel out, under the current development framework, at least 50% of the commercial and residential gross floor area (GFA) at the WKCD site. Other developers will be able to bid for those parcelled-out portions under an open and fair process;
2. setting the maximum plot ratio at 1.81;
3. capping the residential development at no more than 20% of the total gross floor area;
4. specifying a minimum net operating floor area for core arts and cultural facilities at 30% of the total GFA of the WKCDD; and

5. requiring the successful proponent to pay \$30 billion for the establishment of a trust fund to ensure that there are sufficient funds for the sustainable operation of the WKCD.

The WKCD is an integrated planning and development project. In order to ensure proper co-ordination, consistency of design and clear division of tasks, the Government considers it necessary for the screened-in proponent to assume the role of co-ordinating the whole development project and develop all the core cultural and arts facilities, the canopy and other public facilities in the district. However, since the majority public do not want the WKCD to be developed by one single developer, the Government has decided to abolish the single-package development approach by requiring the successful proponent to parcel out at least 50% of the commercial and residential GFA for the participation of more property developers. In order to ensure fair competition, the Government will forbid the screened-in proponent to bid for the parcelled-out portions and handle the bidding process. The arrangements, mechanism and timing for bidding will all be decided by the Government.

Some Members have criticized that allowing the screened-in proponent to develop two thirds of the GFA will be the same as maintaining the "single-package development" approach. This is actually a misunderstanding because half of the development right is connected with the construction of cultural and arts facilities on a minimum GFA of some 200 000 sq m. These facilities will not bring any profits to the screened-in proponent. Besides, their sale will not be permitted. When implementing the WKCD, the Government will ensure sufficient protection of public interest under the proposed development framework.

We also propose to set the maximum plot ratio at 1.81 and cap the residential development at no more than 20% of the total GFA, with a view to ensuring that the WKCD will not be dominated by property development.

We will at the same time ensure that there will be 20 hectares of green and recreation zones in the WKCD. The balanced combination of cultural, entertainment, commercial and residential facilities, coupled with green and recreation zones, will increase the flow of people in the WKCD, bringing life and vitality to it during different times at night and in the day.

The WKCDD will continue to be implemented under the self-financing principle. The screened-in proponent will have to pay \$30 billion for the setting up of a fund. According to our internal estimation, this independent fund will be able to sustain the operation of the core arts and cultural facilities and other public facilities of the WKCD.

As for the proposed statutory body, we will proceed with its establishment at an appropriate time to take over the Government's role of developing the WKCD.

After briefing the House Committee of the abovementioned development parameters and conditions in October last year, we have also sought the tentative views of the TPB on the development scale. The TPB agrees in principle that these parameters be used as the future planning basis for West Kowloon. The Government has also exchanged views with the Subcommittee, the Harbour-front Enhancement Committee and relevant professional and arts organizations on these development parameters and conditions. The three screened-in proponents also gave their responses to these new development parameters and conditions at the end of last month.

We consider that these new development parameters and conditions proposed by the Government of its own accord can already address the concerns of the public, enable us to properly utilize the achievements under the existing development framework and implement the WKCDD as early as possible in accordance with the aspiration of the public. However, we are very disappointed to note that the Legislative Council Subcommittee does not seem to share our view fully.

Actually, as pointed out by the Chief Secretary for Administration earlier on, the recommendations of the Phase II Report published by the Subcommittee in January represent a major departure from the Government's original planning concept concerning the WKCDD because it gainsays all the efforts that have been made for the development of West Kowloon and also fails to fully address public concerns.

The Subcommittee is inclined to a more conservative development mode. It advocates the adoption of the traditional approach to the development of West Kowloon, whereby commercial and residential land in the WKCD is to be granted under the usual land sale procedures. Private-sector organizations will

not be required to invest any capital in the development of cultural facilities. In other words, the development of cultural items will have to depend entirely on public money.

If the development mode advocated by the Subcommittee is adopted, the entire project will be plunged into uncertainties. We will need to repeat what we have done over all these years, including planning, design, consultation and all the rest. This will cause the indefinite delay of project commencement. And, the WKCDD will also have to compete with other policy initiatives for resources, so there is no way to guarantee its eventual finalization. Even if the project can be finalized, its operation will exert pressure on public expenditure in the long run. Consequently, it is difficult to ensure that there can be sufficient fund to support the sustained operation and long-term development of the arts and cultural facilities. The Report of the Subcommittee has not proposed any concrete solutions to all these problems.

What is more, with the adoption of the traditional approach to the development of West Kowloon, it will not be possible to tap the creativity and innovation of the private sector. Constrained by limited resources, the WKCD may not necessarily succeed in attaining world-class standards as expected by the public. Therefore, we still think that the issuing of invitations for development proposals as a means of securing the co-operation of private corporations in the development of West Kowloon is the most effective approach and also the approach that can best serve the public interest.

The coverage of the Subcommittee's Report is basically similar to public concerns gauged by the Government during the public consultation exercise and also in its opinion poll. And, we believe that the new development parameters and conditions proposed in October last year have substantively addressed these public concerns. As for the recommendations of the Subcommittee Report, such as the conduct of extensive and systematic consultation, the need for transparency and accountability and the adoption of integrated planning, they are actually the same as the principles adopted by the Government for the WKCDD. The Subcommittee proposes to abolish the "single-package development" approach; we have adopted this proposal in response to the views of the public and the Legislative Council. As for the other proposals of the Subcommittee, we will take them into consideration in planning the next stage of work on the WKCDD.

In regard to the overseas experience quoted in the Subcommittee Report, I have to say that we must carefully consider the natures of the relevant project and also the related geographical, economic, historical and cultural factors. We must take into account the actual situation and social demand in Hong Kong and refrain from blindly following any overseas experience.

I wish to emphasize that since the start of the WKCDD, the Government has never conducted any negotiations or bargaining with any proponents. Nor has it ever reached any private agreement with individual proponents or made any undertaking to them. I guarantee that in deciding the future direction of the WKCDD, we will not do anything like this either. The three screened-in proponents were given all the relevant information in triplicate copies at the same time. The process was absolutely fair, with no secret dealings at all.

I believe Members all know that at the end of last month, the three screened-in proponents already gave their responses to the new development parameters and conditions proposed by the Government. I must emphasize that the Government will not seek to implement this development framework at all costs. As we explained openly earlier on, the screened-in proponents have raised some specific questions about the new development parameters and conditions, such as the details of parcelling out commercial and residential land, the use of land sale proceeds, the detailed arrangements for the \$30 billion fund and the role of proponents in the operation of the WKCDD. As a responsible government, we will need to spend some time on studying the questions raised by the proponents, and we will also need to consult the relevant departments and the Executive Council before deciding our next stage of work, with a view to satisfying public aspirations and ensuring protection of public interest.

As a matter of fact, the new development parameters and conditions proposed by us in October last year were all formulated on the basis of the public aspirations voiced during the public consultation period. And, these proposed parameters and conditions have received general public support since their announcement. The Government will not change its position on the relevant development parameters and conditions, that is, the parcelling-out arrangements, the maximum plot ratio and proportion of residential development and the advance payment of \$30 billion for the establishment of a fund to support the operation of the WKCDD.

The Government still needs time for a careful study of the questions raised by the proponents. Consequently, as pointed out by the Chief Secretary for Administration in his letter to the House Committee Chairman, the Government is unable to conduct in-depth exchanges with Members on the next stage of work in relation to the WKCDD. We must proceed step by step, following the principle of gradual and orderly progress. And, we must also study the proponents' responses very carefully before mapping out the next stage of work. As at the present moment, we have no timetable for selecting the final proponent. We are examining their responses, and after seeking instruction from the Executive Council, we will report to the Legislative Council on the latest progress of the WKCDD.

In regard to the cultural policy, the term "cultural vacuum" is mentioned in the Phase I Report of the Subcommittee. Some Members have said that the Government's development of West Kowloon is not supported by any cultural policy. I wish to emphasize once again that there is a cultural policy in Hong Kong. Hong Kong has always been a free society. Before the reunification we adhered firmly to the broad principle of respecting creativity and the freedom of expression and such a principle is still being respected after the reunification. The Government has mainly been playing the role of a catalyst and facilitator. It also provides various forms of assistance, including funding, venues, arts education, and so on, with a view to promoting cultural and arts development. Owing to the resource and institutional constraints, it is impossible for the Government to entirely satisfy the different aspirations of the cultural and arts sectors. The WKCD development is aimed precisely to address the age-old problems of inadequate arts facilities and inflexible government operation of venues. With the WKCDD, there will be a greater number of new performance and exhibition venues for the cultural and arts sectors, and they will also be provided with more resources and alternative modes of operation. That way, our arts and culture will be able to develop healthily in a pluralistic atmosphere and the public and cultural and arts workers will be able to have more choices. As pointed out in the Culture and Heritage Commission Policy Recommendation Report, the WKCDD presents an "unprecedented" opportunity and will be an important part in the development of arts and culture in Hong Kong. The various sectors of Hong Kong, including people in the arts and cultural sectors, all look upon the WKCDD with high expectations. We hope that Members can realize and understand the Government's cultural vision and adopt a more pragmatic attitude towards the WKCDD.

President and Honourable Members, the Government's policy objective for the WKCD is to develop a world-class integrated arts and cultural district, enrich arts and cultural life, create job opportunities and promote the development of the tourism industry. The cultural policy and vision of the Government are very clear, and we have been adhering to all this since we started our planning for the WKCD. I must emphasize that the Government's policy objective for the WKCD development has not changed. We too understand that the successful implementation of the project must depend on public support, and that the relevant proposals must receive market acceptance. At the same time, we wish to maintain the existing development framework for the WKCD; through the establishment of a partnership with private-sector organizations, we hope to establish a world-class integrated cultural district that meets the needs of the public. We will also continue to exchange views with the various sectors, especially the arts and cultural sectors and professionals, so as to listen to their views. We will of course continue to brief the Legislative Council on the progress of the WKCD, and we will consult Members on the proposal preferred by us before signing any agreement. In determining the future direction for the WKCD, the Government will certainly accord top priority to the public interest. I hope that Members can side with the Government and the general public and join hands to work for the establishment of the WKCD.

Thank you, President.

PRESIDENT (in Cantonese): Mr Alan LEONG, you may now reply. You have up to 35 seconds.

MR ALAN LEONG (in Cantonese): Madam President, it has been described that, insofar as the WKCD development is concerned, the Government is standing on one side, and the Legislative Council and the public are standing on the other. Like two parallel lines, they will never meet. They are always doing things on their own.

After listening to the speech delivered by Secretary Michael SUEN, I am sorry that I have to agree with such remarks. As the matter now stands, I can only hope that when the Chief Secretary appears before this Council later this

month, he can stop holding onto his misguided course and really listen to our views to bring the WKCD back onto the right track. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Alan LEONG 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: Improving the notification mechanism for contamination of potable water supply to Hong Kong and enhancing co-ordination in the supply of potable water to Hong Kong.

**IMPROVING THE NOTIFICATION MECHANISM FOR
CONTAMINATION OF POTABLE WATER SUPPLY TO HONG KONG
AND ENHANCING CO-ORDINATION IN THE SUPPLY OF POTABLE
WATER TO HONG KONG**

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

Though Hong Kong is a small island surrounded by the sea on all sides, there is a lack of potable water resources. Our supply of potable water is highly unpredictable with the full reliance on the collection of rainwater by reservoirs.

Since the '60s, with the rapid economic development and the continuing expansion in our population in early years, an agreement was signed between the then British Hong Kong Government and the Guangdong authorities to ensure the stable supply of potable water to Hong Kong. Under the agreement, the Dongjiang-Shenzhen water supply system was set up for the delivery of Dongjiang water to Shenzhen Reservoir, then to Hong Kong by way of gravity transfer. During the past four decades, Dongjiang water from Guangdong Province has assured the supply of water to Hong Kong. However, there is still room for improvement in terms of water quality, supply quantity, prices, and so on. My speech consists of five parts. The first part is about the continuing deterioration in water quality, despite the economic developments in the Pearl River Delta (PRD).

First, with the implementation of the opening and reform policies on the Mainland, the PRD Region has seen rapid economic developments. However, unregulated high-speed industrial development has very often given rise to many environmental pollution problems, thereby seriously jeopardizing the living and health of the people. In 1998, Hong Kong and Guangdong Province reached an agreement on the implementation of the Dongshen-Hong Kong Water Supply Scheme, mainly for the purpose of relocating the water intake points to Taiyuan Pumping Station at Dongjiang, where water quality was better, and a closed aqueduct was constructed to segregate the water supply system from Shima River to separate clean water from muddy water for direct transmission of Dongjiang raw water to Shenzhen Reservoir. The relevant works were financed by an interest-free loan of some \$2.4 billion provided by the Hong Kong side.

Actually, green groups (especially Greenpeace) were divided over the construction of the closed aqueduct right at the beginning for they considered this course of action evasive without eradicating the source of pollution at root and, what is more, being reckless to the water quality of the lower reach. This is because, after the commissioning of the closed aqueduct, the volume of water of Shima River would be reduced by more than 90%. However, the discharge of industrial and domestic sewage along the river will still continue to flow into the river course, thereby raising the pollutant concentration of the river. The flow of the heavily polluted water from Shima River downstream into the mainstream of Dongjiang will pollute the source of potable water feeding the 10 million people living in places like Guangzhou, Dongguan, and so on. Furthermore, the water quality of the starting point of the Dongjiang-Shenzhen closed aqueduct,

located just about 100 m from the upper reach of the mouth of Shima River (that is, Taiyuan pumping station), will inevitably be heavily polluted with the back-flow of water to a dozen kilometres of land located at the middle reach of Dongjiang as a result of rising tides twice a day.

Second, white lies have been used to cover up water pollution incidents, with emergency incidents being the primary cause of water pollution. There was a sudden realization of the gravity of pollution problems after the entire nation was terribly shocked by the pollution of Songhuajiang by a petrochemical factory in Jilin in 2005, or last year. Recently, a spate of incidents involving pollution of potable water has also occurred in the PRD, including Beijiang, the Huadu district of Guangzhou and the Baoan district of Shenzhen. The successive occurrence of accidents involving the leaking of chemicals from electroplating plants and the pollution of natural rivers by the discharge of industrial sewage reflects the extreme seriousness of the problem, for even a single accident can be fatal.

Another issue of concern is that precedents of telling white lies are common among local officials on the Mainland for they are used to covering up facts in order to allay the impact on society. In an incident involving water pollution in Jilin last year, the local government suspended water supply for four days on the pretext of water mains inspection and maintenance without revealing anything about the occurrence of major incidents. As lessons should be drawn from history, the Government of the Hong Kong Special Administrative Region (SAR) should, in discussing with the Mainland on water supply, insist on strengthening the notification mechanism and imposing a time limit for notification. Where the quality of Dongjiang water supplied to Hong Kong has deteriorated, the supply must be halted immediately to ensure the safety of our water supply.

Third, the notification mechanism and contingency measures. In her reply to an oral question asked by Mr Fred LI on the new water supply agreement in the Council meeting held on 11 January this year, Secretary Dr Sarah LIAO said that Hong Kong and the Guangdong authorities had set up an emergency notification system, under which the two parties would inform each other of any major incidents likely to affect the quality of Dongjiang water, by phone or by fax, as soon as possible so that appropriate control measures and corresponding actions could be taken immediately to ensure the safety of our water supply.

The Secretary also pointed out at the same time that the Water Supplies Department (WSD) had drawn up a series of contingency measures to cope with the situation where the quality of Dongjiang water has deteriorated. Major measures include:

- (i) Promptly enhancing the various measures of monitoring water quality if the quality of Dongjiang water received at Muk Wu Pumping Station is found to have deteriorated.
- (ii) Discharging at Muk Wu Pumping Station all the Dongjiang water received, if necessary.
- (iii) Liaising with the Guangdong side to reduce or suspend the supply of Dongjiang water to Hong Kong and requesting detailed information from the Guangdong side about the deterioration in water quality so that further contingency measures can be formulated.
- (iv) Replacing raw water supplied to water treatment works in the territory with local water sources.

Though I consider the contingency measures of the WSD very comprehensive, the notification mechanism between China and Hong Kong is still unclear. First of all, how can we determine who should be responsible for deciding what sorts of incidents should be considered as major incidents likely to affect Dongjiang water quality? The consequences could be serious or trivial! Second, the other party should be informed as soon as possible after the occurrence of incidents. The expression "as soon as possible" is really remarkable! It should be borne in mind that the State Council promulgated on 8 January a national plan on emergency response requiring that in the event of natural catastrophes, incidents and disasters, public hygiene incidents and social security incidents, notification to the upper level must be made within four hours. Are "major incidents relating to the quality of Dongjiang water" included? According to the requirement of "making notification within four hours", will the Mainland notify the Hong Kong side within four hours? The Secretary is indeed duty-bound to announce the details on the notification mechanism, rectify the ambiguities, and impose a time limit for notification.

Fourth, the Advisory Committee on the Quality of Water Supplies. It is equally important to invite expert academics and non-government representatives

to participate in the monitoring of water quality. The SAR Government set up in 2000 the Advisory Committee on the Quality of Water Supplies to collect views from all sectors for reviewing water supply and water quality matters. This idea is indeed commendable. However, the fact that one third of the 23 members of the Advisory Committee are government officials obviously shows that the reflection of public views is inadequate. Though the Advisory Committee was set up almost six years ago, only 13 meetings have been held so far. This means that the number of meetings held annually was less than three on average. This is yet another deficiency. Furthermore, with the publication of a total of seven study reports by the Advisory Committee so far, it is interesting to note that the number of pages of the reports has continued to shrink, from seven pages of the text of the first one published in 2000 to several pages of the ones published in recent years. The contents of the study are indeed doubtful. I am not trying to evaluate quality by quantity. However, with various members and officials visiting numerous counties, cities and reservoirs throughout Guangdong Province for annual studies, there should be at least some recommendations! It is therefore imperative for the Government to review the composition and functions of the Advisory Committee, expand the ratio between expert academics and green group representatives, and conduct independent sample testing of water quality in order to perform a more technical and more independent monitoring role.

Fifth, President, flexible water supply can bring room for price reduction. Given that the existing water supply agreement has a so-called "minimum charge" requirement, whether Hong Kong has an actual demand for potable water or even when there is overflow of local reservoirs, the Mainland will still continue to supply a certain quantity of potable water. Such an inflexible, fixed water supply arrangement can easily lead to wastage, and is not cost-effective at all. It was only when a water supply agreement was signed in 1998 that Guangdong Province finally adjusted its annual supply quantity to Hong Kong for the years between 1998 and 2004 in accordance with Hong Kong's request.

China and Hong Kong are now in the course of negotiating a new water supply agreement. I solemnly propose that the SAR Government should take the initiative to reflect the actual circumstances to the Guangdong Provincial Government with a view to setting a flexible supply quantity in the new agreement. Furthermore, Guangdong Province has been hit by serious droughts in recent years. As part of China, Hong Kong should take the interest

of our mainland compatriots into consideration and refrain from using excessive water and even wasting potable water. Under a flexible water supply agreement, Hong Kong will reduce wastage of potable water. In addition, the fact that Guangdong Province has just begun repaying the 20-year interest-free loan provided by Hong Kong means that there should be room for downward adjustment of water charges.

Lastly, President, as 70% of the potable water supply to Hong Kong comes from Dongjiang, Hong Kong will definitely be the first to bear the brunt in the event of contamination of potable water on the Mainland. Therefore, we must step up our vigilance and take the matter seriously. It is therefore imperative for the authorities concerned to improve the existing notification mechanism for contamination of potable water supply to Hong Kong, including imposing a time limit for notification. Meanwhile, a flexible supply quantity should be introduced in discussing water supply to Hong Kong to prevent wastage of precious water resources and create room for reduction of water charges. Furthermore, Hong Kong and a number of cities and villages in Guangdong Province should work harmoniously in sharing water resources. If the Guangdong Provincial Government establishes a mechanism for the planning and co-ordination of water supply in the PRD Region, the Hong Kong SAR Government should actively take part in the related work.

President, I so submit.

Mr Albert CHENG moved the following motion: (Translation)

"That, as Hong Kong has to pay a high water price under the current water supply agreement between the HKSAR Government and the Guangdong Provincial Government while there is no assurance of the water quality, and many incidents of contamination of potable water have recently occurred in the Mainland, in which some local officials were even found to have hidden the truth; moreover, with the industrial and economic developments as well as the population growth in the Pearl River Delta ("PRD") Region, the demand for potable water in the Region has substantially increased, but the water pollution problem has worsened and led to a continuing decrease in clean and potable water; furthermore, as the existing notification mechanism for contamination of potable water supply to Hong Kong still has deficiencies, this Council urges the

HKSAR Government, in discussing the finalization of the specific details of a new water supply agreement, to improve jointly with the Guangdong Provincial Government the existing notification mechanism for contamination of potable water supply to Hong Kong, including imposing a time limit for notification; and to discuss ways to enhance co-ordination in the supply of potable water to Hong Kong and allow flexibility in determining the supply quantity, so as to avoid drawing unneeded water when there was overflow from local reservoirs and hence resulting in wastage; in addition, if the Guangdong Provincial Government establishes a mechanism for the planning and co-ordination of water supply in the PRD Region, the HKSAR Government should actively take part in the related work."

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

PRESIDENT (in Cantonese): Mr WONG Ting-kwong and Mr Fred LI will move amendments to this motion respectively. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr WONG Ting-kwong to speak first, to be followed by Mr Fred LI; but no amendments are to be moved at this stage.

MR WONG TING-KWONG (in Cantonese): Madam President, I believe the vast majority of the people living in Hong Kong have been consuming Dongjiang water since the '60s in the last century. At present, Dongjiang supplies almost 80% of the water consumed in Hong Kong at a cost of more than \$2 billion per annum. The fact that the public wants an assurance of the quality of Dongjiang water and does not want to see a repeat of the incident years ago in which the Dongjiang water supplied to Hong Kong was found to have exceeded the risk levels is therefore understandable. Indisputably, owing to the Mainland's past mode of extensive development, the importance of protecting the natural environment was often sacrificed for the sake of economic development. However, at the Fifth Plenary Session of the Sixteenth Central Committee, the Central Authorities summed up the past experience in development and proposed

to build an environmentally-friendly society to realize the spirit of harmonious co-existence between man and Nature. Last year, in presiding over a Standing Meeting of the State Council, Premier WEN Jiabao further proposed that environmental protection be insisted as a basic national policy, environmental protection issues should be resolved in the course of development, and goals for environmental protection for the next five and 15 years be formulated. This proves that the Central Government attaches great importance to the strategic role of environmental protection in China's development.

Specifically, the Central and Guangdong Provincial Governments have been keeping a close eye on the quality of Dongjiang water because Dongjiang water is not only supplied to Hong Kong, it is also a major source of water for domestic purposes for such places as Guangzhou, Shenzhen, Dongguan, Huizhou, and so on, and the safety of the potable water consumed by tens of millions of people is at stake too. In order to ensure that water sources are not contaminated, the Provincial Government has resorted to mass migration and closure of polluting enterprises and farms in Heyuan for a number of years in the past. Despite its development as an ecological tourism area, the new Dongjiang Reservoir is open for visit only. Furthermore, no eating is allowed, and even no toilets are provided, within the Reservoir area. As for investments in sewage treatment facilities, Guangdong Province has already set up more than 70 treatment plants, the highest number on the Mainland. The commissioning of the high-level treatment works for domestic sewage in Huizhou and the bio-nitrification plant at the Shenzhen Reservoir has substantially improved the quality of Dongjiang water supplied to Hong Kong from the intake point stretching from the natural river course east of the new Dongjiang Reservoir in Heyuan to Qiaotou Town of Dongguan. Meanwhile, the old Dongshen aqueduct at Shima River was replaced with the new Dongshen closed aqueduct. With the marked and long-term improvement in water quality, the situation in which risk levels are exceeded is no longer seen. Instead of adopting an indifferent attitude, we should affirm the Guangdong Provincial Government's efforts and determination in protecting potable water resources.

Madam President, let us look at the situation of Singapore, which is quite similar to ours — Singapore has to purchase raw water from Johor in Malaysia. However, the water supply agreement signed between the two countries does not specify the standard of water quality. In contrast, the standard of water quality is specified in the agreement signed between Hong Kong and Guangdong

Province. In comparison, our agreement is thus more advanced and offers greater assurance. Several years ago, a diplomatic skirmish erupted between Singapore and Malaysia on the adjustment of the water price. Dissatisfied with the persistently low water prices, Malaysia demanded a substantial increase in the water price to US\$2.1 per 1 000 gallons, while the Singaporean Government bargained for US\$1.7 per 1 000 gallons. However, this cost has not included the cost of constantly injecting massive resources into water treatment facilities by Singapore to cope with the increasing polluted raw water. The disputes between the two countries have even given rise to a problem relating to the stable supply of water to Singapore. Looking back at our Dongjiang water supply agreement, we will find that the price of raw water is set at a similar level of approximately US\$1 per 1 000 gallons. However, various municipal governments in Guangdong Province have taken the initiative to invest in sewage treatment facilities and impose strict restrictions on the polluting industries along their supply routes to ensure the quality of raw water. Compared with Singapore, Hong Kong is indeed in a much better position because our water supply is relatively inexpensive, stable and quality. We can therefore hardly agree with the original motion's accusation that, despite the high water price, there is no assurance of the quality of Dongjiang water. This is unfair to the relevant mainland authorities.

Despite the efforts made by the Guangdong Provincial Government and the Hong Kong Special Administrative Region (SAR) Government in establishing a good co-operative relationship, the DAB considers there is still room for improvement in co-operation between both places. This is because the Mainland has been struck by natural disasters and man-made calamities, such as the successive outbreaks of salt tides in Zhuhai and Zhongshan of Guangdong Province and the recent contamination of Beijiang by cadmium. Although these two unexpected incidents will not affect the quality of Dongjiang water supplied to Hong Kong, bearing in mind that the Guangdong Provincial Government has effectively resolved the incidents and immediately regularized enterprises engaging in unauthorized discharges and instructed the polluting enterprises to move out, it is still necessary for the SAR Government to take precautions. For these reasons, the DAB approves of the proposal put forth in the original motion on improving the notification mechanism for contamination of potable water supply to Hong Kong.

However, both the contingency mechanism mentioned in the original motion and the one mentioned by the Government are confined merely to the

mutual transmission of data on the water quality between the two places, without mentioning what joint mechanism will be operated in the event of unexpected water supply incidents. The DAB considers that, in the event of such incidents, the SAR Government can send local experts to set up contingency working groups with mainland experts to deal with the unexpected incidents properly. The SAR Government can also provide decontamination materials and technologies or establish a joint monitoring point instead of sitting still to wait for information or taking such passive actions as refusing to receive water, and so on. The DAB would like to call on the SAR Government to take the initiative to put forth the relevant requests and hold discussions in meetings conducted in connection with the new water supply agreement or within the Hong Kong-Guangdong Joint Working Group on Sustainable Development & Environmental Protection with a view to enhancing the capacity of the two places in handling emergency incidents.

Madam President, according to the last proposal of the original motion, if the Guangdong Provincial Government establishes a mechanism for the planning and co-ordination of water supply in the Pearl River Delta (PRD) Region, the SAR Government should actively take part in the related work. In the opinion of the DAB, however, given the assurance in the water supply agreement, Hong Kong has been guaranteed a stable supply quantity and up-to-standard water quality. Considering the regular discussions held between the Hong Kong-Guangdong Joint Working Group on Sustainable Development & Environmental Protection and the mainland authorities on protection of the quality of Dongjiang water, there are evidently adequate channels for communication between the SAR Government and Guangdong Province. As the water supply planning of the PRD Region involves the governance of Guangdong Province and the relationship between different municipal governments in Guangdong Province, excessive involvement of the SAR Government is indeed inappropriate. Therefore, the DAB has reservations about the proposal raised in the original motion.

Furthermore, the quality standard adopted in the existing water supply agreement was set in the loan agreement in 1998 in accordance with the Class II Standard of the Environmental Quality Standard for Surface Water published by China at that time. This old standard published by China in 1988 was already replaced by a new one published by China on 1 June 2002. All the monitoring data listed on the website of the Water Supplies Department on the water quality of Dongjiang mainstream now meet China's new standard. I believe there

should be little problem in upgrading the standard prescribed in the water supply agreement to bring it in line with China's new requirement. The DAB has therefore proposed an amendment calling on the SAR Government to, when negotiating the new agreement, put forth the relevant requests to ensure that the quality of Dongjiang water meets China's new requirement.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, a water supply agreement was signed between Hong Kong and Guangdong in 1989. Owing to the then Hong Kong Government's underestimation of the speed of the northward relocation of industries, and coupled with the inflexibility of the agreement, a total of \$2.5 billion was spent purchasing 800 million cu m or so of Dongjiang water from Guangdong in 2004. The overflow of a number of reservoirs in Hong Kong in 2005, however, resulted in the discharge of up to 100 cu m of fresh water into the sea. In the light of the serious wastage of potable water, we call on the Government, in negotiating a new agreement with the Guangdong side, to review the supply quantity according to the actual monthly storage capacity of local reservoirs so that upward and downward adjustments can be made. I guess Secretary Dr Sarah LIAO is widely known for her fare adjustment mechanism which allows for increase and decrease in transport fares. Actually, we also propose to include flexible water supply arrangements allowing for upward and downward adjustments in the water supply agreement to enable Guangdong and Hong Kong to achieve a win-win situation. Next, the Government should examine proposals on reducing expenditure. I propose that the authorities conduct further studies on the feasibility of connecting local reservoirs to increase their capacity through flexible distribution of potable water. This is the thrust of the amendment proposed this time.

Clean water resources are in general becoming increasingly scarce on earth. Some people have even asserted that wars will be launched to fight for petroleum in the 20th century, though water sources are likely to be the direct cause of wars in the future. To our Motherland, potable water resources are especially precious. While China's water resources account for a mere 7% on the global scale, the country has to support 21% of the world's population. As the figures of the Ministry of Water Resources reveal, two thirds of the cities in China have suffered from a serious shortage of water in recent years and have to rely heavily on underground water. However, excessive pumping of

underground water has in turn led to massive settlement and land subsidence. The situation is worrying.

In late 2004, the South China region was hit by the worst drought in five decades, with places like Guangzhou, Macao, Zhuhai, Zhongshan and Dongguan calling for help with fresh water supply. Owing to the poor rainfall in Guangdong Province over the past three months, droughts of varying degrees have appeared throughout the Province and the situation tends to aggravate, with the droughts in the north and central parts reaching a serious and even extreme level, and the south part medium level. According to the information submitted in December 2005 on the drought situation, up to 38 000 people in Leizhou, Zhanjiang, and up to 130 000 people in some other places, were affected by the dry weather.

However, we can see from other figures that, in the first 11 months of 2005, more than 100 million cu m of water was discharged from local reservoirs into the sea. If we calculate in terms of \$3.085 per 1 cu m of Dongjiang water, \$337 million worth of water has been discharged. If we calculate on the basis that the territory has a total population of 6.8 million, each person is required to pay nearly \$50.

Despite the proposal of a loan agreement by the Hong Kong Special Administrative Region (SAR) Government to Guangdong Province in 1998 in exchange for the latter's consent to reduce the annual supply quantity, the supply quantity is still far higher than the territory's demand. Therefore, a more flexible water supply agreement should be formulated. The Democratic Party agrees that a minimum supply quantity indicator be set to safeguard the operational effectiveness of the Guangdong side. Yet, the actual water supply should be determined according to our monthly consumption. Supply should be suspended when the water level reaches a certain level. Otherwise, while water supply and discharge of water continue on this side, the people in Guangdong Province on the other side continue to face the risk of water rationing, and even suspension of water supply. This is hardly acceptable.

Madam President, I will express some of the concerns of the Democratic Party about water contamination in the following part. In recent years, incidents of water contamination have occurred on the Mainland one after another. In addition to the serious contamination of Songhuajiang as a result of the explosion of a petrochemical plant on 13 November, the State Environmental

Protection Agency has since November 2005 received a total of 45 reports of unexpected environmental incidents of various kinds. Among these reports, six are on major incidents of serious industrial pollution, which took place in Guangxi, Henan, Hunan and Jiangxi, where rivers were polluted by different substances such as metal, cadmium, diesel oil, and so on.

I mention these incidents because I hope to caution the authorities that, just as contamination incidents can occur in Beijiang, they may occur in Dongjiang too. Though the upper reach of Dongjiang is not economically-developed, once the economy of the upper reach region begins to develop, industrial pollution is highly possible. Although the Guangdong Provincial Government has relocated the factories and homes in the vicinity of the intake point of Dongjiang water and developed the area into an ecological tourism zone, coupled with the commissioning of the Dongshen closed aqueduct in June 2003, it is still necessary for the authorities to keep a close watch because of the frequent occurrence of unauthorized factories and indiscriminate discharge of effluents. A repeat of the Songhuajiang or Beijiang incident is not impossible.

In her reply to my oral question raised in the Council meeting on 11 January, Secretary Dr Sarah LIAO stated that the Water Supplies Department (WSD) had drawn up a series of contingency measures to cope with the situation of deteriorated Dongjiang water quality. While this is supported by us, we hope the Government can define more clearly the prescribed time limit for the Guangdong side to give notification after the occurrence of water contamination incidents to avoid delay. To raise vigilance and formulate a contingency plan before the occurrence of accidents is the required attitude of a responsible government.

On water storage, Madam President, we hope to come up with a better proposal on saving expenditure. We have consulted many academics and people who are interested in this topic. They all share the view that the feasibility of connecting local reservoirs should be studied with a view to conserving potable water resources as far as possible. Although the Government has not directly discharged Dongjiang water into the sea, Dongjiang water, which is separately stored in several local reservoirs, will be indirectly discharged because of the overflow of the reservoirs. In this way, the Government is actually purchasing potable water on the one hand, and discharging it into the sea on the other.

There are a total of 17 reservoirs in the territory. With a combined storage capacity of 580 million cu m, these reservoirs account for 60% of the annual water consumption of the people in Hong Kong. The two largest reservoirs are the Plover Cove Reservoir in Tai Po and the High Island Reservoir in Sai Kung. While the reservoir in Tai Po and the one in Sai Kung account for 39% and 48% respectively of the territory's combined storage capacity, the remaining 15 smaller reservoirs account for only 13% of the combined storage capacity. Therefore, the Plover Cove Reservoir and the High Island Reservoir are the major reservoirs in Hong Kong. I think the Government should consider the proposal of connecting reservoirs. Some reservoirs with relatively small catchment areas, such as those in Kowloon, Tai Tam, Aberdeen and Shek Pik, will overflow in heavy rain when the amount of water received exceeds the storage capacity. In effect, 90% of the water discharged into the sea has come from the 15 small reservoirs. In contrast, the High Island Reservoir and the Plover Cove Reservoir seldom overflow because of rain since their catchment areas are bigger. According to the information provided by the WSD, works to raise and expand these smaller reservoirs have already completed. Any further works will therefore be not cost-effective. For these reasons, we instead suggest the Government studying the feasibility of connecting these smaller reservoirs with the Plover Cove Reservoir in Tai Po and the High Island Reservoir in Sai Kung. As the Shing Mun Reservoir and the Lower Shing Mun Reservoir have the highest overflow quantity of up to 27.44 million cu m, priority consideration should be given to these two reservoirs where there is frequent overflow of potable water into the sea by way of laying mains to divert water to larger reservoirs for the purpose of interconnection. At present, the Plover Cove Reservoir and the High Island Reservoir are basically connected, and this has substantially increased the overall storage capacity of local reservoirs.

The preciousness of potable water resources lies in not only their monetary value, but also their manifestation of environmental protection and sustainable development. More importantly, it represents a respect for human survival. Therefore, this amendment proposed by the Democratic Party focuses on two points, namely flexible water supply and interconnection of reservoirs. The Democratic Party also supports the original motion and the amendment proposed by the DAB. I so submit.

MR TOMMY CHEUNG (in Cantonese): Madam President, in addition to the potable water collected by local reservoirs, nearly 80% of Hong Kong's potable

water resources are Dongjiang water purchased from Guangdong Province. Although Dongjiang water has not been affected by the salt tides occurring in certain parts of Guangdong Province due to the backward flow of seawater, the Liberal Party considers that, with the agreement of the two parties, there is still room for further improvement in water quality and prices.

Actually, Guangdong Province has indeed made a lot of efforts in improving the quality of Dongjiang water. For instance, the intake point of Dongjiang water was already moved upward in 2003 to Taiyuen in Dongguan and the construction of a closed aqueduct was completed in mid-2003 in the hope of preventing the quality of potable water supplied to Hong Kong from being contaminated. However, half of the RMB 4.7 billion yuan spent on the construction of the closed aqueduct was an interest-free loan offered by Hong Kong. Now that money has been spent, but we can still not feel at ease about the water quality problem.

In March 2004, for instance, a green group called Greenpeace collected samples from Dongjiang water near Taiyuan for testing. The results show that the contents of coliform organism, ammoniacal nitrogen and toxic heavy metals have exceeded the standards by 3 200, 10 and 280 times respectively. Confronted with the water quality problem, the Water Supplies Department has merely been stating equivocally that the quality of Dongjiang water consumed in Hong Kong meets the requirement and is suitable for public consumption after treatment — I must stress that I am referring to the treated Dongjiang water.

An investigation in March last year even revealed that the carcinogenic heavy metal contents in samples of *Lycium chinense* and lettuce exceeded national hygiene standards. This shows that the problem of contamination of Dongjiang water still remains. The rapid development in the Pearl River Delta Region in recent years is not only the main reason for the deterioration in the quality of Dongjiang water, but also a cause of environmental pollution.

It is even more alarming that two unexpected, horrifying incidents of massive contamination occurred on the Mainland in recent years. For instance, Songhuajiang was badly contaminated as a result of a serious explosion of a petrochemical plant in Jilin late last year. In addition to suspensions of water supply in such places as Harbin, some border areas of Russia adjacent to China were affected too. Later, another serious incident of river contamination also occurred during the inspection and maintenance of the sewage installation of a

steel mill in Shaoguan. Not only was the water supply to three cities, namely Shaoguan, Qingyuan and Yingde, was threatened, more than 100 000 people were affected as well. Water supply to some suburbs was even suspended.

Although the abovementioned major incidents have not affected Dongjiang, they came a wake-up call for us to immediately perfect the existing emergency notification mechanism. This is because though a notification mechanism is already in place, it has not been specified under what circumstances prompt notification should be made. Neither has a time limit for notification been imposed. Therefore, we call on the Guangdong side, when unexpected major incidents of water contamination occur and the supply of Dongjiang water is affected, to notify the Hong Kong side promptly so that contingency measures can be taken early.

In the medium and long term, it is necessary for us to strengthen co-operation with the Guangdong authorities to enhance environmental management and improvement of water quality. It is believed that, if Hong Kong can have cleaner potable water, there will be no need to use so many chemical substances to neutralize the pollutants in potable water, and this will in turn reduce the risk of harm being caused to human bodies.

Secondly, the Liberal Party hopes that the Government can strive to fight for Hong Kong people a water charge that is lower than the existing rate of \$3.085 per cu m. This is because in Shenzhen, 1 cu m of potable water charges only RMB 0.78 yuan, approximately one fourth of the charge paid by the Hong Kong side. If the cost of purchasing water can be lowered, we can then request the Government to lower the water charges. In doing so, not only all users can be benefited, the burden of the catering, manufacturing and laundry industries can be lessened as well.

Furthermore, we hope that the supply quantity can be adjusted more flexibly to bring it closer to Hong Kong's actual demand for potable water. For instance, the supply quantity can be reviewed on a monthly basis to prevent large quantities of potable water from being discharged into the sea because of the rigid enforcement of the water supply agreement. We therefore support the idea that Guangdong and Hong Kong should negotiate a new, flexible arrangement in discussing and formulating the new water supply agreement, particularly because Guangdong Province will experience tight water supply because of the dry weather.

In short, it is our hope that we can enjoy quality and inexpensive Dongjiang water as early as possible and stop paying exorbitant water charges.

Madam President, I so submit.

DR JOSEPH LEE (in Cantonese): Madam President, Hong Kong has been relying on Dongjiang for potable water supply. The continuous development along the upper reach of Dongjiang in recent years has, however, brought frequent news of contamination of Dongjiang water by giardia, coliform, and heavy metals. There have also been reports of such incidents as discharge of medical waste water along the Dongshen supply route, and contamination of water supplied to Hong Kong by oil storage facilities of factories along Dongjiang because of the lack of leak-proof installation.

According to medical literature, humans consume a large quantity of potable water every day. Prolonged consumption of potable water contaminated by bacteria, industrial waste materials, heavy metals and chemicals will result in heavy exposure to toxic chemical compounds derived from pollutants in raw water, thereby damaging human health. Industrial waste materials in raw water will release a large quantity of toxic heavy metals, such as lead, mercury, and so on. Potable water with a multitude of heavy metals will damage the kidney function of babies and affect the healthy development of fetus. An exceedingly high content of lead in potable water will also damage the central nervous system of humans and cause permanent brain damage. This will result in deteriorating memory and slowly declining intelligence in children.

Furthermore, preliminary water pollution means that potable water must be filtered and added with chlorine to enhance its decontamination effect. This is one of the decontamination methods. In the event of serious contamination, more chlorine will have to be added to remove ammoniacal nitrogen from water. As excessive chlorine residue will react chemically with organic substances, such reaction will produce carcinogenic substances in potable water, such as trichloromethane, commonly known as chloroform. Consumption of even a minute quantity of chloroform can lead to a sudden mutation of human cells and increase the risks of colorectal cancer, kidney cancer and bladder cancer.

Indisputably, Madam President, despite the active efforts by the authorities and the Guangdong Provincial Government in recent years in

launching sewage management works from various aspects to protect the quality of Dongjiang water, it appears that the problem with Dongjiang water quality is still not resolved satisfactorily. In the past 16 years, starting from the '90s, the water quality of Plover Cove Reservoir, the first intake point of Dongjiang water, has continued to deteriorate due to the problematic Dongjiang water. In the briefing notes submitted by the Water Supplies Department (WSD) to the Environmental Protection Department on works in 2005, it was revealed that the massive reproduction of algae in the Reservoir in recent years and the subsequent exhaustion of oxygen in water had led to massive deaths of fish. The culprit is Dongjiang water for its high content of nitric acid and phosphate provides rich nutrients for algae. This has aptly illustrated that the serious problem with Dongjiang water quality has not been improved as a result of the sewage management works carried out along Dongjiang.

According to the elaboration by the WSD on the quality control of potable water in its 2005 annual report, the sample testing statistics of the quality of Dongjiang water has merely listed such data as the average levels of ammoniacal nitrogen and manganese. As expected, the ammoniacal nitrogen index of Dongjiang water is found up to standard because a large amount of chlorine is added to the later chemical filtering process. However, the annual report has not provided data on the contents of heavy metals, such as lead and mercury, and trichloromethane produced as a result of the addition of excessive chlorine to justify the classification of Dongjiang raw water on the Mainland as Class I to Class II ideal potable water. In the Key Facts published by the WSD in 2005, it was merely mentioned briefly that the WSD had taken chemical, bacteriological, limnological, biological and radiological samples from Dongjiang water for testing. However, the Key Facts failed to provide the specific details of these tests, the number of samples, and the testing indicators and results, all being matters of public concern. The safety of potable water supplied to Hong Kong and the transparency of the inspection mechanisms of the two places are indeed doubtful.

It is reported that, in order to keep Dongjiang water clean, places along the water supply route on the Mainland have made some economic sacrifices, such as prohibiting certain types of industries from developing along the route, and this is encouraging. However, the vast majority of cities in the Pearl River Delta Region have been struck by salt tides. What is more, cases of serious pollution of potable water and cover-ups have been reported on the Mainland.

Madam President, insofar as Hong Kong people who are sharing Dongjiang water and prosperity with Guangdong every day are concerned, it is not scaremongering to say that it is possible for the ecological disaster that hit a Jilin petrochemical plant spilling benzene and nitrobenzene to occur in Hong Kong to make both Hong Kong and Guangdong victims of toxic water, bearing in mind that no time limit has been imposed for notification and the notification mechanism has not provided a definition for serious incidents, whereas the Daya Bay nuclear plant, which discharges enormous quantities of chemical pollutants, is merely separated from Hong Kong by just a river. The SAR Government and the governments of water supply regions on the Mainland should jointly examine tightening safety standards for Dongjiang water, publicize the safety indicators and relevant data of Dongjiang water, and set up a notification mechanism for unexpected, expected, serious and non-serious water supply accidents with a view to perfecting the policy of water safety in Hong Kong.

With these remarks, I support the original motion and the amendment.

MR ALAN LEONG (in Cantonese): Madam President, Hong Kong is separated from the Guangdong region on the Mainland by just a mere strip of water. The occurrence of any contamination or life-threatening incidents in Hong Kong and Guangdong will therefore inevitably produce a knock-on effect on each other. I still recall that Hong Kong people were terrified last summer by the importation of pork and fresh water fish from the Mainland. In late 2005, the public learned from the media that the Pearl River Delta (PRD) Region and even Macao were plagued by salt tides. Furthermore, water supply to Guangzhou was once threatened by the discharge from a steel plant in Shaoguan of 1 000 tonnes of sewage containing heavy metal into Beijiang. All this has inevitably caused concern among Hong Kong people about the quality of water supplied to the territory.

Although the commissioning of the Dongshen closed aqueduct in 2003 has helped improve the quality of Dongjiang water supplied to Hong Kong, the industrial and domestic developments along Dongjiang on the Mainland will still constitute potential threats to the quality of Dongjiang water. According to the information revealed by the local media in mid-2004, a dumping ground has been constructed by the Guangdong Provincial Government for the disposal of dangerous waste in Lianghua, Huizhou, less than 3 km from Dongjiang. According to the evaluation and warning of green groups, once leakage control

goes wrong, the toxic substances leaked into underground water will flow into Dongjiang, and the safety of the potable water consumed by the population of 30 million in the PRD Region will be threatened.

Madam President, instead of keeping abreast of the streptococcus suis incident occurred in the middle of last year through the liaison and notification mechanism established with the Mainland, the SAR Government was once again helped by the media in learning about the developments of the crisis. Actually, it was pointed out by Secretary Dr Sarah LIAO in her reply to a question raised by Mr Fred LI last month that the notification mechanism had been set up for the notification of any major emergency incidents likely to affect the quality of Dongjiang water, and the mechanism has not been activated so far. Even in the case of the salt tides that occurred earlier, it was the Hong Kong Government which took the initiative to enquire about the developments with the Guangdong side.

At present, Hong Kong spends \$2.4 billion a year purchasing 800 million cu m of Dongjiang water from the Mainland. Regarding the potable water bought with public money at a cost of more than \$2 billion, we can only pray passively for safe quality and immediate notification in case of emergency. Madam President, it is even more ridiculous that the storage capacity of local reservoirs last year was basically able to cope with the local needs for potable water. What is more, more than 100 million cu m of potable water had to be discharged in to the sea. It is really distressing to see that while we continue to purchase Dongjiang water of dubious quality with cold hard cash, we have to discharge potable water, which is equally precious, into the sea at the same time.

To ensure an ample supply of potable water is undoubtedly an important task for the Government. However, the discharge of hundreds of millions of cubic metres of potable water into the sea reflects it is highly probable that the Government has overestimated Hong Kong's demand for potable water, or at least failed to effectively adjust the supply of potable water. If the territory's potable water reserves are already able to satisfy most of its demand for potable water, the Government should start discussing with Guangdong Province to adjust the supply quantity of Dongjiang water on a monthly basis to avoid wastage of public money and, what is more, potable water.

Madam President, a contingency programme to be jointly operated by Guangdong and Hong Kong should at the same time be included in the

notification mechanism for dealing with unexpected incidents of water supply. According to the four contingency steps formulated by the Water Supplies Department for Dongjiang water, Muk Wu Pumping Station should be the starting point in the territory. As the first control point for Dongjiang water received by Hong Kong, Muk Wu Pumping Station is responsible for, after discovering that the quality of potable water is problematic, initiating the contingency measures in the territory by, for instance, immediately discharging all Dongjiang water. Further measures will be liaising with the Guangdong authorities, supplying water treatment works in the territory with local water sources, and so on. The SAR Government should strive to reach an agreement with the Guangdong side so that the latter will be responsible for taking the initiative to give notification within the prescribed time limit and advance the interception mechanism to Guangdong.

In the long run, the SAR Government should fully communicate with Guangdong Province to keep track of the industrial and land developments in the vicinity of Dongjiang. In particular, attention should be paid to whether developments which will constitute potential threats to the safety of potable water will emerge. If necessary, the SAR Government should discuss with the Guangdong side to step up monitoring of the water quality of the higher-risk areas in Dongjiang and inform Hong Kong of the water quality data on a regular basis. The Government must, in the spirit of "prevention is better than cure", keep an eye on the supply of Dongjiang water to ensure proper use of public money and assure the safety of potable water.

With these remarks, Madam President, I support the original motion and the two amendments.

MR PATRICK LAU (in Cantonese): Madam President, today's discussion on the supply of potable water can be broadly divided into two aspects: first, quality; and second, quantity.

To start with, I would like to say a few words on the issue of quality. I believe Members will all agree that, whether the drawing up of a new water supply agreement is being discussed by the Hong Kong Government and the Guangdong Provincial Government, both parties should, as a prerequisite, ensure the standard of the quality of potable water. According to the information furnished by the relevant authorities, the Guangdong Environmental Protection Agency has, since 2001, agreed to supply the Hong Kong

Government the water quality information collected at the monitoring station near Taiyuen Pumping Station, the intake point of Dongjiang water supplied to Hong Kong, and the information will be uploaded onto the website of the Water Supplies Department (WSD) too.

Furthermore, starting from 2000, the WSD has published on its website data on treated potable water and information on the quality of water obtained from Muk Wu Pumping Station, the reception point in Hong Kong. In addition, a system for analysing water quality has been set up at Muk Wu Pumping Station for around-the-clock monitoring. In other words, the authorities have made a lot of efforts in ensuring that the quality of our potable water meets China's Environmental Quality Standard for Surface Water as well as the World Health Organization's Guidelines for Drinking-water Quality.

Madam President, a number of Members have earlier mentioned the water contamination problems occurred in Guangdong Province and its vicinity. We have also been told some horrible incidents. We therefore consider it necessary to further examine ways to improve the monitoring mechanism. However, I have learned from the public service website of the Guangdong Environmental Protection Agency that a monthly report on the water quality of sources of potable water and a weekly report on automatic stations set up in major streams and rivers have been issued by Guangdong Province for the reference of local residents. Therefore, I think the Hong Kong Government should also compile a shorter-term water quality report to, apart from enhancing transparency, enable Hong Kong people to consume potable water with greater peace of mind. I also hope that the Hong Kong Government can further communicate with the Guangdong Environmental Protection Agency with a view to increasing the frequency of providing information on the water quality from monitoring stations near Taiyuen Pumping Station.

As regards the setting up of an emergency notification mechanism, I think we should take the opportunity of negotiating a new water supply agreement between Guangdong and Hong Kong to expeditiously finalize the details for the operation of a contingency mechanism, including a time limit for notification and activating the mechanism, and even drills to be held jointly by Guangdong and Hong Kong on a regular basis.

Next, Madam President, I would like to say a few words on the issue of quantity. Regarding the proposal of including flexible water supply

arrangements in the details of the new water supply agreement, I think the Government should first conduct a prudent self-evaluation to, on the one hand, fully grasp the quantities of Dongjiang water we have wasted in recent years and, on the other, examine the weather situation, such as the rainfall record, during the same period in the hope of setting a standard that will not result in wastage of water and shortage of water supply. Similarly, we should make proper use of the data collected by the WSD on the quality of potable water to examine if the costs of filtering and treating potable water in Hong Kong have been increased as a result of the deterioration in the quality of Dongjiang water. Without proper investigation, we cannot come up with sound justifications. I believe, with these data available, we will be in a better position to discuss terms with Guangdong Province for a more reasonable price.

Thank you, Madam President.

MR WONG KWOK-HING (in Cantonese): Madam President, water is an extremely precious natural resource. It is becoming even more precious as water resources worldwide are getting increasingly polluted and scarce. I once watched a television programme about a fight for water between people up stream and down stream of a river.

The programme depicted the people living in mountainous areas who used to hunt and lead a nomadic life. However, with the proliferation of their population, these people began to settle down and switch to cultivation and livestock rearing. Furthermore, they started intercepting rivers and storing water for cultivation, breeding and consumption purposes.

While the standard of living of these people in the mountains had undeniably improved, farmers down stream were hit by a rare drought. The reduction in the supply of water from the river had brought poor harvests. The farmers therefore blamed the people living in the mountains up stream. This led to conflicts, even fights, between the people up stream and down stream.

In the end, after reconciliation, the people up stream and down stream agreed to sit down and discuss ways to resolve the problem. The solution worked out was that the people up stream used less water by using narrower water pipes so that water could be made available to people down stream too.

This very simple story has however told us a truth which is by no means simple and that is, water is immensely precious to man. Therefore, this precious natural resource should not be used exclusively, but shared and properly used by people in the river basin.

Madam President, Hong Kong is richly endowed by nature. Despite a lack of major rivers, Hong Kong used to be self-reliant thanks to the rainwater stored in reservoirs. There were no problems as the population of the territory was not large back then. However, with its growing prosperity and expanding population, the territory began to face a shortage of potable water. As a result, water rationing had to be imposed in times of drought. We all have had the experience of four hours of water supply each day when Hong Kong was hit by a serious drought. I had to queue up for and carry water back home too.

Subsequent to the diversion of Dongjiang water through the mountains to the territory, Hong Kong was able to purchase water from Guangdong Province. But the situation has thus changed for Hong Kong people no longer have to economize on the use of water. Moreover, the rigidity of the agreement has led to an overflow of large quantities of potable water from reservoirs into the sea. I feel terribly sorry for this phenomenon. In particular, for the sake of handling labour rights issues, I have recently made frequent trips to Macao. The tea I was served by my friends in Macao tasted salty. I wonder if this is the case that Hong Kong people do not realize they have to cherish and preserve their good luck because they are blessed. I felt a bit sorry when I drank that cup of salty tea — it was the tea brewed by salt water supplied in Macao, not the salty tea favoured by the natives of Haifeng.

While Hong Kong has an ample supply of potable water, we have however found that quite a number of places in Guangdong Province suffer from water shortage as a result of contamination and droughts. The living of mainland people is affected considerably because of the scarcity of water resources. Actually, both Hong Kong and the Mainland are situated in the Pearl River basin. Being a precious resource, water should be shared by all the people living in the basin. While wastage by the people in their daily use of water should not be allowed, the SAR Government should all the more avoid double wastage: to purchase potable water with taxpayers' money on the one hand, and discharge the water purchased into the sea on the other.

Actually, there was intense sadness in my heart when I learned that water had been discharged by Hong Kong people into the sea when Guangdong Province was hit by droughts. It was like people eating and drinking heartily in front of others who are starving. For this reason, we very much approve of a flexible water supply arrangement whereby water is supplied to Hong Kong according to the rate of consumption by Hong Kong people on the basis of the attitude of sharing water with the people in Guangdong Province. Actually, in the event of droughts, Hong Kong people ought to consume less water to share some of the hardship suffered by the people in Guangdong Province. Madam President, I see that there is still plenty of room for improvement in Hong Kong in terms of water conservation. First, the Government should seriously review and expeditiously resolve the problem of flushing toilets with potable water, and submit a programme and timetable for reducing as far as possible the scope of flushing toilets with potable water. Second, the Government should strengthen the maintenance of underground mains to minimize frequent bursting of potable water mains and wastage of potable water. Third, the SAR Government should expeditiously step up and launch promotion on water conservation, and enhance Hong Kong people's awareness of consuming less water and caring for the environment.

Madam President, there has been a series of problems with the notification mechanism arising from such incidents as streptococcus suis, SARS, and so on. Will the notification mechanism run into problems again should water be found to be problematic? Of course, the Water Supplies Department has already established a set of criteria for random inspection to ensure safety of water quality. However, if the pollutant is acute or rare, water of inferior quality might end up being consumed by the general public, and the consequences thus caused will be grave. I therefore consider it imperative to set up a clearer and more specific emergency notification mechanism with the Mainland. Moreover, it is essential for Hong Kong to be notified promptly in the event of any unexpected accidents of water contamination. At the same time, I also hope that the Government can keep itself well-informed and pay more attention to mainland news. Even in the unlikely event of the notification mechanism running into problems, the Government would then not be trapped in a passive position.

Madam President, given that water is a precious natural resource, the Government should, apart from reconsidering the relevant agreement, strive to identify more sources of potable water supply. Thank you, Madam President.

MR LEUNG YIU-CHUNG (in Cantonese): President, as many colleagues have said, potable water is a very precious resource to Hong Kong. However, the situation in Hong Kong is very special, for we cannot rely on the water storage capacity of local reservoirs to be self-sufficient in the supply of water to Hong Kong people.

In the past, there had been times when 70% of the daily water consumption must rely on water drawn from Dongjiang in the Mainland. The current water supply agreement between Hong Kong and Guangdong was signed in 1989. Under the agreement signed at that time, the quantity of water to be supplied to Hong Kong in 1995 would be 690 million cu m with an annual increase of 30 million cu m, and it was expected that by 2008, water supply from Guangdong Province would reach 1 100 million cu m each year. As for the undrawn potable water, Hong Kong has to pay HK\$3.08 for each cu m of it. Hong Kong has no right not to accept the water supply quantity or request that the undrawn quantity be carried forward to next year for consumption. Many colleagues have mentioned these problems. This agreement was originally meant to ensure a stable water supply in Hong Kong, so that potable water of a good quality could be supplied stably to local households and to industries and businesses. But after Hong Kong had signed the agreement, changes took place in society as industries relocated northward, resulting in a different scenario of water consumption. Given the lack of flexibility in the water supply agreement, we still have to pay for the surplus supply of water and there is no way to put a stop to this.

As many colleagues have kept on saying earlier on, plenty of potable water is wasted in Hong Kong every year. So is plenty of money. I do not wish to repeat the figures here. But when we are throwing down the drain huge sums of money, some problems have emerged at the same time. Many colleagues mentioned earlier that Dongjiang water imported into Hong Kong had continuously been discharged into the sea. On the other hand, there were problems in Guangdong Province and that is, just as Mr WONG Kwok-hing has said, the water consumed by the people there is salty, and salt tides have also taken place. In view of these problems, how can we look on with folded arms and completely neglect them? Particularly, the Hong Kong Government seems to be taking an attitude of not being in a position to help even if it wishes to. I do find this very upsetting indeed.

As Mr WONG Kwok-hing has said, under such circumstances, how can we eat lavishly and what is more, throw away a whole lot of food onto the floor and dump it into the rubbish bin while seeing other people starve? How can we tolerate this? Insofar as this issue is concerned, we must really reflect on ourselves: Should this agreement continue and can changes be made to it? If changes are warranted, how should changes be made? In fact, we cannot rely on the old mechanism anymore, and we must handle this issue flexibly. Otherwise, not only will we be dumping money into the sea or pouring water into the sea, our relationship with Guangdong Province would also worsen.

On the question of a worsening relationship, I would also like to speak parrot fashion and talk about pollution. The pollution problem is very serious indeed. Although potable water is supplied to Hong Kong by aqueducts, the source of water is plagued with problems. I hope that in the future, the new agreement, or the agreement to be signed between Hong Kong and the Mainland, must carry a sound notification mechanism. What is more, the notification mechanism must be fast, accurate and honest. Only in this way can the worries of Hong Kong people be eased.

Finally, President, I would like the Secretary and Guangdong Province to take further steps to follow up the conservation of water sources in Guangdong Province and also other problems relating to the quality and quantity of water supply. Why? It is because I think that our relationship with the Pearl River Delta is inter-dependent. If the quality and quantity of water are not handled properly and when problems arise, we cannot remain unaffected, for Hong Kong will definitely be affected. For example, with regard to the salt tides, although this is now a problem in Guangdong Province, it is impossible to ensure that the same would not happen in Hong Kong in the future. Meanwhile, in respect of water quantity, some places in the Mainland are now short of water, and it is again impossible to ensure that Hong Kong would never be short of water in the future. So, I think it is now opportune to solve this problem. The Government must address it seriously and work for a good agreement and a good mechanism. Otherwise, problems might arise with our potable water, and this does give cause for concern. President, I so submit.

DR KWOK KA-KI (in Cantonese): Madam President, I believe water is a precious resource to human beings. Recently, even at several general meetings of the United Nations, many developing countries also said that one of the most

difficult problems faced by them is a stable water supply, which also has a significant bearing on their health and hygiene conditions.

Ironically, over 110 million cu m of potable water was discharged into the sea in Hong Kong last year alone. Let us not calculate the monetary loss for the time being, because some people, including the Director of Water Supplies, have said that the amount involved is not very big because out of the \$5 billion to be spent on water supply per annum, members of the public are required to pay only \$2.4 billion, for the rest is covered by government subsidy and so, this \$2 billion dollars or so is trivial. From this we can see two problems. One is that this reflected the mentality of some government officials who think that hundreds of millions of dollars is a trivial amount. They even said that members of the public would not be asked to pay more as a result, because the Government is prepared to provide subsidy. We have just struggled hard to pull ourselves out of the financial woes. Many initiatives relating to the people's livelihood, including those to help the poor, have been shrinking over the past few years. Insofar as this \$300 million is concerned — according to my estimate, when we multiply 110 million cu m of water by \$3.4 per cu m, the sum should exceed \$340 million — this is an enormous sum of money to the poor.

Second, how should the water be used and should we maintain this agreement? We all know that the agreement already expired at the end of 2004, but as the SAR Government has not been able to discuss this with Guangdong Province, we still follow the previous arrangement for water supply.

The problem is that we can see two things now: A considerable amount of potable water that should not be wasted has been thrown down the drain continuously because of an absurd agreement. On the other hand, the neighbouring Guangdong Province is being affected by a shortage of fresh water, and the recent salt tides are an example. I, being a citizen of Hong Kong, feel very ashamed. While the neighbouring provinces are affected by salt tides and water supply has to be suspended in many places, potable water here in our city is being dumped into the sea for no other reason than an administrative blunder. This is absolutely something that should not happen in a modern society. Perhaps the company involved in the supply of water, namely, the Guangdong Enterprises (Holdings) Limited (Guangdong Enterprises), looks at money purely from the angle of business operation, and this is also where the problem lies. We hope the Government will, and we urge the Government to, expeditiously reach an agreement with Guangdong Enterprises to ensure that potable water will

not be wasted. This may be more important than saving hundreds of millions of dollars. Of course, we do not agree that the money should be wasted, and unlike some officials who have said that it does not matter because the money is already spent and mistakes are already made. Most importantly, water basically should not be wasted as such.

As we all know, Hong Kong is now facing the northward relocation of many industries which, in fact, also happened before. As a result, water consumption has dropped. Following an increase in population and light industries in the neighbouring Guangdong Province, the demand for fresh water there has risen continuously. However, this mismatch has continued to exist precisely because some officials have refused to admit their mistake and make corresponding changes, causing potable water to be thrown down the drain for no reason at all. Now, we can tolerate no more. Nor should we wait any longer. I support the motion and the amendments today which urge the Government and Guangdong Province to reach a new agreement.

Moreover, I also think that the Government has done a lot in respect of, say, the monitoring of water quality. Today, we are satisfied with the measures taken by the Water Supplies Department in monitoring and controlling water quality. But I am worried that following a decline in water supply and in order to enforce the agreement, the supplier would be forced to supply contaminated water to Hong Kong. This is not what we would wish to see.

I think it is most important that the Secretary, who is concerned about environmental protection, should not and will not agree that this precious resource of the earth should be wasted for no reason. This is the duty of the Secretary and her colleagues. I hope that after this motion is passed, the Secretary can take reasonable steps in response and expeditiously finalize a new water supply agreement, so that this precious resource of the earth will not be wasted continuously.

With these remarks, I support the original motion and the amendments.

MR LEUNG KWOK-HUNG (in Cantonese): President, water is very precious. In Greece, the founder of philosophy once said that the world was made of water. Certainly, Greece is all surrounded by sea. Seawater is beautiful but not potable and so, it causes all sorts of illusions among the people there.

Water is a very important element. Indeed, water is really very important, is it not? We often need to drink water, and water must be supplied to us continuously for us to drink. If we do not have water to drink, all of us will become lackadaisical and lifeless. However, we can also see the consequence of water being used as a commodity. We all know why Hong Kong people idly look on water overflowing from a kettle filled up with water. It is because other people keep on supplying water to us. Why do other people keep on supplying water to us? It is because we keep on paying them "water" (that is "money", which is commonly known as "water"). We can see that "water" (money) is very important.

When I was a child, I had watched a drama called "The house of 72 tenants" which satirized the fire-fighting work of some firemen: "Give me 'water' if you have it; bid me farewell if you don't have it; give me 'water' and I give you water." The playwright's description is most appropriate. Those people who had no money were not given water to put out the fire; and if they wished to put out the fire, they must bribe the firemen with money. In fact, the situation today is just the same. It is because we have money and we want to make sure that we are provided with sufficient water to meet our daily and industrial needs that we have taken from our brothers and sisters in the Mainland water that they very much need for our own consumption in Hong Kong.

I think we still have not solved the water supply problem with the Mainland because of the restrictions of the business contract signed by both sides on the agreed monthly water quantity. If the terms of the contract are to be amended, they might say that even if they would stop the water supply, we still have to pay them "water" (money). In fact, I think the supply of water should allow flexibility and if they really refused and insisted that the goods must be delivered, then I think it is better to deliver the goods to our compatriots in the Mainland and that is, the water should be supplied to people in need of water. I do not know if this is feasible or not. It is certainly better to supply water in a flexible way, is it not?

I think it would be very horrible if water has become a commodity. The situation can still be considered good in Hong Kong today, as the Government still does not need to open up the water supply market and so, we are spared the effects of globalization. Otherwise, Hong Kong people could not be so extravagant in terms of their consumption of water, but if that happened, it would be necessary to conserve water because the water charges per unit would be very

expensive. What I have said is no gibberish. A new President was elected in Bolivia recently, because the old government had performed too badly. It had once privatized the supply of water, causing water charges to rocket, and the poor people in Bolivia did not have water for their daily consumption. I have been there as a tourist and water was supplied only in some places. Due to limited water supply and as the charges for the place where I stayed were very low, no water was supplied there.

So, what I would like to say is that (I have actually said this many times in this Chamber) some people are of the view that it is best to treat everything as commodities, so that people can get what they need. But I think this is not the case in reality. Just look at the supply and demand relationship of water and we will know. For those people who are most in need of water, as they have no money, they can do nothing while their officials or their parent-like officials take away what they need most and give it to us for wasting. This is a sin.

Therefore, I must make an appeal to the Hong Kong Government here: First, if no changes can be made to the purchase agreement, we should ask them to supply the goods to others, and there will still be enough for our consumption. This is, in any case, better than seeing the water drained off wastefully. Second, it is certainly the best if the agreement can be amended to allow a flexible arrangement.

With regard to water pollution, I think the situation can be described as horrifying, as I have been paying attention to the problems. From the articles written by mainlanders, I know that water pollution is very serious in the Mainland. The reason is that everything there can be treated as commodities, and people set eyes only on where they can reap a profit. For example, electroplating factories can often operate at the source of water or places where water is supplied to other areas. Laws on the environment and hygiene are strict and harsh in the Mainland, and their awareness of environmental protection and good hygiene standards is very high verbally, just that the laws and the relevant standards are not enforced. This is also due to money which is considered as almighty. In other words, whoever reaps profits can pollute the source of water. I have thought about asking the mainland authorities to monitor the quality of water supplied to us, or asking our Government to take up this monitoring role. But how can our Government perform a monitoring role? The water belongs to other people.

This has precisely reflected that in the Mainland, the media does not have the fourth power. If the media is given better treatment, that is, if they have the freedom to cover and report news, such deplorable situations would have been brought to light long ago. So, when we see the extent of contamination of water in the Mainland, we said today that we must guarantee that potable water is clean in Hong Kong. Is it that people in the Mainland are not human beings? People in the Mainland are not human beings and so, we need not care about them and all we need to do is to guarantee that our water is clean. In fact, this may lead to a general perception in the Mainland that we, being the owner of goods, are using money to buy cleanliness. This is indeed very saddening. Besides, I can see that some of us are very naive and very bad in what they do. Why are they so naive and so bad? It is because they set eyes only on profit. I do not know for how many times I have seen people, when they take part in a function, take up a bottle of mineral water or distilled water and then just put it away and leave after taking a sip of it. The water left in the bottle will certainly be dumped, unless some people take it back home for, say, watering plants. These acts have developed in us the mentality of treating important resources as commodities, and nobody cares about how resources can be treasured and conserved.

Therefore, I thoroughly hope that every Hong Kong citizen will treasure water. I also wish to urge the Government to put this resource to good use and not to use money as the only yardstick. Moreover, I hope that the compatriots in the Mainland can enjoy water of a high quality under a system which is duly monitored. Thank you, President.

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

DR RAYMOND HO (in Cantonese): President, in the '80s when industries in Hong Kong were relocating northward, industries in Guangdong Province began to take off at the same time. Coupled with a drastic increase in the population in the Pearl River Delta, a large quantity of domestic and industrial sewage emerged in the catchment area, and the quality of Dongjiang water supplied to Hong Kong also began to be polluted. Although Guangdong Province has already constructed sewage treatment plants to address the problems, the quality of Dongjiang water supplied to Hong Kong still has not been thoroughly improved.

The Water Supplies Department had for many years continuously negotiated with the relevant mainland departments on importing Dongjiang water to address the serious problem relating to water supply faced by Hong Kong in the past. An agreement was subsequently signed, in order to ensure that the potable water supplied to Hong Kong could reach the required standards both in terms of quality and quantity. As it is very difficult to predict the annual amount of rainfall in Hong Kong, and given the very tight water resource in the Mainland, we understand that the process of negotiation was very complex and difficult. Now, over 70% of water in Hong Kong is supplied by Dongjiang water. Members of the public may understand that most water in Hong Kong is provided by Dongjiang water, but they may not necessarily know for how long local water reserve can sustain once the Mainland stops its water supply to Hong Kong. Moreover, the public must know to what extent Hong Kong will face a crisis once Dongjiang water is contaminated in one way or another.

As regards the notification mechanism for incidents of contamination of potable water, efforts should be made to ensure co-ordination between water supply from Dongjiang and water storage in Hong Kong. For example, if the amount of rainfall decreased in Dongjiang but more rainfall is recorded in Hong Kong than in the past, there should be suitable provisions in the agreement signed by both sides to allow Hong Kong to request, in accordance with need, a reduction of water supply from Dongjiang. On the contrary, Hong Kong should be able to store more water in order to avoid unnecessary wastage.

The reliability of water supply from Dongjiang is very important. Once the upper reach of Dongjiang runs short of water which may then lead to a sudden reduction of water supplied by Guangdong Province to Hong Kong, it would be difficult for Hong Kong to make suitable preparations and arrangements. If the upper reach is contaminated and hence causes the water quality to deteriorate suddenly, Guangdong Province should immediately notify Hong Kong, because it takes some time for water at the upper reach of the river to reach the reception point in Hong Kong given the distance between the two places, and if Hong Kong can be notified in time, contingency measures can then be taken accordingly.

The Government should make improvements in respect of how the public can be notified of the situation of potable water supply to Hong Kong. In the event of contamination, the relevant authorities may only notify the Water Supplies Department (WSD) and so, the public may not know the information given to the WSD by the Mainland. In this connection, the Government should

enhance transparency and actively disseminate information. This can also prevent unnecessary or inaccurate speculation by the media.

In fact, I have learnt that the WSD and the Guangdong authorities have already put in place an emergency notification mechanism whereby the opposite side will be notified by telephone and facsimile as early as possible of major incidents that may affect the quality of Dongjiang water, so that appropriate control measures and corresponding actions can be taken immediately to ensure safe water supply.

Moreover, the WSD has drawn up a series of contingency measures to cope with the deterioration of the quality of Dongjiang water. Major initiatives include the following:

- (1) If the quality of Dongjiang water is found to have deteriorated at Muk Wu Pumping Station, actions will be immediately taken to escalate the various measures to control water quality.
- (2) If necessary, all Dongjiang water received at Muk Wu Pumping Station will be discharged.
- (3) To maintain contact with Guangdong on reduction or suspension of the supply of Dongjiang water to Hong Kong, and to obtain from Guangdong detailed information on the deterioration of water quality, in order to draw up follow-up contingency measures.
- (4) Raw water supplied to local treatment plants will be drawn from local water sources.

After I have obtained this information, I think even if incidents occur, the WSD should be able to co-ordinate with Guangdong Province and implement the most appropriate contingency measures. All these measures must be subject to constant review, and the relevant departments in Hong Kong must maintain continuous contact and communication with the Mainland, so that despite staff changes in the Mainland, communication between the two sides will not be interrupted and will be maintained at a high standard.

President, I so submit. Thank you.

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

MR ABRAHAM SHEK: Madam President, recently, Mr William KO, the soon-to-retire Director of Water Supplies, suggested to the media that the Hong Kong and mainland governments have forged a consensus to reach a new arrangement on water supply. In addition, informed sources told the media that Guangdong does intend to make a double-digit increase to the price of the supplied Dongjiang water due to the manpower and resource investments made by the Guangdong Province in enhancing Dongjiang's water quality. When replying to a recent question raised by a Member, the Secretary revealed that coming to a minimum level in water supply consumption is the main goal of the new agreement. It seems that both the Hong Kong and Guangdong governments are intensely working out the final details before the agreement is signed.

As we all know, the Council is concerned with the Dongjiang water supply issue. The volume of water supplied, the quality and price, the specific details of the agreement, and the Hong Kong-Guangdong emergency notification system are all major concerns of the Legislative Council Members and the community at large. Details of the new agreement may still be under negotiation, but through today's discussion, I hope that our Government, particularly those officials in charge of this project, will take Members' advice seriously and do their utmost to work out a deal which is mutually satisfactory.

The recent comments by the Director of Water Supplies are quite disappointing. With regard to the water bills issue, the Director explained that Hong Kong's water bills are cheap in comparison with the income/expense ratio at international standards, and argued that a Hong Kong local family's water bill is percentage-wise lower. He also added that water fee had been frozen since 1995, which means without an increase in 10 years. I am not sure if the Director is implying that we will experience a fee increase after the new agreement is signed. I sincerely hope that the studies prepared by the Director will not be so narrow in scope. Any study of local water bills should also cover the water consumption rates and expenses of our neighbouring areas, which share our same drinking water. The data generated by regional comparisons will be much more meaningful for us than analogies made with overseas countries. Furthermore, we should consider the water bill in relation to all other daily expenses, rather than simply calculating the percentage of water over all consumption costs. Water is too precious a life resource to trifle with.

The Director had also suggested that there is no relationship between the price of Dongjiang water and local water bills. I cannot share that same view with him. It is a fact that the local population consumes 1 billion cu m of water per year, 80% of which is piped from Dongjiang. Given that our Government spends \$2.4 billion on the Dongjiang water, I would like to ask the Director: how much does 1 cu m of Dongjiang raw water cost in Hong Kong dollar? Why is that the Shenzhen Government only pays one third of our price for their Dongjiang water? Why is there such a great price disparity between the two neighbouring areas? Is the higher water bill in Hong Kong really not connected to the price of Dongjiang water?

Madam President, to maintain a secure, clean, safe and unpolluted supply of Dongjiang water, I believe our citizens are willing to spend generously. The question is do we spend wisely? Are we paying for what we expect? If we are paying extra for better and more improved water, that will not be an issue.

I feel a great gratitude that in a time when China still suffers from droughts and water shortage, Hong Kong continues to enjoy secure and adequate water supply. This is the care and consideration our Motherland has shown us. As a result, Hong Kong has rarely had to endure water shortage in recent decades. Our younger generations even think that safe and clean water is something natural to be taken for granted in their daily life. However, we should understand that Dongjiang water supply has never been provided as a free drink to us. We cannot take it for granted. The Dongjiang water supply was a generous offer from China and its senior leaders, such as the late Premier ZHOU Enlai, to support Hong Kong's development. Dongjiang water supply was a catalyst for Hong Kong's economic development in the '70s and '80s, helping to stimulate the commercial and industrial sectors and make Hong Kong a world-class city.

Sadly and regrettably, it has gone from shortage to excess now, with billions of cubic metres of Dongjiang water pouring into the sea. In fact, in spite of Hong Kong's conservative water consumption, shortage continues to exist on the Mainland. The recent salt tides brought great inconvenience to mainland residents in the Pearl River Delta and affected production at factories and plants in the area. To avoid such water wastage, the government on both sides should pragmatically negotiate for the best resolution of Dongjiang water supply. This way, Dongjiang water will not only benefit Hong Kong residents but also help to end droughts on the Mainland.

With regard to Dongjiang's water quality, I know that the local government in China has continuously carried out different measures to preserve the source and enhance the water's purity. According to the data provided by the Water Supplies Department on the quality of Dongjiang water at the Muk Wu pumping station, there have been improvements in chemical properties. The pollutant concentration and its prevalence have continued to go down.

Madam President, the significance and effect of Dongjiang water supply for the past 40 years have been tremendous and highly-appreciated. With closer integration between the Mainland and Hong Kong, the economic development and well-being of residents on both sides are tightly bound together. Therefore, both Hong Kong and Guangdong should consider the present reality and acknowledge that the water supply needs to be better utilized. As I have already mentioned, Dongjiang water not only benefits Hong Kong but should also help to end the thirst on the Mainland. I hope the new water supply agreement will settle this need accordingly.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Mr Albert CHENG, you may now speak on the two amendments. You have up to five minutes to speak.

MR ALBERT CHENG (in Cantonese): President, two amendments have been proposed to the motion proposed by me today. WONG Ting-kwong must be very well versed in the supply of Dongjiang water. He has also told me that he has inspected the beginning and the end of the water source, water supply plants, and so on. I do not know if he is a member of the Advisory Committee on the Quality of Water Supplies. If not, I think the Government should appoint him as a member of the Advisory Committee, because his comments will certainly be eye-opening.

My motion has been thoroughly amended by Mr WONG Ting-kwong. However, every one of us drinks Dongjiang water. Though I am not sure whether all of us have Hong Kong blood in our veins, we certainly drink Hong

Kong water. Our society is fairly equal in the sense that everyone, whether he is the richest property developer or a member of the grassroots in Tin Shui Wai who are exploited by government policies, turning on the water tap will be drinking water from the same source. As Mr Abraham SHEK said, Dongjiang water has undeniably played a big role in the territory's past economic development.

However, I consider it a bit politically incorrect for Mr WONG Ting-kwong to cite Singapore and Malaysia as examples in his speech. This is because comparing Singapore and Malaysia with Hong Kong and the Mainland is quite far-fetched. We must understand what political correctness means. Hong Kong is a territory, or part of China. Even in the British Hong Kong era when Hong Kong was a colony, Premier Zhou Enlai, as pointed out by Mr Abraham SHEK, showed great concern for us. He would not let us run out of potable water. Neither would he let our economic development be affected as a result. Therefore, it is even more incorrect to compare Hong Kong and the Mainland with Singapore and Malaysia today in particular. We can simply dismiss this analogy.

A number of colleagues mentioned water charges and wastage of potable water in their speeches earlier. I think no one will object that water is an extremely precious resource. Draining water into the sea and dumping money into the sea are different. Dumping money into the sea is, on the contrary, not a problem at all. We must pay a price for the Dongjiang water supply. Bearing in mind the rule of "giving good money for value", an amply supply of water supply must be ensured. Of course, we will definitely not encounter anything like what we did back in the British Hong Kong era when there would be concern about "the water tap being turned off" in the event of any disputes.

What matters most is the minimum charge. I guess Members must have visited bars and food premises where minimum charges were imposed. When you are served four glasses of wine, you do not have to drink all of them. However, you have to pay the full cost of the wine you are served. What matters most is whether the wine is good, clean and value-for-money. These are the principles we are discussing today. I think Members will agree that, insofar as the quality and quantity of water is concerned, it is quality that we are concerned about — of course, taxpayers' money must not be wasted. Actually, as mentioned by Prof Patrick LAU and others, including Mr WONG Kwok-hing, earlier, Guangdong Province is experiencing a water shortage.

If we are to discharge the water we have bought into the sea — the Secretary is shaking her head. A Member also pointed out earlier that water would be discharged into the sea only when there was overflow from reservoirs instead of being directly drained into the sea. I do agree because we will definitely not connect aqueducts to the sea. We need not argue about this. Most importantly, if we have excessive water, we can choose not to have it, and then simply pay as usual.

The Secretary looks very impatient. I would rather sit down to hear what she has to say because I still have four minutes to respond to her speech.

Thank you, President.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): President, I am really getting very impatient. I am very sorry for this. I think my facial expression has betrayed me. Why am I so impatient? This is because the issue has been discussed in this Chamber many times already and I have explained very clearly what is really the case about the so-called 100 million-plus cu m of Dongjiang water being drained into the sea. It breaks my heart when, to my surprise, many Members are improperly belittling themselves, saying that we do not lend a helping hand when people are in dire distress. Members have distorted and twisted the facts. As a matter of fact, this flexible supply of water arrangement has been enforced for quite a few years and if water is not needed, we would never have transferred the water from Dongjiang River to our reservoirs. First, in this way we can save the electricity used for pumping and that would imply less power tariffs. Second, for water which we do not require, the Mainland can transfer it to Shenzhen and it would not necessarily have to be transferred to Hong Kong. As to why I have given a reply to Members that more than 100 million cu m of Dongjiang water flowed to the sea, this is because of the heavy rainfall last year and as there are 17 reservoirs in Hong Kong, so water from some of the reservoirs overflowed and made its way to the sea. Each of our reservoirs has records for measurement. Last year, there was localized precipitation and rainwater could not all be collected in our reservoirs for the time being. We could not say the next day that we did not want Dongjiang water anymore and rainwater could just be collected in the reservoirs. There is no way we can control when rain will fall. And that water was not dumped when after Dongjiang water had been transferred to Hong Kong.

Over the past few years, we have adopted a flexible approach to water supply. I am glad to learn that a few Members agree to this concept of minimum charge. Although Mr LEUNG Kwok-hung has kept on saying that water is not a commodity, it must be noted that wars are often fought all over the world for water and disputes arise between villages over control of sources of water. Many Members have said earlier that money is of secondary importance because there must be a minimum charge to secure a stable water supply. Under the framework of minimum charge, we work in close partnership with Guangdong Province. An example is the salt tides which occurred on the Mainland sometime ago. We did not import Dongjiang water and they had to release water from their reservoirs to ward off the salt tides. As they had to release a huge amount of water, the Dongjiang water could help them ward off the salt tides. All along we have adopted a flexible and co-operative approach with Guangdong Province because we know that water resources are scarce and there is an uneven distribution of rainfall. The western part of Guangdong Province is in desperate need of water while there is flooding in the eastern part. The intermittent torrential rain has made the situation go out of control, for places with reservoirs may not be able to collect rainwater while those without reservoirs may be disaster-stricken. Thus things are not entirely in our control and it is beyond our comprehension at times. However, due to the pattern of precipitation and methods in collecting rainwater, the Water Supplies Department is looking into how reservoirs can be further connected so that there can be a better flow of rainwater.

With respect to the flexible water supply, in 1995 we entered into an agreement whereby the supply of water should be increased year on year, with the amount of water supplied reaching 1 billion cu m this year. But actually, we have only taken 770 million cu m of water. We have never used up this quota. As for the new water supply agreement which we are negotiating with the Mainland, it is meant to ensure a stable water supply in future and avoid wastage. As for the Guangdong Province side, we know that their demand for water resources is always increasing. This is due to the fact that they do not have many clean water sources and such sources are decreasing in number as industrial and municipal pollution have made many rivers unfit for water supply. Based on this major premise, we are working closely to strike a new deal in water supply. The principle here is there must absolutely be no waste of potable water. Let me repeat once more, we will never permit the draining of Dongjiang water into the sea.

From the motion moved by Mr Albert CHENG, a number of main points can be noticed. The first is the problem of water pollution. The problem of pollution by the industries and in the cities caused by the economic take-off of the Pearl River Delta came to our attention in the 1990s. There may be disparity in the pace of economic development in a place and at the initial stages of development, the horrors of pollution are not felt and people may ignore them. However, in the water supply agreement signed between both parties, we have made a pledge to build a closed aqueduct and water intake points are picked at upstream of the Dongjiang River at Taiyuan. This is meant to avoid pollution from the industries and households downstream. In 2002, the Environmental Protection Bureau of Guangdong Province launched a water resources management plan. As the catchment areas in the vicinity of the intake points are equally important, so the Environmental Protection Bureau of Guangdong Province is watching the problem closely and monitoring is carried out in the vicinity of catchment areas and these are singled out during planning.

Apart from a very systematic pollution control plan, Guangdong Province is undertaking long-time monitoring of the water sources. For our part, Hong Kong has on-line monitoring at the intake point at Muk Wu, that is, data are available round-the-clock and all-weather, showing whether or not the water meets the standards. What kinds of action will be taken when there are major incidents which have a grave impact on the environment? We are all concerned about the pollution of the Songhuajiang by the Jilin Petrochemical Works and as a matter of fact we attach great importance to these problems. We notice that in recent years the State has increased the transparency in the reporting of major incidents with environmental and safety implications. Recently, we have a chance to take part in some of such activities and may be Members are interested in knowing about it. Apart from the case of pollution in the Songhuajiang, problems about environmental protection and water pollution which occurred of late on the Mainland include cadmium pollution in Beijiang in Guangdong Province, the case of excessive aqueous phenol in the Fushun section of the Hunhe in Liaoning Province, the water pollution in the Tiane section of Hongshuihe in Guangxi Province, the cadmium pollution case in Zhuzhou and Changsha sections of the Xiangjiang in Hunan Province, the diesel leakage by the Gongyi Second Power Station into Huanghe in Henan Province as well as water pollution caused by a fire in a tanker in the waters of Gongjiang in Jiangxi Province, and so on. When a review is conducted of these six incidents, the State Environmental Protection Administration of China demands that unexpected incidents must be reported to the higher authorities within one hour

of incidence. Though this requirement has not been enacted as legislation, this is the first step towards the establishment of an effective information disclosure system.

As for our notification mechanism, we have considered the time required before we can respond under all sorts of circumstances. About one day is required for the Dongjiang water to flow from the intake at Taiyuan to Muk Wu in Hong Kong and transferred to Hong Kong through the closed aqueduct. Therefore, the chances of river pollution are very low. We have one day's time to make a response. Of course, when an unexpected incident happens, the Guangdong side should be informed and so something must be done from the basics of the system. That is to say, when an incident happens, the department in charge must report to the units concerned at once, such that we will be informed of the incident. If the units concerned, for example, the Water Resources Department on the Chinese side does not know about the incident, there is no way we can obtain the information. So I hope Members will understand that these things cannot be achieved only by strong requests on our part. Things must be done in the entire system and the event concerned must be reported to the higher authorities within a reasonable time and precautions adopted.

Some Members have pointed out earlier that despite our repeated references to a notification mechanism and the enormous work done by Hong Kong, Members are worried that there is a lack of such notification. I believe a two-pronged approach must be taken and it is very important to ascertain what can be done after receipt of notification. If we know that there has been a leakage, an explosion or contamination, are we going to sit back and do nothing? I pointed out in the reply last time that our entire measure starts from the inspection carried out at Muk Wu. As to how to stop transferring Dongjiang water to consumers in Hong Kong, we do have a system for it. We can use the water stored in the reservoirs for the time being while the entire system can keep on working. As to the fact that, as some Members have pointed out, the notification mechanism has never been activated, that is far from being the truth. What we mean is that there has never been any major incident which makes it necessary to resort to such drastic measure as to stop transporting water. But the notification mechanism does exist. Whenever anything happens upstream, this compels us to step up our monitoring in order that the water supply will not be contaminated. All along our notification mechanism is functioning. We do not want to see a major incident like what has happened in Songhuajiang to occur and so far no such thing has taken place.

The Advisory Committee on the Quality of Water Supplies has a membership from all sectors across society and its function is to monitor and advise on the quality of potable water in Hong Kong. The Advisory Committee has been set up for six years. We are planning to introduce a scheme on the safety of water supplies. We will look into, for example, how our contingency plan can be more detailed whenever there is a major unexpected incident and how our contingency plan can be made more comprehensive. The scope of work of this Advisory Committee will be constantly updated to suit our changing needs.

Lastly, I would also like to talk a bit on the new water supply agreement on Dongjiang water we are presently negotiating with the Mainland. I hope Members will understand that water supply is a vital issue. This is because water supply for Guangdong Province in future will certainly be insufficient to meet its demand and as close ties exist between the two places, consent from both parties is needed before an agreement can be concluded. I understand that many of the demands made by Members are actually made in the interest of Hong Kong, but an agreement is only possible when both parties agree. Furthermore, there must be a guarantee that water supply in the two places will not be affected. We cannot say we do not want Dongjiang water when there is rain and ask the Mainland to supply us with water when there is a drought. Therefore, we hope that an agreement can be reached with terms and conditions that are reasonably fair. This will ensure the supply of Dongjiang water. Also, many Members have raised the idea of conserving water. All along we have been engaging in publicity and educational efforts on this. The Water Supplies Department will launch publicity and educational efforts such as producing APIs and distributing leaflets on economizing on the use of water.

Is all the water we use fresh water? Mr WONG brought up the issue of using seawater to flush toilets. This use of seawater to flush toilets is already widely in use throughout Hong Kong. However, there are problems related to the use of seawater for flushing. Seawater is used mainly in areas near the coast. Using seawater to flush toilets has added a problem in the secondary treatment or chemically enhanced primary treatment of sewage currently in use in Hong Kong. As there is salt in seawater, even when treated and a high quality is attained, recycling is still difficult. Therefore, in planning water supply for Hong Kong, in places like Shek Wu Hui where there is no seawater, sewage will be treated at a suitable level before it is recycled and used for industrial purposes, for watering plants or in recreational facilities. So insofar as water supply

management is concerned, a balance has to be struck so that fresh water will not be dumped after use. When circumstances permit and when economic benefits are balanced, seawater and fresh water will be put to their best use.

Finally, with respect to technological development, we will continue with our research efforts. We have managed to get some achievements in some projects such as the one on the process of desalination of seawater. With advances in technology and as the prices of products get cheaper, when added with renewable energy, this would point to a direction of developing water resources. The Water Supplies Department will carry on with its research and development efforts in this respect.

Thank you, President.

PRESIDENT (in Cantonese): I will now call upon Mr WONG Ting-kwong to move his amendment to the motion.

MR WONG TING-KWONG (in Cantonese): President, I move that Mr Albert CHENG's motion be amended.

Mr WONG Ting-kwong moved the following amendment: (Translation)

"To delete ", as Hong Kong has to pay a high water price under the current water supply agreement between the HKSAR Government and the Guangdong Provincial Government while there is no assurance of the water quality, and many incidents of contamination of potable water have recently occurred in the Mainland, in which some local officials were even found to have hidden the truth; moreover, with the industrial and economic developments as well as the population growth in the Pearl River Delta ('PRD') Region, the demand for potable water in the region has substantially increased, but the water pollution problem has worsened and led to a continuing decrease in clean and potable water; furthermore, as the existing notification mechanism for contamination of potable water supply to Hong Kong still has deficiencies," after "That"; to delete "and" after "time limit for notification;" and substitute with "to formulate a contingency mechanism jointly operated by Guangdong and Hong Kong

for dealing with unexpected incidents of water supply;" and to delete "in addition, if the Guangdong Provincial Government establishes a mechanism for the planning and coordination of water supply in the PRD Region, the HKSAR Government should actively take part in the related work" after "resulting in wastage;" and substitute with "and to discuss the further upgrading of the quality standard of potable water supply to Hong Kong".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Ting-kwong to Mr Albert CHENG's motion, be passed.

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

(Members raised their hands)

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

(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 Fred LI, as Mr WONG Ting-kwong'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 6 February. 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 FRED LI (in Cantonese): President, I move that Mr Albert CHENG's motion, as amended by Mr WONG Ting-kwong, be further amended by my revised amendment.

In fact, my revised amendment is simple. It mainly seeks to incorporate into the last part of Mr WONG Ting-kwong's amendment my original amendment and that is, the proposals to "review the water supply quantity according to needs on a monthly basis" and "examine expanding the existing reservoirs or further perfecting the interconnection of reservoirs, so as to increase the water storage capacity of local reservoirs". I hope that Members can support my further amendment.

Mr Fred LI moved the following further amendment to the motion as amended by Mr WONG Ting-kwong: (Translation)

"To add "; the Guangdong Provincial Government and the HKSAR Government should be allowed to review the water supply quantity according to needs on a monthly basis; in addition, the HKSAR Government should also examine expanding the existing reservoirs or further perfecting the interconnection of reservoirs, so as to increase the water storage capacity of local reservoirs" after "the quality standard of potable water supply to Hong Kong". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Fred LI's amendment to Mr Albert CHENG's motion, as amended by Mr WONG Ting-kwong, 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 Albert CHENG, you may now reply and you have four minutes one second.

MR ALBERT CHENG (in Cantonese): President, I am very glad that both amendments have been passed. The Secretary seemed to be rather impatient when I spoke earlier on. But she has already spoken, and she has spoken for almost 20 minutes.

Eleven Members have spoken today. I believe Members all realize that water supply and potable water are issues relating to the people's livelihood, and Members certainly have taken a keen interest in them. What gives cause for our concern, or the main reason why this motion is proposed for debate today, is the quality of water. The Secretary has again reassured us that the seriously contaminated water from Shimahe only goes downstream to intersect with the mainstream of Dongjiang and does not come into contact with the water source. In my earlier speech, I already mentioned the need to protect the water source, because when a river course is contaminated, the water will, in fact, flow backward to the source. I hope that the Secretary will consider the problem of contamination. The water that she drinks comes from the same source of the water that I drink, although Mr SIN Chung-kai said earlier that this is not true, for the rich people can drink bottled water. In fact, many construction workers also drink bottled water, but when it comes to bathing, people will definitely use that water. I have never heard of anyone bathing with mineral water.....some people do bathe with milk.....

PRESIDENT (in Cantonese): Members please do not interrupt while a Member is speaking. *(Laughter)*

MR ALBERT CHENG (in Cantonese): I believe Members are all very concerned about the problem of contamination. Although the Secretary does not agree with what I said, I believe she is also very concerned about water

contamination and environmental protection. Hong Kong is a metropolis and we often say that Hong Kong is a dynamic city and that we have to attract foreign investments to Hong Kong. We all know that apart from such factors as Hong Kong being a free economy with competitive edge, foreign investors are now most concerned about the quality of living, and the quality of living is inseparable from the quality of air. We certainly know that our air is polluted and that the situation is a complete mess. If even our potable water is contaminated, how could foreign investors be attracted to invest in Hong Kong? Deep-rooted conflicts certainly exist in this regard.

Moreover, the Secretary has given us assurances in respect of the notification mechanism. I am sorry that although it is Chinese New Year now, I still have to remind the Secretary that a very good notification mechanism is in place between her Bureau and the Kowloon-Canton Railway Corporation (KCRC) and yet, she seems to know nothing about KCR trains and its tracks being riddled with cracks. Of course, this has nothing to do with the Secretary. In fact, I only wish to point out that there will still be problems even with a notification mechanism in place. Even if there is a sound notification mechanism, would she accept just everything? Contamination of potable water is a life-and-death issue which is no different from transport issues. I hope the Secretary will not believe everything that other people said. I believe Members will agree that there is still room for improvement in the notification mechanism. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Albert CHENG, as amended by Mr WONG Ting-kwong and Mr Fred LI, 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 as amended passed.

PRESIDENT (in Cantonese): Third motion: Policy on public service broadcasting.

POLICY ON PUBLIC SERVICE BROADCASTING

MS AUDREY EU (in Cantonese): President, I move that the motion as printed on the Agenda be passed.

From "When we were young" to "Y2K", and also "Hong Kong Connection", "Below the Lion Rock", and so on, the programmes produced by Radio Television Hong Kong (RTHK) have accompanied Hong Kong people in their growing up. RTHK is a valuable asset of Hong Kong people, providing us with many free-of-charge cultural, information and entertainment programmes of a high quality. I have proposed this motion today with the purpose of giving recognition to the importance of public service broadcasting and highlighting several elements which are essential to ensuring the effective operation of public service broadcasting.

Public service broadcasting is different from commercial broadcasting, in that the latter is profit-making in nature, which means that the programming must be appealing to the majority of people in order to attract advertisers. Its operation is entirely market-oriented.

Public service broadcasting is also different from national service broadcasting, although the market factor has no role to play in both types of broadcasting. But national service broadcasting is controlled by the Government. Politically, its position is an official propaganda machine of the government that rarely reports negative news about the government.

Then what is the essence of public service broadcasting? What is the value of its existence? According to the definition of the United Nations Educational, Scientific and Cultural Organization, public service broadcasting should be free from commercial or political influence, with the objective of

serving the mass public. Public service broadcasting aims to enable empowerment of the people and allows room for the expression of different opinions, and the ultimate protection for all these functions is editorial independence. To underscore such independence, the major source of operational funding of many public broadcasters (such as BBC in Britain or NHK in Japan) is the licence fees payable by citizens, not the revenue from commercial advertisements. This is to ensure that the editorial principles are free from the influence of the government and interest blocs. So, public service broadcasting should be the mouthpiece of the people, not a mouthpiece of the government. This is very important. The value of its existence is that it serves the public interest, not as a tool of the power-that-be.

In Hong Kong, RTHK is the major provider of public service broadcasting. The Framework Agreement signed between the Government and RTHK provided that RTHK is editorially independent and the Director is the Chief Editor. However, RTHK is also a government department which operates with public funds. The Director of Broadcasting and senior executives of RTHK are civil servants. In other words, the editorial independence of RTHK is utterly fragile. The Government can cut the resources of RTHK. It can also replace the Chief Editor of RTHK. Over the past few years, the embarrassing status of RTHK has consistently aroused much controversy.

In March 1998, for instance, Mr XU Simin, a Hong Kong delegate to the Chinese People's Political Consultative Committee, criticized the programme "Headliner" as queer and cynical and alleged that "Newrama" and "Talkabout" knew only to take the SAR Government and the Chief Executive to task. In July 1999, the remarks made by former General Manager of Chung Hwa Travel Service, CHENG An-kuo, on "two states theory" in a RTHK programme even caused a huge uproar in society.

In October 2001, TUNG Chee-hwa described RTHK programme "Headliner" as "bad taste". In October last year during a consultative session on the Development of the RTHK, Mr XU Simin opined that RTHK should step up publicity on the Chinese Government's policies on Hong Kong.

Members should still recall that in June last year, Donald TSANG, who was a candidate in the Chief Executive Election then, stated that it was inappropriate for RTHK, being a public body, to produce horse-racing programmes and the Top Ten Chinese Gold Songs Award. His remarks had

aroused strong opposition from RTHK staff and a flurry of public discussion. Subsequently, RTHK really announced that broadcasting of horse races would cease. I believe the Chief Executive also understands that this is a hot potato. Even though he had clearly expressed concern over RTHK during the election, not one single word about this was mentioned in his policy address. It was not until the 17th of last month that an independent committee was finally set up to review public service broadcasting in Hong Kong.

We consider that the composition of this independent review committee does give cause for concern. Although the Secretary and the Chairman of the Committee, Mr Raymond Roy WONG, have stressed repeatedly that the review does not pinpoint RTHK, it is strange that while its membership include many experienced members of the media, none of them has any notable experience in public service broadcasting.

The biggest problem is that in the paper provided by the Government, we can see how the Government looks at this issue. There is some very negative description of public service broadcasting. For example, in paragraph 4, it says, ".....its conventional values notwithstanding, public service broadcasting is a form of market intervention through the allocation of public resources"; in paragraph 6, it says to the effect that allocating public resources for public service broadcasting providing programmes or expanding into areas that are already well served will distort competition. These remarks are very dangerous, for they would cause public service broadcasting to face very big problems with regard to its position and existence. According to these views or reasoning, the positioning of public service broadcasting should be made extremely narrow, because it cannot do what some commercial broadcasters or business organizations are doing, which almost means that public service broadcasting could only perform two major roles. One is to conduct publicity for the Government, and the other is to produce programmes for the minority, or put it in another way, programmes with little commercial value. Therefore, from the substance of this paper, we can see that this review may actually aim to purge RTHK in the name of review.

I have proposed this motion today with the purpose of establishing the value of public service broadcasting and at the same time, proposing five factors critical to maintaining and promoting public service broadcasting, in the hope that the authorities and the committee can learn from them and identify the right way forward.

First, to ensure good operation of public service broadcasting, editorial independence, freedom of the press and freedom of speech are essential. At present, RTHK has established these values mainly in accordance with the Framework Agreement signed between RTHK and the Government and also the professional standards specified in the Producers' Guidelines. But the fact is that the Government can still exert its influence through appointment or dismissal of staff and resource allocation. Particularly, insofar as resources are concerned, without financial independence, editorial independence is nothing more than empty talk. I believe many colleagues in the Chamber must have had the experience of taking part in programmes at RTHK, and we can see that the equipment is old and resources are very tight in RTHK. When the Chairperson of the RTHK Staff Union, Janet MAK, came to the Legislative Council, she likened the situation of RTHK to a housewife who had no rice to cook with. She cited a case that occurred last June as an example. She said that during successive spells of heavy rainfall, water seepage was found at the television building of RTHK; electricity supply was overburdened and as a result, three employees had to take turns to use one computer. Moreover, the only outside broadcast vehicle of RTHK even has a history of 12 years. According to the paper provided by RTHK earlier, Radio 1 was provided with \$4.8 million only to cover the operational expenses and staff cost, but it was required to serve an audience of 2 million. How can we ensure that RTHK, under such huge financial pressure, can persistently maintain its editorial independence? How can we prevent RTHK from being forced to succumb due to practical financial considerations? How can the Government convince the public that it does not intend to "dry up" RTHK?

To solve these problems, we must eventually start by fundamentally reforming its organizational structure and putting in place a credible monitoring framework. Mr Ronny TONG will later on analyse the corporatization of RTHK, hoping to put forward better solutions to the problems.

The most important function of public service broadcasting is to make up for the inadequacies in the market, provide objective and accurate news coverage, produce diversified programmes of a high quality, and cater for the needs of the minority and the socially disadvantaged groups by providing a platform for the expression of different opinions. Most importantly, the recipients of public service broadcasting are the "citizens", which means the interest of the wider community. Public broadcasters should ultimately be responsible to the community, not to the Government. Ms Margaret NG will further analyse this point later on.

Information technology advancement has created broader space for public service broadcasting. In fact, even the airwaves can also accommodate many channels. For example, the Parisians can listen to 53 FM stations, about one fifth of which are financed by public funds; Londoners can listen to 36 FM stations, including nine operated by the BBC. In fact, with the present technologies, the funds required for setting up a radio station may be more or less the same as those required to publish a magazine. But regrettably, it is extremely difficult to obtain a licence for operating a radio station in Hong Kong.

There is now many online radio stations in Hong Kong (our A45 online radio has also been operated for two years). But to most members of the public, conventional radio broadcasting has remained more easily accessible because not many people can access the Internet. Besides, there is still room for improvement in respect of online broadcasting technologies or audio quality. I very much hope that the Government will expeditiously provide a public channel or open up public access channels for ethnic minorities, organizations, non-governmental organizations or even different political parties to broadcast their own programmes. Certainly, the contents of these programmes can still be subject to the monitoring of the Broadcasting Authority.

Regrettably, the Government seems to have reservations about public access channels and digital broadcasting. Every time when he came to the Legislative Council, the former Secretary for Commerce, Industry and Technology, Mr John TSANG, said that the Government would not consider investing in studies of digitalization because digital radio would be very expensive. But as we all know, computers used to be very expensive too, but their prices naturally dropped with increased penetration. So is the case with mobile telephones. Therefore, we think that the reasons cited by the Government are sheer pretexts. I hope the Government will expeditiously open up public access channels. Mr Alan LEONG will speak on this point later.

Finally, Hong Kong is a cosmopolitan city and a financial centre. Here, we have ample information and rapid technological advancement. So, a public broadcaster actually has an important duty and that is, it should be provided with sufficient resources to conduct studies on the latest broadcasting technology and to train sufficient experienced personnel. In this connection, I hope that RTHK, the only public service broadcaster in Hong Kong, can assume a leading role and develop into a public service broadcaster which serves the public.

Thank you, President.

Ms Audrey EU moved the following motion: (Translation)

"That this Council urges the Government to ensure that public service broadcasting in Hong Kong:

- (a) respects editorial independence;
- (b) defends the freedom of the press and freedom of speech;
- (c) opens up public access channels at an early date;
- (d) provides diversified information; and
- (e) caters for the needs of the minority and the socially disadvantaged groups."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Audrey EU be passed.

PRESIDENT (in Cantonese): Mr SIN Chung-kai and Mr LI Kwok-ying will move amendments to this motion respectively. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr SIN Chung-kai to speak first, to be followed by Mr LI Kwok-ying; but no amendments are to be moved at this stage.

MR SIN CHUNG-KAI (in Cantonese): President, just now I was only demonstrating multi-channel broadcasting.

President, I support a hundred percent the original motion proposed by Ms Audrey EU. But in order to improve public service broadcasting as a whole, it is essential to introduce digital broadcasting expeditiously. Therefore, I think it is necessary to propose an amendment to the original motion. My speech today will focus on the reasons for developing digital broadcasting and the measures that the Government should take in introducing this service.

By digital broadcasting, I do mean digital terrestrial television broadcasting which will be formally launched in Hong Kong in 2007. Rather, I am talking about digitalization of radio broadcasting, or "digital audio broadcasting" as it is commonly known.

I think it is not at all appropriate to call digitalization of radio broadcasting "digital audio broadcasting", because the broadcasting of radio programmes in digital form is better than the existing analog broadcasting not just in terms of audio quality, spectrum and coverage.

What is most special about digital radio broadcasting is that with the use of digital compression techniques, different types of television programmes and information can be broadcast in the form of sound, texts and images. In simpler terms, it can provide a diversity of information at the same time in one channel. For example, a user can listen to news about the stock market and at the same time obtain real-time stock prices from the digital radio. A user may also receive several channels of Radio Television Hong Kong (RTHK) at one time, such as receiving Radio 1 for stocks updates and Radio 2 for weather broadcasts. Compared with FM broadcasting which can only provide voice broadcasting, digitalization of radio broadcasting will usher broadcasting service to another new era. In future, radio programmes will be able to provide diversified and innovative services to the public by multimedia technology.

Another merit of digitalized radio broadcasting is that it will enhance the capacity of radio spectrum. At present, the seven FM channels with territory-wide coverage have all been taken up, and the Government has always used this as a pretext to drag its feet over the opening of airwaves for public access. Given that digital broadcasting technologies can substantially reduce the spectrum requirement, with the spectrum being utilized more effectively, the number of radio channels will multiply. In that case, not only will the public be provided with more diversified radio services, they can also have more avenues for expression of opinions by taking part in public access channels.

We can anticipate that digital broadcasting will certainly be a trend of future development and conventional FM broadcasting will inevitably be replaced by digital systems. Conditions in Hong Kong have long been mature for developing digital broadcasting, but the Government has all along procrastinated in introducing the service on the ground that the development of digital broadcasting worldwide has been slow. In fact, digitalized radio stations

have already become very popular in various places in the world. Take Britain and Germany as examples. The coverage of their digital radio stations already exceeds 85%, and last year alone, close to 1.5 million digital radios were sold in Britain, with over 10% of the households using this service. In Denmark and Belgium, digital radio stations will achieve universal coverage this year. Norway also has plans to cease analog broadcasting on a full scale in 2014 and adopt digital broadcasting.

In Asia, over 2 million digital radios are estimated to be sold in South Korea this year. Singapore will also launch a series of activities this year to promote digital broadcasting to its people.

Compared with other countries, the Hong Kong Government has never drawn up a timetable on digital audio broadcasting. Nor has it addressed squarely the problem of our broadcasting policy lagging behind present-day broadcasting technologies. The Government's argument is that there are still uncertainties in the future of digital broadcasting worldwide and that digital broadcasting should be primarily market-driven.

However, if we take an overview of countries where digital broadcasting is implemented, including Belgium, the Czech Republic, Denmark, Sweden, Britain, Switzerland, Canada, and so on, we can see that public service broadcasting has always taken the lead in the development of digital broadcasting, with a view to encouraging participation from non-government radio stations and private enterprises in broadcasting services and hence promoting a diversified culture and enhancing the competitive edge of the creative and broadcasting industries.

A government with vision should, in the review of public service broadcasting, draw up policies and measures and also plough in resources to encourage development in this area. Now, the Government has nevertheless shut itself off from the reality and is prepared to go against international trends. How can it thoroughly reform public service broadcasting to genuinely create space for freedom of speech and pluralism in the community of Hong Kong?

In recent years, RTHK has actively worked to make changes. Digital broadcasting has precisely opened up an opportunity for it to redefine its role in public broadcasting and consolidate its public value in society to respond to the needs of the public as well as the changing environment.

Being a public broadcaster, RTHK is also duty-bound to closely keep tabs on technological development, introduce new technology platforms and encourage the industry to step up efforts in development and investment, thereby providing more quality broadcasting service to the public.

RTHK should avail itself to technological advantages and reorganize and reclassify its programming to meet the taste of different audiences and hence make a breakthrough in the penetration rate. Furthermore, RTHK can even enhance its image as a provider of quality programming and gradually build up its own brand name and move in the direction of industrialization.

While implementing measures to gradually cut the funding for public bodies, the Government should encourage these bodies to capitalize on their enhanced productivity and advantages and hence create wealth, in order to make up for the loss resulted from the reduction of resources.

Moreover, RTHK can also assume a pioneering role to encourage other broadcasters to produce quality programmes and adopt advanced technologies, so that the objective conditions of Hong Kong in respect of freedoms and the rule of law can best be brought into play to make us the freest place in China insofar as the cultural industry is concerned. The Government should be forward-looking in this aspect.

To upgrade the quality of broadcasting service in Hong Kong, I urge the Government to expeditiously develop digital broadcasting service. I would suggest that in the review of public service broadcasting, the Government should study how digital broadcasting can be put into practice. The Government should draw up effective policies and measures and also review the arrangements in respect of technology, regulatory framework, coverage and allocation of spectrum in developing this service in future. The Government must also provide public access channels for the public to participate and develop non-government radio stations. To expedite the development of digital broadcasting in Hong Kong, I suggest that the Government should draw up a timetable on digital broadcasting.

In addition, the Government should provide adequate resources for the reprovisioning of RTHK as soon as possible by, for instance, constructing a digital broadcasting building in Tseung Kwan O, so that RTHK can be equipped

with state of the art facilities to progress with the times and expedite digitalization of radio broadcasting, thus enabling digital broadcasting to become popular.

Finally, I would like to respond to the amendment proposed by Mr LI Kwok-ying. I do not agree that a public broadcaster must act as a propaganda instrument for the Government, because what makes public service broadcasting valuable is that disregarding whether or not its funding relies on public coffers, it can still remain impartial without siding with those in power, persistently taking the attitude of criticizing the Government fearlessly which is the fundamental principle and mission of public service broadcasting, come what may. In fact, to promote its policies, the Government already has the Information Services Department (ISD) responsible for introducing and promoting government policies. The ISD is performing this role now, and it should take up this duty courageously. In fact, the ISD has its online newspaper. If the Government still considers this inadequate, it can actually provide a government channel after the implementation of digital broadcasting. Now, there are only seven channels which are inadequate, but the number may increase to 56 in future. The Government can then create a government channel, and I do not see any problem with the Government operating a channel of its own. However, public service broadcasting is not the mouthpiece of the Government. Therefore, under this principle, the Democratic Party cannot support Mr LI Kwok-ying's amendment. I so submit.

MR LI KWOK-YING (in Cantonese): Madam President, respect for the editorial independence of public service broadcasting, and giving editors independent and autonomous freedom in production while allowing room for the presentation of different opinions have been accorded with great importance and consistently upheld in Hong Kong. The Framework Agreement signed between the Government and Radio Television Hong Kong (RTHK) has clearly provided that RTHK is "editorially independent"; and government officials have also reiterated repeatedly that there is no question of its editorial independence ceasing to exist so long as the Framework Agreement is in force.

However, there has been a weird phenomenon in society in recent years. That is, disregarding who is right and who is wrong, some people tend to cry out that the freedom of speech is eaten up or the editorial independence is being

interfered with whenever there is allegation or criticism from outside RTHK. But the actual situation is that, as the Director of Broadcasting, Mr CHU Pui-hing, has repeatedly stressed, there has been no big problem with the editorial independence of RTHK, for the Government has still given this power to RTHK. The RTHK programme "Headliner", which is rumoured to have been purged, is still produced as usual in a normal way.

A survey conducted by the University of Hong Kong at the end of last year also pointed out that 57% of the interviewees were satisfied with the freedom of speech situation in Hong Kong; 65% considered that the media had ample room to give play to the freedom of speech. On the other hand, as many as 60% of the interviewees considered that there were cases of misuse or abuse of the freedom of speech by the media.

The facts have proven that Hong Kong enjoys editorial independence and the freedom of speech. It is the case now, and we are confident that it will be the same in the future. On the contrary, what is worrying is that "editorial independence" will be distorted and the "freedom of speech" abused. As Prof CHOW Chuen-ho of the Baptist University has said, while editorial independence may on the surface bring about diversified public opinions, if the hosts or editors of a programme all take one particular political inclination and if the guests invited to their programme also believe in the same set of values, will a balance be struck in the viewpoints of this programme? Or will it only be biased towards one particular viewpoint?

To ensure that the lofty neutrality of public service broadcasting in Hong Kong is not tarnished, we propose in the amendment that the Government should ensure that public service broadcasting in Hong Kong provides fair, balanced and objective public affairs programmes and bears the responsibility to comprehensively introduce and promote to the public the various public policies of the Government.

What we are asking for is just that public service broadcasting can provide impartial and balanced programmes. There used to be many people criticizing the phone-in programmes of RTHK, because when members of the public expressed pro-China views, the hosts would often give particularly less speaking time to these callers or might even interrupt the remarks of these callers. These small gestures precisely reflected that individual programme hosts are not neutral enough.

I wish to point out that the problem lies not in whether programmes produced by public broadcasters should criticize government policies, but whether the programmes are fair and impartial. "To provide impartial coverage of local and global events and issues" is the mission of RTHK; "Provision of balanced and objective news and public affairs programming" is the objective of RTHK. In producing public affairs programmes, it is necessary to strictly adhere to these basic principles at all times while having regard to the freedom of speech. This is what RTHK is required to do as a public broadcaster under the Framework Agreement. This is also an expectation of the general public for public service broadcasting.

We agree that public service broadcasting is not a mouthpiece of the Government. Nor should it be the mouthpiece of individual political parties. However, promoting government policies positively does not mean depriving the public of their freedom of speech, for they can still criticize the policies of the Government and air their dissatisfaction. Publicity of government policies and freedom of speech are not absolutely contradictory to each other. Quite on the contrary, it can strengthen the bridge of communication between the Government and public opinions, enabling all sides to exchange their views more freely and in a more open manner.

However, effective and constructive communication and expression of opinions must be premised on in-depth knowledge and understanding of the policies or issues concerned. At present, many radio programmes know only to criticize government policies, but lack comprehensive and objective analysis when it comes to interpretation of government policies. This has deepened the public's misunderstanding about government policies, hence damaging social harmony.

Public service broadcasting is funded by public coffers. It is only reasonable for it to serve as a platform for communication between the Government and the public, and assist the Government in comprehensively introducing, promoting and interpreting government policies. Moreover, the intention of doing so is to provide channels for the Government to accurately put across its policies, whereas the ultimate end is to enable the public to receive accurate government information and enhance public knowledge of the implementation of policies. So, judged either from the intention or the ultimate end, it is not meant to be a mouthpiece of the Government. Setting out the relevant responsibilities and roles in the policy on public service broadcasting

aims to prevent its mission, which is originally reasonable and sensible, from being maliciously besmirched as attempts of suppression.

Speaking of the provision of diversified information, extra caution is warranted now, because this issue, which is not very controversial originally, may be used to serve an ulterior motive in that the issue may be politicized under the banner of "editorial independence". In all fairness, we understand that public broadcasters are financed by public coffers and do not need to always orientate its operation towards profitability and so, compared with commercial broadcasting, it is in a better position to provide diversified programming. Therefore, it is reasonable and sensible for commercial broadcasting to produce entertainment and music programmes on which the broadcaster relies to solicit advertisements, so that the quality of programming can be upgraded through market competition, whereas public service broadcasting should focus on exploring topics which are non-profitable and yet beneficial to the public both physically and mentally for programming, and this is also a way to utilize the limited resources most effectively.

According to an opinion survey on broadcasting service conducted by the Government last year, the provision of four types of programmes, namely, children's programmes, sports programmes, arts and cultural programmes, and radio drama series, was considered inadequate. Recently, a survey conducted by a newspaper also pointed out that 35% of the interviewees hoped that RTHK can step up the provision of, firstly, information on civic education and secondly, information on current affairs and also that relating to culture and education.

This survey has reflected that there is a certain level of public demand for programmes that commercial broadcasters tend to produce less, and there is also the view that the supply of radio programmes is inadequate. A public broadcaster should readjust existing resources to produce more programmes which are not adequately provided in the market to meet public demand. In this way, it can meet the requirements of providing diversified information and catering for the needs of the minority. So, this should not be distorted as interference with editorial independence.

In the final analysis, it is because of the limited spectrum resources that we must now rely on public service broadcasting to produce unconventional programmes or programmes for the minority. To achieve economic efficiency,

there must be effective deployment and allocation between public and commercial broadcasting. The advent of the digital era will considerably increase the number of channels available for use, and the inherent resource constraint may hopefully be resolved as a result. Therefore, we basically very much support that the development of digital broadcasting be expedited.

However, on the other hand, as digital broadcasting will provide increasingly more channels and the programming will become increasingly more diversified, the difference between public and private broadcasting will become increasingly blurred, and the role of public service broadcasting in providing diversified information may also be replaced. We consider that while developing digital broadcasting, there is a need to expedite the review of the future position and continued development of public service broadcasting.

The Hong Kong Government has appointed experienced members of the media to form the Committee on Review of Public Service Broadcasting (the Review Committee). The first meeting was held just two weeks ago, but extensive discussion has already been aroused in society. We consider that since the Review Committee has just started its work, we should not look at this matter using the "conspiracy theory" right from the outset. On the contrary, we should adopt a pragmatic attitude towards the review, so that the Review Committee can be given some leeway to operate in an environment free from political pressure. If the review can produce results by identifying the policy direction for the future of public broadcasting in Hong Kong, this can hence rebuild people's confidence in RTHK.

With these remarks, Madam President, I propose the amendment.

MR HOWARD YOUNG (in Cantonese): Madam President, knowledge is power. The success of Hong Kong today is indeed attributable to the fact that in the course of developing into a metropolis and financial centre, we have a society with flourishing information and where we can fully enjoy the freedom of the press and freedom of speech. We, therefore, very much agree with the several points emphasized in the original motion, including respecting editorial independence, defending the freedom of the press and freedom of speech, providing diversified information and other basic principles, and we also hope that these principles can be upheld continuedly.

This topic today will inevitably involve the work of the Committee on Review of Public Service Broadcasting (the Review Committee) which has just been established. We notice that some people are worried that this review is intended to "purge RTHK", so to speak. That is, its aim is to purge this publicly-funded body which is consistently alleged to be opposing the Government. However, I hold that while these concerns are understandable, it is unnecessary to be overworried or to act on unsubstantiated evidence, because the Review Committee has just started its work, and its Chairman, Mr Raymond Roy WONG, who is an experienced member of the media, has already given assurances that the Review Committee does not support that RTHK be the mouthpiece of the Government, adding that he personally would not accept any task intended to purge RTHK. Moreover, the freedom of the press and freedom of speech are among the core values of the Hong Kong community, and Article 27 of the Basic Law has also assured that members of the public enjoy freedom of the press and freedom of speech. As long as the comments or remarks made are not in conflict with the law, everybody can speak their mind freely and express their views.

In fact, the freedom of the press and freedom of speech of RTHK are not only protected by the Basic Law. The Secretary for Commerce, Industry and Technology and the Director of Broadcasting have revised the Framework Agreement earlier to ensure that RTHK provides "fair, balanced and objective news, public affairs and general programming", and reiterated that RTHK will remain "editorially independent". But as we all know, the role of RTHK has aroused heated debates in society before, and no consensus has been reached over many issues. For instance, should the RTHK focus on producing "minority programmes" or "majority programmes"? Or what should be the respective proportion of these two types of programmes? When introducing and promoting government policies, what role should RTHK play? We consider that in-depth discussion is warranted for these issues. Therefore, we do not need to put on "tainted glasses" and hastily comment on the right and wrong of the work of the Review Committee.

With regard to introducing and promoting various public policies of the Government, as commercial broadcasters are all business-oriented, it is indeed difficult for them to produce many such programmes that give the public an in-depth understanding of government policies. On the contrary, public broadcasters can make up for this inadequacy in the market. As long as they

uphold the principle of producing programmes in a fair, balanced and objective manner, they would not be degenerated into a mouthpiece of the Government. With regard to some comparatively complex public policies, especially those with legal ground or basis, or those requiring a consensus in society or on which a consensus has already been reached, it is all the more necessary for the Government to have some channels to give more explanation to the public. For example, with regard to the consultation paper on building management and maintenance and mandatory building inspection which is closely related to owners, the public may not understand its contents, but if we only count on commercial radio stations to explain it, the public may find it very boring. But who should take up this responsibility? Owners should understand the risks they face and the responsibilities they must bear as explained in the consultation paper. Let me cite another example. The Unsolicited Electronic Messages Bill and the legislative framework on interception of communications and covert surveillance are closely related to the protection of individual rights, but the public may not clearly understand what they are all about. If we do not rely on public broadcasters to give explanations, I cannot see how commercial broadcaster can do it. Nor do I believe they are capable of doing it.

As for "opening up public access channels at an early date", this is actually an old issue. As early as in the '90s, the then Legislative Council also passed a motion and put forward similar demands. Just that the Government has all along been procrastinating and no final decision has been reached so far.

At present, there are at least 20 countries in the world where different types of public access channels are provided. Digital terrestrial television broadcasting will be adopted in Hong Kong next year the latest, but the development is not yet mature in terms of audio quality. I think the Government should seize this opportunity to establish public access channels, so as to provide other alternatives to the public. Furthermore, as Hong Kong faces the challenge of economic restructuring, the development of the creative industry may be one of the ways out. Opening up public access channels should be conducive to the development of this emerging industry.

To achieve balanced development in society, the Liberal Party agrees that it is necessary to cater for the needs of all social groups for information. So, while taking care of the needs of the minority and the socially disadvantaged groups, we should not neglect the needs of other social strata. For instance,

there are now comparatively less radio and television programmes that are provided from the angle of serving the middle class, such as programmes about parent-child education or easing work pressure. Therefore, it is indeed necessary to provide these programmes. We hope that public service broadcasting in Hong Kong will continue to be diversified and accommodating different opinions.

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

MR WONG KWOK-HING (in Cantonese): Madam President, at the end of last month, the Government released a document on the Review of Public Service Broadcasting in which it is stated that a review would be conducted over the following nine months by a committee to be set up on the review of public service broadcasting in Hong Kong. However, the review should not be confined to the public broadcaster financed by the Hong Kong Government, that is, Radio Television Hong Kong (RTHK). Such a review should be conducted with reference to the overall broadcasting services and development in Hong Kong, including public and private broadcasters, so as to cope with the changing needs of society as it develops.

After the formation of the Committee on Review of Public Service Broadcasting in Hong Kong (Review Committee), there has been widespread concern in the community about the role of RTHK and its positioning. There are worries that the Review Committee is targeting RTHK and staff of RTHK are overwhelmed by anxiety. Apart from fears that the scale of RTHK may be reduced, the staff establishment may also be slashed. One of the causes of such fears is that the second point in the proposed terms of reference of the Review Committee mentions one of the functions of the Review Committee is to define "good governance" in public service broadcasting. These words are significant. They lead to associations among RTHK staff with governance of RTHK and staff establishment. The staff have three worries: reduction of pay and benefits, job security and fewer chances of further studies and promotion. As a Member of this Council from the labour sector, I think the worries of the RTHK staff are not unjustified. Personally I have great worries too and I can only hope that during the review, the Government will focus on a review of the public service broadcasting policy. It must never use the review as a means to slash manpower, salary and benefits of the front-line workers of RTHK.

I recall the last time when a panel of this Council, that is, the Panel on Information Technology and Broadcasting invited the Review Committee to this Council for a briefing, RTHK staff handed a submission to members of the Review Committee at the entrance. Recently, staff members of RTHK have contacted me and told me their worries. If we look at the composition of the Review Committee, we can see that no serving staff member of RTHK has been invited to become a member. This is indeed worrying. This will certainly create an impact on the staff members when this channel where they can directly convey their opinions is closed to them. Therefore, I hereby call on the Government to include RTHK staff in the review so that comprehensive views can be collected in the review and that the right of the staff to express their opinions fully is protected.

The new Secretary for Commerce, Industry and Technology, Mr Joseph WONG, who is sitting here right now, is the former Secretary for the Civil Service. Of course, he is well-acquainted with the worries of the civil servants and he knows much about these worries. I hope the Secretary can give a positive response to the worries of RTHK staff later. Thank you, Mr WONG. I can see that you are nodding and I hope that you can really respond to this when you speak later. Please do not shake your head. You are smiling. I hope you can talk about this later on.

As a public broadcaster, RTHK is different from other private broadcasters because it is playing a different role. Private broadcasters would usually attach great importance to audience ratings. Hence most of the programmes produced are aimed at catering for the needs of the general public. But under this principle, some programmes which are not very popular with the public may not be aired because of the lack of listeners or viewers. When this happens, RTHK may give full play to its distinctive function. Currently, RTHK is using its screening slots to produce all sorts of informative programmes and this is a good practice. These programmes include those screened recently on the unique ecology in Hong Kong and these programmes are only produced by RTHK. Another example is that RTHK will use its radio channels to produce programmes in Putonghua. This is not possible with other commercial broadcasters.

Madam President, some years ago the Government conducted a study on the introduction of digital broadcasting and public access channels. Discussions were held in this Council during the last session on digital broadcasting. If we

look at overseas experience, we will know that in September 1995 Britain introduced digital audio broadcasting service and it was more than 10 years ago from now. In Hong Kong, the Council is still in a stage of discussion. As we all know, digital broadcasting may help in opening up the broadcasting spectrum and this is of vital importance to the provision of diversified information. On the other hand, in the ninth paragraph of the consultation paper on public service broadcasting, the use of British Broadcasting Corporation as an example may not be universally applicable, but certainly this is of valuable reference.

Lastly, I hope again more views can be heard by the Government in the course of review and staff members are given more direct chances to express their views. Furthermore, editorial independence must be respected and the freedom of speech and the freedom of the press must be upheld. I also hope that Mr WONG, Secretary for Commerce, Industry and Technology, will make some response to worries of RTHK staff which I have talked about earlier.

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

MR RONNY TONG (in Cantonese): President, the freedom of the press and the freedom of speech are, like the rule of law, very fragile. Therefore, Radio Television Hong Kong (RTHK) should not only possess editorial independence in real terms, but there is also a need for the exercise of editorial independence to be seen by members of the general public. For if not, the local as well as international communities will lose their confidence in the news reports aired in the SAR.

President, all along the Government has stressed that there is editorial independence in RTHK. But this is merely confined to the remarks made by the officials and the Framework Agreement which is subject to review every other year. Ever since the reunification, whenever comments in RTHK programmes touched on sensitive political issues, we would notice some people whom the public thinks could affect policy-making decisions in the Government try to tell RTHK what it should do. But unfortunately, the SAR Government has rarely shown any support in public for editorial independence in RTHK. On the contrary, the Government has done nothing to refute such criticisms made in blatant disregard of the freedom of the press and the freedom of speech. At times, it even joined in the fray and snapped RTHK programmes for being cheap

in taste and that RTHK should not compete with the private broadcasters. No wonder the public suspects that there is no real editorial independence in RTHK.

To protect the editorial independence of RTHK, action must be taken at an institutional level and in the law. Even in democratically elected governments in Britain, Canada, Germany and Australia, there is legislation which expressly provides for the mission of public broadcasters and their editorial independence.

For example, the Australian Broadcasting Corporation Act stipulates that unless national interest is involved, the Australian Broadcasting Corporation does not have to subject itself to any direction from the executive authorities. The Act also provides that the board of directors has a statutory duty to uphold independence and autonomy of the Corporation.

If issues of national interest are involved, the Act will permit the officials concerned to make broadcasting directions. However, the statutory procedures for the exercise of such power are also stipulated, that is to say, the direction concerned must be given in the form of writing, reported to the Parliament and published in the annual report for public scrutiny.

In terms of institution, it is actually very rare in any country which attaches great importance to the freedom of speech to have a public broadcaster as a government department and directly under the executive authorities. On the contrary, a more common practice is found in Britain, Canada, Germany, Australia and such like places where the public broadcasters are corporatized or they may become independent statutory bodies so that their editorial independence can be better protected.

As a matter of fact, the former Hong Kong British Government had given serious thoughts during the 1990s to corporatize RTHK, but then the plan was shelved because political factors were involved in the run-up to the reunification and there was opposition from RTHK staff. However, in the face of the constant cuts in funding from the SAR Government, the staff are very worried and they have a low morale. Hence the corporatization of RTHK must not be delayed.

With respect to the framework for governance, we may take reference of the practice in Britain and Australia and set up a board of directors consisting of

RTHK representatives, officials, Council Members and independent persons. Members of the board of directors should serve terms of a sufficiently long tenure, for example, three to five years, so that the problem of succession will not influence editorial independence.

As to the appointment of the head of RTHK, we suggest that the practice in Britain or Australia can be modelled, that is, the head will be elected from among the board of directors instead of direct appointment by the Government.

On the other hand, in order to ensure that editorial independence will not be threatened by cuts in funding, we should consider changing the existing practice of funding on a yearly basis to every five years. This practice would in fact be more advantageous to RTHK when it undertakes planning for long-term development.

President, public service broadcasting is meant to serve the general public, its social value should be determined by the general public. Under the present political system, though not all Members of the Legislative Council are returned by universal suffrage, the democratic element here is far greater than the executive authorities. Therefore, I think that we should model on the practices in places like Britain, Canada, Australia, and so on, that is, the public broadcaster should be accountable to the legislature, whereby representatives of the public broadcaster should be sent to the Legislative Council on a regular basis to answer questions, present annual reports and its funding applications should be vetted and approved by the Legislative Council, and so on.

If this change is made to make RTHK accountable to the Legislative Council and the public, I suggest that we should cease the existing value for money audits conducted by the Audit Commission on RTHK. This is because as it is, the audit work is focused too much on quantifiable indicators. From the lesson we have learned when this approach was used to assess educational or social services, we know that quantifiable indicators cannot be used entirely as the criteria for public services.

When assessing the quality of services, we should give due consideration to the nature of public service broadcasting. We must not impose efficiency indicators which are only applicable to commercial broadcasters onto public broadcasters. What we must also consider is the unique nature of journalism and some of the regulations and that procedures applicable to other government

departments may not all be applicable to journalism. An obvious example is that the coverage of local and global events must be timely and one cannot afford to lose a second's time. So the staff may not be able to request quotations or make a comparison between them promptly. These considerations show that once RTHK is corporatized, audits on RTHK should break away from the kind of audit conducted by the Audit Commission.

With these remarks, President, I support the motion moved by Ms Audrey EU.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the issues behind the debate today involve the freedom of the press, the freedom of speech and the freedom of information. To protect the freedoms and rights in these three aspects, we cannot simply say that there is no intervention and censorship by the Government and things will be fine. In the United States, as the economy is market-led, the media ecology there is thus affected and commercial considerations become dominant. The result is the production of infotainment programmes which cater for the public taste. But other media corporations which produce minority interest programmes are marginalized because they fail to get enough market support. Some of them are even acquired. In view of this, some American scholars are very worried because if this situation continues, the Americans will lose an interest in public affairs and the ability of the entire community to tell right from wrong would be greatly affected.

In addition, private media corporations will have to face another problem and that is they are led by their bosses. Take the example of *The Sun* in the United Kingdom, after a meeting between their boss MURDOCH and the Prime Minister Tony BLAIR, the style and position of the newspaper underwent a drastic change from being non-supportive and distant from the Labour Party to being very close to it. In such circumstances, can we say that editorial independence still exists?

Experience in the United Kingdom and the United States shows that media can never rely on market forces alone to make themselves fair, neutral and balanced. The media ecology in the United Kingdom and the United States is, in my opinion, very similar to that in Hong Kong. Therefore, I think that public service broadcasting which is of high quality and free from market and

government intervention and whose mission is to serve the public would be very crucial to upholding the freedoms of the press, speech and information.

In Hong Kong, the only broadcaster which provides public service broadcasting is Radio Television Hong Kong (RTHK). Although RTHK has entered into a Framework Agreement with the Government under which its editorial independence is guaranteed, I would think that this kind of guarantee is not enough. Why? This is because the Government has in its hands two lethal weapons which can effectively meddle with the operations of RTHK and its editorial independence. The first of these lethal weapons is the power to appoint the senior management of RTHK and the second is connected with the financial autonomy of RTHK.

When talking about the power to appoint the senior management of RTHK, we know that people in the top echelons of RTHK like the Director and Deputy Director of Broadcasting are civil servants appointed by the Government. Therefore, when there are tensions in the relationship between RTHK and the Government, some people will say that if the Director is to defend RTHK, he would have to be prepared to make sacrifices, even to the extent of losing his job. If this is the case, then it is really true as some Members have put it, that the kitchen in RTHK is very hot indeed.

Another is the financial problem. Put it in a nasty way, if only the Government will turn the tap slow, the money trickling to RTHK will dwindle and it will dry up by and by. Hence RTHK will be compelled to do something it may not want to do. For if not, it can never stay on being free and independent. And the first thing to do before you have freedom and independence is to survive. Members may notice that RTHK has to stop its horse racing broadcasts and we know that the reason made public is not really the reason behind it. Therefore, we all know what it is all about. Each year RTHK gets \$400 million funding from the Government but after deducting the expenses, the production budget assigned to each programme is very small. RTHK's Radio 1 for example, only gets \$4.5 million a year for production. When resources are so tight, how can more and better programmes of a large scale be produced?

Madam President, maybe someone would think that since the Government funds RTHK, so it must be its boss and so RTHK must act as the mouthpiece and propaganda machine of the Government. But these people may have forgotten

that the definition of public service broadcasting does not mean broadcasting services are subject to intervention from the government or commercial interests. What then is the most important thing for public service broadcasting? It is serving the public and this is the most important thing. For if not, this will deviate from the principle of public service broadcasting. Public service broadcasting as we define it is we do not want to see RTHK turn into another China Central Television.

Now ominous clouds are gathering over RTHK and this is because last month the Government announced all of a sudden that the Committee on Review of Public Service Broadcasting (Review Committee) in Hong Kong had been set up. But members of the Review Committee do not include any representative from RTHK, or anyone with experience in public broadcasting. A paper from the Review Committee states clearly that currently public service broadcasting in Hong Kong is "a form of market intervention" and there are expressions like "distorting competition" as well. All these make people feel very concerned and they would start to worry about editorial independence in RTHK flickering like a candle in the wind and dying out any time.

Hence when discussing this topic today, I think the Government should ponder over the matter again and in order to imbue credibility to the Review Committee, staff representatives of RTHK should be taken on board. This will enable the views of RTHK staff be heard and considered, making the consultation exercise to be carried out one which is fair, honest, open and free from partiality.

Madam President, I so submit.

MR LEE WING-TAT (in Cantonese): President, history tells us that all governments or those who hold the reins of power do not like to subject themselves to any form of supervision, though by all appearance and as a public relations tactic, they will say that they support and attach great importance to the freedom of the press or the freedom of speech. However, as seen in an overwhelming majority of the memoirs of these famous personages in history, be they presidents or prime ministers, whenever mention is made of the press criticisms of them, they would in one way or another express the view that somehow they have been misunderstood, that they have been put under excessive media scrutiny and misunderstanding. They may even claim that the media or journalists have their own agenda.

There are two roles played by Radio Television Hong Kong (RTHK). First, it is a government department and so the Administration, the pro-government Members of the Council, Deputies to the National People's Congress (NPC) or delegates to the Chinese People's Political Consultative Conference (CPPCC) will often think that RTHK should play the part of a government department and promote government policies as some Members have said. In other words, it should sound the fanfare for government policies. However, on the other hand, as a broadcaster RTHK knows that it is editorially independent and it should provide objective, impartial and balanced coverage of local and international events. Both roles are actually very difficult to play. What the Government is doing now through the Framework Agreement is only a short-term and transitional measure and it cannot become a permanent policy.

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

The review this time gives people an impression that it has some other motives than what it professes to be. By appearance, it is a review of the development of public service broadcasting. But irrespective of whether there is only a little of it or very obviously, it is actually pinpointing RTHK. For more than a decade, whenever RTHK reported or produced programmes on current events, especially those politically sensitive ones, officials, pro-government Members of the Council, NPC Deputies and CPPCC delegates would make public criticisms. Members all know this and I do not think I need to cover up this conflict. Therefore, as I have said, the review this time is pinpointing RTHK.

Today, I read an article by Prof MA Ngok, which is about the Review Committee appointed by the Government. He said that the accountable government in the SAR was odd. For in an accountable government, such matters should be the responsibility of a Director of Bureau and this so-called Review Committee may have two functions. One is to find all the stakeholders, collect their views and reach a consensus or some moderated recommendations. The other is to find all the experts and conduct the review. However, as it is, this Review Committee is unlike either one of the above. If it is said that it includes all the stakeholders, such as the public, RTHK, the Government or anybody, it seems that it is not the case. I do not think it has any Members of this Council or representatives from RTHK. If it is another kind of committee

that includes all sorts of experts, in a way it is, for there are experts from television stations, newspapers and universities. But the only kind of experts not found in the Committee are those on public service broadcasting. This gives me an impression at least to some extent that the so-called balance and objectivity as the Government claims is nothing but an excuse. The membership of any government-appointed committee would in one way or another reflect the inclination of the Government. As for the inclination on this occasion, I think that it is most obvious.

Deputy President, as it stands, I do not think we can demand the Review Committee to do too much and I think the Government has a lot of considerations already. In my opinion, members of the public and friends who care about public service broadcasting and the freedoms of the press and speech should come out and lend their support to RTHK.

Mr LI Kwok-ying seemed to be speaking for the Government earlier. He said that there was no time for the Government to explain its policies. I was very surprised to hear that. I have said more than once to my friends that the Government is taking up a lot of public time on the broadcasters. If just we turn on the radio on Saturdays and Sundays, who will be speaking on the radio? At eight or nine o'clock on Sundays, often some officials are invited to the programmes. On Mondays, RTHK has a programme about Directors of Bureaux. Actually, the Hong Kong SAR Government has many channels to promote its policies, apart from the time for publicity when APIs are shown. Last time when the constitutional reform package was proposed, movie stars and celebrities were invited to speak for the Government. How can it say that it has little air time? On the contrary, I think that non-government organizations in Hong Kong are getting less and less time on the air waves to criticize the Government.

So I agree very much with Mr SIN Chung-kai when he said that the Government should expedite the development of digital broadcasting. We know that as spectrum gets broader, we can use the services of more broadcasters. According to Mr SIN Chung-kai, the number would be more than five fold from now. I hope the Government will not put up an excuse by then and say that public access channels are not options that can be considered. If more room for development is to be given to minority groups and the public, then there should be digital broadcasting and a government policy that supports public broadcasting.

I hope the motion and the amendments today can be passed. I also hope that members of the public can care more about the future of RTHK.

Thank you, Deputy President.

MR BERNARD CHAN: Madam Deputy, I agree totally with every point made in this motion. I do not think anyone would seriously disagree with any of them.

Of course, the background to this is the Government's review of public service broadcasting.

Some Members of the Legislative Council claim that the aim of this review is to somehow turn Radio Television Hong Kong (RTHK) into a government propaganda machine.

I think those fears are misplaced. Even if the Administration has really wanted such a thing, it would not succeed. Public outcry would be huge. The damage to our international reputation would be serious. And anyway, it would not work! Hong Kong people are not stupid — they would just laugh and switch off the radio.

Some other critics claim that the Government wants to transfer popular programmes from RTHK to the private sector.

In principle, that might not be a bad thing. The public sector should not take business from the private sector. However, as many people pointed out, we do not have much competition in our private-sector broadcasting industry. For a city of 7 million, ownership of radio stations in particular is quite concentrated.

That leads us to a very interesting subject. New technology will soon give us the opportunity to open up radio and television broadcasting. Far more channels will become available when satellite radio is introduced. Some companies in the United States are experimenting with broadcasting over mobile phone networks. And of course, anyone who wants to can broadcast sound or pictures over the Internet live, or for downloading onto portable players like iPods.

So this is a good time for us to ask basic questions about the fundamental principles of public service broadcasting. This is the right time to ask where public sector provision should or should not overlap with the private sector. How should public broadcasting be funded? Should all the funds go to one provider, or to different ones?

Should an organization like RTHK create all its own programming? Or should it make facilities available to other content providers — cultural, ethnic and linguistic minority groups, religious or political groups, or community groups serving children or the elderly?

To conclude, I would like to say that in my experience, RTHK has done a very professional job. Like our own President here in the Legislative Council, RTHK is funded by the taxpayer and guarantees that the Administration and everyone else has the chance to express their views.

I hope the current review will show us the way forward to developing and enhancing the contribution that public service broadcasting makes to the community.

MS MARGARET NG (in Cantonese): Deputy President, as with universal suffrage, no one will speak publicly against basic human rights like the freedom of speech. Nor will anyone ever say that Radio Television Hong Kong (RTHK) should not have the freedom of speech. No one or only very few people would speak in public that RTHK can only be the mouthpiece of the Government. They would speak in a roundabout manner, for example, that though RTHK should not become the mouthpiece of the Government, it should be unbiased and impartial. What is meant by being unbiased and impartial? To criticize the Government, it is regarded as politicization, for only the Government is under attack. So, to attack the freedom of speech, one must look at how it can be attacked in an oblique manner.

A most effective way is to undermine the abilities of an outspoken media organization. What can be done is to marginalize it and require it to spend less money. I hear many views expressed today and they may sound very reasonable. The argument is that there are already a number of media organizations in Hong Kong and there is also a diversity of media. So RTHK (or the public broadcaster) had better concentrate on things that not many people

would want to do, such as those non-profit-making, minority interest programmes and those on news analysis and current affairs.

Today I would like to talk about this question: whether a public broadcaster should be an all-round broadcaster or one which focuses on matters which commercial or private-sector broadcasters are not interested in doing? One can easily find such an inclination in the consultation document. The document says that public service broadcasting is a form of market intervention and it distorts competition. That is why the Government wants to move it sideways and permits it to produce only certain kinds of programmes.

RTHK publishes a document on its vision, mission and values statement. From the document, it can be seen that the vision of RTHK is to become a leading public broadcaster in the new media environment. Its mission is to inform, educate and entertain its audiences through multimedia programming. The document also talks about openness and cultural diversity, serving a broad spectrum of audiences and catering to the needs of minority interest groups. Therefore, from the vision, mission and values statement of RTHK, it can be seen that it wants to become an all-round public broadcaster instead of just producing minority interest programmes.

Why does RTHK want to be like this? A simple reason is that, speaking from the perspective of influence and professionalism, it is only when RTHK produces a diversity of programmes that it can hope to become a public broadcaster with popular support, hence making its influence felt in the community. If RTHK only produces minority interest programmes, its influence will consequently diminish. This has nothing to do with political inclination *per se*. In sum, if RTHK only offers minority interest programmes, it can only become a contents provider and it can never become a media organization with any real influence.

Personally, I think that since a public broadcaster should be influential, it must become an all-round broadcaster. If this is the case, then what we should do is to examine if a review should be conducted of its management, structure, financial provisions, and so on, instead of RTHK's role as a broadcaster specializing in minority interest programming.

What exactly is the mission of RTHK? I think many people will agree that the functions of RTHK will not change in view of the increase in the number

of commercial media in Hong Kong. In my opinion, now the differences between RTHK and other commercial media is that the latter do not have this kind of mission, for there is no such need. Often times commercial interest dictates their programming and position. A few decades ago when I first joined the media industry, the organizations then were single-minded in the sense that they engaged in one major business activity. Whether or not a newspaper could make money would have a direct relationship with whether or not its news coverage was impartial or not. But nowadays, a newspaper is only a small part of a business concern and such a concern may engage in other kinds of more important business activities, and the money it makes from such activities may be a lot more. Therefore, a newspaper will avoid taking up a position which may affect other business activities of the corporation. In such circumstances, we would need all the more a public broadcaster which is unbiased and impartial.

We can see that nowadays when the media are getting more and more vulgar, it is important that there are media organizations that will take up the mission of defending our culture and offer more quality programmes to the people. Ms Audrey EU has listed in her motion such items as respect for editorial independence, and so on. What exactly is the freedom of speech? I would think real freedom in this aspect should be measured by a yardstick of editorial independence.

The second item in the motion is on defending the freedom of the press and the freedom of speech. In fact, other business organizations are under no obligation to do this. There is no obligation for them to provide diversified information and cater for the needs of the minority and the socially disadvantaged groups. If it is a principle accepted by our community that there should be such media organizations, then there is certainly a need for public service broadcasting.

MS EMILY LAU (in Cantonese): Deputy President, I speak to support Ms Audrey EU's motion.

Recently, the authorities proposed that a review be conducted of public service broadcasting and this has caused panic and fears among the staff of Radio Television Hong Kong (RTHK). I think Ms EU's motion is a most timely one. The new Director for Commerce, Industry and Technology will assume office soon, let us see how he is going to fix RTHK. If the Government is really going

to fix RTHK, I think there are people who think that a very important task for the Chief Executive is to deal with RTHK. Deputy President, maybe you would recall that last year, that is, around the time when the Chief Executive assumed office, there were rumours that he would deal with some departments. RTHK has always been on the list and it is a department which is to be dealt with.

Some Honourable colleagues have said that RTHK does not think that anything has happened and there is always editorial independence in RTHK. I have a feeling that the Director of Broadcasting, Mr CHU Pui-hing, has refused nobody these days. He has never said no to the media which want to interview him. In one of these interviews, he said that he had been under great pressure these few years. Talking about interviews, I must make an advertisement. Deputy President, you know that I host a programme on The Interactive Channel which is called "Fanning the Flames". On a Saturday evening at the end of this month, I will invite the Director of Broadcasting, Mr CHU Pui-hing, to come to my programme and to fan the flames. We will see if any people would call in to talk with him.

Not just the Director is under great pressure. A few months ago, some RTHK staff attended a meeting of a Legislative Council panel and said something in imitation of a phrase commonly spoken by courtiers in Korean television series that they were trembling with fear when they met the king. Deputy President, these RTHK staff are really trembling with fear. Recently, our panel had a meeting and we invited members of the Review Committee to come, including the chairman, Mr Raymond Roy WONG. After the meeting, the staff handed a petition to him. That is why some Honourable colleagues mentioned earlier that the staff were very worried.

With respect to this review, the authorities are in fact contradicting themselves. At first, they said that they wanted to conduct a review of public service broadcasting and it had nothing to do with RTHK. They said that RTHK would not be permitted to take part in such a review because there would be a conflict of interest. Deputy President, the authorities are changing all the time and they contradict themselves.

However, the Secretary said frankly in the panel meeting that the results of the review would certainly affect RTHK. This was because the Government had stated how public broadcasting should be carried out. Even Mr Raymond Roy WONG also talked about his views and some of the moves would affect

RTHK. RTHK would be affected, but it is barred from taking part, for it is said that there would be a conflict of interest. For all these reasons, it would be difficult to smoothen the whole course. I hope in the debate today, as Honourable colleagues from various parties and groups speak up, the Secretary would be able to see that there is a clear view on this issue in the assembly, that we want to defend the editorial independence of RTHK and we hope that the worries of the staff concerned can be addressed.

I have something to say especially about some points in Mr LI Kwok-ying's amendment. He thinks that the public service broadcasting in Hong Kong "has the responsibility to comprehensively introduce and promote to the public the various public policies of the Government". After reading this, I have a feeling and that is, if this is the case, then public service broadcasting will become a mouthpiece and propaganda machine of the Government. Is this so? Some people will say this is not the case and it is only asked to give some introduction and that is all.

Deputy President, I have taken with me the Framework Agreement of RTHK which was revised and signed on 1 August last year. The Framework Agreement talks about the mission of RTHK and just now Mr LEE Wing-tat has read out some of the contents, and that is, to inform, educate and entertain audiences through multimedia programming; provide timely, impartial coverage of local and global events and issues; deliver programming which contributes to the openness and cultural diversity of Hong Kong; provide a platform for free and unfettered expression of views. But Deputy President, there is nothing on the sentence which I have quoted above.

If the RTHK management is sitting here right now and says that this sentence will be added to the Framework Agreement, will it work? Maybe the Secretary could respond to this later. A Member said earlier that the Government did not care so much to defend the freedom of speech, the freedom of expression and editorial independence. That sentence is not found in the Framework Agreement now, but if it is to be added to it, I would raise my opposition. This is because I do not think an independent public broadcaster should have the responsibility to introduce and promote public policies of the Government. If this is what the Government wants, then it should be done by the Information Services Department, instead of by an organization that has its own thinking and can make its own decisions on what should be done and what government policies should be reported and covered. So, I am sorry, I cannot support Mr LI Kwok-ying's amendment.

Deputy President, just now I have mentioned that the staff of RTHK are very worried. I think many of them are watching the debate tonight. Deputy President, you may have read a report last week saying that the Director of Broadcasting CHU Pui-hing was about to retire and the Government was planning to recruit a new Director of Broadcasting openly. I have checked and found out that Mr CHU would be 60 years old in May 2008 — there is no such thing as privacy for a Director. I understand that some people would be trembling with fear again because of this report and so he issued a message to the staff. I do not think that he has any plan to leave before May 2008. However, two newspapers have acted as if they are the mouthpieces of the Government and said that he has accumulated quite a large number of leave days and when these leave days are deducted, he could retire at the beginning of next year.

Therefore, the Director may be very busy now, for there would have to be an open recruitment for his successor. Who will get the job? Two weeks ago, when I wrote for a broadcasting programme, I mentioned that at the beginning of 2004, the Central Authorities wanted to fix Hong Kong. After the great march in 2003, Mr Albert CHENG and WONG Yuk-man were fixed. The Central Authorities also wanted to fix RTHK and one of the ways of doing it was to replace the Director of Broadcasting. And one of the candidates being considered then was Raymond Roy WONG. At that time, the authorities said that no comments would be made on such speculations. Deputy President, this is not speculation, for either this was considered or it was not considered. In other words, is it being considered once again now? Deputy President, I think you know very well that very often when the Government sets up a committee and someone is asked to become the chairman, the chairman will be given the job after the task is finished. Deputy President, this is not conspiracy theory when I say these things. For often times reports in the newspapers which are regarded as speculations would in the end found to be true. Therefore, I think when circumstances permit, the Secretary could make a clarification because many people are now trembling with fear.

The millions of people in Hong Kong are likewise trembling with fear. This is because as the number of places where fair and independent coverage of events can be made is getting less and less, I believe we might bid farewell to the freedom of the press and the freedom of speech in Hong Kong. I therefore hope that the Secretary can do something to defend these freedoms and make some fair remarks later on. Thank you, Deputy President.

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, first of all I would like to declare an interest. I have a web radio station and I am planning to set up a large station known as Citizens' Radio at FM 102.8 and the airing time is one hour weekly, from 8 pm to 9 pm on Mondays.

Actually, I stand the risk of being arrested by the Government in saying all this because setting up a private radio may violate the Broadcasting Ordinance. How come there is such a state of affairs? In September 2005, I made an application together with some of my friends to the Government to set up a radio station. This is because web broadcasting does not have a wide coverage and there are only just a few thousand listeners. But we want to have some tens of thousand or even hundreds of thousand listeners. At that time, we submitted our application to these two fellows, Daniel FUNG and John TSANG. Now it has been proved that John TSANG would work for his close friend Donald TSANG and he has been taken on as a member of the latter's electioneering team for the next election and tasked with psychological warfare, and so on. I do not know any more than these. So Mr Joseph WONG is called in as a stop-gap substitute and asked to fill the post of a Director of Bureau for the time being.

Owing to this reason, our application may be delayed. Now it is precisely because we are exercising a right which everyone should enjoy and that is the right to express our views fairly by means of various media as given under Article 39 of the Basic Law, that is, the right to make broadcasts, that we are treated as suspects. Of course, I am not afraid when I speak out, for even if someone is to arrest me tomorrow, I would put up a defence and say that it is the Government, not me, that has broken the law.

Before Mr John TSANG left his office to help his good friend, I had asked him why he did not work on digital broadcasting. Mr TSANG gave a most surprising answer. He said digital broadcasting was no good, the costs were high and the results were poor. At that time I said, in the past, the costs for the inner parts of a transistor radio were high, but provided that someone would promote broadcasting, the price of radios would fall. When Mr Bernard CHAN made his great speech earlier, he also mentioned that there were gadgets available which could allow radio broadcasts to be heard on mobile phones. So there should be no cause for worry.

The Government has no intention to introduce digital broadcasting which is commonly found in all advanced cities to encourage plurality in opinions and

broadcasting. As Ms Margaret NG has said earlier, the media used to be a business and this is true even today, but now the kind of business has become side business. It is done in a casual manner and it is not meant to make money — but it could be used to make people earn more money. How is the media scene in Hong Kong? We do not have to cite the example of Metro Radio owned by LI Ka-shing. Now it is broadcasting to the Mainland. How can broadcasting to the Mainland serve the people of Hong Kong? How can this make us know more about what is going on in Hong Kong? Things are even worse with Commercial Radio. It has cut two most profitable programmes for political reasons simply because the Communist Party does not like WONG Yuk-man and Albert CHENG. This is so obvious. It is flattering and kissing the shoes of those in power with the broadcasting rights granted by the Government and which it also thinks to be very important and would not want other people to touch them. It is helping a tyrant to perpetuate evil. Why can it do this? Why are the minority groups not allowed to speak up? Why should this colonial law be maintained?

Second, the Government now wants to fix Radio Television Hong Kong (RTHK) which it owns. Why? What is the situation in RTHK? Of RTHK's 13 channels, there is insufficient programming in seven of them and RTHK has to resort to joint broadcasting in its five channels. What the Government should do is to give it more funding so that it can offer diversified programming. But the Government is not doing this and it is only telling it what to say and what not to say. The election platform of the Chief Executive told RTHK whether or not to have horse racing programmes or the Top Ten Chinese Gold Songs Awards. He was really out of his mind. There are lots of things which should be done. Why does he have to meddle with these things? When someone at the top has a liking for something, those below him would be dying to do more. His good buddy John TSANG will of course keep on fixing RTHK and that is certain.

What is the thing about RTHK which makes people feel most unhappy? This is the Government is using public money to operate a public facility for the exclusive use of the Government of the current term. Even those top officials hired by the Government cannot stand it. They think that even though RTHK is funded by public money, that does not mean that it is the mouthpiece of the Government. This is because a government may topple and there are changes. If a government broadcasting station is only a mouthpiece of the Government, then it is acting like a prostitute in the sense that it will become the mouthpiece of

party A when party A is in power, and so on and so forth. If you do not see the point, then I will tell you. Some people may ask why some broadcasters are always on the side of the government. This is because the government of these countries is always in power. This is like the Communist Party of China. Of course this can be done, and of course there is consistency. If a government broadcaster is to follow the political party, then the government will follow the political party. When the government concerned is high-handed, it will crack down on its opponents. Why can people not even see this point? How can they mix up a political party and the country?

It follows that a broadcasting station funded by public money will serve public interest, in other words, the interest of those who pay. A government is only returned by the people for the purpose of serving them. The people are the bosses. Why should the master be bullied by the servant? Why should the master be controlled by his servant in what he should drink and eat? Why? The issue is self-explanatory.

Actually, if we look around the world, we can see that things are the same for public broadcasters. A public broadcaster in any democratically elected government from Germany to the United Kingdom cannot be in the exclusive service of its government alone. But the Government of Hong Kong is advocating this. This may be due to the fact that it was like that before. For more than a century, this crown colony of Hong Kong was placed under the control of one government and that was the Hong Kong colonial government which was ultimately under the control of the United Kingdom. Nothing has ever changed. Therefore, this specious argument cannot stand at all.

I now appeal to Members: never let the Government have its way. Never let it fetter the staff of RTHK by resorting to its power to appoint senior management and control the purse strings, then dictates the changes and reforms in RTHK. Such changes and reforms must be initiated by the people of Hong Kong, not by the Government or any regime, or anyone who wants to become the Chief Executive or uses it as a tool in running his election campaign. Thank you, Deputy President.

DR KWOK KA-KI (in Cantonese): Deputy President, I speak in support of Ms Audrey EU's original motion.

Ms EU's motion is a timely shower of rain. As a matter of fact, ever since the new SAR Government has come to power, it has shown particular care of RTHK which has been given close and special attention. I think Members will not forget that as early as when Chief Executive Donald TSANG was running for his election campaign, he said in public that he was unhappy with some of the programmes offered by RTHK, including those on horse racing and the Top Ten Chinese Gold Songs Awards, and so on. He thought that since RTHK was an official station, these programmes would have an adverse impact on it and they should not be aired. Rumours in the political circles said that after the incumbent Chief Executive has assumed office, he would conduct a review of RTHK or to fix it. It comes as no surprise that no sooner thereafter, the Government is wielding its knife.

The Government has made repeated attempts to cover up its motive. When reporters asked John TSANG, the then Secretary for Commerce, Industry and Technology and the predecessor of Joseph WONG, whether or not the Committee on Review of Public Service Broadcasting in Hong Kong (Review Committee) would pinpoint RTHK. He gave a flat denial. However, if we think about it carefully, we can see that public service broadcasting in Hong Kong is offered only by RTHK and the other broadcasters are all commercial broadcasters. If that Review Committee is not targeting RTHK, it might as well wrap up, for there is simply no need to set up such a committee. It could be renamed as Committee on Review of Broadcasting Services or Committee on Review of Television and Radio Broadcasting Services. But this Review Committee is definitely not such a committee, for its name clearly says that it is the Committee on Review of Public Service Broadcasting in Hong Kong. It clearly tells everyone that it is intended to undertake a major purge of the one and only public broadcaster in Hong Kong, that is, RTHK. Is this not true? These repeated attempts by the Government to cover up only prove that it has an ulterior motive.

Many of us here worry that the editorial independence of RTHK and the freedom of the press, and so on, would be gone forever. For years, RTHK has been under scathing attacks by many people, including those so-called people who love China and Hong Kong. Members will not forget that someone once made the criticism that RTHK was weird and eccentric. A former Chief Executive also unleashed strong criticisms at it.

Things like respect for editorial independence, upholding the freedom of the press, opening up public access channels, catering for the needs of the

minority communities, and so on, should be the responsibilities of the Government. But if we look at the scope of the services under review, we will gain some insights. First, the Review Committee says that the mission and aim of RTHK are not just serving the public but also to avoid competing with commercial broadcasters for the market. From this we can see that in Hong Kong, business interest is placed in the first and foremost position in everything and with respect to broadcasting services, this approach is given the greatest weight even in a review.

As a Hong Kong citizen and a listener, I am proud of the services provided by RTHK. This broadcaster is funded by the Government and it gives people and the listeners an impression that it is voicing their concerns and it offers quality programming. People think that its coverage of events is fair and unbiased, and it makes reasonable criticism against the Government and the officials. All these are things in which the people of Hong Kong take pride.

However, in this review to be conducted, a clear impression is given. Though the Government or Secretary Joseph WONG may say that this is not true and that people like us are being too suspicious and the Government has never contemplated such things. But looking at the forming of this Review Committee, the timing of its formation and its membership, we cannot help but feel very worried. On that day, I sat here and asked the chairman of the Review Committee, Mr Raymond Roy WONG and the Secretary this question: If the review is objective, why then (a) are no representatives from RTHK and (b) people like Mr Raymond Roy WONG and others who worked in big commercial firms are appointed as members of the Review Committee? Mr Raymond Roy WONG said that no staff from RTHK was appointed because there might be a conflict of interest. But strangely enough, both Mr WONG and another member of the Review Committee have worked in Television Broadcasts Limited (TVB) for a very long period of time and TVB is a commercial broadcaster. Many other members of the Review Committee are either serving or have served in commercial broadcasters. And they are regarded as having no conflict of interest whatsoever. But why will there be a conflict of interest if a staff member or representative of RTHK is selected to serve in the Review Committee?

The Government has never come to the defence of RTHK because of its quality programming or felt that its editorial independence is something it should be proud of. Actually, it is the Government which takes out a knife every time.

Of course, it is trying to cover things up and say that it is not going to take out a knife and chop. But on each and every occasion, the Government is making it clear to the existing and future management of the production staff of RTHK that they had better be careful because a knife is put on their necks. Why does the Government have to do such things?

We know that Hong Kong is actually a very much executive-led society and the powers of the Legislative Council are limited. Now many broadcasters, including newspapers and the media, are led by a small number of business groups. Even if the market is not monopolized, these business groups are nevertheless exerting great influence. All that is left is RTHK and it can stay on being independent and needs not be affected by commercial operation or subject to any political pressure. But now the Government can tolerate it no more and wants to wield its knife at RTHK. Regardless of what the Government is saying, I think the people of Hong Kong will have no difficulty seeing its intention and thinking. I can only hope that in this matter the Government will insist on things that are beneficial to the people and that it will not sacrifice the editorial independence of RTHK and the freedom of speech in Hong Kong because of its patriarch mentality or its wish to achieve strong governance.

I also agree with the suggestions made by Mr SIN Chung-kai that public access channels should be opened up to allow public participation at an early date and to expedite the development of digital broadcasting. I believe this is the only precondition that will produce diversified information and cater for the needs of the minority and the socially disadvantaged groups. This is because without digital frequencies, it would not be possible for some small stations to operate. In any case, I think that Hong Kong people would attach great importance to the review this time and apart from asking the Review Committee to do a good job, the Secretary would likewise be expected to do a good job as well.

Thank you, Deputy President.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, as a matter of fact, Radio Television Hong Kong (RTHK) is often subject to enormous impact and controversy and over the years but it has managed to ride out the storms. But I am not sure whether or not it can make it through this time around.

Looking back at history, since the reunification, often RTHK was attacked by many people including TUNG Chee-hwa. TUNG Chee-hwa once said that RTHK was vulgar in taste. XU Si-min also accused the RTHK programme "Headlines" as being weird and eccentric. In the past, whenever RTHK criticized the Government, these leftist apologists would make a lot of noise, saying that they did not know what RTHK was doing, for while it was getting funding from the Government, it turned against the Government and attacked it. In my opinion, the first thing that the people of Hong Kong should support RTHK is its editorial independence. Besides, another point must be made clear and that is, the funding given to RTHK should not be said to have come from the Government but from the public purse instead. Since funding for RTHK is public money, RTHK should not be at the service of the Government and act as its mouthpiece. It should rather serve the general public in order that the public can have a right to know and get the information they need.

Having said that, I do not object to RTHK introducing government policies at times. However, in its introduction of government policies, RTHK should also include criticisms. Both must be done at the same time. It follows that when RTHK occasionally mocks at current problems and the Government, the people find such kind of satire perfectly acceptable. But it is precisely because the people are so at home with this approach that it has become immensely popular and touched the wounds of those in power. They are most unhappy about it and so all along they have been trying to purge RTHK.

I object very much to Mr LI Kwok-ying's idea that RTHK should promote public policies for the Government. The duty of RTHK is not to promote government policies, but to provide a platform for public discussion on government policies. If RTHK is only to engage in such promotion, then it will become the mouthpiece of the Government and it will just be another China Central Television (CCTV). However, I agree very much with Mr Bernard CHAN when he said that it would be meaningless if RTHK becomes a government mouthpiece and a CCTV because the listeners will just switch to another channel or turn off the radio and RTHK will never function as a government mouthpiece.

So what the Government should do now, especially with respect to the review of public broadcasting this time, is not the promotion of government policies as Mr LI Kwok-ying would like it to be. Bowtie TSANG, that is,

Donald TSANG, is a lot smarter than Bowtie LI, that is, LI Kwok-ying. This is because the aim of the review which Bowtie TSANG wants to conduct of RTHK is not just to relegate RTHK into a propaganda machine but to place it in a far more precarious situation. How precarious is it? It can well be said that people of our generation all grew up with RTHK. May I ask the Secretary, "Will I still have RTHK for as long as I live? Would RTHK be no more at some point in my life?" The Secretary is smiling. I feel scared when he smiles. Because every time when he smiles, I can see a dagger in his smile. This time, the dagger is hidden in the review document. After reading this review document, I have a feeling that Bowtie TSANG would not be satisfied simply with turning RTHK into a public body at the Government's service. I am afraid the ultimate goal is to destroy RTHK or fully corporatize it or outsource all of its services. I think the conclusion of the review would be to privatize public service broadcasting. Once privatization is complete, then everything will be dictated by the big boss. Of course, the big boss would support Bowtie TSANG and under the principle of commercial operation, there can be no arguments and disputes because business considerations rule supreme.

Why do I say that the review document is a dagger hidden behind a smile? Actually, not just one but a number of daggers are hidden in it. Paragraph 9 clearly has a dagger in it. Or perhaps let me first talk about paragraphs 4 and 6 which are about the market. Paragraph 4 points out that "public service broadcasting is a form of market intervention through the allocation of public resources". Paragraph 6 says that allocating public resources for public service broadcasting to these areas would distort competition. When read together, these two paragraphs would expose a desire to separate the operation of RTHK from business operation. The danger here is that RTHK will lose all of its appeal. The situation is just like a beautiful girl who has been disfigured on the face by someone with a knife. From then on, no one will care to lay eyes on her. Recently, as we all know, RTHK was forbidden to air horse racing programmes and this has greatly reduced the size of the audience of RTHK. And people no longer show any interest in RTHK. This is the first move taken.

The second move is like what paragraph 9 says about public service broadcasting in Hong Kong: "The situation calls for more flexible and versatile business models to adapt to these dynamic changes and brings with it financial (including revenue), human resources, staffing and operational implications, as well as those that may pertain to the allocation of costs between the Government,

audience, user of service and commercial broadcasters. This inevitably will also have an impact on the justification for, and extent of, support from public finance". An implication of this is that funding may be cut at any time and RTHK may be in lack of funds or it may run into losses. I do not know how much cost the users of service and audience may have to share and what in fact it means. Would it mean that programmes will be sold in future? What does this mean? I think to some extent this could be to turn it into a commercial undertaking.

Paragraph 12 is even more dangerous. It states: "It is for consideration whether this arrangement should be maintained and indeed enhanced with greater participation of the other broadcasters so as to provide..... public service broadcasting with competition to produce and offer the best public service programmes." In other words, this means public service broadcasting will not be offered by RTHK in future but by commercial broadcasters. If only terms and conditions to such effect are added to the licence, then it would be game over for RTHK or all of its services will be outsourced. I am very much worried about one thing: At the end of the day, RTHK will not exist anymore. I hope the Secretary could restore this confidence in us.

DR FERNANDO CHEUNG (in Cantonese): Deputy President, the development of a civil society depends on the existence of good public service broadcasting and a good broadcasting service policy. As the voice of the socially disadvantaged groups often cannot be expressed in a business-dominated society or a profit-oriented broadcasting company, so we have to make use of the mechanism of public service broadcasting, public organizations or public expenditure before the voices of socially disadvantaged groups can be heard. However, we must make it clear that public broadcasting organizations do not work for the Government or the State. Instead, they should be providing services for the people.

Nowadays, the general trend in the world or the situation in advanced societies is that the Government is not required to take the initiatives in everything, or not every single issue is working at the service of the Government. This may be like what the SAR Government has advocated, "small government, big market". So it seems that everything can be left to the market and let everything be run by the market. The smaller a government is, the better it is. All that a government has to do is just to uphold its governance,

let the market continue making profits, and then we can have a very good society. Today, while we are living in the 21st century, in the face of the overall development in society, this has become a very outdated phenomenon of social development.

In 1927, the British Broadcasting Corporation (BBC) was established. The first Chief Executive Officer John REITH put forward the idea that a public broadcasting organization should be responsible for discharging three major functions: providing information, education and entertainment. These three major functions are actually designed to accomplish such tasks as serving the people, developing culture and democracy. Therefore, in the course of serving the general public, public broadcasting organizations should look after the interests of the minority; so even cultural programmes that cater for minority interests or culture of less than popular interest, such as classic music, Cantonese operas, programmes for the elderly, educational programmes, and so on, public broadcasting organizations should still take care of them. Therefore, generally speaking, since very few commercial organizations would produce such programmes, it has become an unshirkable duty of Radio Television Hong Kong (RTHK) to take up the responsibility of producing such programmes for the minority. Over the years, we have grown up with such programmes which have been very popular with the people.

Today, Ms Audrey EU has moved a very timely motion. We can see that the review of public service broadcasting is coming with a great momentum, and it seems to be coming with negative views towards the continuity and prospects of the services of RTHK. As we can see from the paper submitted by the Government — several Honourable colleagues have mentioned it earlier on — it raises questions about the role of RTHK; it mentioned the possible intervention of the market by RTHK, thus distorting the economy. It also questioned the value of the existence of RTHK because commercial broadcasting companies or services have already provided many programmes which are of the same categories (in terms of contents and nature) as those produced by RTHK. Under such circumstances, why should RTHK continue to exist? On the one hand, the Government says that it is doubtful whether RTHK should exist, and on the other, it points out that its existence would intervene in the market, so the only conclusion I can draw is, "Is RTHK redundant?"

(THE PRESIDENT resumed the Chair)

The only point for which RTHK is considered not redundant is that it may be at the service of the Government; this includes the promotion of government policies as Mr LI Kwok-ying has mentioned just now. However, if we adopt such a perspective in examining public service, it will be very easy to confine ourselves completely to the restrictions I have just mentioned. In other words, only the rulers and the market (profit-making companies) should exist in society; whereas for other aspects, such as a civil society, people's concern about environmental protection, culture, arts and social policies as well as the voices of the socially disadvantaged groups, who will take care of them? Today, if the review of public service broadcasting is intended to fix RTHK, if it is meant to tighten up the exceptional room, editorial independence, domain for expression of people's concern, and then eventually turn it into the mouthpiece of the Government, then Hong Kong will soon be degraded to the rank of third-world countries or territories. Should that happen, Hong Kong will no longer have the right to claim itself as Asia's world city.

RTHK is the pride of Hong Kong people. I hope the Government can think twice in conducting this review. It must listen to the opinions of the people seriously; it must also listen carefully to the concerns expressed by the Legislative Council. I have spoken in support of Ms Audrey EU's motion which expresses concerns for broadcasting policies. Thank you, President.

MR ALBERT CHAN (in Cantonese): President, first of all, I am very glad that Ms Audrey EU has moved such a timely and important motion. When I checked against the past records, I found that I had moved a motion on the broadcasting policy in the Legislative Council in 1996. Dr LAW Cheung-kwok moved an amendment then to request the authorities to introduce public access channels, but very unfortunately, the amendment was negatived.

With regard to the development of broadcasting, it has been discussed in this Chamber for more than 10 years. Members from different political parties have kept pressing the Government to open up the market and introduce public access channels. During all these years, from the colonial era to the present, democracy has never existed in Hong Kong. But we have freedom. And such freedom we enjoy covers such aspects as information, speech and news, in which Hong Kong people have taken great pride. The Government has promoted the freedom of Hong Kong in overseas countries on many different occasions, and Hong Kong people also treasure such freedom very much.

However, after the reunification, the Hong Kong Government has adopted some hegemonist administrative practices. As a result, such freedom keeps contracting and has been distorted. Earlier on, several famous radio talk show hosts have stopped going on air, and RTHK is now also facing a review — on the surface it is a review, but in essence, it is actually an attempt to turn RTHK into something like the China National Radio (中央人民廣播電台) of our great nation of the People's Republic of China and in effect into a mouthpiece of the Government. The political motives behind this review cannot be clearer. Members of the Review Committee are prepared to be made use of by the Government as their political hitmen to turn the radio station so fondly loved and treasured by Hong Kong people all through the years into one that would be operated like the China National Radio, as the propaganda tool of the Government to praise its virtues and promote its policies.

President, very often the Government will say that Hong Kong is an international cosmopolitan city, and is advanced in many ways. But our broadcasting policy is so backward that we should feel ashamed of indeed. If we make a comparison between our broadcasting policy and our telecommunications policy, the booming development of the telecommunications industry and the popularity of mobile phones have obviously illustrated that the advanced development of this industry in Hong Kong is attributable to the open and progressive policies in this field. Why is there no progress, but backward and tightening development in our broadcasting policy and broadcasting industry? Very obviously, it is due to two reasons: First, the interests of the large corporations; and second, restraints imposed by politics.

The interests of large corporations are very obvious. Licensee organizations are firmly held in the hands of certain corporations. Of course, some of the licensees have a greater sense of social responsibility and public morality awareness. However, some tycoons ignore the needs of the public, and this is very obvious. In order to protect the interests of these tycoons, the Government has resolutely and consistently refused to open up the airwaves. Although digital broadcasting has already been implemented in many parts of the world, the Hong Kong Government still has not formulated any concrete timetable for implementing this for radio broadcasting. Very obviously, this is meant to safeguard the interests of these large corporations, and in doing so, the Government is depriving the 6.8 million Hong Kong people of their basic rights, and it is even depriving many mainlanders living in nearby districts of their right to listen to RTHK.

The case of restraints imposed by politics is even more explicit. Now, the several radio stations are controlled by some tycoons. All the Government has to do is to exert certain influence discreetly, or through some relevant persons, and there is absolutely no need for it to do anything directly. It can simply exert the influence through some middlemen of our great Central Government, who can achieve their purposes through some dinner appointments or just some phone calls — as Mr Allen LEE has said, a "midnight scary call" can cause the misunderstanding sufficient for making him decide to stop going on air again. The exertion of such influence is by no means appropriate behaviour in a society or of a government that upholds and cherishes freedom. In order to liberalize the airwaves and make them more accessible to the people or make the minority groups enjoy the services provided by the airwaves, opening up and introducing many different types of public access channels is a matter of course.

I can quote the examples in other countries. Although we think Hong Kong is an advanced city, I can tell Members that in fact Hong Kong is even more backward than some Southeast Asian regions. There are 22 000 public access channels in the United States; 150 in Canada; 82 in Brazil; only 79 in Uruguay, which is not so good; 10 in Holland; 28 in Sweden, 10 in Britain, 10 in Australia; three in New Zealand; and even in one of our neighbouring countries, South Korea, there is one such channel. In this regard, the Hong Kong Government The Secretary has just assumed his office, but I cannot see he has any new mentality in stock for promoting such channels. I do hope I am wrong in making such a prediction. The Secretary will deliver his speech later on. When he does so, I believe he will continue boasting how open the Hong Kong Government is; how great we are and how well the situation has been addressed; how large the audiences we have in attending our shows. Of course, they would go on boasting the strengths of Hong Kong and refusing to admit our own backwardness. This type of policies can be compared to how an ostrich acts and how a tortoise acts.

I hope the Secretary can introduce some changes to show that we have the right attitude for practising strong governance, thereby enabling Hong Kong to surpass those countries named by me earlier. Secretary Joseph WONG has just assumed this office. I hope we would not bring about sharp conflicts in the first debate since he has assumed his office. I also aspire to harmony. However, if the Government continues to act stubbornly in favour of the large corporations, continues to transfer benefits and continues to exploit the rights of the people, it will definitely provoke sharp conflicts, which might easily spark off mass movements. Should that happen, it will not be a blessing to Hong Kong. I

hope the Secretary can lead Hong Kong's broadcasting industry to develop and rise beyond its present predicament. Thank you, President.

DR YEUNG SUM (in Cantonese): Madam President, the Government has recently commissioned a review of public broadcasting. The Secretary has newly assumed his office, and specifically mentioned that the Government is not targeting it at Radio Television Hong Kong (RTHK). However, if we take a look at the comments in society, we will find people generally think that the Government is targeting the move at RTHK.

Madam President, I really worry a lot about this review. Recently, we have been discussing in the Panel on Education the issue of loans granted to students. We were exploring the possibility of contracting out to banks those loans that do not require the examination of the family incomes of students. According to the Government, this is not for saving money. Instead, this is a move that complements the Government's major policy of "big market, small government". Earlier on, Ms Audrey EU quoted the Administration's paper as saying that the Government does not have to play any role if a certain service can be provided by the market; and if the Government still insists on providing it, will it become a force that may distort the market or will it lead to market intervention? Such a move to complement the major policy reflects the overall philosophy of the Government. That explains why the Government has chosen to launch this review of RTHK or public broadcaster in the present circumstances. Madam President, I really worry a lot about this. If the Government says it is not targeting the move at RTHK, I, for one, do not believe in it.

Is it true that the Government does not have to play any role if a certain service is already provided in the market? Should we adopt the same viewpoint with regard to broadcast programming? I strongly oppose this viewpoint because there are really substantial differences between private and public broadcasting in terms of the nature, roles and public expectations. Regarding radio stations in the private sector, basically they have to take audience ratings into consideration with the main purpose of yielding good profit. They have to hold themselves accountable to shareholders. Therefore, very often, if a private organization has offended certain large corporations in the course of criticizing the Government, monitoring the Government or reflecting public opinions, its advertising revenue might be affected. We have seen lots of such examples that have really happened to newspapers or radio stations.

So, RTHK is fondly loved by the people because, despite the fact that it is part of the Government, it can still serve as the mouthpiece of the people and play a certain role in monitoring the Government. Although some people may think that RTHK has not done sufficiently well, it is still free from the control of the Government and enjoys the protection provided by editorial independence under the Framework Agreement. I believe this primarily explains why it can win the hearts of the people. This also demonstrates that the people know very well the difference between private and public broadcasting.

Although RTHK very much hopes to enjoy editorial independence under the Framework Agreement, it faces a very difficult situation indeed, that is, the contradiction that exists between its role and its hierarchical position. No wonder XU Simin has asked whether RTHK should serve as the Government's mouthpiece responsible for promoting policies for the Government, as it is financed by government provisions? We have discussed this with him on several occasions, but so far he has not changed his stance. I believe many people in the Central Government or those close to the Central Government will share his view. But I strongly oppose such a practice. I feel that RTHK or any public radio station should enjoy editorial independence, monitor the Government and serve as the people's mouthpiece, instead of acting as the Government's mouthpiece. I think this point is indispensable to the principles of "one country, two systems" and "a high degree of autonomy", the long-term development of Hong Kong and even Hong Kong's prospects of moving towards a mature civil society.

If a public radio station or RTHK wishes to remove the contradiction that arises from its hierarchical position, I think it is inevitable for it to move towards corporatization. Regardless whether it opts for applying for a license or becoming a subscription service, as long as it can detach itself from the structure of the Government, RTHK's editorial independence will then be protected to a certain extent. In doing so, RTHK can save itself from the unpleasant job of making reluctant compromises and be accused of not acting as the Government's mouthpiece while remaining part of the Government.

As the people are increasingly concerned about the airwaves, and there are more and more voices calling for the establishment of public access channels, I believe corporatization could be the way forward for the public radio station or RTHK. Only by achieving corporatization can it enjoy editorial independence, act as the people's mouthpiece and become an agent of monitoring the Government and reflecting public opinions.

I believe RTHK will win the support of the people if it really moves towards corporatization. This is because the people know that they must protect such a precious framework. Under "one country, two systems" in Hong Kong, the people may do something to show their support for it. I reckon that there should be some popular support for this.

Madam President, the opening up of public access channels is inevitable. The airwaves are actually the assets of society. If the ethnic minorities, the political dissidents, and the minority groups can have the opportunities to express their opinions, it would be very helpful to the development of a mature civil society in Hong Kong. Yet, most unfortunately, Hong Kong has always lagged behind the world or even the neighbouring countries in the development in this aspect. If Hong Kong really aspires to becoming an international cosmopolitan city and developing into a mature civil society, it is definitely necessary for it to open up the public access channels.

I hope the Government can support my suggestions in principle when it responds to us later on, and I also hope it can consider formulating an implementation timetable as well as contemplating some other technical problems, such as digital broadcasting, and so on. All these developments are the general trend. Even the Government or people involved in the review should not evade such issues.

On the issue of how we can maintain a platform that can allow the people to air their grievances, reflect opinions and monitor the Government, so that the Government would not abuse its powers and enable the further development towards a mature civil society, I think this review does carry great responsibilities. I hope the Government will not make use of the opportunity to pinpoint RTHK by means of the review, or even gradually reduce the resources allocated to it until it cannot survive anymore.

Thank you, Madam President.

MR ALAN LEONG (in Cantonese): Madam President, people often use "the Seven Year Itch" to describe a certain state of relationship between a married couple. Nowadays, this expression may be used not only for such a purpose. Amidst all sorts of problems and disputes in human society, some people may face certain challenges after going through happenings over a period of seven

years. I am not sure if "the Seven Year Itch" has anything to do with the ongoing review of public service broadcasting, but if Members' memory is not too bad, they should probably recall that in March 1998, the programme "Headliner" of Radio Television Hong Kong (RTHK) was criticized as "bizarre and weird" and "always engaged in taking the Chief Executive and the Government to task".

Since then, the editorial independence of RTHK has been plagued by crises and subject to criticisms for more than seven years. Last summer, Mr Donald TSANG, while campaigning as a candidate in the Chief Executive election, had even brought the RTHK controversy to a new height, and even some programmes with no relevance to politics (such as horse racing programmes and the Top Ten Chinese Gold Songs Award, and so on) were drawn into the controversy.

Madam President, while the Chief Executive, the officials, the Secretaries of Departments and Directors of Bureaux are engaged in heated discussion of what RTHK should and should not do, the largest group of service targets of RTHK, that is, the people of Hong Kong, do not have any opportunity to express their views in such discussions, apart from making phone calls to the two radio phone-in programmes, one in the morning and the other in the evening, to express their sentiments about RTHK. With regard to the review of public service broadcasting which has just started, among the seven members of the Review Committee, none of them has any experience in public service broadcasting. The representation of listeners and viewers is also not lacking. We cannot help worrying whether, in such a critical moment that may impact on the future prospects of public service broadcasting, civil society will once again be overlooked and ignored.

When compared with national service broadcasting that stresses promoting policies and commercial broadcasting that purely caters to the needs of the market, the greatest value of public service broadcasting is not only limited to the provision of programmes other broadcasters are not interested in producing, but also the provision of broadcasting services which are not profit-oriented and the fact that, while resisting political and economic interference, it does not serve only as the Government's mouthpiece and propaganda machine.

Madam President, the 21st century presents both challenges and opportunities to public service broadcasting. The trend of privatizing public

services and the growing inclination of the Government to manipulate media and public opinions are constantly presenting challenges to the editorial independence of public service broadcasting. However, on the other hand, the rapid advancement of digital technology has created favourable conditions for improving the quality of programmes, reducing costs of broadcasting and providing more choices for the people. In fact, the room for expressing opinions in the airwaves has kept shrinking during the past two years. In order to open up new horizons for the future development of public broadcasting in Hong Kong, we may have no alternative but to develop it in dynamic synergy with digital broadcasting.

Madam President, there are more and more public voices calling for the opening up of the radio frequency spectrum for operating public access channels. Some even run the risk of breaking the laws by operating underground radio stations in an attempt to challenge the antiquated legal and regulatory systems. In the meantime, many creative young people and organizations have already made use of a computer plus some simple instruments to operate their own online radio services. In the face of difficulties arising from such aspects as capital, technology and promotion, this type of relatively primitive online broadcasting has yet to become really popular. However, such bold attempts have also demonstrated that there are really enormous potentials in this type of digital broadcasting which requires only low costs, but is capable of producing high audio quality in output.

Implementing digital broadcasting may lead to an increase of listeners' choices by geometric progression. At present, RTHK Radio 1 alone has already taken up two megahertz of the spectrum which would be sufficient for accommodating six to eight channels for digital broadcasting. It is not at all hard to envisage that with digital broadcasting, there will be more programmes of many different types and contents that can cater to the needs of different community groups. In particular, consideration can be given to allocating certain parts of the spectrum for establishing community radios to facilitate public participation, thus enabling the airwaves to keep closer tabs on the daily life of the people.

Madam President, unfortunately, when compared with Britain which has already planned to achieve full-scale digital broadcasting by 2012, Hong Kong, though having a higher penetration rate of information technology and a dense population, seems only ready to pay lip-service to implementing digital

broadcasting. While RTHK is alone in experimenting and studying digital broadcasting, the two commercial broadcasters are not at all enthusiastic about the idea. So the Government is glad to shift the burden and delay its implementation on the pretext that the development should be "market-driven". Therefore, the airwaves continue to be resources exclusively controlled by the Government. In addition to the operational and financial constraints faced by RTHK, technological progress has not been able to play a role expeditiously in promoting the diversified development and liberalization of public service broadcasting.

Public service broadcasting in Hong Kong has all along borne the missions of conveying messages, exchanging opinions and even disseminating knowledge. In order to maintain the vigor of people's life and facilitate the continuous strengthening of the civil society in Hong Kong, it is essential for us to have public service broadcasting that is autonomous, diversified and close to the community groups. The Government should make good use of Hong Kong's advantage of having easy access to information to speed up the development of digital broadcasting, thereby enabling public service broadcasting to become a platform for exchanging and debating different viewpoints.

Madam President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): President, I believe today's subject will arouse concern in society because when I listened to some morning radio programmes recently, I heard many of them express concern about the issue of Radio Television Hong Kong (RTHK).

Some people may not favour RTHK, but there are also some who like it very much. For example, I am one of those who like RTHK very much. I like some of its informative television productions which make me realize that the coral reef fish consumed by Hong Kong people accounts for 65% of the total consumption in the world. As Hong Kong people like to eat coral reef fish, Hong Kong has become a very large market for such fish. As a result, our neighbouring countries such as the Philippines have even made use of explosive to catch the coral reef fish, and this has eventually led to the destruction of coral reef in the sea. This has been reported in one of the RTHK programmes. I like to watch such comprehensively informative programmes very much. Therefore, whenever I meet with RTHK staff members, I would tell them I like to watch programmes produced by them very much.

Some programmes may evoke some other feelings, but as far as I am concerned, frankly speaking, I think that, with the rapid expansion of information, particularly as Hong Kong is an international city, nowadays what has happened in other countries will soon be reported in Hong Kong. Some may think that since RTHK is operated with public funding, they may criticize it from such a perspective. Of course, RTHK should also conduct a review of itself in this regard. Perhaps as I have been listening to the programmes of both RTHK and Commercial Radio since I was very young, I do have some special sentiments towards them. Such feelings have become particularly strong after I have participated in some of their programmes upon starting my working career in society. I can see that the staff of these radio stations are all working with a sense of mission — I hope the Hong Kong Government or the people can see this as well — and for this reason they all work very busily, always working at full speed to beat deadlines.

Fine. When we mention that we are going to conduct a review of the radio business, I feel that we should re-examine the entire review: Is it intended for reducing the scale of operation of the radio station or for any other purposes? Suppose it is designed with the intention of reducing the scale of operation of the radio station, I feel that this may not be possible as the dissemination of information in Hong Kong has become rather advanced. In addition, there are even a lot of requests for opening up more channels for use by the public.

Today, apart from expressing such opinions, I would also like to say that I am a bit worried. However, I have been witnessing the RTHK operating under the Government's policy of tightening the resources — RTHK has been allocated only about \$500 million a year. The amount of \$500 million is by no means substantial. Yet RTHK has to produce many programmes with this budget, and in the meantime, it also has to bear with incessant attempts by the Government to cut its financial resources. The Secretary has just assumed his office. I do not know whether the Secretary is aware that there are many different systems governing the employees of RTHK. Some of the employees are working on a contract that only lasts for one month. However, their jobs do not come to an end upon the expiry of one month. Instead, they will go on working in the same posts, even though their employment contracts are renewed every month.

Another example is the situation of the drivers of that radio station. Actually, for a television station or this type of broadcasting service industry, "speed" is the most important factor in scrambling for news or certain information — regarding the so-called "speed", I think Selina must know it much better than I do as she is a media veteran — but RTHK has now briefed out the services that assist it to scramble for news with "speed". Those people in fact do not fully understand why RTHK staff members have to arrive at the scene so urgently. Instead, they would give the staff a hard time. Does the management of RTHK know anything about the situation? As we have always been on the side of the employees, and through our past and current contact with them, I can see that, as their resources have been subject to continued contraction, the employees are also facing very substantial problems now.

President, I have recently received some complaints which are so incredible. We find that, to our amazement, some RTHK permanent casual workers are not entitled to any maternity leave. Upon hearing that, I asked them immediately why they did not lodge a complaint with me. President, I guess you will realize that we, people who have been involved in unionist movements, are very sensitive to such issues. As we all know, if a woman becomes pregnant after having worked for several months, as long as she meets the "418" requirement, she will be entitled to this type of protection. But we find that some women working in RTHK do not enjoy this.

I often make fun of people working in the mass media. Very often, they would uncover some cases of injustice in society. But why did they not come to us to discuss such issues in greater detail? I do not know whether the operational difficulties of RTHK are attributable to the financial problem of the Government. Honestly, I often come into with a lot of people. One day, when I was hiking, a kaifong talked to me, "Miss CHAN, what is wrong with it? By now, so many years have already passed since the reunification, why should the horse racing programmes be scrapped now?" At that time, I knew nothing about the issue when he put the question right before me on that day. Later on, I learnt the news that RTHK might be stopped from broadcasting horse racing programmes. Besides, the young people in my family also enjoy listening to pop songs. So they are also very fond of watching and listening to the pop song awards presentation ceremony held by RTHK at the end of each year. So they also said, "We cannot believe it. How come even such an event has to be scrapped?"

Hong Kong people would not care so much about these. I just hope the Government can understand that the broadcasting service of RTHK has already become part of the daily life of Hong Kong people. If the Government intends to make any changes, I hope it can fully understand the feelings of Hong Kong people, apart from conducting an overall and comprehensive review, as Mr WONG Kwok-hing has said. On that day, that uncle told me that he had been listening to RTHK's horse racing programmes for 30 years. He asked me what he should do if those voices really had to fade off in the airwaves. This is an issue that involves the sentiments of Hong Kong people.

I hope the Government will not act unscrupulously. On the one hand, I feel that RTHK has employed some very diligent employees, but they have been given some very unfair treatment in terms of labour interest. I do not know why. It may possibly be attributable to the lack of resources on the part of the management of RTHK. Besides, Hong Kong people like RTHK very much. Of course, Hong Kong people may level some criticisms at certain programmes of RTHK. But I think RTHK should adopt an open mind, so as to be more ready for accepting opinions.

President, the Review Committee consists of people from different sectors of society. Although I did not join the relevant panel, I am still very concerned about this issue as I am a watcher or listener who likes this broadcaster very much. Therefore, I told Mr WONG Kwok-hing that he had done a good job in delivering his speech, and I will make some more comments after this meeting because I consider it imperative to express the heartfelt feelings of those around me (including the staff of RTHK) who has grown up together with RTHK's programmes.

I support the motion and all the amendments. Thank you, President.

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

MRS SELINA CHOW (in Cantonese): President, if we want to conduct a comprehensive review of the changes that have taken place in the mass media during the past 30 years, we should take note of the few choices that were

available to the relatively larger audience in the past as well as the many choices that are available to the relatively smaller audience now, together with the development of technology. In this connection, the overall changes that have taken place are actually very enormous.

I still recall that when I was still working in the broadcasting industry, there were only a few choices. Now, if you wish, you may tune to over 100 stations. Therefore, the changes have actually been very great. This has definitely reflected the transformation of RTHK from what it was several decades ago to its present situation. As part of public service broadcasting, should RTHK be subject to a review? Yes, it definitely should.

Of course, it is the intention of the Government to review public service broadcasting, not just focusing on how to regulate RTHK. In fact, it has never been our intention to regulate RTHK; we just feel that there is the need to conduct a review. However, on the other hand, the Government cannot blame the people for mixing up the two issues. All along, public service broadcasting is considered as the equivalent of RTHK. Therefore, this explains why the situation has become as absurd as "a white horse being considered the equivalent of the entire species of horses". It is as simple as that. I think this is inevitable.

Let me return to the discussion on RTHK. I must make a declaration of interest. I do not know whether this really necessitates a declaration. My daughter is working in this organization. Therefore, it is not appropriate for me to discuss issues related to the staff issues. However, both Miss CHAN and Mr WONG Kwok-hing have discussed a lot in this regard, and I believe she will agree with many of the opinions. It is really not appropriate for me to discuss this.

With regard to RTHK, I do feel that there is the need to conduct a review from many perspectives. As RTHK is making use of a substantial amount of public funds, then for the allocated public resources, should we spend them on public service broadcasting, or should all such allocated resources be spent entirely on RTHK? This is an issue we should contemplate.

The second issue we should contemplate is the role of RTHK. We heard a lot of strong criticisms launched earlier on by various Members, but no mention was made of how the situation should be improved. I feel that we

should give full play to our own role, that is, when we discuss the issue, we should assist the Government in making improvement. Only by doing so should we be really considered as acting in the best interest of the people or making the best use of public funds.

So, what should public service broadcasting be like? When Ms Audrey EU delivered her speech earlier on, she already stated that RTHK should not serve as the mouthpiece of the Government; instead, it should serve as the mouthpiece of the people. In my opinion, in order to act in the best interest of the people, RTHK should serve as the mouthpiece of society. The Government may express its viewpoints there, so can the people. Everyone can put forward his own viewpoint in an environment or on a platform in a rational manner without feeling being threatened. People may exchange opinions on this platform, or even reaching compromises or expressing disagreement.

However, can we do that now? In fact, we may not necessarily be able to do that completely. Sometimes, we feel comfortable with only some of the comments made there, while we may not feel so with others. Why does the Government often feel angry? I believe such sentiments have not just started to emerge as late as today. The Secretary may talk about this later on. During the era of the British Hong Kong Government, actually I had often heard of grumbling words from officials, a situation that was very similar to what has happened now. They complained that they were not given the opportunities to make clarification. I do not know whether the blame should go to the Government or RTHK. I believe both sides should share the blame.

With regard to enabling the Government to clarify the considerations and reasons on which it has based its policies, RTHK can actually help in this regard. However, government officials should also reflect on themselves in order to find out how policies can be implemented in a clear manner, thereby enabling the people to understand clearly the rationale and facts behind the policies. Only in this way can we facilitate good deliberations and discussions.

Earlier on, someone mentioned whether certain programmes should be broadcast. We must realize that certain programmes can be fair and open only if they are produced by a public television station. Let us take the Top Ten Chinese Gold Songs Award Presentation Ceremony as an example. We often hear people complain of possible unfairness on the part of commercial television

stations because some other commercial considerations are involved. I am not sure whether something like this does occur, but we do need to conduct certain competitions in fair and open circumstances.

This time around, I feel we must find a way out. On the one hand, how should RTHK continue operating? I think an independent authority merits consideration. But it should not be a political and independent authority; instead, it should be a professional authority that takes public opinions into consideration. On the other hand, public service broadcasting also includes other tasks, such as the grooming of broadcasting talents as well as upgrading our technological level. Even for projects that commercial broadcasting stations do not find them worth investing, public service broadcasting should still provide such channels. This may well be an issue that the Government really needs to consider very seriously.

It is not necessary for RTHK to produce all of its programmes. As a broadcasting organization, it can simply provide a platform for broadcasting quality productions. In other words, it is a broadcasting organization, whereas the production of quality programmes is only part of its functions. With regard to technology, such as digital broadcasting, there is no reason why Hong Kong should be so backward. Since Hong Kong claims to be Asia's world city, it is essential for us to promote the development of this. Thank you, President.

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

MR MARTIN LEE (in Cantonese): Madam President, recently, I attended a meeting of the Panel on Information Technology and Broadcasting. Also attending the meeting were the Secretary for Commerce, Industry and Technology as well as members of the Committee on Review of Public Service Broadcasting. They said we had some misunderstanding, saying that in fact they were not targeting the review at Radio Television Hong Kong (RTHK). However, as Mrs Selina CHOW has said, it is RTHK that is responsible for public broadcasting, so if they are not targeting the review at RTHK, are they saying that they are targeting it at Commercial Radio? Is there still the need to target the review at Commercial Radio? Now, the three famous radio talk show hosts have already ceased to go on air. Maybe after fixing RTHK, they may

then make another attempt to fix Commercial Radio. Therefore, they would be like an odd couple — being subject to incessant attempts to fix them. And God knows when this will be all over.

In fact, I would like to ask the Secretary one question, and I hope he can respond to it. Why a person called CHEUNG Man-yee was not appointed to the Committee on Review of Public Service Broadcasting? I believe, if she is appointed, many people could sit back and relax because everybody knows how much she is concerned about RTHK. She cares so much about RTHK as if it were her own baby. If she is invited to join the Review Committee, many people would feel assured. However, if she is not invited to join the Review Committee, the people would ask why she is not. Secretary, had you extended your invitation, but she declined it on the ground of having some other engagements which make her unable to spare the time for it? Was this the case? If so, please say so. If you had invited her, but she declined the offer, then we can do nothing about it and it was not your fault at all. However, if you had not invited her, then please tell us why you did not. As a matter of fact, many newspapers are also asking this question.

The Government says that it is not targeting it at RTHK. Frankly speaking, the louder the Government proclaims that, the more strongly I believe that it is targeting it at RTHK. However, I can tell the Government that, if it wants to regulate RTHK, it will just bring about some adverse effects because radio listeners may switch to other channels. They may listen to programmes on channels of other radio stations. The Commission on Strategic Development will hold a meeting to discuss how to promote patriotism, and the best way to do it is to play the national anthem. If the people are asked to be patriotic, the Government may try requiring RTHK to play the national anthem once every half hour. But this will only benefit Commercial Radio. The logic is as simple as that. Sometimes, you cannot dictate your decision on others. The Government thinks that it can regulate RTHK, but will the listeners accept it?

On the other hand, why can the Top Ten Gold Songs Award Presentation Ceremony not be produced? I can give you some hints. Many years ago, I was invited to be one of the guests for presenting the awards in the Top Ten Gold Songs Award Presentation Ceremony. As far as I can recall, they told me that Martin LEE was invited because the results of the Ceremony were decided by "one person, one vote". As such, Members should understand the rationale now. Our Chief Executive does not really fancy the idea of universal suffrage,

so it is natural that he does not allow the production of a show with results decided by "one person, one vote". If my interpretation was wrong, he should let RTHK continue to produce this show with results decided by "one person, one vote".

Therefore, if the Government really wants us to believe that it is not targeting the move at RTHK, then the report tabled by the Government must be convincing to us. However, the report tabled by the Government makes us feel that it is targeting it at RTHK, and it is exactly intended to regulate this and that. I believe, under such circumstances, Members of the Legislative Council will not let the Government get away with it.

Thank you, Madam President.

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

MR ALBERT CHENG (in Cantonese): President, as a mass media veteran, Mrs Selina CHOW has been very accurate in the part of her speech which deals with public broadcasting. I seldom agree with her, but regarding the part on the technical aspect, what she said is accurate. In fact, it is necessary to conduct a review of public broadcasting. Now, there is not even one single public access channel in Hong Kong; none at all. Today, my colleagues from the pro-democracy camp have not bundled me up in this debate, so I can say whatever I like. (*Laughter*)

Today, many of the colleagues from the pro-democracy camp are very anxious because the Government is targeting its action at Radio Television Hong Kong (RTHK). The Government has established the Committee on Review of Public Service Broadcasting. If Members have a clear mind, they should realize that I have been the most outspoken critic of RTHK over the years. I recall that many years ago, that during the first year of my hosting the radio talk show, I had already said that RTHK was the "people's radio", a label which was my own creation. Dr YEUNG Sum is not in the Chamber now. He said that how any commercially run radio station would have the courage to criticize the Government. Should that happen, he said, the radio stations' advertisements would be lifted — I am sorry, what he said had not come true until 1 May 2004. I hosted the programme "A Teacup in the Storm" from February 1995 to 1 March 2000. During this period, I kept criticizing the Government, and I kept

criticizing Members of the Legislative Council, especially those pro-royalist Members. I was the first person who called the Liberal Party the "Rich Party". So Members should understand why I have always been at loggerheads with them.

There had been no pressure from the radio station internally. However, the lifting of advertisements by advertisers did occur. This was true. Members may recall that Mrs Selina CHOW had once written, in her capacity as the Chairman of the Hong Kong Tourist Association, to Mr HO Kei, son of Mr George HO, asking him to dismiss me. Pressure did exist — it has always been there.....

MRS SELINA CHOW (in Cantonese): President,

PRESIDENT (in Cantonese): Mrs Selina CHOW, I shall give you a chance to give a response later on, unless you now request Mr Albert CHENG to clarify what he has said.

MRS SELINA CHOW (in Cantonese): Yes, I would like to request him to clarify the part he said just now in his speech on the details of the letter written by me.

PRESIDENT (in Cantonese): Mr Albert CHENG.

MR ALBERT CHENG (in Cantonese): That letter was written by Mrs Selina CHOW to Mr HO Kei. I do not have enough time. I do not wish to let her waste my time. That letter did exist. I have written an article on the issue, and Members may browse the website of the *South China Morning Post* for it. However, today I am not going to discuss that issue. We may discuss that on some other occasions. I do not have much time left, just five minutes. If I need to go into a discussion about that letter, I would not be able to finish it even if I had 10 minutes.

I just wish to point out one thing: pressure does exist — the pressure comes from the advertisers. As I had criticized insurance companies for refusing to

accept insurance applications from private doctors during the SARS outbreak, they refused to provide third-party insurance coverage for the vehicle of LAM Yuk-wah, my co-host at that time. Eventually, I had to seek help from Mr Bernard CHAN. There is a lot of pressure in commercially run organizations. This is true. However, before 1 March 2004, no one in the Commercial Radio had ever exerted any pressure on me. Therefore, what Dr YEUNG Sum said earlier on was a bit unfair. I just wish to make a little clarification on this.

As for RTHK, of course we need to discuss its case. Today, we do not have a single public radio station. I do not have to conceal my own stance. In the past, I had been saying all the time in both my articles and my radio shows that RTHK should not produce horse racing programmes and the Gold Songs Awards Presentation Ceremony. Why? I had also said in this Chamber that we were using public funds to operate a radio station. As many programmes for the minority still could not be produced, why should we produce horse racing programmes and the Gold Songs Awards Presentation Ceremony? With regard to the Gold Songs Awards Presentation Ceremony, Mr Martin LEE said that its results were decided by "one person, one vote". I do not know what is "one person, one vote", but I know there is a "Operation Mo Ying Che" (舞影者行動)¹. I am not sure if Mr Martin LEE knows anything about this operation. It is not at all necessary for a public broadcasting organization to produce such programmes.

Someone says that if a public broadcasting organization does not compete with its counterparts in the private sector for profits, then it does not have to produce any more talk shows and programmes which criticize the Government. No, such programmes must be produced because they involve public interests. However, horse racing programmes do not involve any public interests, so just leave them to radio stations in the private sector, and we do not have to spend our resources on this aspect. There are so many people belonging to the South Asia ethnic minority groups in Hong Kong, but do we have a single programme that is produced particularly for them? Yes or no? There are so many new immigrants in Hong Kong, are there any programmes broadcast in their dialects. No. On public broadcasting, I used to be a practitioner of the industry in Canada. I can say that there is no public radio station in Hong Kong. Therefore, it is indeed timely for the Hong Kong Government to conduct a

¹ Operation Mo Ying Che (舞影者行動) refers to an ICAC operation which investigated the alleged bribes-for-awards scam in the entertainment industry in 2003.

review of the public broadcasting policy now. However, why do we have so many misgivings? The reason is simple: We hope that the right solution can be prescribed to solve our problems. It is exactly because our present Government is not an accountable one, not one that is elected by "one person, one vote". If our Government is elected by "one person, one vote", we need not have any worries.

The most important point is we hope that the right solution can be prescribed to solve our problems. In order to solve the problem of upholding the freedom of speech in Hong Kong, there is only one solution, and nothing else would do. This solution lies neither in reforming RTHK nor in targeting our action at RTHK. None of such methods would work. President, from the perspectives of a practitioner of the industry as well as a victim, I think the solution lies in opening up "the sky", opening up the airwaves and implementing digital broadcasting. Once digital broadcasting is implemented, the FM problems can then be solved. Some Members have said earlier on — since they are not people of the industry, so it does not really matter — the FM spectrum can accommodate many channels. However, the FM spectrum of Hong Kong is fully occupied already, so it cannot accommodate the FM broadcasting of any additional radio stations. Therefore, there is only one alternative, that is, the implementation of digital broadcasting. Once digital broadcasting is in place and once "the sky" is opened up, it will be like the cases of the telephone and the airline industries — the people will then be free to make any comments they like. The Liberal Party can then have their own radio station; the Article 45 Concern Group do not need to operate their internet radio anymore, and they can have their own digital radio station. The Frontier can have their radio station; the Democratic Party can also have their own radio station. And of course I can continue with my radio broadcasting. I think only by opening up "the sky" can we solve the problem of freedom of speech in Hong Kong. And I think the solution does not lie in the protection of the interests of RTHK, as suggested by some people.

Of course, the present situation makes us feel that RTHK is in a precarious position and its employees worry a lot about their prospects. This is attributable to the fact that the Government cannot give sufficient confidence to the people. The Government has appointed a group of people to review public service broadcasting. I have no intention of offending them. However, their performance in the Legislative Council could hardly demonstrate any credibility

to the people on the outset. However, it does not matter. Our Panel on Information Technology and Broadcasting is already prepared to study public broadcasting policies. We shall be able to act faster than they do in submitting a report to the Government. Or we may even let them consult our report as reference. Opening up "the sky" is the solution to the problem.

With regard to today's motion, of course I would support it. Although I am not bundled, I would still support it. Ms Audrey EU asked me whether I would support it, of course I would. But I shall vote against Mr LI Kwok-ying's amendment. The reason for my opposition is slightly different from that held by the pro-democracy camp. As a public broadcasting organization operated by the Government with public funds, how can it not provide a platform for introducing and promoting government policies? How about the initiatives to keep Hong Kong clean? How about the anti-smoking campaign? What about drink driving? I oppose Mr LI Kwok-ying's amendment simply because he said that public affairs programmes had to be objective. These programmes can never be objective. They must be subjective because these are not news programmes. The hosts and commentators must base on objective facts (most important of all, the facts cannot be distorted) to make some very very subjective judgements. Only in this way can they be called public affairs programmes; only in this way can comments be made. For this reason, I oppose Mr LI Kwok-ying's amendment. I am not bundled. I oppose Mr LI Kwok-ying not because the Democratic Party says that we should support Ms Audrey EU and oppose Mr LI Kwok-ying. The reason for my opposition is slightly different from that held by them.

Thank you, President.

MRS SELINA CHOW (in Cantonese): Mr Albert CHENG has just mentioned in his speech a letter written by me. When he mentioned it, he completely distorted the facts. In that letter, I did not ask Commercial Radio to dismiss him. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Ms Audrey EU, you may now speak on the two amendments. You have up to five minutes to speak.

MS AUDREY EU (in Cantonese): President, regarding the two amendments, the first one is the amendment proposed by Mr SIN Chung-kai. In fact, his amendment is just a continuation of the part of my original motion on opening up public access channels at an early date. Because his amendment seeks to describe how public access channels can be opened up, that is, by way of expediting the development of digital broadcasting, I will of course support Mr SIN Chung-kai's amendment.

As for the second amendment, that is, Mr LI Kwok-ying's amendment, it can be divided into two parts. The first part is "..... provides fair, balanced and objective public affairs programmes"; and the second part is "..... has the responsibility to comprehensively introduce and promote to the public the various public policies of the Government". With regard to the first part, I agree with what Mr Albert CHENG has said just now. He said that news programmes must have to be fair, objective and balanced; but for some other informative and entertainment programmes, it is very difficult to require them to be objective, fair and balanced. I shall go into greater depth in analysing this point when I respond to Mr LI Kwok-ying's speech later on.

The second part of the amendment is even more controversial because it mentions "comprehensively introduce and promote to the public the various public policies of the Government". In fact, this is different from accurately introducing the public policies of the Government. Maybe it should be like what Mrs Selina CHOW said earlier on, that it should serve as the mouthpiece of society because a public service broadcasting organization does have the responsibility to publicize government affairs. I agree with this point. There is no problem with this. If someone says that this is consistent with the interest of society, or public interest as I said just now, or the empowerment of the people, in fact there is no conflict over this point. However, Mr LI Kwok-ying went even one step further. He said it had to comprehensively introduce and promote public policies.

To those who are not well versed in this issue, or those who just examine his amendment superficially, they may feel that there is no great problem. But as Ms Margaret NG said in her speech, those who really oppose freedom of

speech or editorial independence will find it very difficult to state openly that they oppose freedom of speech or editorial independence. Instead, they would normally express their stance in a roundabout manner. When we listened to Mr LI Kwok-ying delivering his speech, we should have understood everything. In his speech, he often mentioned certain problems such as the distortion of editorial independence, which could then lead to the abuse of freedom of speech, and so on. And he quoted the example of guests being invited to appear in certain radio programmes. He said if members of only certain political camps or parties were invited to appear in a certain programme all the time, then the programme in question was not impartial. So, his tactic was to do some counting and pointed out that a certain programme of RTHK had invited a certain guest, and of course it must have been partial in frequently inviting such people as guests. If so, how can editorial independence be maintained? In particular, he quoted some examples to illustrate that many RTHK programmes had always criticized government policies. But, if the government policies involved are really not good, why can we not criticize them? Criticizing government policies will evolve into a case of politicizing the incident under the grand pretext of editorial independence, according to Mr LI Kwok-ying. If he has adopted such wordings, such an interpretation or such a stance, it is very obvious that Mr LI's amendment in fact carries the objective of illustrating those cases in which genuine editorial independence has been violated.

If we really respect the right of a public broadcasting organization in enjoying independence and autonomy, we cannot possibly tell that broadcasting organization that what it has said is not objective or unfair; that the Government has the right to question whether it has been impartial; or that whether what the broadcasting organization has broadcast is not comprehensively introducing or promoting various public policies of the Government. I can quote a simple example — the constitutional reform package. If we agree with such a philosophy, does it mean that the broadcasting organization can only promote the Government's constitutional reform package? What about those who hold different viewpoints? Then they are taking an opposition stance. Therefore, as a government broadcasting organization supported with public funding, it cannot do that.

Recently, Mr Jasper TSANG made some remarks in an article published in a certain newspaper. He also mentioned this point. He asked what it would be like in the case of other government departments. If all other government

departments should adopt their respective independent ways of thinking, what should we do? Why should RTHK be different from other government departments? What Mr Jasper TSANG meant was, other government departments can support only one kind of policies — government policies. However, he forgot that RTHK has a Framework Agreement and editorial independence. So we cannot do as what Mr Jasper TSANG has said in his article. His wordings are "RTHK is not allowed to put on a rival show with the Government."

Very obviously, we cannot support Mr LI Kwok-ying's amendment. Thank you, President.

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, I am very grateful for Members' invaluable opinions regarding the motion and amendments. The policy of public service broadcasting is a very important subject. I am pleased to respond to Members' views and explain the Government's basic position and views at this stage on some important principles and recommendations.

My predecessor has already explained in detail the background and rationale for the Government's decision to appoint an independent committee to review the policy of public service broadcasting in Hong Kong in a comprehensive manner. I supplemented such whenever appropriate when responding to Members' questions at the last meeting of the Panel on Information Technology and Broadcasting of the Legislative Council. I do not intend to repeat myself on this occasion. I think the majority of (maybe all Members of this Council), the media (including Radio Television Hong Kong (RTHK)) and the public agree that there is a need to review the policy of public service broadcasting so as to recommend the most suitable arrangement for the provision of such service. I hope all Members of this Council and members of the public who are interested in this subject would take a careful look at the terms of reference of the Committee on Review of Public Service Broadcasting (the Review Committee), which include:

- (a) to examine the role of, and justifications and public purposes for, public service broadcasting in the development of Hong Kong's broadcasting market, against the public financial and other resources required for such broadcasting;

- (b) to identify issues concerning public accountability for public service broadcasting in matters of editorial impartiality, programming policy and good governance;
- (c) to identify measures for evaluating the effectiveness of public service broadcasting and arrangements through which the public can participate in such a process; and
- (d) to recommend an appropriate arrangement for the provision of public service broadcasting in Hong Kong.

The reason I took the time to reiterate the terms of reference of the Review Committee is to make it clear that it is a comprehensive review covering all areas of public service broadcasting, including policy, resources, management and governance, accountability and implementation details etc. Our immediate responsibility is to support the work of the Review Committee and to facilitate the Review Committee to collect the views of various sectors, including local and overseas experts with experience in public service broadcasting, and people of different strata of the Hong Kong community. I am confident that the Review Committee will conduct the review in a professional and pragmatic manner and make recommendations that are in the overall interest of Hong Kong to the Government. To avoid unnecessary conjectures and misunderstanding, it is inappropriate for me to make specific suggestions on the roadmap of PSB at this stage.

Nevertheless, I will respond to Members' views in respect of the following issues.....

MR MARTIN LEE (in Cantonese): Madam President, I wish to seek a clarification.

PRESIDENT (in Cantonese): Mr LEE, do you wish to raise a point of order?

MR MARTIN LEE (in Cantonese): The Secretary has said just now that he is pleased to respond to Members' views today, so I asked him a specific question, that is, whether he has liaised with.....

PRESIDENT (in Cantonese): The Secretary has not finished his speech.

MR MARTIN LEE (in Cantonese): But he has already stated that he would not repeat it again. He said he has already responded to questions on that day, so he would not repeat himself on this occasion.

PRESIDENT (in Cantonese): Then, what do you wish him to clarify?

MR MARTIN LEE (in Cantonese): The clarification I wish the Secretary to make is: Given that he is so pleased to respond to Members' questions, I put to him a question which I very much want him to answer, that is, whether he has liaised with Miss CHEUNG Man-yee.

PRESIDENT (in Cantonese): Secretary, our rule is that, if a Member seeks a clarification from you, you can decide whether or not you want to make the clarification. Please make a decision now.

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): I am pleased to make a clarification. When I said I am pleased to respond to Members' views, it is a general remark and it does not mean that I will respond to all views.

Madam President, I will mainly respond to Members' views in respect of the following issues:

- (a) defending freedom of the press and freedom of speech;
- (b) editorial independence;
- (c) the role, functions and responsibilities of public service broadcasting;
- (d) the recommendation to establish public access channels; and
- (e) the recommendation to expedite the development of digital terrestrial broadcasting.

Defending Freedom of the Press and Freedom of Speech

Hong Kong is the freest city in the world. There are specific provisions in the Basic Law to guarantee the freedom of Hong Kong citizens in various respects. For example, Article 27 of the Basic Law clearly states that Hong Kong citizens enjoy freedom of speech and of the press. Freedom is the root of the well-being of Hong Kong citizens and the cornerstone of the stability and prosperity of Hong Kong. The Hong Kong SAR Government has an unshirkable responsibility to protect the freedom of Hong Kong citizens according to the law. Thus, if one is of the concern that the result of the review will undermine the current freedom of the press and of speech, I can explicitly tell you all that I am confident the Review Committee will not come up with any conclusion that will undermine freedom of the press and of speech. There is absolutely no question of the Government making any decision that will affect citizens' freedom as a result of this review. The citizens of Hong Kong will never allow the freedoms that they so cherish, including press freedom and the freedom of speech, to be infringed upon in any way. Freedom of speech of course includes people's right to criticize any organization, including the Government and RTHK.

Editorial Independence

Before I make my response in respect of editorial independence, I wish to highlight that according to the existing Framework Agreement between the Secretary for Commerce, Industry and Technology and Director of Broadcasting, RTHK is editorially independent. Of course, the Agreement goes beyond that. It includes many provisions such as the functions and responsibilities of RTHK, matters that the Director of Broadcasting are accountable to the Secretary for Commerce, Industry and Technology, as well as the mission of RTHK and the objectives of its work plan, and son on. What I am going to say is not therefore meant to direct at RTHK. I hope Members of the Legislative Council will not misconstrue my words. For the same reason, I will not respond to any views or speculations concerning RTHK. I would, however, like to make a general remark in response to Mr WONG Kwok-hing's comments: I am mindful of the welfare and reasonable rights of RTHK staff, there is no need for them to be worried about the current public service broadcasting review.

I am convinced that during the review of public service broadcasting, we should tackle rather than dodge sensitive issues. We should probe into them and listen to different views. For example, some people hold the view that for

the sake of safeguarding editorial independence, editorial decisions should only be accepted and cannot be challenged. Other people think that the editor cannot do whatever he likes within the framework of public service broadcasting.

Generally, editorial independence means that editors shall be independent of any commercial, political and vested interests in news reporting, commentaries and programme production. They shall selflessly serve the community including catering to the interests and needs of the minority. This principle fits neatly into the editorial policy of public service broadcasting and should be affirmed.

However, apart from adhering to the general principles of impartiality, accuracy and fairness, should editorial independence be exercised within the remit of public service broadcasting's role and objectives? Should there be a mechanism as part of the system of public service broadcasting to ensure that persons-in-charge or editors are accountable to the public?

Some people have mixed up the ideas of editorial independence and programming policy. For example, some suggest that based on the principle of editorial independence, providers of public service broadcasting should also have absolute freedom in determining the genres of programmes to be produced and the public has no right to discuss this subject. I wish to point out the relationship between programming policy and editorial independence. When formulating the programming policy of public service broadcasting, there is a need to ensure that the programming policy is consistent with the established role and positioning of public service broadcasting. After a programming policy is formulated, providers of public service broadcasting can then, based on the principle of editorial independence, produce different programmes in accordance with the programming policy. Programming policy is a very important element of the public service broadcasting system. Since public service broadcasting involves public expenditure, many people consider that programming policy and priority should reflect and fulfil the public functions and objectives of public service broadcasting. Many public service broadcasters overseas have redefined their programming policy in recent years. When setting clear targets on the proportion of different programme genres, some public service broadcasters have emphasized the production of distinctive public service programmes such as news, current affairs, arts and culture, education technology, history, and so on, while reducing the output of entertainment programmes. Some public service broadcasters have also established a mechanism to involve members of the public in determining programming policy and priority and assessing whether the broadcaster has adequately fulfilled its

prescribed programming policy. I hope the Review Committee will consult people from different sectors on the contentious issues of editorial independence, accountability and programming policy with a view to reach conclusions and recommendations that are in the overall interest of Hong Kong.

Role, Functions and Responsibilities of PSB

In the light of the emergence of various broadcasting and new media services, there have been numerous international studies on the role and objectives of public service broadcasting. Issues discussed include:

- How should the policy of public service broadcasting as well as its framework and financing model be updated in digital age?
- Should public service broadcasting be financed by other sources in addition to public funding? What should be the relative proportion?
- Should commercial organizations be allowed to participate in the provision of public service programming in addition to publicly-funded organization? What should be the relationship between them?
- Should publicly-funded broadcasting organizations use public funds to produce programmes readily available in the market?
- How to determine the programming policy and priority of public service broadcasting?

There are different models for the provision of public service broadcasting in different places. The functions of public service broadcasting also vary in the light of local situation. For example, providers of public service broadcasting in Australia and New Zealand have to cater to the needs of indigenous communities, the Canadian Broadcasting Corporation has to cater to the needs of the French-speaking community and preserve national culture. We therefore need to examine in detail the future role and objective of public service broadcasting and consult the public on this subject. Many people have already expressed their opinions on the functions of public service broadcasting in Hong Kong, including its role to support "one country, two systems", promote the Basic Law, cater for the needs of the minority and the socially disadvantaged, explain and promote government policies, safeguard Hong Kong's core values,

enhance social cohesion, strengthen Hong Kong citizens' national awareness, and so on. While the outcome of the review is still outstanding, the Government will not take position on these issues now. However, I believe that these diverse views are not necessarily antagonistic. They could be embracing and complementary.

Different places have different arrangements for the provision of public service broadcasting. In the United States, the Public Broadcasting Service (PBS) and National Public Radio (NPR) are public, non-profit-making broadcasting systems formed by a number of broadcasting stations. In the United Kingdom, there is Channel 4 in addition to the British Broadcasting Corporation (BBC). Channel 4 does not produce programmes but commissions programmes from over 300 independent producers.

The questions and facts I have raised just now are meant to illustrate to Members of the Legislative Council and the public that there is a need to review comprehensively the existing role, functions and responsibilities of public service broadcasting in Hong Kong, and overseas experience can serve as our reference. I believe that the Review Committee will diligently consider Members' invaluable views tendered just now. I urge Members to continue to forward your views to the Review Committee during the review.

Regarding the establishment of public access channels, the Government pointed out at the meeting of the Panel on Information Technology and Broadcasting of the Legislative Council in last November that the situation in Hong Kong differs from that of other countries where the purpose of establishing public access or community channels is to complement national and regional broadcasting services. Unlike countries where there are public access or community channels, Hong Kong is a small place. Existing broadcasting services already provide many programmes to facilitate citizens to express and exchange opinions. However, I am pleased to consider the Committee's views on the merits of providing public access or community channels in the context of the review of public service broadcasting.

Digital Terrestrial Broadcasting

The Government announced the framework for implementing digital terrestrial television broadcasting in July 2004. Based on the market-led principle, the two free-to-air television stations can select the technical standard for digital broadcasting. But they have to decide by 2006 so as to start digital broadcasting in 2007.

On the introduction of digital audio broadcasting or digital multimedia broadcasting, we also follow the market-led principle. We will consider introducing such services when the prospect of digital audio broadcasting is clearer. We will continue to take stock of international development and, if necessary, commission further studies on the prospect of different competing technologies to enable us to make the best assessment based on up-to-date information. In the meantime, we welcome trials of new applications on the frequencies reserved for digital audio broadcasting.

The Review Committee has commenced the review. It will widely consult different sectors in the community, including Members of this Council and members of the public. I wish to reiterate that the Government does not have preconceived views. We will fully consider the Committee's recommendations before deciding on the policy of public service broadcasting in Hong Kong as well as its role and the arrangement for its provision. We will also make sure that the decision is in the overall interest of Hong Kong.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Mr SIN Chung-kai to move his amendment to the motion.

MR SIN CHUNG-KAI (in Cantonese): President, I move that Ms Audrey EU's motion be amended.

Mr SIN Chung-kai moved the following amendment: (Translation)

"To add ", in developing" after "to ensure that"; to add ", it shall" after "Hong Kong"; to delete "respects" after (a) and substitute with "respect and adhere to"; to delete "defends" after (b) and substitute with "defend"; to delete "opens" after (c) and substitute with "open"; to add ", so as to allow public participation" after "at an early date"; to delete "provides" after (d) and substitute with "provide"; to delete "and" after "diversified information"; to delete "caters" after (e) and substitute with "cater"; and to add "; and (f) allocate adequate resources to expedite the development of digital broadcasting, so as to allow the development of public service broadcasting to sustain in an era of digital convergence" after "disadvantaged groups"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr SIN Chung-kai to Ms Audrey EU'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 LI Kwok-ying, as Mr SIN Chung-kai'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 6 February. 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 LI KWOK-YING (in Cantonese): President, I move that Ms Audrey EU's motion as amended by Mr SIN Chung-kai, be further amended by my revised amendment.

President, with regard to the five points proposed in Ms Audrey EU's motion, I think that they are actually just the most basic and the minimum requirements we have on RTHK, and these five points also represent the people's basic rights with regard to the broadcasting industry. Mr SIN Chung-kai

proposes that the Government should expedite the development; this is also our aspiration. Therefore, we support this motion and the two amendments.

Earlier on, I heard Ms Emily LAU and Mr LEE Cheuk-yan say that promoting news affairs is the responsibility of the Information Services Department (ISD). I also agree with this. However, the ISD still has to rely on the mass media in accomplishing their promotion job. As Mr Ronny TONG has said, RTHK is serving the general public. Therefore, as RTHK is a government organization and a radio of the public sector, why can it not promote policies for the Government? Of course, as Mr LEE Wing-tat has said, RTHK has provided a platform for expressing fair comments. Therefore, as long as the comments and criticisms are fair, I believe the people would accept them. However, please do not tarnish the reputation of the Government. These are my viewpoints.

I hope Honourable colleagues can look at my amendment from a positive perspective, and extend your support to it. Thank you, President.

Mr LI Kwok-ying moved a further amendment to the motion as amended by Mr SIN Chung-kai: (Translation)

"To add "; besides, the Government should also ensure that it would provide fair, balanced and objective public affairs programmes and that it has the responsibility to comprehensively introduce and promote to the public the various public policies of the Government" after " in an era of digital convergence""

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LI Kwok-ying's amendment to Ms Audrey EU's motion as amended by Mr SIN Chung-kai, 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 SIN Chung-kai rose to claim a division.

PRESIDENT (in Cantonese): Mr SIN Chung-kai has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Dr Raymond HO, Dr LUI Ming-wah, Mr Howard YOUNG, Ms Miriam LAU, Ms LI Fung-ying, Mr WONG Kwok-hing, Mr WONG Ting-kwong, Mr Patrick LAU and Mr KWONG Chi-kin voted for the amendment.

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Miss TAM Heung-man voted against the amendment.

Geographical Constituencies:

Mrs Selina CHOW, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr LI Kwok-ying and Mr CHEUNG Hok-ming voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert

CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG 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, 15 were present, nine were in favour of the amendment and six against it; while among the Members returned by geographical constituencies through direct elections, 25 were present, eight were in favour of the amendment and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Audrey EU, you may now speak in reply. You have three minutes 23 seconds.

MS AUDREY EU (in Cantonese): President, I would like to extend my sincere thanks to all the 20 Members who have spoken on this motion. Some of their speeches have really evoked empathetic feelings in me, especially when they mentioned our sentiments towards RTHK. As we are a generation of people who have grown up together with RTHK, so I would even feel a strong empathy towards the missions of RTHK.

From the speeches of Members, I can see that we do have a consensus on other issues. In particular, when Mrs Selina CHOW described the relationship between the Government and RTHK, she said that some opinions made by RTHK were pleasant ones, some were not. I feel this is perfectly appropriate. President, if the Government thinks that all the opinions made by RTHK are comfortable to its ears, then the situation would be disastrous. If the Government feels comfortable with only some of the comments made there, while it may not feel so with others, then this means RTHK is doing the right thing — it is acting with impartiality.

Besides, President, when the Secretary delivered his speech, he said that he very much supported editorial independence, freedom of speech, and so on. However, we cannot just pay lip-service. Instead, we must make our own judgement by watching what actions have actually been taken. I am directing such remarks not only at the present Review Committee; they also apply to what the Government did in the past, in particular, what the Chief Executive said in the past. Apart from not responding to the question raised by Mr Martin LEE, the Secretary also has not responded to the question raised by me regarding paragraphs 4 and 6 of the Government's review document. There are major problems with his viewpoint on the roles and positioning of public service broadcasting because he thinks that if public resources are used on doing something that has been done or that can be done by the private market, then we have distorted the market. If the Secretary adopts such a positioning for public service, then he may as well abandon the so-called editorial independence and freedom of speech because RTHK can only act as the Government's mouthpiece or can only produce programmes for the minority.

The Secretary also has not responded to the remark made by Chief Executive Donald TSANG or when he was a Chief Executive candidate running for the election. He had asked or thought that RTHK should not produce horse racing programmes or the Top Ten Chinese Gold Songs Award Presentation Ceremony. Was this an attempt of interfering with editorial independence? Was this an attempt of intervening in programming policy? The Secretary has absolutely not responded to this.

The Secretary has not responded to the questions raised by many other Honourable colleagues. For example, with regard to the two problems currently faced by RTHK in respect of its establishment and resources, how should they be resolved? How can RTHK ensure that it can enjoy editorial independence? I am particularly disappointed with his response regarding the issue of digital broadcasting because the Secretary just said that Hong Kong is a small place and that we have to continue to take stock of international development in this aspect. This is really most demoralizing to Hong Kong people because in fact this is a major consensus that has been reached for a long time among all the Members who have spoken today. President, I very much hope that the Secretary can act more proactively, and I also hope that the Review Committee can bring us good news in regard to digital broadcasting. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Audrey EU, as amended by Mr SIN Chung-kai, 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 as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 15 February 2006.

Adjourned accordingly at eleven minutes past Nine o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Health, Welfare and Food to Mr TAM Yiu-chung's supplementary question to Question 5

As regards the statistics for prosecution and successful conviction for elder abuse cases in 2004 and 2005, the following is a breakdown showing the number of persons involved in criminal cases concerning elder abuse tried by the Court in 2004 and 2005, as provided by the police:

	<i>2004</i> <i>(March to December)[#]</i>	<i>2005</i>
Convicted cases	79	76
Not convicted cases [*]	16	30
No. of persons prosecuted	95	106
Applications submitted by police to the Court for the abusers to be subject to bind-over orders	54	107

[#] The Procedural Guidelines for Handling Elder Abuse Cases has come into effect since March 2004.

^{*} Includes acquitted cases, prosecution offers no evidence and request defendant be bound over, charge dismissed/withdrawn and no case to answer.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Mr Ronny TONG's supplementary question to Question 5**

As regards statistics for elder abuse cases in institutions in 2004 and 2005, for the period between January and December 2004, the Central Information System on Elder Abuse Cases of the Social Welfare Department recorded only one case (0.3%) of abuse where the abuser was the staff of an organization which provided elderly services. Two such cases (1.1%) were recorded between January and September 2005.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Dr Joseph LEE's supplementary question to Question 5**

As regards case statistics for neglect and abandonment of elderly in 2004 and 2005, for the period between January and December 2004, the Central Information System on Elder Abuse Cases of the Social Welfare Department recorded seven cases (2.1%) of neglect and one case (0.3%) of abandonment of elder. Between January and September 2005, there was no case of neglect and only one case (0.6%) of abandonment of elder was recorded.