

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 21 June 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 MARTIN LEE CHU-MING, S.C., 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 JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

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

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

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

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H.

DR THE HONOURABLE JOSEPH LEE KOK-LONG

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

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

THE HONOURABLE 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 CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE WONG YUNG-KAN, J.P.

THE HONOURABLE MA LIK, G.B.S., J.P.

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

PUBLIC OFFICERS ATTENDING:

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

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

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

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

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): There are only 27 Members present now. Clerk, please ring the bell.

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

PRESIDENT (in Cantonese): A quorum is now present, the Council meeting will now start.

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>
Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 2006	141/2006
Securities and Futures (Reduction of Levy) Order 2006.....	142/2006
Legal Aid Ordinance — Resolution of the Legislative Council (Commencement) Notice.....	143/2006

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Government Managed Footbridges and Outdoor Escalators

1. **MR MARTIN LEE** (in Cantonese): *Madam President, will the Government inform this Council:*

- (a) *of the respective numbers of footbridges and outdoor escalators currently managed and maintained by various government departments, together with a breakdown by administrative districts;*

- (b) *whether it will consider contracting out the management and maintenance of such facilities to private operators; and*
- (c) *whether it will consider providing advertising spaces at such footbridges and escalators for the display of public, cultural and recreational, or commercial information, so as to best utilize the space and generate additional revenue; if not, of the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): President,

- (a) According to information provided by the relevant government departments, there are currently 807 footbridges under their management. Out of them, 48 are equipped with escalators. The total number of escalators is 122. Generally speaking, the Housing Department is responsible for maintaining the footbridges located within public housing estates while the maintenance responsibility of those outside the boundary of public housing estates mainly falls on the Highways Department. Information on the distribution of these footbridges and escalators among the administrative districts is in the Annex that has been circulated to Members.
- (b) The Highways Department has contracted out the maintenance works for the footbridges under its control to the private sector. Its contractors are also responsible for cleansing the footbridge structures, railings, signs, and so on. The Food and Environmental Hygiene Department or its contractors are responsible for cleansing the floor area. As regards footbridges under the control of the Housing Department, its contractors are responsible for their maintenance, cleansing and other up-keeping work.
- (c) Government departments have set up notice boards on some suitable footbridges for displaying public information. The contractor of the Transport Department who manages the Central-Mid-Levels Escalator and Walkway System is arranging for suitable locations to

be let out for commercial advertisements. If there are suggestions in the market that other footbridges have a certain level of commercial advertisement value, we are prepared to consider them.

Annex

Summary of Footbridges* and their Associated Escalators
under the Control of Government Departments

	<i>Administrative District</i>	<i>Footbridge</i>	<i>Footbridge with escalators</i>	<i>Escalators</i>
		<i>No.</i>	<i>No.</i>	<i>No.</i>
Hong Kong Island	Central and Western	49 [#]	10	39
	Eastern	46	7	13
	Southern	19	0	0
	Wan Chai	62	6	12
Kowloon	Kowloon City	23	1	1
	Kwun Tong	43	3	12
	Sham Shui Po	33	1	1
	Wong Tai Sin	39	2	3
	Yau Tsim Mong	24	7	13
New Territories	Islands	14	0	0
	Kwai Tsing	65	2	6
	North	50	1	2
	Sai Kung	16	0	0
	Sha Tin	58	2	5
	Tai Po	35	2	10
	Tsuen Wan	58	2	3
	Tuen Mun	71	0	0
	Yuen Long	102	2	2
Total		807	48	122

* Excluding pedestrian crossing facilities affixed to vehicular flyovers.

[#] One of them is the Central-Mid-Levels Escalator and Walkway System under the Transport Department's control.

MR MARTIN LEE (in Cantonese): *Madam President, according to the Annex provided to us by the Government, there are 49 footbridges in Central and*

Western District and 62 in Wan Chai District. In fact, there are many of them, and, among them, many are rather close to each other. Has the Government considered the scheme, put forth by the Democratic Party many years ago, of forming a footbridge network by linking them together so that the public can walk from Western District to Causeway Bay?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I have, on different occasions, learned about the Democratic Party's idea of linking the footbridges together to facilitate the public in walking from Western District to Eastern District. To take forward this scheme, we have to consider anew the entire planning for Central and Western District as well as Eastern District so as to incorporate the scheme into it. However, I personally find this a very good idea. We did raise this idea in the planning for Central. Different parties will have to work together to take this forward, but we will definitely consider this idea.

MR PATRICK LAU (in Cantonese): *I also wish to ask just now Mr Martin LEE's question, but my question was already contained in part (b) of his main question. Yet, I still wish to ask the Government, in relation to footbridges, as it is currently considering connecting the footbridges — which is a very good scheme — whether it will consider constructing some automatic pedestrian links or travelators on some of the footbridges to help people move faster? If the footbridge network has a wide coverage, it will, after its construction is completed, greatly reduce the vehicular traffic on the roads and speed up the pedestrian flow. For instance, many places such as the airport already have this kind of automatic pedestrian links in place. Will the Government consider this approach?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): In fact, we have received many requests from different districts of installing this automatic walkway system or "people-mover" (an automatic conveyor belt for pedestrians). These facilities will of course be useful to the public, but we also need to consider the need. For instance, if the road in question is very steep, we will accord a higher priority to it as it will be difficult for people to walk up or down the road; while a level road will definitely not be accorded a high priority. The Transport Department and us have been closely

monitoring new developments in this regard. For instance, as people-movers are becoming more and more advanced, there is also such a facility connecting the Tsim Sha Tsui East Station of the Kowloon-Canton Railway Corporation and the Tsim Sha Tsui Station of the Mass Transit Railway. I believe this is the trend, only that we have to set priorities when it comes to resource allocation.

MR PATRICK LAU (in Cantonese): *President, I wish to ask how many such projects are there?can I not ask this question?*

PRESIDENT (in Cantonese): Mr Patrick LAU, as this is not part of your supplementary question just now, you will have to wait for another turn.

MR JAMES TIEN (in Cantonese): *President, I believe if many such facilities are installed on the footbridges, they will become a source of nuisance to drivers. I wish to ask the Secretary: As it is stated in part (c) of the main reply that suitable locations will be arranged for setting up these facilities, and that these facilities will be provided on footbridges with a certain level of commercial advertisement value, how many of the 807 footbridges in total are considered suitable by the Secretary? How many of them have commercial value?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): We agree with what Mr TIEN said just now, that too many advertisements or information displays on the footbridges can become a nuisance to the public. The Transport Department has instructions stipulating that no information should be displayed on footbridges over roads with a speed limit of over 70 km so as not to distract the drivers. As regards footbridges which can be used for commercial advertisement purposes, we have not conducted a detailed study on them. Hong Kong is a commercial city, there are countless places or channels to place commercial advertisements, such as facades of commercial buildings and private buildings, radio stations, television stations, the Internet, newspapers, magazines, and so on. They provide many opportunities for commercial enterprises to place advertisements. If the Government makes a deliberate attempt to use public facilities for commercial

advertisement purposes, extra caution should be exercised because under the principle of "big market, small government", we are competing with the public for profits if we do so. As Members also have different opinions about this, we do not plan to deliberately or actively use public facilities for commercial purposes.

MR JAMES TIEN (in Cantonese): *The Secretary has not answered my supplementary question. The Secretary mentioned in part (c) of the main reply that suitable locations will be arranged for setting up these facilities. As it is the Government which states that these are suitable locations, then, among the 807 footbridges, how many of them are suitable? The Secretary has only read out the script prepared beforehand, but she has not answered my supplementary question.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): The only project that is in progress and we consider suitable is the one being carried out on the footbridge from Central to Conduit Road. We have made the necessary arrangements to allow the contractor to solicit advertisements.

DR YEUNG SUM (in Cantonese): *Madam President, the Central-Mid-Levels Escalator and Walkway System not only facilitates pedestrians, but also generates considerable tourist proceeds. Therefore, if the Government finds the Democratic Party's proposal of connecting the footbridges from Central to Western District into a city of sky walkways feasible, will it designate a special group to study this project and then lay down a timetable?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I have also said just now that this proposal is conducive to the entire transport system and I personally find it a good suggestion. However, for this proposal to be taken forward, it has to tie in with the planning and lands aspects of the entire Central District, including the reclamation project and the design of the waterfront promenade.

MR SIN CHUNG-KAI (in Cantonese): *President, I also agree with Mr TIEN that advertisements placed on the outside of footbridges are a nuisance to drivers, but I believe advertisements placed inside the footbridges for viewing by the pedestrians will have a certain level of commercial value. The Secretary just now has already answered part (c) of Mr James TIEN's question, but I wish to ask a further question: The Government's policy is rather passive, isn't it? Will the Government consider inviting tenders? In fact, some cultural organizations have proposed to me that allowing them to place advertisements inside the footbridges for the promotion of cultural events will be helpful to them because the cost of promotion is very high. President, may I ask the Secretary what she is going to do? Will the Secretary just sit on her hands, or will she take the initiative to evaluate the market potential? Will the Secretary invite tenders?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Mr SIN Chung-kai finds us very passive. This is a matter of opinion because sometimes when we put forth some policies, members of different District Councils (DCs) will have different opinions. For instance, some might seek our view on placing advertisements or having promotional activities on footbridges, but the DCs might opine that this is their own affairs within the districts. Thus a discussion process becomes necessary to reach a consensus among us. On the Government's part, I have also said just now that for footbridges which are very special, such as the one connecting Conduit Road and Central which is lengthy and expensive, we took the initiative to evaluate its commercial value and thus started to solicit advertisements to make up for its operational cost. As to other footbridges, we will only evaluate their market potential on the basis of need and we will also take into account the views of residents in the districts and the DCs. We do not take active steps to conduct evaluation and analysis.

MR LEE WING-TAT (in Cantonese): *President, as far as I understand it, the Government has a standard qualifying the construction of pedestrian escalators and footbridges, which is, the pedestrian flow. However, owing to the ageing population in many districts, the number of old people greatly exceeds that of young people. It is a matter of course for young people to walk up steep roads, but may I ask the Bureau, on the question of whether or not pedestrian escalators or footbridges will be constructed, whether it will base its consideration on the*

population profile instead of the number of people alone; in other words, will it give a weighted consideration to districts with more elderly people, or even construct footbridges in districts with insufficient pedestrian flow? Has the Government considered these factors?

PRESIDENT (in Cantonese): Mr LEE Wing-tat, although this supplementary question is about footbridges, the gist of the question is on the maintenance of footbridges and whether they will be used for displaying various types of information. Can you try to relate your supplementary question to the main question?

MR LEE WING-TAT (in Cantonese): *My supplementary question was, in fact, mentioned in part (a) of the main question, which is on the respective numbers of footbridges and the numbers are provided in the Annex. I do not wish to ask a question in terms of each individual district, which is not appropriate. Although many districts have footbridges, some do not because of insufficient pedestrian flow. I wish to ask the Secretary: Is insufficient pedestrian flow the only factor for consideration? Will districts that have an insufficient pedestrian flow but relatively more old people also be considered?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): First of all, I wish to clarify that pedestrian flow is not the only factor determining the construction of footbridges. There are many other factors, one being, for example, whether the footbridge can divert road traffic at grade in the district. As regards pedestrian flow, we will also consider the age profile of the population, so this is also one of the factors in consideration.

MRS SELINA CHOW (in Cantonese): *If we refer back to the Annex, we will find that the majority of the footbridges are not equipped with escalators, but we all know that escalators are very useful to pedestrians using the footbridges. May I ask the Secretary why the proportion of escalators is so small? And are there any plans to increase the number of escalators?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Because the question we discuss today is on escalators, we have not mentioned other auxiliary facilities assisting people accessing the footbridges (including elevators). Elevators belong to another discussion topic and I do not have these figures at hand. As regards other steep roads, of course people have to walk up or down the roads themselves, but the escalator is not the only way to assist pedestrians accessing footbridges.

MRS SELINA CHOW (in Cantonese): *The Secretary has not answered in relation to planning whether there are any plans to increase the ratio of escalators.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): When we consider whether escalators should be constructed, we will certainly consider them on the basis of needs in the community, but also on resource allocation, we thus do not have a fixed ratio. However, when the need arises, we will take proactive steps to construct them.

MISS CHOY SO-YUK (in Cantonese): *President, may I ask the Secretary, in relation to management, if she will consider greening the vertical facades of escalators and footbridges? Vertical greening can help solve the air pollution problem as well as beautifying the cityscape.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): This request is more than a proposal. In fact, it is stipulated in all existing footbridge construction policies of the Highways Department that greening works must be carried out. This is one of the requirements in our Technical Notes. As to the existing footbridges, as far as it is structurally feasible, greening works will be carried out progressively.

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

MR LAU KONG-WAH (in Cantonese): *I wish to ask a question on outdoor escalators. These outdoor escalators may be different from those in the shopping malls as the latter is maintained regularly and will be restarted again if they are out of order. However, it has been a general impression that when outdoor escalators become out of order, it sometimes takes a long time before they can resume operation. I wish to ask the Secretary: Is there a performance pledge on this (as this task has already been contracted out to private operators)? If there is, within what time limit do the private operators have to arrive to carry out repairs? Was their performance satisfactory in the past?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): These outdoor escalators, which are contracted out to private operators and monitored by the Highways Department, are subject to a performance pledge. These contractors are required to report duty within a reasonable time limit and carry out repairs, but I do not have the information on hand. I will provide the information to Mr LAU later. They do have a performance pledge. (Appendix I)

PRESIDENT (in Cantonese): Second question.

Unauthorized Extension of Food Business by Food Premises

2. **MR LEE WING-TAT** (in Cantonese): *President, I have received repeated complaints from members of the public that the extension of food business by some food premises in Kwai Fong Circuit has led to environmental hygiene and noise nuisance problems. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have permitted any licensees of the food premises in Kwai Fong Circuit to conduct business at places beyond the confines of the licensed food premises;*
- (b) *of the number of prosecutions instituted by the Food and Environmental Hygiene Department (FEHD) last year against licensees of food premises in Hong Kong for unauthorized extension of food business, and the respective numbers of food business*

licences suspended and revoked as a result of such prosecutions; and

- (c) *as under the existing legislation, licensees of food premises convicted of unauthorized extension of food business are subject to a maximum fine of \$10,000 and imprisonment for three months, whether it will consider amending the relevant legislation to enhance its deterrent effect by imposing a heavier penalty; if so, of the details of its consideration; if not, the reasons for that?*

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

- (a) According to our record, the FEHD has not granted permission to any food premises in Kwai Fong Circuit (that is, the area surrounded by Wing Fong Road, Ko Fong Street and Hing Fong Road) to carry on a food business at places beyond the confines of their premises.
- (b) In 2005, the FEHD instituted a total of 638 prosecutions against licensees of food premises for unauthorized extension of food business. In the same year, 49 licensees of food premises had their licences suspended for 7 or 14 days in connection with conviction of Section 34C of the Food Business Regulation (Cap. 132 sub. leg.) (FBR) (for carrying on a food business at or from any place beyond the confines of the food premises as delineated on the plan approved), and upon accumulation of 15 or more demerit points under the Demerit Points System (DPS) within a period of 12 months. Another licensee of food premises had his licence cancelled resulting from a number of convictions of the offence.
- (c) Under section 34C of the FBR, except with the written permission of the Director of Food and Environmental Hygiene, no licensee shall carry on a food business at or from any place beyond the confines of the licensed food premises. Non-compliance is an offence and is subject to a maximum fine of \$10,000 and imprisonment for 3 months. A daily fine of \$300 is also

applicable. Repeated breaches may lead to licence suspension or cancellation under the DPS.

Nevertheless, the above legislation has its limitations. The FEHD often comes across cases in its enforcement actions where prosecution action under the above legislation cannot be taken as the licensee is absent from the scene. Also, when staff of the FEHD arrive at the scene to take enforcement action, the operators often immediately stop their business activities outside the licensed area and move the dining tables and chairs back into the licensed premises. Under such circumstances, it is difficult for the FEHD to collect evidence at the scene. In the light of the above, the FEHD is now proposing to amend the FBR to make it an offence for any person (not just the licensee) engaged in any food business to carry on a food business or to set out or leave any article beyond the confines of the licensed premises. When a food business is found to have been carried on outside the licensed premises, or when dining tables and chairs are found outside the licensed premises, the FEHD will gather sufficient evidence to prove that the person-in-charge of the food premises has breached the FBR. The FEHD may also apply to the Court for forfeiture of the related articles, and register demerit points under the DPS against the licensee concerned to enhance deterrence. Our next step will be to consult the trade on the proposed legislative amendment.

MR LEE WING-TAT (in Cantonese): *President, the biggest problem is actually not only the extension of food business by food premises. Also, it is because they often operate at night with customers taking alcoholic drinks, or what we called "wild drinking", and the noise produced were so loud that the kaifongs and occupants living upstairs were unable to sleep. The complaints received in this regard have increased significantly these days, during the World Cup Finals in particular.*

I have this question for the Secretary. There are many places called "circuits" throughout the territory, for instance, there is Lo Tak Circuit in Tsuen Wan; there is Kwai Fong Circuit in Kwai Fong, and such "circuit" which is in-between two building blocks is also found in Tai Po District. The enforcement work being carried out in some places are rather satisfactory, for

instance, there is no sign of such problem in Lo Tak Circuit. However, in the case of Kwai Fong Circuit, which I have been following up for three to four years, the situation has remained unchanged. I wish to ask the Secretary: Given that the staff of FEHD is so smart, why some places can be better managed where "wild drinking" does not exist and the residents living upstairs are free from disturbances, while others have been incessantly suffering from such disturbances for three to four years? What exactly is the problem?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as far as I know, there are currently 53 licensed food premises in Kwai Fong Circuit. In the past year, 10 of them (including eight food premises and two fast-food outlets) were prosecuted by FEHD staff for frequently carrying out business or stacking articles in the public area beyond the confines of their food premises without the permission of the Director of the Food and Environmental Hygiene, which had resulted in obstruction. In the 32 special operations undertaken in the above places, 35 prosecutions were instituted by the FEHD against the persons-in-charge of the food premises for breaches of the law. Therefore, I consider that full efforts have already been made by the FEHD to discharge its duties.

However, just as I have explained, if the person-in-charge was absent from the scene, we would be subject to the limitations of the existing regulation and were therefore unable to institute prosecutions according to the relevant legislation. We could only prosecute them for obstruction. Meanwhile, five food premises had their licences suspended for seven or 14 days as a result of repeated convictions, and one even had its licence revoked by the FEHD for repeated breaches.

After a comprehensive analysis of the situation, I think that we must first of all secure the public's co-operation as the FEHD alone will not suffice. Despite that frequent operations have been undertaken by the FEHD, it is also imperative for the public to refrain from patronizing those unauthorized food premises. Furthermore, I hope that enforcement work will be made easier after the FBR is amended.

MR LEE WING-TAT (in Cantonese): *Secretary, the supplementary question I put just now was indeed very simple. I agree that the FEHD staff have been*

working very hard, but what I want to ask is, while the situation of Kwai Fong Circuit is similar to that of Lo Tak Circuit, Lo Tak Circuit in Tsuen Wan does not have those problems. So, why can Tsuen Wan make it but not Kwai Fong? The Secretary has not answered this supplementary question.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we have not conducted any analysis on the reaction of the occupants or residents living in the districts in question. But, I believe the problems can be resolved more easily with the co-operation of the residents.

MR TOMMY CHEUNG (in Cantonese): *President, I have no intention to debate with the Secretary here as he threatens the arrest of the persons-in-charge and the closure of these food premises at every turn, without the slightest regard to the business difficulties of the industry, say, the high rentals. Nevertheless, I do appreciate Mr LEE Wing-tat's concern about the nuisances that may be caused to the residents living upstairs.*

Regarding Kwai Fong Circuit as mentioned in the main reply, may I know whether any of those 50-odd food premises have applied for open air cafe licences; if so, whether the applications are approved, in process or rejected? If there are no such applications, why is assistance not given to these food premises in applying for open air cafe licences?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I do not have in hand any information on the applications for operating such open air cafes in Kwai Fong Circuit. However, 141 open air cafe licences were granted in the past year. Consideration in many aspects will of course be made in granting the licences, for instance, the FEHD will examine whether there are any objections from local residents. Among those rejected applications, about half of them were rejected as a result of local residents' objection, which we considered justified.

MR TOMMY CHEUNG (in Cantonese): *President, the Secretary has not answered why the public was not assisted or taught to apply for open air cafe licences if no applications have been received. It was because open air cafes*

normally only operate until 11.00 pm at night instead of 3.00 am to 4.00 am in the early morning, and will therefore not cause any nuisance to the residents.

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

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, it is now provided that the business hours of a licensed open air cafe is 11.00 am to 11.00 pm at night, so all licensed open air cafes should be closed after 11.00 pm at night. People who are interested in operating open air cafes must first of all apply for the relevant licences. Failure to do so constitutes an offence, and we will then take enforcement action.

MR ANDREW CHENG (in Cantonese): *President, the Secretary mentioned in part (c) of the main reply that he intended to amend the existing Regulation. May I ask the Secretary: He pointed out that the proposed amendment to "any person" was made in view of the failure to prosecute the licensees if they were absent from the scene or claim that they had no knowledge of it — in other words, apart from the licensees, the employees and managers of the food premises in question may become the scapegoats of the licensees. Does the Secretary worry that such an amendment will again result in licensees evading their legal responsibilities? Why is the proposed amendment not "any licensees carrying on business beyond a certain area should bear criminal liability"?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, to my understanding, the drafting of law is underway and the industry and the Panel on Food Safety and Environmental Hygiene will be consulted on the proposal. I raised the issue at the last Panel meeting and follow-up actions have also been taken. I must emphasize that the licensees will be made the target in the draft legislation.

MR FRED LI (in Cantonese): *President, the Secretary's reply has pointed out very clearly that none of the food premises in Kwai Fong Circuit are licensed to stack articles in the streets. He also pointed out in part (c) of the main reply that the FEHD had encountered enforcement difficulties because the operators*

had already moved everything away when its staff arrived at the scene. This may be attributable to the easy identification of the staff in uniform or other reasons.

If the FEHD is determined to resolve the problem in Kwai Fong Circuit, has it considered, from the policy or administrative perspectives, the possibility of deploying staff in plain clothes to the food premises in question, who would only reveal their identities on arrival at the scene, so that the tables and chairs could not be moved away and prosecutions could be instituted right there? Have the authorities considered such an approach?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the FEHD has in fact considered many different enforcement actions and various ways of gathering evidence. However, after discussions with the industry, we do not wish to see our enforcement actions arousing panic, and in particular, leading to chaotic scenes when customers of those food premises have to be evacuated all of a sudden. Therefore, FEHD staff will normally put on their uniforms before carrying out inspections. Certainly, after the enactment of the amendment regulation, we hope to discuss with the industry on how public safety can be safeguarded on the one hand while the principles of the legislation can be adhered to on the other, with a view to facilitating the enforcement work. We also hope that Honourable Members will then express their views.

MR DANIEL LAM (in Cantonese): *President, will the Secretary inform this Council whether the idea of open air cafes will be extended to those small-scale food premises in the rural area?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, there is no difference in the way in which urban and rural areas are dealt with at present. Applications for licences of open air cafes may also be made for rural places, and we will then make decisions in the light of the surrounding environment and such aspects as building, land administration or hygiene, and consideration will also be made of the response of the local residents.

MISS TAM HEUNG-MAN (in Cantonese): *Earlier, the Secretary pointed out in part (b) of the main reply that, among the 634 (sic) prosecutions instituted by the FEHD, 49 of them were convicted under section 34C of the FBR. May I ask the authorities whether it has studied the reasons for the failure to effectively curb the unauthorized extension of food business by food premises? Is it attributable to the maximum penalty being too low or the sentence passed by the Court being too lenient? Or is it a matter of enforcement effectiveness as mentioned by Mr Fred LI earlier? The Secretary mentioned in part (c) of the main reply that consultation on the proposed amendment will be conducted in due course, so will it include a review of the three reasons mentioned right now?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we think the most important reason is, under the existing law, the licensee will only be prosecuted if he is at the scene, and prosecution cannot be instituted against him if in his absence. Therefore, we consider that it is imperative for the enforcement actions taken against food premises to be targeted at the licensee, who is the most important person-in-charge, and the amendments will also be made in this direction.

MRS SELINA CHOW (in Cantonese): *We all understand that it is no easy task to balance the needs of different parties. However, the Secretary stated in his reply earlier that food premises granted open air cafe licences can currently operate until 11.00 pm at night. It can therefore be seen that Kwai Fong Circuit has failed to do so in the face of strong opposition.*

May I ask the Secretary if he will consider adopting a more flexible approach, so that food premises permitted to operate open air cafes can extend their business area, but subject to a licence condition that the business hours are shorter. In so doing, they will no longer cause nuisances to the residents living upstairs. Have the authorities considered adopting this more flexible approach? Will it consider such an approach?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I do not quite understand what Mrs CHOW meant by "flexible". Does it mean that the prescribed closing time will be before 11.00 pm?

MRS SELINA CHOW (in Cantonese):*we were told that at present.....*

PRESIDENT (in Cantonese): Secretary, please be seated and let Mrs Selina CHOW make a clarification.

MRS SELINA CHOW (in Cantonese): *The Secretary said that all licensed open air cafes can now operate until 11.00 pm at night. As we all know, there had been many complaints by residents against the noise nuisances caused by the diners at night, and just as Mr LEE Wing-tat said earlier, many diners took alcoholic drinks there. Will the Bureau consider adopting a more flexible approach in granting open air cafe licences so as to enable the cafes to operate in a larger business area, but with shorter business hours? Is this a better point of balance as well?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, we will address the situation arising from the relevant legislation in a flexible manner, and particular attention will be given to the acceptability of residents living in different districts to these cafes. I believe the District Councils may give us more advice on the designation of areas for more effective operation of such food business in their respective districts.

My personal view is that, just as in the case of Kwai Fong Circuit, the local residents living upstairs hated these food premises very much on the one hand, but welcomed them a lot on the other, because they can patronize them for meals and enjoy suppers there. Full consultation should be conducted in the districts concerned before deciding on the approach to be adopted. As this is a local problem at the district level, I hope that the District Councils can provide us with more advice.

MRS SELINA CHOW (in Cantonese): *The Secretary is indeed repeating what I said right now, but simply expressing it in another way. He has not answered my supplementary question. It seems that the Secretary wants to pass the matter to the District Councils for a decision, and yet I think the Bureau itself can decide on it. I am asking whether or not the Bureau will consider providing an answer for the various districts to decide for themselves where the point of balance*

should lie, which the residents concerned may all find acceptable, with a view to manifesting the spirit of an executive-led system.

PRESIDENT (in Cantonese): Secretary, in fact, the emphasis of Mrs Selina CHOW's supplementary question is whether or not the Bureau will actively consider approving applications for converting the food premises into open air cafes? Mrs Selina CHOW, is that what you mean?

MRS SELINA CHOW (in Cantonese): *Yes, because the nuisances caused at night can be minimized as a result.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, sorry, perhaps I did not quite catch what she had meant to say. However, I am sure that it is now provided that the business hours of open air cafes are 11.00 am to 11.00 pm at night. And, if the open air cafes in certain districts are willing to shorten their business hours in return for a larger business area, consideration will certainly be made of their requests. Nevertheless, we still think that local views are very important, particularly those concerning the location where open air cafes can operate without causing nuisances to the nearby residents. Therefore, we will listen adequately to the views of Honourable Members before deciding on the legislative amendments to be made.

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

MR LAU KONG-WAH (in Cantonese): *President, the Secretary advised in part (b) of the main reply that 638 prosecutions were instituted last year, but he has not provided any relevant figures for the past few years for comparison. The Secretary also said that prosecutions were very difficult because the licensees were sometimes absent from the scene. In other words, the Secretary should provide figures on cases where prosecutions could or could not be instituted to justify the legislative amendments to be made. Does the Secretary have any figures in this respect?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the main question mainly asks if there is any effective legislation. According to our records, despite the numerous operations undertaken last year, but the number of cases where demerit points could be registered against food premises so as to pose an impact on their operation and achieve a deterrent effect is 19, which involved breaches of law and resulted in the suspension of licence, whereas there was only one case which involved the revocation of licence resulting from repeated convictions for four times. In other words, despite the many prosecutions instituted, the actual deterrent effect is not so great.

PRESIDENT (in Cantonese): Mr LAU Kong-wah, as time is running out, shall I render you some assistance? Secretary, Mr LAU's question is: There had been failures in instituting prosecutions against licensees due to their absence from the scene, how many such cases were there? Do you have the relevant information? You might find the information helpful to the proposed legislative amendment.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I do not have the relevant figures. But as advised by the enforcement officers, the licensees were often absent from the scene when enforcement actions were undertaken.

PRESIDENT (in Cantonese): Third question.

Dissemination of Timely Traffic Information Through Mobile Phones

3. **MR SIN CHUNG-KAI** (in Cantonese): *President, I have learnt that disseminating real-time traffic information, recorded by the closed-circuit television (CCTV) systems of the Transport Department (TD), to mobile phone users is part of the Government's work to promote the Intelligent Transport Strategy and develop the Transport Information System. The Task Force on Emergency Transport Co-ordination has also suggested (in this report) that the Government should examine, in conjunction with telecommunications companies,*

the feasibility and possibility of disseminating timely traffic information through mobile phones. In this connection, will the Government inform this Council:

- (a) of the measures drawn up by the authorities in the past three years to encourage co-operation between mobile network operators (MNOs) and government departments in disseminating real-time traffic information to mobile phone users;*
- (b) of the respective roles played by the Environment, Transport and Works Bureau, the Commerce, Industry and Technology Bureau as well as the Financial Services and the Treasury Bureau in taking forward the above measures, and the authorities' measures to enhance co-operation between various bureaux and government departments, in order to implement the above work and suggestion as soon as possible; and*
- (c) as the discussion between a MNO and the TD on disseminating real-time traffic information to mobile phone users has been going on for three years, why the authorities have not yet drawn up detailed arrangements and charging mode for disseminating such information; when such work is expected to complete; and whether they are different from the existing arrangements as well as charging mode, mechanism and criteria on relaying such information by other media (such as free or pay television stations)?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): It has been the Government's objective to reduce delays and alleviate traffic congestion by disseminating timely traffic information effectively and widely through different channels, so that road users can make informed choices of routes and transport modes.

Currently, the TD provides CCTV images free of charge to the mass media for the convenience of the public. However, when the media use the TD's CCTV traffic images, they have to agree not to charge their subscribers any additional fees for the information and they should be responsible for the installation and operation of all the connecting systems.

Since early 2003, the TD has been actively exploring with MNOs the feasibility of disseminating its CCTV traffic images to the latter's subscribers. The TD has also assisted MNOs in conducting technical tests in order to expedite the provision of such services. However, the Government and MNOs have not been able to reach an agreement on the charging mechanism because MNOs' operation and charging modes have been changing due to rapid technological development and market needs, and the two sides have different considerations. Nevertheless, the TD and relevant government departments are continuing their discussion with MNOs, and have offered to provide MNOs with CCTV images on a cost-recovery basis if MNOs do not charge their subscribers additional fees. This is in line with the present arrangement for the mass media. However, if the MNOs charge their subscribers and generate additional revenue, they would be required to share the revenue with the Government. From the public finance point of view, this proposal would ensure that the Government could have a reasonable share of the benefits arising from the commercial use of government information. We are awaiting replies from the MNOs and hope to reach consensus with the interested ones as soon as possible.

In addition, since last year, the TD has been discussing with MNOs the dissemination of emergency traffic information through short messaging services. However, due to technical problems, the idea is still being examined. Currently, we are using electronic mails to disseminate special traffic news to 130 organizations that have 500 or more employees.

On the distribution of work within the Government, the Environment, Transport and Works Bureau and the TD have been discussing with the trade the technical feasibility and operation mode of the above proposals with a view to promoting the Intelligent Transport System Strategy and developing the Transport Information System. The Commerce, Industry and Technology Bureau provides advice and assistance on the technical issues when such are required. The Financial Services and the Treasury Bureau advises on the proposed charging mechanisms from the public finance policy angle. The Policy Bureaux and departments concerned have been working closely and maintaining a dialogue with the trade, with a view to implementing the above work as soon as possible.

MR SIN CHUNG-KAI (in Cantonese): *President, actually, the real-time information provided by the Government is provided free to users of the Internet*

and the Cable TV. If mobile phone operators obtain such information from the Internet and then convert and disseminate it to mobile phone users, no additional cost will actually be incurred on the TD. Certainly, the band width involved may be increased, but I do not see any problem here. Why this has to be dealt with in two different ways and what are the differences?

Actually, the report was released a year ago. But during the past year, requests were also made to the Government for disseminating information by means of mobile phones. My supplementary question is: Apart from obstructing telecommunications companies from disseminating information, what specific measures does the Government have in facilitating this, making this objective task achievable?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Mr SIN is right. We are now disseminating CCTV traffic images recorded at many important traffic spots in Hong Kong, such as entrances and exits of tunnels. The relevant information is mentioned in the main reply. The images we provide to MNOs or the media are the same at present. If they want to re-direct such images, they have to do it themselves. The Government does not charge any fees for this, but if modifications have to be made to their own systems for purposes of re-direction, the costs have to be borne by the operators. They are required to provide these images to their users without charging additional fees. Under such circumstance, since public finance policy is not involved, the Government does not need to share their additional revenue, and the operators may start immediately. However, this is not what the MNOs hope to get, and that is why an agreement can yet be reached. Actually, we have adopted no different approach.

MR SIN CHUNG-KAI (in Cantonese): *President, it is not the same, there is some difference.*

PRESIDENT (in Cantonese): Mr SIN Chung-kai, which part of your supplementary question has not been answered?

MR SIN CHUNG-KAI (in Cantonese): *President, my follow-up question is: Since images are provided to pay television free of charge, which is OK, why the so-called charging process is involved if these images are provided to mobile phone operators? This is the part the Secretary has not answered.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I would like to explain once more. Mr SIN said that we had not charged the Cable TV for the images provided, and he asked why these images could be provided free of charge to the Cable TV which was a pay television. The reason is that it does not charge additional fees; the Cable TV does not impose additional charges for this service. The same applies to mobile phone operators. No matter how, mobile phone users have to pay once they subscribe to the network services. However, we do not allow operators to charge additional fees for the provision of the traffic images; if they do, we will have to work out with them the amount involved. If operators provide those images free of charge, that is, every subscriber of the mobile phone network will enjoy that service without paying an additional charge, the treatment they receive will be same as that for other media.

MS MIRIAM LAU (in Cantonese): *President, the Secretary has to explain clearly the charge in question. For the present case seems to be that such traffic images will be provided free of charge to operators if they do not charge their users additional fees, just as in the case of the Cable TV, but this is somehow different from the reply given by the Secretary. In the third paragraph of the main reply, it is mentioned that the Government may provide them with those images on a cost-recovery basis. This is different from what the Secretary said, that the images were provided free of charge. Thus, can the Government state clearly if these network operators agree not to impose extra charges on their users the Government will be willing to provide free connection for them? If yes, will the Secretary please amend that sentence in the third paragraph of the main reply?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): It is mentioned in the main reply that if we have to incur additional cost in providing traffic information to the relevant organizations, we will have to recover such cost from the organizations. But if it does not incur

additional cost for the Government, we will not impose any charge. Let me cite the case of the Cable TV as an example. According to the current practice, all costs relating to the connection and modification of system are borne by the Cable TV, and thus the Government does not impose any charge. Therefore, if mobile phone network operators can adopt the same practice which does not incur additional costs for the Government, we will not charge them. This is thus a qualified offer, it is conditional. If their practices do cost the Government additional expenditure, we surely have to charge them. But if no additional cost is involved, they will be treated equally, that is, no additional costs, no charges.

DR KWOK KA-KI (in Cantonese): *I note that the Government has been negotiating with MNOs for three years, but an agreement has yet been reached. This negotiation has been going really slow. May I ask the Secretary whether the Government has tried other alternatives? For instance, the Government may upload the information onto an open channel, so that network users may obtain such information freely through the Internet, instead of depending on re-direction by network operators?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): In fact, this information is already available on the website of the TD. It is provided free of charge and accessible to all members of the public. We have been doing so all along.

DR KWOK KA-KI (in Cantonese): *If it is already an established practice, what are the difficulties involved? All along, why it cannot*

PRESIDENT (in Cantonese): It appears not to be part of the supplementary question you raised earlier.

MR ANDREW CHENG (in Cantonese): *President, in the third paragraph of the main reply, the Bureau has given a lot of responses, and the Bureau has also reminded Members in its earlier verbal response that the Government's policy on the media and network operators was in fact consistent, and it is stated in the*

main reply that the Government is waiting for the reply of operators at this stage. May I ask, firstly in respect of the number of operators, whether it is the Government's policy, as the Secretary said earlier, that operators are by all means not advised to charge their customers additional charges? Is this the direction of the Government takes? If yes, what is the discussion with the operators about and what is the number of operators involved? Has the Government drawn up a timetable for the discussion?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Actually, discussions have been held with all six MNOs. In terms of transport policy, the Government certainly hopes that every member of the public in Hong Kong can receive timely traffic information free of charge. However, from the point of view of network operators, they certainly have their own considerations. In respect of the usage of 3G mobile phones, how much resources will the provision of traffic information incur? This is a commercial factor that they must consider. It is the position of the Government that operators do not impose charges for this service, and of course, if operators do not impose an additional charge for this service, the matter will be much simpler. Members should have experience in this respect, for certain services provided by network operators come in a package, and operators thus have to consider how certain service can be separated from other services offered in the same package and how much resource is incurred by the provision of traffic information. But the calculation is difficult. If the service is not included in the package of charged services but instead belongs to the package of basic services provided free of charge to users and can be obtained via the Internet, the case will certainly be very simple. This is also our direction.

However, we have not yet drawn up a timetable, for in negotiations of this kind, the willingness of operators to do so is a prerequisite. If an amendment to legislation is made to mandate operators to provide certain government information, the case will be different, but then the approach will also be different.

MISS TAM HEUNG-MAN (in Cantonese): *In the last part of the main reply relating to the dissemination of emergency traffic information through short messaging services, the Government said that the proposal is still being examined owing to "technical problems". May I ask the Secretary to state*

clearly the specific technical problems involved and the Government's timetable, that is, when these technical problems will be solved?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Actually, short messaging service is indeed a kind of telecommunications service but not broadcasting service. Thus, we first have to differentiate the basic difference. If a message is sent to millions of people at the same time, this is a kind of broadcasting service and certain necessary adjustments have to be made to either the software or the hardware. We have been negotiating with the network companies, trying to know how progressive their development is. Our initial concern was that the dissemination of a message to a large number of users may cause a lot of problems, and would thus like to explore the feasibility of disseminating short messages on a district basis. We have carried out tests on this, and I do not know whether Members have received those short messages.

Actually, in case of traffic incidents, the area affected may be extensive, and this is particularly so in the case of major traffic accidents where vehicles waiting in the line may extend to several kilometres. If messages are disseminated on a district basis, it will be quite difficult to decide which districts are involved and then deliver the messages to the specific districts. People who have not received the message might have expected they would also receive such information, but in the end they do not. These aspects as well as the time factor are issues we have to examine. On the dissemination of messages, I believe Mr SIN Chung-kai knows better than I do, for as I understand it, messages have to be sent in a sequence, and the waiting time involved for sending out the messages is actually quite long. During the test done on the last occasion, it was found that some people only received the messages hours later or even in the next morning. The demerits of this practice thus outweigh its merits, and may mislead the public to think that they will receive short messages. If some people do not receive the messages or the timing they receive the messages varies, it cannot serve our original purpose of disseminating timely traffic information.

Therefore, the failure of this technology in performing this function should not be attributed to the special situation in Hong Kong. In fact, in the development of the entire telecommunications industry, it is a major subject related to telecommunications and broadcast. If such dissemination serves a

broadcasting function, the Telecommunications Authority may have to examine the issue.

MISS TAM HEUNG-MAN (in Cantonese): *President, my supplementary question also asked about the timetable, according to the estimate of the Secretary, when will these technical problems be solved?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): We are drawing reference from the Weather Tone of the Hong Kong Observatory, which provide pay short messaging service. The service is provided to users registered on the customer register of the Hong Kong Observatory and is charged according to the various types of weather information subscribed. Though the amount involved is small, this is an option that allows the early provision of such service, for the number of people demanding the service is substantially less. In other words, if short messages are disseminated on a selective basis, it will be feasible and this will be the first step to take. As for the dissemination of short messages to all members of the public, a timetable has yet to be drawn up, but if the aforesaid option is used, it can be carried out immediately. However, public consultation has to be conducted in the meantime, for the method may give the public the impression that information is only provided if they pay, which seems to be unacceptable. So, we have to be very cautious with this.

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

MR LAU KONG-WAH (in Cantonese): *The Secretary asked whether we had received those short messages earlier. But this morning, despite the closure of Harcourt Road which led to congestion and the long queue of vehicles extending to North Point, I did not receive any short message on this.*

President, in the main reply, the Secretary said that they had used an alternative way, that is, using electronic mails to disseminate information to 130 organizations that had 500 or more employees. That means the Government will inform the employees of large companies. But will the Government

consider providing such service to the general public who feel they need such information and have registered with the Government?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Certainly, in disseminating information, resource is a cause of concern. We choose to inform the large companies because, by sending them only one electronic mail, the information can be disseminated to a lot of people. As for other members of the public, if we have to provide a community-wide service, I am afraid we cannot afford doing so at present owing to the resources required. However, through the media, we may still achieve some results. We thus urge the public to pay attention to radio broadcasts, for this is the most effective method. Mobile phone companies do issue short messages of their own accord, for instance, paging companies also disseminate such information at the request of some members of the public. The website of the TD provides timely information, and I hope small companies may also pay attention to this government webpage. At present, electronic message display panels are installed at expressways, hoping that the public may notice the information when they are on the road. For instance, traffic information is announced along a number of tunnels. At bus termini, display panels are also installed to announce the relevant traffic information.

Therefore, on the dissemination of information to the public, a series of measures are already in place. However, in view of the advances in technology, the popularity of mobile phones and the availability of short messaging services, we hope to put in more efforts on the technology front. We think it is one of the modes for future development that we should work towards, but we still need time to promote the development.

PRESIDENT (in Cantonese): Fourth question.

Paid Paternity Leave

4. **MR WONG KWOK-HING** (in Cantonese): *President, at present, female employees are entitled to statutory maternity leave while male employees are not entitled to statutory paternity leave. In this connection, will the Government inform this Council:*

- (a) *whether it will study if the failure to legislate for paid paternity leave constitutes family status discrimination; if so, when such a study will be conducted; if not, the reasons for that;*
- (b) *whether it will study the implications and benefits of legislating for paid paternity leave on society, economy, promotion of childbirth, and private organizations, and so on; if so, when the study will be conducted; if not, the reasons for that; and*
- (c) *of the list of countries which have legislated for paid paternity leave, the number of local organizations in the private sector which grant paid paternity leave to their employees, and whether it will consider offering paid paternity leave to civil servants?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): President, according to the Employment Ordinance, female employees are entitled to 10 weeks' maternity leave. Although we do not have legislative provisions for paternity leave, a male employee is entitled to take paid annual leave in consultation with his employer, thereby allowing him to take care of his wife after confinement and his newborn baby. Depending on the length of service, employees are entitled to statutory annual leave of seven to 14 days.

On the proposal to legislate for paternity leave, we understand that at present relatively few economies provide for paternity leave. There is therefore little implementation experience for our reference. Moreover, as most companies in Hong Kong are small and medium enterprises (SMEs), their flexibility in manpower deployment is comparatively low. Legislating for paternity leave would increase their operation costs and may also create implementation difficulties.

The Government encourages employers to adopt family-friendly employment practices. The Labour Department will step up promotional work on this front by launching a variety of publicity and educational activities such as seminars and discussion sessions. We will encourage employers to understand and care about the needs of their employees, such that the employees will be able to fulfil their obligations with respect to both work and family.

We are seeking the legal advice of the Department of Justice on whether failure to legislate for paid paternity leave would constitute family status discrimination. As the Equal Opportunities Commission administers the Family Status Discrimination Ordinance, we are consulting the Commission at the same time.

There are views that paid paternity leave is conducive to promoting childbirth, and is hence closely related to the population policy. The Committee on Social Development and Quality of Life of the Commission on Strategic Development is deliberating on the population policy, and the Council for Sustainable Development will launch an "Invitation and Response Document" on population policy in late June, to invite different sectors of the community to offer their views on the various subjects under the population policy. Taking into account public feedback, the Council for Sustainable Development will make recommendations to the Government on the way forward for a sustainable population policy for Hong Kong. The Government will consider the recommendations of the Commission on Strategic Development and the Council for Sustainable Development in its formulation of a long-term strategy on population policy. We will make reference to any views and recommendations pertaining to paternity leave collected in the exercise.

As far as paternity leave arrangements in other places are concerned, we understand that some countries are providing paternity leave ranging from two to 15 days. For instance, Australia provides one week's paternity leave without pay, while Sweden provides 10 days' paternity leave with pay funded by social insurance. However, there is currently no international labour standard on paternity leave. We also do not have comprehensive information on paid paternity leave arrangements in other places. As for Hong Kong, we do not have statistics on the implementation of paternity leave in private enterprises.

In respect of government employees, the vast majority of civil servants under the Government's employment are provided with full-pay annual leave ranging from 22 to 40.5 days, depending on their ranks, terms of appointment and years of service. Annual leave is provided to ensure that staff members have sufficient rest in order to relieve their work pressure. To allow more flexibility in taking leave, the annual leave of civil servants can be accumulated up to a stipulated ceiling. Our record indicates that most civil servants have indeed accumulated a considerable balance of untaken leave which can be drawn for meeting personal needs that may arise during the year, including taking care

of family members. At present, we have no plan to provide paid paternity leave in addition to the existing annual leave benefits of civil servants.

MR WONG KWOK-HING (in Cantonese): *President, both parts (a) and (b) of my main question are very clear — the Government is asked whether any studies will be conducted. However, the Secretary has failed completely to answer my questions in these two parts. It is mentioned in his main reply that to legislate for paternity leave will have negative impacts on SMEs. But since no studies have been conducted so far, how can he draw such a conclusion? What is more, my main question also enquires whether this will constitute family status discrimination. There have not been any studies on this either.*

The Chief Executive, Mr Donald TSANG, encourages each Hong Kong family to give birth to three children. Has the Government ever explored how best the Chief Executive's appeal can be complemented? President, may I ask the Secretary when they will conduct a study and what the timeframe is?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): President, I saw Mr WONG Kwok-hing holding a baby doll when he asked his supplementary question. This shows that he is very serious. I will definitely answer his question, so he needs not worry.

As pointed out in my main reply, paternity leave is a rather new idea. At present, very few places provide paternity leave, and even in places where such leave is available, it is granted with no pay in most cases.

I can naturally appreciate Members' wish to get more benefits for workers. But as pointed out in my main reply, we are still collecting information about this issue. We have also tried to gather information about this issue in Hong Kong, but we find that only very few companies provide paternity leave. And, as indicated by the information collected, although some 10 companies provide such leave of their own volition, it is mostly of a no-pay nature. However, since the Honourable Member has raised this question and other Members have also shown very great concern, we will of course try to collect the relevant information, both locally and overseas.

Besides, as I have mentioned, we are currently seeking the views of the Department of Justice and others. Although we do not have the intention of enacting any legislation at this stage, it does not mean that we are doing nothing. As soon as we have collected all the detailed information, we will continue with our discussions on this issue. Since this issue involves both employers and employees, we will be pleased to put it before the Labour Advisory Board (LAB) for discussions by both sides whenever necessary after the completion of information collection.

MR WONG KWOK-HING (in Cantonese): *President, the Secretary has not answered the part of my question on timeframe. I wish to ask the Secretary this question via the President.*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I thought I had already answered this question. President, I already told him that we had been collecting information all along, and I must say that information collection is actually part of our studies.

MR JEFFREY LAM (in Cantonese): *Madam President, as there are two "spring commencement days" and a "leap month" this year, many people will get married and give birth to children. The Secretary has remarked that SMEs do not take on too many employees. And, many SME employers have also reflected to me, saying that if several employees take paternity leave all at the same time after the enactment of legislation, the productivity of their enterprises will surely be adversely affected. May I ask the Secretary, via the President, when an opinion survey of a larger scale will be conducted to gauge the views of SMEs or even the entire business sector?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): President, I believe that both employers and employees are very concerned about the issue of paternity leave. I believe the provision of such leave will affect not only SMEs but also all enterprises.

As I pointed out when replying to Mr WONG's supplementary question, paternity leave is a rather new idea and such leave is provided in just a handful of

places. Even in the United States and Australia, such leave is provided with no pay. What is more, in some economies, although paternity leave with pay is provided, the funding actually comes from social insurance. However, what is most important is that we must look at this issue with an open attitude.

As I have said, we must first collect all the relevant information. Afterwards, and most importantly — I do not think that SMEs are the only ones to be affected, though the impacts on them may be greater — society as a whole, employers and employees should all be given opportunities to voice their views. Since both employees and employers are represented on the LAB and the representatives of employers are from major chambers of commerce and employers' associations, I think that the LAB should be an appropriate venue for discussions on this issue.

MS LI FUNG-YING (in Cantonese): *President, it is mentioned in the Secretary's main reply that they have to seek legal advice, consult the Equal Opportunities Commission, listen to the views of the Commission on Strategic Development and Council for Sustainable Development and even conduct discussions in the LAB. But I hold that if there is indeed a violation of the law, that is, if the Department of Justice or the Equal Opportunities Commission, which enforces the Family Status Discrimination Ordinance, considers that there is a violation of the law, the Government should take immediate actions instead of conducting any further discussions and studies. I am worried that discussions may simply drag on with no decisions made. Therefore, may I ask the Secretary to tell us clearly which organization's views will be adopted as the basis of decision-making?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I believe that Members all want us to listen to more views, and what I have mentioned are all relevant organizations. We are naturally very happy to listen to their views, views from the legal sector, the business community and labour organizations. I think as the Government, we must listen to all relevant views.

After listening to all views, we must of course make a decision at the end of the day. But we are just taking the first step now, that is, we are just in the

process of study. We must first collect all relevant information, seek legal advice and listen to the views of various sides. Following this, we must let employees, employers and society as a whole discuss the issue. After the completion of discussions, we will certainly make a decision.

MS LI FUNG-YING (in Cantonese): *President, the Secretary has not answered my supplementary question. If the Equal Opportunities Commission, which enforces the Family Status Discrimination Ordinance, considers that there is a violation of the law, should the Government still listen to any more views?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): This is a separate issue. If there is any violation of the law, we should no longer be talking about giving audience to views.

MR LEUNG YIU-CHUNG (in Cantonese): *President, I wish to ask the Secretary a question. When replying to Mr WONG Kwok-hing's supplementary question just now, he remarked that this was a new issue. May I ask him why he should think that this is a new issue?*

I can remember that in the Legislative Council before the reunification, the representative of the Hong Kong Association for Democracy and People's Livelihood once raised this issue and discussions were held. Almost 10 years has passed. Why does the Government still think that it is a new issue? Why was the Secretary still talking about consulting the Department of Justice and the Equal Opportunities Commission in his replies just now? Why has it taken as long as 10 years for the Government to come to the "sudden realization" that it should do something?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): President, I did not say that it was a new issue. I only said that it was a new idea. The point I wished to make is that paid paternity leave is provided in very few places in the whole world. I also hope that Mr LEUNG can supply the relevant statistics to us.

The information available to us indicates that paid paternity leave is provided in very few places. Even in the United States and Australia, which I have mentioned, only paternity leave with no pay is provided to employees. And, even when paid paternity leave is provided, it is funded by the social insurance of the country concerned. Besides, the number is very small. This was my point.

MR LEUNG KWOK-HUNG (in Cantonese): *President, it is pointed out in the Secretary's main reply that government employees are provided with full-pay annual leave ranging from 22 to 44.5 days. Actually, in the countries mentioned by the Secretary just now, many ordinary employees are entitled to at least 30 days of annual leave. And, in Western countries, paternity leave, with or without pay, is provided. The important thing is that employees in these countries are entitled to such a right. In contrast, if any employee in Hong Kong says that he cannot go to work for maternity reasons, he may well be dismissed. This is the major difference.*

May I ask the Secretary whether he thinks that legislation should be enacted in the future to provide male employees with 30 days of paid or no-pay paternity leave, so as to protect their employment right and pre-empting the very undesirable consequence of "abandoning the mother after the birth of her baby"? As my mother once told me, if a woman must still attend to various chores after delivery, she may easily contract many diseases, and this explains why many women are tortured by various illnesses for the rest of their life. I hope that the Government can appreciate this point and make it possible for women to receive their husbands' assistance during the period immediately after confinement.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Many thanks to Mr LEUNG for his supplementary question.

I must first clarify that we are not talking about "abandoning the mother after the birth of her baby". Rather, we are discussing the provision of paternity leave to men, that is, we are discussing the question of whether men should be provided with any leave to care for their wives during the period immediately after confinement.

However, I must add that Mr LEUNG has raised a further question. The reason is that while Mr WONG Kwok-hing enquired about the general possibility of providing paid paternity leave, Mr LEUNG has asked specifically whether 30 days of paternity leave can be provided.

In regard to Mr LEUNG's claim that paternity leave is provided in many places, I wish to point out that this is not quite the case in reality. We have done a lot of research on this and noted that in the United States and Australia, which I have mentioned (Mr LEUNG may be more familiar with these countries), only paternity leave with no pay is provided. There is no paid paternity leave. When it comes to the number of days he mentioned, as I have pointed out in my reply, we must conduct detailed studies on the whole issue. If 30 days of paid paternity leave is provided in Hong Kong, both employees and employers will be affected. Members must consider very thoroughly whether the provision of paternity leave is suitable for Hong Kong.

But we have not shut the door to discussions and our attitude is open. We think that we must first collect information and listen to people's views before holding any discussions.

MR LEUNG KWOK-HUNG (in Cantonese): *First, I have all the time been talking about the proposal on providing 30 days of paid or no-pay paternity leave, and it should have been put down on record. But he did not hear me correctly. Second, I said*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, this is the Question Time, so please state only the part of your supplementary question that has not been answered by the Secretary.

MR LEUNG KWOK-HUNG (in Cantonese): *My question for him was about the provision of no-pay paternity leave. Does he think that men should be provided with 30 days of no-pay paternity leave, so that they can help their wives and prevent them from contracting any diseases due to physical labour?*

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

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): What I mean is that it makes no difference whether paternity leave is provided with pay or no pay. Employees, employers and society as a whole will necessarily be affected. This is a point that we must all discuss.

MS AUDREY EU (in Cantonese): *President, I hope the Secretary can clarify one point concerning his reply to Ms LI Fung-ying's supplementary question just now. Did he actually confirm that if either the Department of Justice or the Equal Opportunities Commission considered that there was a violation of anti-discrimination legislation, that there was in fact a contravention of the existing legislation, the Government would proceed to provide paid paternity to men? The Secretary needs only answer "yes" or "no".*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I suppose Ms Audrey EU wants to know whether there is any violation of our laws and what we shall do if the answer is "yes". We are currently consulting the Department of Justice and all will depend on its advice.

MISS CHAN YUEN-HAN (in Cantonese): *President, all sorts of mixed feelings welled up in me when I was listening to the Secretary's replies to Members' supplementary questions. Actually, as early as in the 1980s, the Hong Kong Federation of Trade Unions already raised the issue of paternity leave with the Government. This is therefore no new issue.*

But since the Secretary appears to be very positive about the issue and shows respect for the Legislative Council today, we must express our welcome. My question is on whether there is any timeframe. The Secretary has all the time refused to answer Mr WONG Kwok-hing's question on timeframe. He only said that they would have to collect information for studies and listen to people's views. We have no objection to this. Considering that in the past the Government simply turned a deaf ear to our views after all our discussions, I would think that the situation now is much better already. It has at least started to do something. But since legal issues are involved, the Government has actually contravened certain provisions on family status discrimination. I very much hope that following the raising of this question today, the Government can tell us a timeframe. For instance, it may tell us whether it is going to spend

three months each on information collection and the conduct of studies and then submit the findings to the LAB for discussions. I hope that there can be a more specific answer. I do not think that mere words can replace a timeframe. Rather, the time required for each step should be set down clearly.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): I can fully appreciate Miss CHAN's concern about this issue. But I do not think that we should set down a rigid timeframe for information collection, consultation and discussions. I think what counts most should be our attitude. We are of the view that there is a point to discuss this issue. Our attitude is open, and we are currently collecting relevant information.

Besides, I believe Miss CHAN knows very well that both the employers' side and the employees' side on the LAB can raise issues of this nature for discussions at any time they like. So, we are in no way trying to evade the issue. However, given the shortage of foreign experience in the provision of paternity leave, we suppose we should first collect more relevant information before raising the issue for discussions. Members can rest assured that they can raise the issue again at any time they want, and the LAB can also conduct discussions whenever necessary. We have already taken the first step and started to collect information, so in reply to the question on timeframe, I would say that all these are in fact most constructive moves. We have at least made a start.

MISS CHAN YUEN-HAN (in Cantonese): *President, the Secretary has not answered my question. May I ask the Secretary whether his intention is to delay the whole thing on the excuse of information collection?*

President, as early as in the 1980s, I already raised this issue with the Government. But the Government simply ignored me. Even now, it still wants us to give it time, still refuses to give a concrete reply. I do not think that this works because even if we want to put this issue on the agenda of the LAB, we must still wait

PRESIDENT (in Cantonese): Miss CHAN, please state the part of your supplementary question that has not been answered.

MISS CHAN YUEN-HAN (in Cantonese): *Put simply, I am not satisfied with the Secretary's reply. He has not offered a concrete reply to my question. Thank you.*

PRESIDENT (in Cantonese): Whether or not you are satisfied with his reply is not the point here. The important thing is that you think the Secretary has not answered your supplementary question, right?

MISS CHAN YUEN-HAN (in Cantonese): *Yes.*

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

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): The only thing I wish to say is that it is now the 21st century, no longer the 1980s. Since we have made a start, efforts have been started, in a way, to draw up a timeframe. As soon as we have collected all the relevant information, I will be more than happy to submit it to the LAB. And, Miss CHAN can discuss the issue with me at any time.

PRESIDENT (in Cantonese): This Council has spent more than 21 minutes on this question. We shall now proceed to the fifth oral question.

Problem of Women in Poverty

5. **MR FREDERICK FUNG** (in Cantonese): *President, regarding the problem of women in poverty and measures to assist women from low-income families to get employment, will the Government inform this Council whether:*

- (a) *it will conduct surveys to ascertain the reasons for housewives not taking up employment, and of the measures available to help women who are willing to work after childbirth to rejoin the labour market;*

- (b) *it will consider setting up one-stop service centres for women in various districts to provide mutual support services for housewives to enhance their confidence in securing employment, and to provide special support services for women from low-income families, including emotional and employment counselling, childcare services and gynaecological check-ups, and so on; and*
- (c) *the Commission on Poverty (CoP) will look into the problem of women in poverty and make recommendations in this regard?*

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

- (a) The Government has not conducted any surveys specifically to identify the reasons for housewives not taking up employment. For women who are willing to rejoin the labour market, the Labour Department provides a wide range of free employment assistance and counselling services to job-seekers through a network of 10 job centres, the Telephone Employment Service Centre and the Interactive Employment Service on the web. Other services include the Job Matching Programme to help job-seekers having problems in finding employment, the Employment Programme for the Middle-aged for people aged 40 or above, including women, as well as the Work Trial Scheme for the long-term unemployed and those who have repeatedly failed in job seeking.

As regards training, the Government launched the \$5-billion Continuing Education Fund in June 2002 to provide financial subsidies for local residents aged 18 to 60 as an incentive for them to pursue continuing education. Of the 273 000 applications received so far, 58% are from women. In addition, to assist persons in need who would like to take on new or enhanced skills, the Employees Retraining Board offers 140 courses and over 106 000 training places.

- (b) In addition to the above services, we have provided a continuum of preventive, support and remedial services to individuals and families

in need on a one-stop basis through the 61 Integrated Family Service Centres located across the territory. Various child care services are provided for children aged under six. The means-tested Kindergarten and Child Care Centre Fee Remission Scheme offers subsidy to parents in need. Extended hours services and occasional child care services are also available outside normal working hours to meet their needs. We also assist in the setting up of mutual help child care centres and, by way of subsidy to families in need, provide the supervised child-minding service and day foster care service on a pilot basis.

In respect of women's health, the Maternal and Child Health Centres (MCHCs) of the Department of Health, in collaboration with the Obstetric Department of public hospitals, provides postnatal mothers with physical checkups, experience sharing in support groups and individual counselling. Moreover, various woman health services are provided in the three Woman Health Centres and 10 MCHCs to address the health needs of women at various life stages. Since July 2005, the Health, Welfare and Food Bureau has introduced a pilot Comprehensive Child Development Service in some selected communities to provide support for children aged zero to five and their families (including women in need). The service focuses on early identification and intervention, and aims to provide appropriate services in a timely manner through multi-disciplinary collaboration to achieve better alignment of the delivery of health, education and social services at district level.

It is clear from the above that a wide range of services has been provided for women in need. We therefore consider that there is no need to duplicate resources to separately set up a one-stop women services centre.

- (c) Since its establishment early last year, the Commission has initiated a number of studies and researches into poverty and explored ways to provide appropriate assistance for the less privileged, including women, in our society.

The problem of women in poverty is attributable to multifaceted factors, and the relevant government bureaux and departments have,

under their respective purviews, been providing all necessary assistance to the people in need. These include the services related to employment, training, family support, child care, health and medical issues as mentioned in the replies to questions (a) and (b) above. On the other hand, the Women's Commission (WoC), as a high-level central mechanism to handle women issues, has been playing a strategic role in promoting the Government to take into account the perspectives and needs of both men and women when formulating policies and programmes. The WoC has also reviewed from time to time the impact of different government policies and services on women and made recommendations for the relevant bureaux and departments to execute and take follow-up actions. In the past, the WoC has reviewed employment-related services provided by the Government, including employment services, vocational training, retraining for employees, adult and continuous education as well as relevant welfare and support services. The WoC will continue to discuss these issues with the bureaux and departments concerned.

MR FREDERICK FUNG (in Cantonese): *President, I am disappointed with the reply given by the Secretary. It is because in the last meeting held by the Legislative Council Subcommittee to Study the Subject of Combating Poverty (the Subcommittee), the chairman of the WoC and representatives from the CoP also attended the meeting. All of them said that they would not deal with the problem of women in poverty. But the Secretary stated in part (c) of the main reply that these two commissions would deal with it. I feel somewhat puzzled.*

The supplementary question I wish to ask is, although the Government has no intention to undertake studies on the problem of women in poverty, according to research information from the Subcommittee, with respect to the poverty situation in the fourth quarter of 1995, the proportion of women with an income of less than half of the median wage against the male population is 224 500 women as opposed to 126 000 men. The obvious fact is that the poverty problem is more serious among women than men. But the Government has no plans to study the problem and the two departments which, according to the Secretary, have undertaken researches into the problem have stated publicly in a

Legislative Council subcommittee meeting that they would not deal with the problem. How then will the Government deal with the problem?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, let me clarify this point. The WoC is a strategic commission that is not tasked with execution matters. Therefore, we would be concerned about women's issues from a strategic perspective, including the problem of poverty in women. But with respect to problems like employment, welfare and health of women, these would have to be taken up by various bureaux and departments as well as all the relevant bodies. I hope Members can realize that the WoC has different roles and functions from other government bodies. It is not that we care nothing about the problem. As for the point raised by some Members, that we have not conducted any surveys specifically to identify the reasons for housewives not taking up employment, actually we would undertake such studies on the employment problem as a whole, without confining ourselves specifically to the problem of non-employment among housewives. We have collected data on women looking for employment, the inclination of housewives to look for employment, and so on. We would brief Members on such data after collection of the same.

As for the CoP, Mr FUNG is a member of the CoP and he knows that presently we are undertaking some studies on issues like the provision of exemption to the low-income group and of course it would include the problem of employment of women. I think there are already a mechanism and proactive measures to deal with the problem about which Mr FUNG is concerned. I would therefore think he should rest assured.

MR FREDERICK FUNG (in Cantonese): *I do not think the Secretary has replied to my supplementary question. For one thing, representatives from the CoP stated publicly in our meeting that no studies would be undertaken on the issue. And for another, parts (a) and (b) of my main question are actually about two kinds of problems; first, the problem of housewives taking up employment and second, the problem of women from low-income families. It can be seen therefore that I have indeed asked about the problem of women from low-income families. In view of the fact that there are more women than men from low-income families or from families affected by unemployment, will the*

Government study into the problem or will it prefer to remain heartless and unsympathetic and refuse to undertake such studies no matter what?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I would like to make a correction here. I recall in the previous meeting of the CoP and both Mr FUNG and I were present, and it was decided that the Social Welfare Advisory Committee would undertake a study on the policy of discounted earnings. The policy is currently implemented by the Social Welfare Department and it is found that many low-income people are women. So we do have undertaken studies on this subject.

MR ALBERT CHAN (in Cantonese): *President, it is really a sin for poverty to be found in an affluent society. Would the Government, in view of the fact that as the low-income people have to face hardships and live in poverty, consider taking reference from many places or countries in Scandinavia to provide an annual income guarantee for the low-income group whereby financial assistance will be offered directly to people without any income or earning a low income so that the citizens will not live below the poverty line? Will the Government consider introducing this policy which has been in force in Scandinavia for many years to ensure that the people of Hong Kong will not be forced to live below the poverty line as a result of policy blunders of the Government?*

PRESIDENT (in Cantonese): Mr Albert CHAN, your supplementary question is about all the people in Hong Kong who have a low income, but the main question raised by Mr Frederick FUNG is about housewives with a low income. Can you try to relate your supplementary question to the main question?

MR ALBERT CHAN (in Cantonese): *President, on the hardship faced by women with a low income, will the Government implement a policy to ensure that women from low-income families will not be forced to live below the poverty line?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, now the scope of Comprehensive Social Security Assistance (CSSA) has been expanded to include families with a low income and families without any income. In addition, we provide extra care and attention to women with some special problems, such as those from single-parent families. If women from these families have any children, the Government will increase the assistance given to educating the children. This point has already been dealt with in my main reply.

We need to know that such a level of assistance is quite similar to the arguments and concepts of a poverty line. Of course, we have taken reference of practices in other countries. I have personally made a trip to the Scandinavian countries to see how the governments there deal with these problems. We think that the biggest difference between us and the Scandinavian countries is that they collect very high taxes and taxes take up as much as 60% or more of a person's income. It would be impossible for our system to sustain itself if we are to follow some but not all of the policies practised by other people.

DR FERNANDO CHEUNG (in Cantonese): *President, the Secretary has stated in the main reply that women with a low income would be taken care of and one kind of assistance given is CSSA. Recently, the Government has launched the New Dawn Project under CSSA and single-parent women on CSSA are compelled to look for jobs when their children have reached the age of 12. Many single parents very much wish to spend more time with their children and as the children are not fully independent at the age of 12, these single-parent women would come under great pressure when they face problems of their children growing up. Many groups suggest that women should be allowed to work at that time as volunteers in some organizations and they can provide some service or engage in some mutual help work. Can such kinds of work be regarded as a kind of working experience to satisfy the requirements under the New Dawn Project? That is to say, can these women be deemed as having met the requirements of getting a job and trying to rejoin the labour market? Unfortunately, the authorities do not permit this. President, may I make use of this opportunity to ask the Secretary if, at the time when their children have reached the age of 12, these women go to some organizations and provide some services which are useful, the Government will consider this to have met the requirements under the New Dawn Project?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the New Dawn Project was launched in April this year. The main rationale behind the Project is that when the children of these single parents reach the age of 12, the children should have reached the junior secondary level and as they need to go to school every day, the single parents should be able to find a job when their children are at school. This will foster their employability so that they can rejoin the labour market later. This idea is supported by many women's organizations. We would offer other forms of help in this respect to train them up and equip them with the basic employment skills like training for interview, job matching, and so on. But I have to stress that it is different when a person is employed or when a person works as a volunteer. We also hope that, apart from working, they can also be volunteers. If voluntary work is used to replace employment, I think that this is not a placement scheme at all. What we are most concerned about is that these young and able-bodied single parents should be given a chance to take up employment as their children get older. This would meet the needs of society and broaden their social network. This should be supported.

DR FERNANDO CHEUNG (in Cantonese): *President, I would like to raise a follow-up question. The Secretary has just explained the difference between working as a volunteer and in formal and paid employment. But there should be a transition period for many women.....*

PRESIDENT (in Cantonese): Dr Fernando CHEUNG, is your question part of the supplementary question you raised earlier?

DR FERNANDO CHEUNG (in Cantonese): *Yes, President, it is about voluntary work and what the Secretary has just mentioned.....*

PRESIDENT (in Cantonese): You are raising another supplementary question now, so I cannot let you ask it. Please read the Rules of Procedure.

DR FERNANDO CHEUNG (in Cantonese): *I see. Thank you, President.*

MR LEUNG YIU-CHUNG (in Cantonese): *President, in his reply to the question raised by Mr Frederick FUNG, the Secretary mentioned in the last paragraph of the main reply that training, family support, child care, health and medical services can help women with a low income. We agree that such a result can be achieved. But the problem is as some women have told us, there is an acute shortage of child care services, especially at the district level. When a service is inadequate despite its being an effective one, it would only create wastage. Therefore, may I ask the Secretary if he agrees that with respect to support services at the district level, child care services are in acute shortage; and if yes, what can be done about it? I hope the Secretary can talk a little bit about this to us.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, over the past couple of years the Government has increased resource provision to child care services. Now the utilization rate of child care services in various districts is less than 100%. One of the problems is that working hours are not regular for some women and they do not have a nine-to-five job during the daytime. At times they have to work night shifts or engage in other kinds of work. It would be difficult for us to provide 24-hour child care services. Therefore, apart from setting up child care service centres, we also hope to assist in opening some mutual-help child care centres so that the women can be helped by their neighbours. We also provide a supervised child-minding service under which the children are looked after when the women go out to work. I think that these kinds of more flexible services would help solve the problem by and by.

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

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, with respect to the entire main reply given by the Secretary to the question raised by Mr Frederick FUNG, I do not deny that some sort of work is being done, but as evident in the figures released by the Census and Statistics Department, the poorest people in Hong Kong are the women and the poorest among the poor are the married women. So no matter how the Secretary has replied to the question of single-parent families raised by Dr Fernando CHEUNG or the question of*

child care services raised by Mr LEUNG Yiu-chung, actually the women will continue to be poor despite these services provided by the Government. The problem of their poverty is very grave indeed. The FTU has undertaken a related study and it is also found that the poorest people are married women. If the Secretary continues to try to solve the problem by providing these services, I do not think the problem can ever be solved. Now the most unfortunate thing is that no one will care about these women, Madam President, we have the CoP discussing the problem and the chairman of the WoC concerned came and.....

PRESIDENT (in Cantonese): Miss CHAN, raise your question in a straightforward manner, please?

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I was about to raise my supplementary question. Thank you. The WoC thought that it is not its duty. Now the Secretary is asked to handle this problem but what he is doing is to twist and turn the problem without doing anything to solve it. But the problem of women in poverty falls within his policy portfolio. What kind of a fix has he got? I hope the Secretary will stop giving replies that will twist and turn and get us nowhere. Can he come up with anything new? He must come up with something new. Is the problem not part of his duties? Madam President, I hope the Secretary can tell us boldly that this is part of his duties. I hope to hear this answer. This is because no one cares about the problem of women in poverty.*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, the problem of women in poverty is very complicated and in terms of support services, unfortunately, in areas like education and labour, these are not my duties. Having said that, the Government will try its best through work in the respective bureaux and departments to help women in various respects and meet their diverse needs. I have made this point clearly in my main reply. I think Miss CHAN Yuen-han may wish very much to have a specific official to take charge of the matter, but this of course, will have to be decided by the Chief Executive, the Secretaries of Departments and the various Directors of Bureaux as they divide up the work among themselves. Apart from this, I wish to stress that the WoC is also very concerned about the issue

and as the WoC is a body under my Bureau I, I am obliged to see to it that the WoC will fulfil its responsibilities in the work on strategies.

PRESIDENT (in Cantonese): The last oral question. As Mr Ronny TONG who should raise this oral question cannot attend the meeting at this juncture, the question will be asked by Ms Audrey EU on his behalf.

Issuance of Temporary Hawker Licences to Political Parties

6. **MS AUDREY EU** (in Cantonese): *President, at present, political parties have to obtain temporary hawker licences (THLs) issued by the Food and Environmental Hygiene Department (FEHD) before they may sell goods in public places for raising funds. In this connection, will the Government inform this Council of:*

- (a) *the criteria adopted by the FEHD for vetting and approving the THL applications made by political parties; and the differences between such criteria and those adopted for vetting and approving the THL applications by other people;*
- (b) *the numbers of THL applications, received and approved respectively by the FEHD in each of the past two years, from political parties as defined in section 60A of the Legislative Council Ordinance, together with a breakdown by political parties; and*
- (c) *the number of THLs issued in the past two years to political parties with conditions imposed by the FEHD, the details of these conditions and the reasons for imposing them?*

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

- (a) In order to gradually reduce street trading and to minimize the obstructions and nuisances created by hawking, no new hawker licences have been issued under normal circumstances since 1970. If charitable or other organizations need to sell goods in public

places for fund-raising purpose, consideration would be given to issuing THLs to them upon receipt of their applications. Such practice of the former Provisional Urban Council has been adopted by the FEHD since its establishment in 2000.

At present, political parties intending to sell goods in public places for fund-raising purpose on specific days are required to apply to the FEHD for a THL. Upon receipt of the application, the FEHD will consult relevant departments, including the Hong Kong Police Force, the Lands Department (LandsD) and the Home Affairs Department (HAD). Subject to no objections being received from departments concerned, a THL will be issued by the FEHD to the applicant. The criteria for vetting such THL applications are in line with that adopted for similar applications made by charitable organizations.

- (b) As mentioned above, the FEHD will not issue new hawkler licences under normal circumstances. However, if charitable or other organizations apply for THLs to sell goods in public places for fund-raising purpose, the FEHD would consider such applications. When processing the THL applications from non-charitable organizations, the FEHD would not make reference to the definition of "political party" in section 60A of the Legislative Council Ordinance (Cap. 542). The FEHD would require the organization applying for a THL to prove that it has been registered under the relevant laws of Hong Kong, such as the Societies Ordinance (Cap. 151) or the Companies Ordinance (Cap. 32). The organization concerned is also required to declare the intended use of the fund raised, which should not be for commercial or profit-making purposes. The numbers of applications received from the political parties represented in the Legislative Council and approved in 2004-05 and 2005-06 are as follows:

<i>Name of organization</i>	<i>Number of THL applications received</i>	<i>Number of THL applications approved</i>
Democratic Party	11	9
Civic Party	1	1

- (c) All organizations issued with THLs to sell goods in public places for fund-raising purpose need to comply with the licensing conditions imposed and the provisions of the Hawker Regulation (Cap. 132, sub. leg.), including keeping the environment clean and free from obstruction to avoid causing inconvenience to the public.

Generally speaking, the FEHD will impose the following conditions on a THL:

- The licensee shall provide sufficient refuse bins for the storage of all refuse and other waste matter generated from the hawking business whilst awaiting disposal.
- The licence is not transferable and should be made available at the stall for inspection by a public officer.
- Gambling or game of chance is not allowed.
- The fund-raising activities should not cause obstruction to any road works and maintenance operations of other utility services.
- The licensee should not stock, sell or provide at the stall any counterfeit goods.

In addition, government departments concerned may impose relevant conditions on the fund-raising activities held by the organizations concerned for observance by the applicants. The FEHD will inform the applicants of all relevant conditions upon issue of THLs.

MS AUDREY EU (in Cantonese): *President, the Secretary has not answered part (a) of my question. In part (a), I asked what criteria were adopted by the authorities for vetting and approving the THL applications made by political parties. But in part (a) of the main reply, it is said that "subject to no objections being received from departments concerned, a THL will be issued by the FEHD to the applicant". In other words, that part of the question has not been answered. So, President, I would like to follow up the question and ask the*

Secretary on what grounds these applications would be rejected. Regarding the grounds for objection, I hope the Secretary can give us a full list and tell us whether there are any papers setting out the details. Regarding the papers setting out the reasons for objection, can he provide some copies to us?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, regarding each application, the Bureau will provide information to the department concerned in order to help them make their decisions. If the application is rejected, a written explanation will usually be provided to the applicant. Owing to the stipulations in some relevant legislation and many other factors such as the venue having been booked in advance for the specific date, it will not be possible for two similar activities to be held at the same location. In addition, there are other factors, particularly in view of the traffic condition, pedestrian flow or other situations, the HAD or the Hong Kong Police Force may reject an application for fear that it will lead to traffic congestion or inconvenience to the public. So, if the applicant has lodged an application which has not been withdrawn, he will receive a written reply from the FEHD stating the reasons for rejecting the application.

MS AUDREY EU (in Cantonese): *President, the Secretary has not answered my question. Maybe he has misunderstood my question. I did not ask whether a written reply would be provided when the application was rejected. I asked the implication of "subject to no objections being received from departments concerned". In other words, I would like to know all the reasons for no objection.*

Regarding an application, will the departments concerned, such as the Hong Kong Police Force, the LandsD and the HAD, give reasons for rejecting an application in a written reply? May I ask the Secretary on what grounds an application will be rejected? Just now, the Secretary mentioned such factors as traffic and pedestrian flow. These may be the reasons. Another reason may be due to the fact that some other organization has already submitted its application. I did not ask the Secretary whether a written notice would be given when the authorities objected to an application. Rather, I asked on what grounds an application may be rejected by departments such as the Hong Kong Police Force, the LandsD or the HAD. Are there any documents for our inspection? If yes, can the Secretary provide these documents so that we can

clearly know the criteria? I originally wanted to ask him about the criteria for approval. But he has not answered my question. Instead, he has told us the criteria for objection. So I would like to ask a follow-up question on the criteria for objection.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): My apologies, President, I do not have information on hand regarding how such applications are vetted and approved by each department. I only have some sample letters which are replies informing the applicants that their applications have been rejected. I can see that most of the applications have been approved. In this respect, the departments concerned have to consider the locations and the environment of the locations, whether other people will be affected and whether the date is suitable, whether other activities will be carried out nearby, and whether there will be road construction works or related projects. Regarding these situations, I think it is impossible to provide an exhaustive list. But I agree that when considering these applications, the departments will certainly have some internal guidelines as reference.

MS AUDREY EU (in Cantonese): *On this point, I just asked about the mechanism. As the Secretary does not have such information now, can he provide information on the relevant mechanism of the departments concerned in future? I am sure the departments will have some guidelines or internal papers, so I would like to know such information in order to have a better understanding of the criteria. Can the Secretary provide such information?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I can undertake to liaise with the relevant departments and request the relevant guidelines from them. (Appendix II)

MR BERNARD CHAN (in Cantonese): *President, I would also like to follow up the mechanism. In part (c) of the main reply, the Secretary mentioned that all charitable organizations are also required to abide by the regulation including not to cause any obstruction. However, I have noticed that many charitable organizations or fund-raising bodies have set up such stalls in busy areas, such*

as Central and Causeway Bay when the pedestrian flows are at the highest level. In fact, it will cause a lot of inconvenience to people due to the high density of pedestrian flow and the narrow roads. Many people have also lodged complaints about this. May I ask on what criteria such applications are approved to allow these stalls to be set up at such locations? Besides, regarding the complaints, are there any criteria stipulating that the application will be rejected once a complaint has been received? I ask this question because many people have complained that these charitable organizations have caused obstruction on the pavements in some busy areas during lunch time.

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

President, I believe many applicants do not make their applications for the first time. Very often, they know which locations are the most suitable for their activities. Some experienced applicants will apply for setting up their stalls at some venues for which previous applications have been approved. I think the most important thing is whether the authorities consider the date on which the activities to be held is unsuitable and whether there are any other special conditions attached to the applications rendering them unsuitable in the opinion of the authorities. According to the number of applications and the number of successful applications, approvals are usually granted unless the activities are to be held on some special dates. It can be seen that the authorities will do their best to meet the needs of the applicants. Regarding applications for holding activities at weekends, the authorities may not allow the setting up of stalls at locations where the pedestrian flow is particularly high. Under such circumstances, decisions are made according to different factors.

MR BERNARD CHAN (in Cantonese): *President, just now I asked the Secretary about the approval criteria. But the Secretary can provide a written reply on the criteria of approving the setting-up of stalls at certain locations by the authorities. (Appendix III)*

MR ALAN LEONG (in Cantonese): *I would also like to ask a similar follow-up question. Perhaps, the Secretary can take a look at part (c) of the main reply in which one of the considerations mentioned by the Secretary is to avoid causing inconvenience to the public. President, in fact, no matter it is fund-raising activities or distribution of leaflets by political parties, it will certainly cause*

inconveniences to the pedestrians if the applicant is inconvenienced. In other words, the two parties will certainly be in conflicting positions. May I ask the Secretary whether the Bureau has some ideas or guidelines to balance the two opposing interests?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, I have already undertaken to request the relevant guidelines from the departments concerned. But I do not agree that the two parties must be in conflicting positions. If the commodities on sale are attractive to the buyers, they will certainly attract a large patronage. So, I think the most important thing is that when a decision is made, we have to make sure that the activity will at least not cause any obstruction to the pedestrian flow or the general public so that anybody can approach these stalls if they would like to patronize them, or just walk past if they do not.

MISS TAM HEUNG-MAN (in Cantonese): *President, I have some doubts about some figures. According to the table in the main reply, during 2005-06, the Civic Party has submitted one application for a THL and the number of successful case is also one. However, according to my understanding, the Kowloon West Branch of the Civic Party has recently submitted an application for a THL which is unsuccessful because of some obstacles. May I ask whether the above figures are only related to the recent months or up to March of this year? Does the Bureau have any new figures indicating the number of successful and unsuccessful applications submitted by organizations after March?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, since Mr Ronny TONG's question enquires about the situation in the past two years, we have submitted the figures for the past two financial years. Of course, we also have figures for the past several months in 2006-07. We also have grasped some figures after 1 April. Now I have some information showing that the Civic Party has submitted 21 THL applications after 1 April and 13 of them have been approved while five are still being processed. These are the recent applications and the Civic Party has withdrawn two applications of their own accord. The department has rejected one application which is the only one mainly because the venue applied for by the Civic Party has already been booked for another activity on that day.

MR LAU KONG-WAH (in Cantonese): *President, according to the table of the main reply, the Civic Party has a 100% successful rate in the past two years while the Democratic Party has two rejected cases. Can the Secretary tell us the reasons for that? Besides, if both the Civic Party and the Democratic Party have submitted applications for holding a fund-raising activity at the same time at the same venue, how will the applications be handled? Which political party will be given priority? Or is it decided by drawing lots?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, we do not have any data concerning which political party being given priority. But in the main reply, I have at least indicated that we will not refer to the political background of the applicant. We mainly consider whether the organization has been registered, the purpose of fund-raising and the intended use of the fund raised which should not be for commercial or profit-making purposes. When these conditions are met, approval will be granted on a first-come-first-serve basis.

MR LAU KONG-WAH (in Cantonese): *President, the Secretary has not answered the first part of my supplementary question which is about the reasons of two rejected cases.*

PRESIDENT (in Cantonese): Secretary, Mr LAU's question is about the two rejected cases.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, as I have just said, I do not have any detailed information explaining why the two applications are not successful.

MISS TAM HEUNG-MAN (in Cantonese): *President, I would like to ask a question about policy. Will the Administration consider formulating a set of approval criteria and guidelines on granting hawker licences for holding funding-raising activities in order to offer convenience to political parties?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): President, the current application procedures are actually quite simple and transparent. An applicant is only required to fill in a form in order to lodge an application. Our current system can also meet the needs of many applicants. So I do not think it is necessary to formulate any other regulations or legislation.

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

MR LAU KONG-WAH (in Cantonese): *President, what the Secretary just mentioned are cases for which applications have been submitted. Has the Bureau received any cases or complaints against some political parties which set up stalls for holding fund-raising activities without lodging applications?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I did approach the FEHD and request the relevant information. But I was informed that there was no such precedent. In other words, no one has been found to have set up such a stall without licence.

WRITTEN ANSWERS TO QUESTIONS

Safety of Staff at Public Swimming Pools and Beaches

7. **MR LEE CHEUK-YAN** (in Chinese): *President, it was reported that on 17 May this year, when tropical cyclone warning signal No. 3 was in force, a lifeguard tower at a public swimming pool was flipped over by a gust of wind, causing injuries to a duty lifeguard on the tower. In this connection, will the Government inform this Council whether it has drawn up any work safety guidelines to safeguard the safety of staff on duty at swimming pools and beaches managed by the Leisure and Cultural Services Department (LCSD), when tropical cyclone warning signals are in force and in severe weather conditions; if it has, of the details of such guidelines; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the LCSD has all along attached importance to the work safety of its staff. As regards the arrangements for severe weather conditions including typhoons, rainstorms or thunderstorms, the LCSD has provided working guidelines to ensure the safety of its staff.

Work Arrangements at Swimming Pools

When Typhoon Signal No. 1 or 3 is issued by the Hong Kong Observatory and the weather remains normal, swimming pools under the LCSD will still be open to the public. Pool staff including lifeguards are therefore required to stay at their posts and continue to provide swimmers with lifesaving and first-aid services. However, when swimming pools are unsuitable for swimming due to worsened weather like rainstorm or thunderstorm, officers-in-charge of the pools will request swimmers to leave the pool water. Pool staff including lifeguards will also go to sheltered and safe places where they will continue performing duties with a view to preventing swimmers from returning to the pools to swim so as to avoid accidents. When Typhoon Signal No. 8 forecast is issued by the Hong Kong Observatory during the opening hours of swimming pools, pool staff will immediately notify swimmers of the forecast and advise them to leave the pools as quickly as possible. Pool staff on duty will also go off duty in an orderly manner according to the arrangements. As for the recent incident during which a lifeguard tower at Tseung Kwan O Swimming Pool was flipped over by a gust of wind, the LCSD has carried out a complete overhaul and reinforced the lifeguard tower to prevent recurrence of accidents.

Work Arrangements at Beaches

When Typhoon Signal No. 1 or 3 is issued by the Hong Kong Observatory and the weather remains normal, beaches under the LCSD will still be open to the public. Staff working at beaches including lifeguards are therefore required to stay at their posts and continue to provide swimmers with lifesaving and first-aid services. However, when beaches are unsuitable for swimming activities due to rough sea or severe weather conditions like rainstorm or thunderstorm, the officers-in-charge of the beaches will request swimmers to go back to the shore immediately. Lifeguards on duty in rescue boats will also go back to the shore and stand by at sheltered and safe places, while those on duty at sheltered lifeguard towers with lightning conductors will continue to stay at their posts. When all swimmers have gone back to the shore, officers-in-charge of

the beaches will arrange for lifeguards on duty at lifeguard towers to return to the beach offices where they will continue performing the duty of overseeing the safety of swimmers. When Typhoon Signal No. 8 forecast is issued by the Hong Kong Observatory during the opening hours of beaches, the officers-in-charge of beaches will immediately notify swimmers of the forecast and advise them to leave the beaches. Staff on duty at the beaches will also go off duty in an orderly manner according to the arrangements.

The LCSD will keep the work arrangements under review to ensure the safety of its staff and members of the public.

Stipulation of Responsibilities Borne by Developers in Land Leases

8. **MISS CHAN YUEN-HAN** (in Chinese): *President, the land lease of Galaxia has specifically stipulated that the leasee is required to develop at its own expenses a number of public facilities, including an escalator for public use, and to bear the management and maintenance responsibilities for the escalator. Nevertheless, after the construction of the escalator, it has been idled by the manager of the housing estate for a long period and has just started operating from 6.00 am to 12.00 midnight daily since May this year. In this connection, will the Government inform this Council:*

- (a) *whether it has studied if the manager of the housing estate has breached the special terms concerned by operating the escalator during some specified hours only;*
- (b) *of the number of cases in Hong Kong in which the special terms stipulated in land leases were breached in the past three years, and how such cases were handled, including the criteria adopted for deciding whether or not to institute legal proceedings; and*
- (c) *whether, in future land sales for residential developments, it will stipulate in the land leases that the repair and maintenance responsibilities for all facilities for public use (such as accesses and escalators) shall be borne by the developers of the projects concerned and may not be shifted to those individual property owners who purchase the flats subsequently?*

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

- (a) According to the Special Condition (SC) (15)(c) of the Conditions of Sale No. 12239 in respect of the Galaxia (C/S 12239), the leasee is required to manage and maintain at its own expenses the Pedestrian Access Works (PAW) and the escalators, which form parts of the said PAW, shall be open to members of the public at all times during the day and night or such hours as may be approved by the Director of Lands in accordance with SC (15)(b) of C/S 12239.

Upon receiving the application from the Manager of the Galaxia and having consulted the Transport Department and the Wong Tai Sin District Office, the Director of Lands approved the application on 17 May 2006 to shorten the operation hours of the escalators from 0600 to 2400. Therefore, operation of the escalators during the specified hours is not in breach of SC (15)(b) of C/S 12239.

- (b) According to our record, there is currently no case of non-compliance of special terms stipulated in land leases. Over the past three years, there were four other cases, where the Director of Lands has written to the leasees in the form of either advices or warning letters as appropriate and thereafter the lessees have taken action to comply with the lease conditions. Hence, the question of instituting legal proceedings does not arise.
- (c) Under the current practice, the Government Grants sets out the obligation to maintain and manage public facilities. The obligation is on the party entering into the Government Grant (that is, the developer) and his executors, administrators and assignees (that is, the purchasers of units of the development). As for the cost sharing arrangement of the maintenance responsibility of the public facilities, it is set out in the Deed of Mutual Covenant signed between the developer and the flat purchasers.

When the Lands Department approves the pre-sale of uncompleted flats, the developers are required to state the repair and maintenance responsibilities of flat purchasers in the sales brochures. In addition, the details in the leases as well as the Deed of Mutual Covenant should have been made known to flat purchasers by their solicitors during the property conveyancing process.

Return Fare Discount Under Bus-bus Interchange Schemes

9. **MR ANDREW CHENG** (in Chinese): *President, starting from 19 February this year, passengers who take the same franchised bus route or route of the same group (except certain routes) for their return trip on the same day will enjoy return fare discounts if the fare is \$10 or more and is paid with Octopus cards. On the other hand, to reduce overlapping of bus routes and put the bus and road resources to optimal use, the Transport Department has encouraged franchised bus companies to implement Bus-bus Interchange (BBI) schemes in recent years. However, I have recently received many complaints from members of the public who make use of the BBI schemes that they do not enjoy return fare discounts, although the total fare they pay for the two journeys is \$10 or more. In this connection, will the Government inform this Council:*

- (a) of the estimated daily average number of these passengers;*
- (b) of the reasons why it did not ask franchised bus companies to offer return fare discounts to these passengers; and*
- (c) whether it will discuss with franchised bus companies the offering of return fare discounts to these passengers; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): *President, franchised bus companies have been actively introducing BBI schemes in recent years. As at end 2005, there were 195 BBI schemes providing interchange concessions ranging from \$0.1 to \$28. These schemes involve about 400 bus routes (or 70% of the total number of bus routes) and the average daily patronage using these schemes is about 110 000. However, due to the significant number of BBI schemes, complex combination of route interchanges, and yet not all of the schemes involve the use of Octopus cards, the bus companies do not have the daily number of passengers using BBI schemes and pay \$10 or more for the combined fares.*

We have been actively encouraging public transport operators to introduce different kinds of fare concessions in order to reduce transport expense of the travelling public. The Government has also suggested the bus companies concerned to consider providing same day return fare reduction to passengers interchanging between two routes where the combined fare is \$10 or above. Nevertheless, in accordance with the system and spirit of free enterprise, it will be the commercial decision of individual public transport operators on whether to provide fare reduction or concession.

The bus companies point out that oil price hikes and tunnel toll increase have significantly raised their costs, whereas their patronage has dropped as a result of competition with new railways and other public transport modes. They express that they are making strenuous efforts to provide various types of fare reduction and concession initiatives. Should they introduce the same day return fare reduction to passengers interchanging between two routes where the combined fare is \$10 or above, their operating conditions will be further affected, thus heightening the pressure for fare increase. In this connection, the bus companies have not provided same day return fare reduction for passengers interchanging between two routes where the combined fare is \$10 or above at present.

Notwithstanding, in balancing passengers' calls on fares and the companies' operating conditions, the four franchised bus companies (excluding the New Lantau Bus Company (1973) Limited) launched a series of fare reduction initiatives in early 2006. These include the introduction of a 10% and 5% same day return fare reduction on routes where the single fare is \$15 or above and between \$10 and \$14.9 respectively on 19 February 2006¹. In addition, the bus companies implemented the \$2 flat fare or half fare, whichever is the lower, for elderly on Sundays and public holidays² on 28 January 2006. They are also implementing the 47 new BBI schemes by phases.

¹ The fare reduction initiatives for routes where the single fare is \$15 or above and of \$10 to \$14.9 do not cover Airport "A" routes, recreation routes and racecourse routes. The relevant fare reduction initiatives has already been implemented on solely operated routes.

² The fare reduction initiative does not cover Airport "A" routes and racecourse routes.

Independent Outbound Travel

10. **MR HOWARD YOUNG** (in Chinese): *President, as Hong Kong citizens who travel abroad independently are not taken care of by professional tour escorts or local tourist guides, when they encounter accidents or natural disasters outside Hong Kong, they are often helpless and their family members in Hong Kong do not know whether they are safe or their whereabouts. In this connection, will the Government inform this Council:*

- (a) *of the measures to ensure the safety of Hong Kong citizens while they travel abroad independently;*
- (b) *how it will assist those who travel independently and are stranded abroad;*
- (c) *whether it has considered asking outbound travellers to voluntarily file a record with the Immigration Department (ImmD) about their length of stay abroad, especially when they may travel to places where Hong Kong travellers seldom visit; if not, where any disaster or incident happen in such places, how the authorities know at the earliest opportunity the number of Hong Kong travellers staying there; and*
- (d) *whether it will step up publicity on matters to be noted by individuals travelling abroad independently?*

SECRETARY FOR SECURITY (in Chinese): President, the Government of the Hong Kong Special Administrative Region (HKSAR) attaches great importance to the provision of assistance to Hong Kong residents in distress when they are travelling abroad, whether on package tours or self-arranged trips. A mechanism has been put in place to that end. Following the tsunami in South Asia in 2004, the Security Bureau has formulated a Contingency Plan for Emergency Response Operations outside the HKSAR (EROOHK) to provide assistance to Hong Kong residents in distress or involved in major disasters overseas. Incidents are classified according to their severity under a three-tier emergency response system of the EROOHK. The Chinese Embassies/Consulates overseas also provide consular protection and services to Hong Kong Chinese residents. The Government of the HKSAR has been working closely with the Office of the Commissioner of the Ministry of Foreign

Affairs in the HKSAR (OCMFA). The OCMFA strives to provide quick assistance to Hong Kong residents in distress or involved in accidents abroad through the local Chinese Embassies/Consulates.

Apart from reviewing the above mechanism from time to time, the Government of the HKSAR has implemented other measures to enhance the assistance provided to Hong Kong residents in distress outside Hong Kong. For instance, the area covered by the Hong Kong Economic and Trade Office in Guangdong has been extended to five provinces/region, namely Guangdong, Guangxi, Fujian, Jiangxi and Hainan, and since April 2006, staff of the ImmD have been deployed to provide assistance to Hong Kong residents in distress in these provinces/region. The Office of the Government of the HKSAR in Beijing will continue to provide assistance to Hong Kong residents in distress in other provinces/regions in the Mainland.

As regards the four parts of the question raised by the Honourable Howard YOUNG, following consultations with relevant bureaux and departments, we would like to set out the replies below:

- (a) Hong Kong residents who are abroad for business or visit purposes should pay attention to their personal safety. Hong Kong residents who are abroad and need assistance may contact the Chinese Embassy/Consulate in their destination or call the ImmD's 24-hour hotline (Tel: (852) 1868). The telephone numbers and addresses of the Chinese Embassies/Consulates overseas can be obtained from the ImmD (Tel: (852) 2824 6111) or on its website (<<http://www.immd.gov.hk/ehtml/embassy.htm>>).

As regards travel protection, according to the Travel Agents Ordinance (Cap. 218, Laws of Hong Kong), if a Hong Kong resident taking part in an outbound travel activity arranged by a licensed travel agent is injured or killed in an accident in the course of the activity, he is entitled to the protection of the Travel Industry Compensation Fund. The protection covers medical expenses at the place of accident (up to \$100,000), funeral expenses at the place of accident or transportation cost for returning the remains of the deceased (up to \$40,000) and expenses relating to compassionate visit by relatives (up to two relatives, each not exceeding \$20,000).

- (b) Hong Kong residents who are stranded abroad and need assistance may contact the local Chinese Embassy/Consulate or call the

ImmD's hotline. Depending on the situation and wish of the Hong Kong residents concerned, the Government of the HKSAR will liaise and work closely with the OCMFA and the local Chinese Embassy/Consulate or relevant Embassy/Consulate and other organizations concerned to quickly provide practicable assistance to them, such as helping them to return to Hong Kong as early as possible.

- (c) Tens of thousands of Hong Kong residents travel abroad every day and their destinations and length of stay vary. They may not be able to report last-minute changes to their itineraries to the Government of the HKSAR in time. Moreover, as those who have voluntarily filed a record with the Government of the HKSAR may represent only a fraction of the Hong Kong residents in the place where a disaster or incident has occurred, the information gathered can hardly reflect truly and fully the situation pertaining to Hong Kong residents in that place. In view of the above and resource considerations, the ImmD has no plan to implement the proposal of requesting outbound Hong Kong travellers to voluntarily file a record about their destinations and their length of stay there. As far as we understand, such a scheme of filing records is not a common practice abroad.

As mentioned above, Hong Kong residents who are abroad and need assistance may contact the Chinese Embassy/Consulate in their destination or call the 24-hour hotline of the ImmD. In cases of extraordinary or serious incidents where Hong Kong residents may be involved, the ImmD will immediately remind the public of its hotline through the media. The Government of the HKSAR will also contact immediately the Chinese Embassy/Consulate at the place concerned through the OCMFA to find out the situation pertaining to Hong Kong residents there.

- (d) The Government of the HKSAR reminds the public through different channels from time to time to take precautionary measures when travelling abroad, such as noting down useful contact numbers and considering taking out suitable travel insurance. The ImmD also endeavours to publicize the hotline "1868" and reminds members of the public the usual things to note when travelling abroad with the use of posters. The hotline "1868" is also

publicized on the leaflets entitled "Guide to Assistance Services to Hong Kong Residents in the Mainland" and "Guide to Consular Protection and Services Outside Chinese Territory". The posters are uploaded to the ImmD's website and displayed at the ImmD offices and control points for easy reference. Where necessary, the ImmD will publicize the hotline and things to note when travelling abroad through the media at appropriate times like before festive holidays.

The Tourism Commission, the Office of the Commissioner of Insurance (OCI), the Travel Industry Council of Hong Kong and the Hong Kong Federation of Insurers already launched a joint publicity campaign promoting travel insurance last year to encourage members of the public to take out travel insurance which suits their needs before travelling, whether they are going on package tours or self-arranged trips. The campaign included an Announcement of Public Interest, a poster and an educational pamphlet entitled "Travel Insurance - What you need to know".

In addition, the OCI introduced a new category of insurance agents — "travel insurance agents" — in May this year whereby travel agents and their staff, after passing the "Travel Insurance Agents Examination" and registering as "travel insurance agents", can promote and sell travel insurance to their clients. This arrangement aims to encourage and facilitate members of the public to take out travel insurance at the same time when they make arrangement for their tours with the travel agents in order to better protect themselves when travelling.

As regards health protection, the Department of Health (DH) has set up a website on Travel Health Service (<<http://www.travelhealth.gov.hk>>), which provides important information on outbreaks of infectious diseases in different parts of the world and travel health advice. Pamphlets on health education are also distributed at control points and airline check-in counters for flights to places affected by avian influenza or on such flights. The DH will also inform the travel industry on the latest development of any infectious diseases in places outside Hong Kong and provide relevant health advice through the Hong Kong Travel Industry Council.

Furthermore, the two Travel Health Centres of the DH provide directly a range of services for travellers including health risk assessment, travel health education, vaccinations and medications.

Hospital Authority Renting out Vacant Premises

11. **MR LI KWOK-YING** (in Chinese): *President, it has been reported that some hospital clusters under the Hospital Authority (HA) plan to rent out their vacant premises to service organizations or medical groups for the provision of medical services, so as to increase the income of the hospitals concerned. In this connection, will the Government inform this Council:*

- (a) *whether it knows the number of participating hospitals in the above plan, and the amount of additional income to be generated annually; and*
- (b) *given that some private medical practitioners have pointed out that private medical practitioners will not benefit from the plan which will only give medical groups more room for development, how the authorities will address this issue and whether they have assessed the impact of the plan on the private medical treatment market?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): President, some hospitals under the HA are renting out part of their vacant premises to non-governmental organizations (NGOs) and universities. The objective for doing so is to make optimal use of hospital space to facilitate the development by these organizations of services that are related to hospital operation, for example, patient support services, rehabilitation services and medical/clinical research. Increasing hospital income from this source is not an objective of the HA.

Answers to the specific questions raised are as follows:

- (a) At present, a total of nine HA hospitals are renting out part of their vacant premises to NGOs or universities, with a total rental income of around \$1.7 million per year. Only two premises in Tsan Yuk Hospital rented to the University of Hong Kong are being used for

medical purposes providing specialist out-patient services in obstetrics and gynaecology and family therapeutic services respectively.

- (b) Up to this moment, the HA does not have any plan to rent out vacant premises to medical groups for the provision of medical services. As such, there should be no question of any impact on the private medical market.

Alleviation of Mosquito Problem

12. **DR RAYMOND HO** (in Chinese): *President, it has been reported that as this year's mosquito problem in the territory is expected to be more serious than in last year, the authorities have made a funding provision of over \$10 million for environmental improvement projects. In this connection, will the Government inform this Council:*

- (a) *of the detailed use of the funds;*
- (b) *how the Ovitrap Indices recorded since January this year in various districts of the territory compare with those of the same period last year; and*
- (c) *of the measures adopted to alleviate the mosquito problem, and whether special measures will be targeted at those districts which are particularly affected by the mosquito problem?*

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

- (a) Through minor works and minor environmental improvement works programmes, the Home Affairs Department (HAD) carries out district improvement works which would help prevent breeding of mosquitoes. Depending on local circumstances in individual districts, the HAD would carry out inspection and improvement works to the HAD facilities such as footpaths or drainage channels.

Types of works may include reconstruction of dilapidated drainage channels, grass cutting, desilting, clean-up of rear lanes, and so on. These works would help prevent accumulation of water and eliminate breeding grounds, thus prevent breeding of mosquitoes.

The HAD would continue to assist in combating mosquito breeding problems in districts through implementation of minor environmental improvement works projects.

- (b) The Monthly Ovitrap Indices (MOIs) recorded in the first few months of 2006 are slightly higher than those for the same period of last year. For instance, the MOIs recorded in April and May this year are 4.9% and 10.3% respectively whereas the MOIs for those months of last year were 3.4% and 9.9% respectively. The average MOIs for the past six years are 16.1% and 24.8% respectively. The Ovitrap Indices recorded in various districts of the territory in this year and last year are shown in Annexes 1 and 2. A comparison of the MOIs of last year, this year and the past six years is at Annex 3.
- (c) Before the rainy season this year begins, the Food and Environmental Hygiene Department (FEHD) has reviewed the effectiveness of the mosquito control work in the past year for formulation of appropriate anti-mosquito strategies and anti-mosquito operation plans. Close liaison is also maintained with the relevant departments and organizations for them to take anti-mosquito actions within areas under their remit. As the ovitrap index recorded this year is expected to be higher than that of last year, the FEHD has prolonged this year's three-phased territory-wide anti-mosquito campaign as well as the other thematic operations on mosquito control. Meanwhile, mosquito control is enhanced in the infestation black spots of various districts, such as old tenements, the peripheries of pig farms, waterlogged fields, village houses, unauthorized farmland, construction sites and cargo handling areas, with a view to controlling more effectively the breeding of mosquitoes. On the other hand, the Public Health and Municipal Services (Amendment) Ordinance 2006, which came into force on 12 May, has enabled the FEHD to strengthen its

enforcement action in dealing with articles capable of causing accumulation of water. This serves to enhance the effectiveness and efficiency of mosquito control work. Under the Amendment Ordinance, if there is a mosquito-related health hazard in Hong Kong, the FEHD may apply for a court warrant to enter premises and take immediate action to eliminate the potential mosquito breeding grounds as a preventive measure. The Amendment Ordinance also stipulates that the management body of a property is legally liable for mosquito breeding in the common areas of the building, and shall be held responsible for the prevention of mosquito breeding and the clearance of mosquito breeding grounds.

The FEHD has deployed additional resources for mosquito control this year. Apart from the in-house district mosquito control staff, additional roving anti-mosquito teams with a combined strength of about 1 600 persons have been contracted to enhance the mosquito preventive and control work in various districts, inspect potential mosquito breeding places systematically, handle mosquito complaints, remove discarded containers, eliminate stagnant water or administer with larvicidal oil as appropriate, and take enforcement action under the relevant ordinance against mosquito breeding.

In the event of serious mosquito infestation in a district, the FEHD will immediately convene the district anti-mosquito task force meeting. All the relevant government departments, school authorities, management bodies of residential buildings and private organizations will be invited to reinforce their anti-mosquito preventive and control measures at once. The current anti-mosquito strategies will also be reviewed for improvement so as to safeguard public health.

The FEHD has widely publicized the newly amended Public Health and Municipal Services (Amendment) Ordinance 2006. In addition to issuing press releases and Announcements of Public Interest on radio, and so on, leaflets are published to provide the public with the relevant information and the knowledge on mosquito prevention so as to heighten their awareness of mosquito infestation.

Annex 1

Ovitrap Indices for the year 2006

	<i>Locations</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
Hong Kong Island and Outlying Islands	Chai Wan West	0.0%	0.0%	0.0%	1.9%	6.1%							
	Wan Chai North	0.0%	0.0%	0.0%	0.0%	5.8%							
	Happy Valley	0.0%	0.0%	0.0%	0.0%	14.8%							
	Central, Sheung Wan and Sai Ying Pun	0.0%	0.0%	0.0%	2.0%	8.0%							
	Sai Wan	0.0%	0.0%	0.0%	1.9%	5.9%							
	North Point	0.0%	0.0%	0.0%	3.8%	5.7%							
	Aberdeen and Ap Lei Chau	0.0%	0.0%	0.0%	4.0%	14.9%							
	Pokfulam	0.0%	0.0%	0.0%	5.8%	9.3%							
	Cheung Chau	0.0%	0.0%	0.0%	6.1%	9.1%							
	Tung Chung	0.0%	0.0%	2.9%	3.0%	11.1%							
Kowloon	Tsim Sha Tsui	0.0%	0.0%	0.0%	4.0%	14.0%							
	Mong Kok	0.0%	0.0%	0.0%	3.7%	14.0%							
	Lai Chi Kok	0.0%	0.0%	0.0%	3.7%	6.1%							
	Sham Shui Po (East)	0.0%	1.9%	0.0%	1.9%	13.7%							
	Cheung Sha Wan	0.0%	0.0%	0.0%	0.0%	11.6%							
	Kowloon City North	0.0%	0.0%	0.0%	0.0%	4.1%							

	<i>Locations</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
	Ho Man Tin	0.0%	0.0%	0.0%	0.0%	2.2%							
	Wong Tai Sin Central	1.7%	0.0%	0.0%	13.0%	15.5%							
	Diamond Hill	0.0%	0.0%	0.0%	17.0%	18.2%							
	Kwun Tong Central	0.0%	0.0%	0.0%	0.0%	5.7%							
	Lam Tin	0.0%	0.0%	0.0%	3.7%	7.8%							
New Territories East	Tseung Kwan O	0.0%	0.0%	0.0%	5.2%	5.1%							
	Ma On Shan	0.0%	0.0%	0.0%	0.0%	9.8%							
	Lek Yuen	0.0%	0.0%	0.0%	3.9%	7.7%							
	Tai Wai	0.0%	0.0%	0.0%	3.7%	7.7%							
	Tai Po North	0.0%	0.0%	0.0%	5.6%	7.8%							
	Fanling	0.0%	0.0%	0.0%	11.5%	26.0%							
	Sheung Shui	0.0%	0.0%	0.0%	13.0%	14.8%							
New Territories West	Yuen Kong	0.0%	0.0%	0.0%	12.5%	4.0%							
	Tin Shui Wai	0.0%	0.0%	0.0%	5.6%	3.9%							
	Yuen Long Town	0.0%	0.0%	0.0%	7.5%	10.4%							
	Tuen Mun (South)	0.0%	0.0%	0.0%	2.1%	2.3%							
	Tuen Mun (North)	0.0%	0.0%	0.0%	1.7%	8.8%							
	Tsuen Wan Town	0.0%	0.0%	0.0%	9.6%	7.0%							
	Ma Wan	0.0%	0.0%	0.0%	4.3%	10.5%							

	<i>Locations</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
	Kwai Chung	0.0%	0.0%	2.0%	2.1%	16.7%							
	Lai King	0.0%	0.0%	2.0%	18.2%	3.8%							
	Tsing Yi	0.0%	0.0%	0.0%	7.4%	36.5%							
	MOI	0.1%	0.1%	0.2%	4.9%	10.3%							

Annex 2

Ovitrap Indices for the year 2005

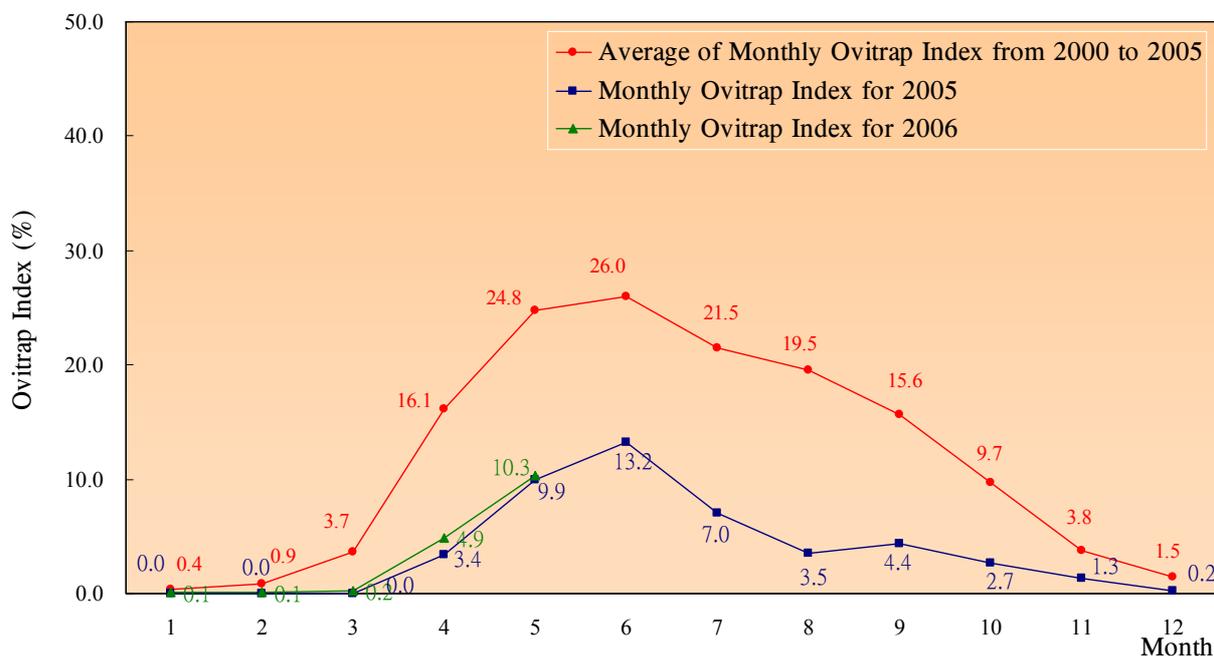
	<i>Locations</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
Hong Kong Island and Outlying Islands	Chai Wan West	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	9.6%	0.0%	2.0%	0.0%	0.0%	0.0%
	Wan Chai North	0.0%	0.0%	0.0%	0.0%	9.8%	16.0%	9.8%	8.7%	10.2%	8.9%	2.0%	0.0%
	Happy Valley	0.0%	0.0%	0.0%	0.0%	5.6%	5.5%	3.6%	5.5%	1.9%	1.9%	0.0%	0.0%
	Sheung Wan	0.0%	0.0%	0.0%	0.0%	26.0%	32.1%	3.9%	1.9%	4.3%	0.0%	0.0%	0.0%
	Kennedy Town	0.0%	0.0%	0.0%	0.0%	19.2%	26.9%	2.0%	0.0%	3.8%	1.9%	0.0%	0.0%
	North Point	0.0%	0.0%	0.0%	1.9%	1.9%	3.8%	6.1%	2.0%	2.0%	2.2%	0.0%	0.0%
	Aberdeen and Ap Lei Chau	0.0%	0.0%	0.0%	6.7%	16.0%	2.1%	3.8%	0.0%	1.9%	0.0%	0.0%	0.0%
	Pokfulam	0.0%	0.0%	0.0%	22.6%	3.8%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Cheung Chau	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	5.6%	5.7%	3.0%	0.0%	0.0%	0.0%
	Tung Chung	0.0%	0.0%	0.0%	6.3%	20.0%	8.8%	5.9%	2.8%	22.9%	0.0%	2.8%	0.0%
Kowloon	Tsim Sha Tsui	0.0%	0.0%	0.0%	0.0%	9.4%	8.0%	3.9%	1.9%	2.1%	1.9%	0.0%	0.0%
	Yau Ma Tei	0.0%	0.0%	0.0%	0.0%	17.3%	10.0%	27.1%	12.0%	7.8%	9.3%	4.1%	1.9%
	Lai Chi Kok	0.0%	0.0%	0.0%	0.0%	3.8%	3.8%	1.8%	0.0%	3.7%	0.0%	0.0%	0.0%

	<i>Locations</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	
	Sham Shui Po (East)	0.0%	0.0%	0.0%	1.9%	13.0%	24.5%	21.2%	2.0%	11.5%	4.3%	4.9%	0.0%	
	Cheung Sha Wan	0.0%	0.0%	0.0%	3.8%	16.3%	19.6%	13.2%	12.3%	0.0%	6.0%	2.2%	0.0%	
	Kowloon City North	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	3.8%	0.0%	0.0%	2.0%	0.0%	0.0%	
	Ho Man Tin	0.0%	0.0%	0.0%	0.0%	7.7%	17.3%	6.1%	6.1%	1.9%	0.0%	2.3%	0.0%	
	Wong Tai Sin Central	0.0%	0.0%	0.0%	8.1%	28.8%	13.6%	5.2%	5.1%	11.7%	5.2%	3.4%	0.0%	
	Diamond Hill	0.0%	0.0%	0.0%	2.2%	12.8%	19.1%	10.2%	14.0%	6.4%	8.3%	4.3%	0.0%	
	Kwun Tong Central	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	9.8%	3.5%	0.0%	5.4%	2.1%	0.0%	
	Lam Tin	0.0%	0.0%	0.0%	3.8%	21.2%	3.8%	11.1%	2.0%	1.9%	2.0%	0.0%	0.0%	
	New Territories East	Tseung Kwan O	0.0%	0.0%	0.0%	1.7%	1.7%	1.8%	3.3%	1.7%	5.1%	0.0%	0.0%	0.0%
		Ma On Shan	0.0%	0.0%	0.0%	0.0%	17.0%	3.8%	0.0%	1.9%	5.6%	0.0%	0.0%	0.0%
Lek Yuen		0.0%	0.0%	0.0%	1.9%	3.8%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	
Tai Wai		0.0%	0.0%	0.0%	19.2%	28.8%	7.7%	4.1%	9.8%	7.5%	0.0%	1.9%	0.0%	
Tai Po North		0.0%	0.0%	0.0%	9.8%	4.0%	39.2%	19.2%	3.7%	3.9%	6.5%	4.3%	2.0%	
Fanling		0.0%	0.0%	0.0%	11.3%	17.3%	38.9%	16.4%	3.7%	9.6%	13.7%	1.9%	0.0%	
Sheung Shui		0.0%	0.0%	0.0%	5.6%	3.8%	26.4%	3.6%	0.0%	1.9%	0.0%	0.0%	0.0%	
New Territories West	Tin Shui Wai	0.0%	0.0%	0.0%	8.9%	6.1%	9.6%	10.2%	6.0%	3.7%	0.0%	0.0%	0.0%	
	Yuen Kong	0.0%	0.0%	0.0%	0.0%	8.0%	30.4%	8.0%	4.3%	0.0%	0.0%	4.2%	0.0%	
	Yuen Long Town	0.0%	0.0%	0.0%	10.0%	2.0%	26.5%	0.0%	4.2%	2.0%	0.0%	0.0%	0.0%	
	Tuen Mun (South)	0.0%	0.0%	0.0%	0.0%	11.1%	13.5%	13.7%	0.0%	1.9%	2.0%	0.0%	0.0%	

	Locations	January	February	March	April	May	June	July	August	September	October	November	December
	Tuen Mun (North)	0.0%	0.0%	0.0%	0.0%	5.8%	0.0%	1.9%	3.7%	3.8%	0.0%	0.0%	0.0%
	Tsuen Wan Town	0.0%	0.0%	0.0%	0.0%	5.2%	1.7%	1.7%	1.8%	3.6%	1.9%	0.0%	0.0%
	Ma Wan	0.0%	0.0%	0.0%	0.0%	17.4%	12.0%	8.3%	0.0%	4.0%	4.5%	0.0%	0.0%
	Kwai Chung	0.0%	0.0%	0.0%	0.0%	10.0%	13.7%	10.4%	4.3%	6.1%	7.0%	2.3%	4.0%
	Lai King	0.0%	0.0%	0.0%	1.9%	5.9%	30.2%	3.6%	1.9%	7.5%	2.0%	3.8%	0.0%
	Tsing Yi	0.0%	0.0%	0.0%	0.0%	0.0%	10.5%	7.0%	0.0%	3.5%	1.8%	3.6%	0.0%
	MOI	0.0%	0.0%	0.0%	3.4%	9.9%	13.2%	7.0%	3.5%	4.4%	2.7%	1.3%	0.2%

Annex 3

Comparison of Monthly Average Ovitrap Index (2000-05, 2005 and 2006)



Health Care Expenditure Incurred from Air Pollution

13. **MS EMILY LAU** (in Chinese): *President, in reply to a question raised in this Council on the 24th of last month, the authorities advised that on the basis of the air quality and population data of 2000, the economic losses caused by respiratory and cardiovascular diseases possibly related to air pollution were*

estimated to reach \$1.7 billion each year. In this connection, will the executive authorities inform this Council:

- (a) how the losses were computed;*
- (b) of the respective numbers of persons who suffered from or died of diseases related to air pollution each year since 2000, and the amount of health care expenditure incurred as a result; and*
- (c) whether the authorities will regularly publish the figures in (b) above?*

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

- (a) In its written reply to the Legislative Council Question No. 19 on 24 May 2006, the Government quoted the findings of a study on the correlation between air pollution in Hong Kong and its impact on health conducted by the University of Hong Kong and The Chinese University of Hong Kong in 2002. On the basis of the air quality data of 2000 and the number of daily admissions and in-patients at 12 public hospitals under the Hospital Authority in that year, the study assessed, through regression analysis, the possible correlation between air pollution and respiratory and cardiovascular diseases in Hong Kong. It also estimated the economic losses (including consultation and hospitalization fees and the productivity loss incurred) possibly attributable to air pollution.
- (b) The impact of air pollution on health is often indirect and long-term. Besides, most diseases are caused by a combination of factors. Therefore, it is impossible to determine directly from statistics on the diseases the number of the sick and deaths owing to air pollution and related health care expenses.
- (c) As the data required in (b) are not available, the Government is not in a position to publish the figures regularly.

Cessation of School Operation

14. **MR LEUNG YIU CHUNG** (in Chinese): *President, in recent years, quite a number of primary schools have ceased operation due to insufficient intakes, but there are still plans to build a number of new school premises. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of school-aged children for Primary One and Secondary One, the number of schools which ceased or will cease operation, and the number of school premises which were or will be built, in each of the past and next five years, broken down by school zones;*
- (b) *whether it has assessed the amount of resources that were wasted in each of the past three years as a result of school premises being left vacant and teaching equipment laying idle following the cessation of operation of schools;*
- (c) *whether, in order to reduce wastage, it will reconsider introducing small-class teaching (SCT) first in the districts with a decreasing number of school-aged children; if not, of the reasons for that; and*
- (d) *whether it will consider suspending the construction of new school premises; if not, of the reasons for that?*

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

- (a) The respective numbers of Primary One and Secondary One students broken down by school district for the past five school years from 2001-02 to 2005-06 are shown in Table 1 and Table 2 of Annex 1.

Based on the population distribution projections released by the interdepartmental Working Group on Population Distribution Projections (WGPD) in October 2004, the projections of school-age children (aged six) for Primary One in each district for the coming five school years from 2006-07 to 2010-11 are shown in Table 1 of

Annex 2. It should be noted that the actual number of Primary One students in individual districts is affected by parental choices and the prevailing demand in each of the school nets. Besides, students enrolled in Primary One could be under or over the age of six. Hence, the actual number of students in Primary One could be different from the projected figures.

As the planning of secondary school places is on a territory-wide basis, the projected number of school-age children for Secondary One by district is not available. Based on the territorial population projections released by the Census and Statistics Department in mid-2004, the territory-wide projections (all districts inclusive) of school-age children (aged 12) for Secondary One for the coming five school years from 2006-07 to 2010-11 are shown in Table 2 of Annex 2. It should also be noted that students enrolled in Secondary One could be under or over the age of 12. Hence, the actual number of students in Secondary One could be different from the projected figures.

The number of schools which ceased operation from 2001-02 to 2005-06 school years are listed by district in Annex 3. Under the existing policy, we have to examine each year the latest situation of schools that may cease operation, due to various reasons, in the coming school year. Therefore, we can only include in Annex 3 the number of schools that will cease operation in the 2006-07 school year. The actual number of schools ceasing operation in or after the 2007-08 school year is subject to future review to be conducted annually. Among the 83 schools which ceased or will cease operation as shown in Annex 3, most are located in remote areas, equipped with outdated or substandard facilities, or situated in housing estates affected by housing redevelopment schemes.

The number of school projects completed during the 2001-02 to 2005-06 school years as well as the number of funded projects for completion from the 2006-07 school year onwards are provided at Annex 4. Most of the 100-odd school building projects completed were for the purposes of facilitating existing schools to offer whole-day education, upgrading substandard school premises, and providing parents with choices of different types of schools. The

remaining projects were pursued to meet the increase in demand resulting from an increase in the number of secondary school students during that period.

- (b) Mindful of the need to make good use of public funds, the Administration has always strived to ensure the gainful use of school premises and land resources. As stated above, most of the schools which have ceased or will cease operation in 2006-07 school year are either those with substandard facilities or are situated in housing estates affected by housing redevelopment schemes. By placing the affected students in larger schools with better facilities within the district, we are improving the quality of education for these students. Since these school premises are no longer suitable for educational uses, we have been returning them to relevant government departments for other non-educational purposes.

Those vacant school premises which are suitable for school or other educational uses shall be retained, for instance, for reallocation of the premises for whole-day conversion of existing bi-sessional schools, temporary usage by schools undergoing redevelopment/reprovisioning, and so on. Of the 83 schools which have ceased operation from the 2001-02 to 2006-07 school years, only some 20 school premises are considered suitable for retention for school use or other educational purposes. We are ascertaining the intended uses of these premises, dealing with the necessary land allocation procedures and planning for the necessary renovation works, and have started to reallocate these premises in a progressive manner.

According to the current practice, the Management Committee of the schools which cease operation shall propose and, upon our approval, transfer the teaching equipment and items deemed useful or having saleable value to other schools in need of them, or donate them to charitable organizations. This is to ensure that available resources are put to gainful uses.

- (c) Whether or not to implement SCT is a professional issue concerning teaching and learning. SCT is not a means to address class

reduction resulting from the declining student population, an issue which is being tackled separately through a series of measures introduced by the Government. Furthermore, implementing SCT only in districts with declining student population is unfair to students in other districts. Nor is it consistent with the education philosophy. Hence, we do not consider the idea feasible. All along, the Administration acknowledges the direction of SCT. Given the significant long-term financial implications and the need for SCT to be complemented by sufficient support measures, the Administration is of the view that it should be strategically and carefully planned. Hence, in the 2004-05 school year, we started a study on SCT in 37 primary schools to assess the benefits of SCT in terms of students' academic as well as affective performance, and to identify the support requirements. Separately, in the 2005-06 school year, we launched a SCT scheme for primary schools with high concentration of disadvantaged students. The experience and outcome of the above two initiatives will provide input to the Administration in formulating a long-term and effective policy on SCT.

- (d) The School Building Programme serves various policy objectives. Some schools are built to meet the changes in demand for educational facilities arising from demographic changes. Some aim to inject diversity in the education system and provide choice for parents. Some are required to facilitate existing schools to offer whole-day education or to improve the learning environment by means of redevelopment and re-provisioning. We will adjust the Programme from time to time taking into account the population projections and prevailing developments in education. We will also review the provision of school places and the use of the school premises to ensure prudence and flexibility in the use of resources.

We have adjusted the School Building Programme in 2005 in the light of latest available population projections and other developments in education. The adjustments, including suspension and scope-reduction of a number of allocated school building projects, were reported to the Education Panel of the Legislative Council on 24 October 2005.

Annex 1

Table 1: Number of Primary One Students in Primary Schools by District, 2001-02 to 2005-06

<i>District</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>
Central and Western	3 117	2 873	2 599	2 387	2 208
Wan Chai	3 276	2 926	2 845	2 628	2 686
Eastern	5 194	5 125	4 603	3 993	3 734
Southern	2 703	2 499	2 429	2 179	2 031
Yau Tsim Mong	3 981	3 636	3 202	2 754	2 600
Sham Shui Po	4 393	3 598	3 708	3 395	3 454
Kowloon City	6 541	5 957	5 550	5 066	5 049
Wong Tai Sin	5 086	4 628	4 475	3 913	3 355
Kwun Tong	5 021	4 880	4 783	4 032	4 076
Sai Kung	3 466	3 458	3 326	3 313	3 115
Sha Tin	6 405	5 661	5 289	4 578	4 225
Tai Po	3 393	2 968	2 722	2 424	2 133
North	4 213	3 599	3 256	2 881	2 768
Yuen Long	6 387	6 665	6 602	6 029	5 509
Tuen Mun	6 075	5 397	4 888	4 389	3 877
Tsuen Wan	3 173	2 815	2 760	2 346	2 266
Kwai Tsing	3 941	3 931	3 769	3 467	3 399
Islands	1 167	1 299	1 294	1 404	1 258
All Districts	77 532	71 915	68 100	61 178	57 743

Notes: (1) Figures include government, aided, Direct Subsidy Scheme, local private and international schools, but exclude special schools.

(2) Figures refer to the position as at September of the respective school years.

Table 2: Number of Secondary One Students in Secondary Day Schools by District, 2001-02 to 2005-06

<i>District</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>
Central and Western	2 877	2 679	2 635	2 664	2 549
Wan Chai	3 238	3 253	3 010	2 926	2 872
Eastern	6 510	6 189	6 070	5 821	5 981
Southern	3 135	3 167	3 135	3 119	3 196
Yau Tsim Mong	3 476	3 115	3 130	3 118	3 154

<i>District</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>
Sham Shui Po	4 071	4 051	4 167	4 315	4 460
Kowloon City	7 001	7 129	7 051	7 061	7 156
Wong Tai Sin	4 399	4 654	4 560	4 641	4 661
Kwun Tong	5 882	6 279	6 386	6 402	6 344
Sai Kung	4 061	3 786	4 112	4 389	4 427
Sha Tin	7 985	7 895	7 802	8 172	8 109
Tai Po	4 649	4 554	4 164	3 946	3 793
North	4 565	4 358	4 228	4 197	3 970
Yuen Long	6 411	7 161	7 350	7 717	7 875
Tuen Mun	6 930	7 201	7 360	7 488	7 117
Tsuen Wan	2 558	2 573	2 611	2 494	2 507
Kwai Tsing	6 328	6 312	6 243	6 227	6 184
Islands	810	1 057	1 284	1 368	1 359
All Districts	84 886	85 413	85 298	86 065	85 714

Notes: (1) Figures include government, aided, caput, Direct Subsidy Scheme, local private and international schools, but exclude special schools.

(2) Figures refer to the position as at September of the respective school years.

Annex 2

Table 1: Projected Number of School-age Children for Primary One (Aged 6) by District, 2006-07 to 2010-11

<i>District</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
Central and Western	2 000	2 200	2 400	2 100	1 700
Wan Chai	1 100	1 200	1 400	1 100	800
Eastern	4 300	4 600	4 800	4 700	4 100
Southern	2 400	2 200	2 000	1 700	1 800
Yau Tsim Mong	2 200	2 500	2 900	3 200	2 700
Sham Shui Po	2 900	2 900	3 100	3 200	3 300
Kowloon City	2 800	3 000	3 100	3 100	3 000
Wong Tai Sin	2 900	2 900	2 600	2 700	3 200
Kwun Tong	4 700	4 900	4 500	5 000	5 500
Sai Kung	4 000	4 100	3 700	3 900	3 600
Sha Tin	4 600	4 800	4 800	5 100	5 000
Tai Po	2 200	2 300	2 200	2 300	2 300

<i>District</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
North	3 200	3 200	3 200	3 400	3 400
Yuen Long	6 200	6 000	5 700	5 700	5 400
Tuen Mun	4 700	4 800	4 300	4 500	4 200
Tsuen Wan	2 400	2 600	2 600	2 600	2 300
Kwai Tsing	4 400	4 600	4 400	4 400	4 700
Islands	1 900	1 800	1 600	1 500	1 500
All Districts	58 900	60 600	59 200	60 300	58 200

- Notes: (1) Figures refer to the position as at September of the respective school years. They are compiled on the basis of 2003-based projected population distribution by District Council district released by the interdepartmental WGPD in October 2004. Figures include estimates for cross-boundary students but exclude mobile residents.
- (2) All numbers are rounded to the nearest hundred and figures in the table may not add up to totals due to rounding.

Table 2: Projected Number of School-age Children for Secondary One (Aged 12), 2006-07 to 2010-11

	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
Overall Hong Kong (All Districts)	84 800	84 800	81 300	76 500	68 900

Note: Figures refer to the position as at September of the respective school years. They are compiled on the basis of 2003-based population projections released by the Census and Statistics Department in June 2004. Figures include estimates for cross-boundary students but exclude mobile residents.

Annex 3

Number of Schools which Ceased/will Cease Operation from 2001-02 to 2006-07 School Year

<i>District</i>	<i>Level</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>
Central and Western	Pri						
	Sec						
	Sp						
Hong Kong East	Pri			1	1		
	Sec						
	Sp						1

<i>District</i>	<i>Level</i>	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Island	Pri		1	2	2	1	2
	Sec						
	Sp						
Southern	Pri	2			1	4	
	Sec						
	Sp						
Wan Chai	Pri				1		1
	Sec						
	Sp						
Kowloon City	Pri						1
	Sec						
	Sp				1		
Kwun Tong	Pri		2			2	
	Sec						
	Sp						
Sai Kung	Pri				1		
	Sec						
	Sp						
Sham Shui Po	Pri						2
	Sec						
	Sp						
Wong Tai Sin	Pri						
	Sec						
	Sp						
Yau Tsim Mong	Pri					1	1
	Sec						
	Sp						
North	Pri				3	7	7
	Sec						1
	Sp				1		
Sha Tin	Pri						1
	Sec						
	Sp						
Tai Po	Pri			1	3		5
	Sec						
	Sp						
Kwai Tsing	Pri					1	2
	Sec						
	Sp				1		

<i>District</i>	<i>Level</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>
Tsuen Wan	Pri			1			
	Sec						
	Sp						
Tuen Mun	Pri					1	3
	Sec						
	Sp						
Yuen Long	Pri		1		1	4	8
	Sec						
	Sp						
Primary School Total:		2	4	5	13	21	33
Secondary School Total:							1
Special School Total:					3		1
Total for respective year:		2	4	5	16	21	35

Grand Total 83

Note: The numbers of schools which ceased or will cease operation listed above only include government and aided schools. Schools under Direct Subsidy Scheme and caput schools are excluded. Most of these 83 schools are located in remote areas, equipped with outdated or substandard facilities, or situated in housing estates affected by housing redevelopment schemes.

Annex 4

<i>District</i>	<i>Number of School Building Projects Completed during the 2001-02 to 2005-06 School Years</i>	<i>Number of Funded School Building Projects Expected to be Completed from 2006-07 School Year Onwards</i>
Central and Western	-	1
Wan Chai	-	1
Eastern	6	1
Southern	3	3
Islands	8	1
Yau Tsim Mong	1	-
Sham Shui Po	8	2
Kowloon City	9	4
Wong Tai Sin	6	1
Kwun Tong	15	1

<i>District</i>	<i>Number of School Building Projects Completed during the 2001-02 to 2005-06 School Years</i>	<i>Number of Funded School Building Projects Expected to be Completed from 2006-07 School Year Onwards</i>
Sai Kung	13	2
Sha Tin	3	3
Tai Po	3	-
North	4	2
Yuen Long	15	5
Tuen Mun	4	-
Tsuen Wan	1	-
Kwai Tsing	7	-
Territory-wide (All Districts)	106	27

Note: School Building Projects for special schools are not included.

Regulation of Spa Treatment and Massage Services

15. **DR KWOK KA-KI** (in Chinese): *President, it is reported that the number of complaints received by the Consumer Council about spa treatments has been on the rise in recent years, and a British organization has released a report warning that spa may cause serious harm to health, with the greatest hazard of possible contraction of Legionnaire's disease. However, numerous advertisements on the spa treatment and massage services are still found in newspapers and magazines. In this connection, will the Government inform this Council:*

- (a) *of the number of beauty centres or other organizations which provide spa treatment and massage services in Hong Kong in the past three years;*
- (b) *of how such services are regulated and the differences between such regulation and those on sauna rooms and massage establishments; and*
- (c) *whether it will consider enacting legislation to regulate spa treatment and massage services, including monitoring the*

environmental hygiene conditions, such as water quality and ventilation, in order to protect the health of consumers and employees?

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

President, it has come to our attention that there have recently been reports in local newspapers about cases in the United Kingdom of Legionnaires' disease found to be associated with spa treatment pools. In Hong Kong, Legionnaires' disease has been made a statutory notifiable infectious disease since 1994. To date, the Department of Health (DH) has not found any cases of Legionnaires' disease associated with spa treatment services.

The Consumer Council received 12, 18 and three complaints about spa treatment services respectively in 2004, 2005 and 2006 (as at May). Except three of the complaints in 2005 which were lodged against the hygienic condition of spa treatment facilities, the rest were all related to sale practice and service quality. Of the three said complaints, only one involved report of suspected skin allergy on the complainant after spa treatment.

My replies to questions asked by Dr the Honourable KWOK Ka-ki are as follows:

(a) and (b)

At present, we do not have a registration system to govern beauty parlours and therefore cannot provide the number of beauty centres with spa treatment and massage services. As far as massage services are concerned, under the Massage Establishments Ordinance, massage establishments being regulated under the Ordinance are required to obtain a licence from the police. As at June this year, a total of 187 massage establishments are licensed under the Ordinance. It should be noted that there is no specific legislation regulating spa treatment services. The Consumer Council has recently prepared and issued a Code of Practice for the Beauty Industry. The Code stipulates that establishments providing beauty care services should put in place appropriate disinfection facilities and measures, as well as a good ventilation system and should keep their environment sanitary and clean. The

Code also applies to beauty centres which provide spa treatment services.

- (c) The DH has been keeping close surveillance of diseases in Hong Kong but no public health concern about spa treatment and massage services have been found. Hence, we have no plan to regulate such services on public health grounds through legislation. Regarding Legionnaires' disease, the Prevention of Legionnaires' Disease Committee, convened by the Electrical and Mechanical Services Department, released a Code of Practice for Prevention of Legionnaires' Disease in 2000 which offers advice on the design, installation, operation and maintenance of air-conditioning and water supply systems for effective control and prevention of Legionnaires' disease. The Code is also applicable to the design and operation of spas. It stipulates that the water used in spas should be continuously recirculated, filtered and disinfected. Body fats on the sides of the spas should be removed and the filter should be cleaned regularly. There should also be good pH control to minimize the proliferation of micro-organisms.

Regulation of Radio Programmes

16. **MISS CHOY SO-YUK** (in Chinese): *President, it has been reported that a poll launched earlier by a radio programme allegedly involves blatant insults to women, reckless disregard for the morals of the community, and promotion of sex crimes. In this connection, will the Government inform this Council:*

- (a) *of the respective total numbers of complaints received in each of the past three years about the programmes of that radio station and other radio stations, together with a breakdown by the nature of such complaints; and*
- (b) *whether it has investigated if the above poll involves abetting indecent assaults on women or a breach of the Control of Obscene and Indecent Articles Ordinance; if it has, of the details of the progress of the investigation; if not, the reasons for that, and the maximum penalty for the offences involved?*

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

- (a) The Broadcasting Authority (BA) established under the Broadcasting Authority Ordinance (Cap. 391) is an independent statutory regulator. One of its functions is to secure proper standards of television and sound broadcasting with regard to programme content. The number of complaints about radio programmes dealt with by the BA in the past three years (from April 2003 to March 2006) and their breakdown by nature are at Annex.
- (b) As to whether the poll on "The Hong Kong female artistes I would most want to indecently assault" conducted by the radio programme "So Fab" broadcast on CR2 Channel of the Hong Kong Commercial Broadcasting Company Limited (CRHK) around midnight on 3 June 2006 involves abetting indecent assaults, the BA has referred the case to the Department of Justice for follow-up.

Publication of information on the Internet is subject to the regulation of the Control of Obscene and Indecent Articles Ordinance (Cap. 390). Since information on the Internet is voluminous and it changes very frequently, the Government, after consulting the public and the industry in 1996, has collaborated with the Hong Kong Internet Service Providers Association to formulate a code of practice which sets out the procedure of handling complaints and the action to be taken by Internet service providers. The normal practice is to request the parties concerned to post a warning notice about or delete web contents suspected of being indecent or obscene.

CRHK acted of its own accord to remove the poll from its website several days after it was posted thereon. According to the above established handling procedure, there is no need to follow up the poll content concerned under the Control of Obscene and Indecent Articles Ordinance.

The maximum penalty for the publication of an obscene article under the Control of Obscene and Indecent Articles Ordinance is a fine of \$1 million and an imprisonment for three years. The maximum penalty for the publication of an indecent article

breaching the Control of Obscene and Indecent Articles Ordinance is a fine of \$400,000 and an imprisonment for 12 months on first conviction, and a fine of \$800,000 and an imprisonment for 12 months on second or subsequent conviction.

Annex

Complaints about radio programmes dealt with by the BA
(1 April 2003 to 31 March 2006)

Nature of Complaints	CRHK				Metro Broadcast				Radio Television Hong Kong			
	2003-04	2004-05	2005-06	Total	2003-04	2004-05	2005-06	Total	2003-04	2004-05	2005-06	Total
Disturbing	1	5	9	15	0	1	0	1	3	5	6	14
Bad taste	1	3	12	16	1	0	1	2	0	5	5	10
Unsuitable for children/youths	31	25	15	71	1	2	4	7	9	7	11	27
Indirect advertising	3	1	5	9	2	3	2	7	2	6	4	12
Indecency	9	19	18	46	1	1	2	4	15	7	15	37
Denigration/disrespect	38	43	39	120	0	3	2	5	53	70	24	147
Language	97	51	41	189	4	5	5	14	23	10	10	43
Impartiality/prejudice to fair trial	81	63	64	208	1	2	0	3	320	55	56	431
Inaccurate or misleading material	33	27	28	88	8	8	6	22	46	17	27	90
Sex portrayal	3	1	2	6	0	1	0	1	2	0	0	2
Violence	2	5	2	9	0	0	1	1	0	7	2	9
Others	276	144	66	486	15	20	10	45	159	105	35	299
Total	575	387	301	1 263	33	46	33	112	632	294	195	1 121

New Cruise Terminal

17. **MR LAU KONG-WAH** (in Chinese): *President, as the Kai Tak Planning Review is underway, the plan to develop cruise terminal facilities in Southeast Kowloon (that is, the Kai Tai area) cannot be implemented in the near future. The Tourism Commission invited interested parties to submit, by 31 December*

last year, Expressions of Interest (EOI) for the development of a new cruise terminal, in order to ascertain whether there were suitable locations other than Kai Tak that might facilitate the earlier completion of the development of a cruise terminal. Regarding the progress of developing a new cruise terminal, will the Government inform this Council of:

- (a) the progress and outcome of the authorities' consideration of the EOI received last year;*
- (b) the timing for consulting this Council and the public on the location of the new cruise terminal; and*
- (c) the anticipated completion date of the new cruise terminal and the implementation timetable for the whole facility?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): President, Kai Tak has always been the Government's preferred location for the development of cruise terminal facilities. The Government has reserved land in Kai Tak for the development of cruise terminal facilities. The Planning Department is consulting the public on the planning of Kai Tak, which includes the proposed cruise terminal development.

In order to develop new cruise terminal facilities as early as possible, the Government invited interested parties to submit EOI at the end of last year. The EOI seeks to ascertain whether there are suitable and feasible locations other than Kai Tak for the development of a new cruise terminal. We received six suggestions. The Government is actively considering the suggestions from different aspects and other related issues such as the construction method for the cruise terminal, the authorization procedures and the implementation timeframe. We will inform the Legislative Council and the public of our position once we are ready.

Mainland Fishing Vessels Making Unauthorized Entry into Hong Kong

18. **MR ALBERT CHAN** (in Chinese): *President, I have recently received complaints from some fishermen that many mainland fishing vessels often make*

unauthorized entry into Hong Kong to fish illegally in the waters south of Lantau, including the areas near Peng Chau, Cheung Chau, Tai A Chau and Siu A Chau, and by means of illegal fishing methods, causing serious damage to the marine ecology. Hong Kong fishermen have repeatedly complained about this to the Marine Police and the Marine Department. However, the situation has not improved, but has also deteriorated recently. In this connection, will the Government inform this Council:

- (a) of the manning scale of Marine Police officers patrolling the waters south of Lantau, including the areas near Tai A Chau, Siu A Chau, Peng Chau and Cheung Chau in the past three years;*
- (b) of the number of cases involving mainland fishing vessels suspected of making unauthorized entry into Hong Kong and fishing illegally in Hong Kong waters in the past three years, and the respective numbers of cases in which the persons involved were prosecuted and convicted;*
- (c) of the existing penalties for the above offence; and*
- (d) whether it has taken any measures to tackle the problem of mainland fishing vessels making unauthorized entry into Hong Kong and fishing illegally in Hong Kong waters, so as to protect the rights and interests of local fishermen and the ecology of local waters; if so, of the details of the measures; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): President,

- (a) The waters off South Lantau cover the areas near Tai A Chau, Siu A Chau, Peng Chau and Cheung Chau and are close to the boundary between the waters of Hong Kong and the Mainland. They are heavily patrolled round-the-clock by the Marine Police. In the past three years, they are normally patrolled by two major launches of the Marine Police, each manned by no less than 11 officers, on a 24-hour basis.
- (b) At present, there are a number of legislative provisions governing the activities of non-Hong Kong registered fishing vessels in Hong

Kong waters. The main ones include the Immigration Ordinance (Cap. 115), Marine Parks Ordinance (Cap. 476), Fisheries Protection Ordinance (Cap. 171) and Shipping and Port Control Ordinance (Cap. 313).

Any non-Hong Kong registered fishing vessels in Hong Kong waters which are found not to have proper immigration clearance may be denied entry under the Immigration Ordinance. As far as mainland fishing vessels are concerned, according to the record of the police, the Marine Police have refused the entry of 699 such vessels in accordance with the relevant provisions of the Immigration Ordinance since January 2004.

Generally speaking, if the crew members of a fishing vessel enter Hong Kong waters without valid documents and are suspected of being engaged in unlawful activities, they will be regarded as illegal immigrants and arrested by the police under the Immigration Ordinance. Since January 2004, a total of 652 crew members of mainland fishing vessels have been arrested by the Marine Police for such offences and repatriated as illegal immigrants.

Furthermore, under the Marine Parks Ordinance, fishing is strictly prohibited in marine reserve. Fishing in marine parks is also an offence unless a permit is issued by the Country and Marine Parks Authority. There have been 20 cases in which mainland fishing vessels were prosecuted for illegal fishing in marine parks since January 2004. All the offenders in these cases were convicted and fined \$400 to \$1,000. Two of them were sentenced to imprisonment for two months, suspended for two years.

In addition, the Fisheries Protection Ordinance prohibits destructive fishing practices, including electrofishing as well as fishing with explosives, toxic substances, dredging or suction devices. Since January 2004, no mainland fishing vessel was prosecuted for carrying out in Hong Kong destructive fishing practices prohibited under the Fisheries Protection Ordinance.

Under regulation 6A of the Shipping and Port Control Regulations, all vessels, except those to which Part IV of the Regulations applies,

including mainland vessels, are required to apply to the Director of Marine by a pre-arrival notification for permission to enter the waters of Hong Kong. According to the records of the Marine Department, in the past three years, there were a total of three cases in which mainland fishing vessels were suspected of making unauthorized entry into Hong Kong. In two of these cases, the offenders were convicted under regulation 6A of the Shipping and Port Control Regulations.

- (c) Under section 3(1) of the Immigration Ordinance, all ships arriving in Hong Kong, except those exempted by the Director of Immigration under section 3(6) of the Ordinance, have to go through immigration examination at an approved immigration anchorage. Any person who without reasonable excuse knowingly contravenes section 3(1) of the Immigration Ordinance is guilty of an offence and liable on conviction to a fine of \$120,000.

Under the Marine Parks Ordinance, the maximum penalties for illegal fishing in any marine parks are a fine of \$25,000 and imprisonment for one year. Under the Fisheries Protection Ordinance, the maximum penalties for destructive fishing practices including the use of explosives, toxic substances, dredging or suction devices in Hong Kong waters are a fine of \$200,000 and imprisonment for six months.

If the owner and the master of a vessel contravene section 6A of the Shipping and Port Control Regulations without reasonable excuse, they are each liable to a maximum fine of \$40,000 on conviction.

- (d) The several ordinances mentioned above should be able to effectively prevent the unauthorized entry of fishing vessels from outside the territory into Hong Kong for illegal fishing. As for enforcement action, on a daily basis, there are 56 police launches patrolling Hong Kong waters, with 18 of them being major ones. If any person on a vessel which is from outside the territory is found to have committed any offence within Hong Kong waters under the laws of Hong Kong, the police will investigate and take appropriate law-enforcement action. Assistance will be sought from the law-enforcement agencies of the Mainland where necessary.

Currently, the Immigration Department is equipped with seven immigration launches for immigration control within the harbour. Apart from conducting immigration clearance for vessels at the three approved immigration anchorages (namely, the Eastern Immigration Anchorage, the Western Immigration Anchorage and the Tuen Mun Immigration Anchorage), spot checks on vessels are also conducted to detect immigration evaders within Hong Kong waters (mainly at typhoon shelters and cargo handling areas).

Moreover, the Marine Department will carry out patrols from time to time to prevent fishing vessels from outside the territory from operating illegally in Hong Kong waters. The Agriculture, Fisheries and Conservation Department (AFCD) also conducts frequent patrols in marine parks and marine reserve on a daily basis, including night patrols, to crack down on any activities contravening the Marine Parks Ordinance in these areas. Besides, the AFCD patrols Hong Kong waters from time to time to combat any illegal destructive fishing practices.

Apart from stepping up patrols and enforcement action, the departments concerned have closely liaised and worked with the law-enforcement agencies in neighbouring administrations to prevent the unauthorized entry of fishermen from outside the territory to fish in Hong Kong waters. The Administration considers that the existing measures are adequate to safeguard the interests of local fishermen and conserve the ecology of local waters.

Nursing Manpower of Siu Lam Psychiatric Centre

19. **DR JOSEPH LEE** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the number of patients in the Siu Lam Psychiatric Centre (Siu Lam) of the Correctional Services Department (CSD) and the establishment of its registered and enrolled nurses in the psychiatric stream in each of the past 10 years, as well as their present strength;*

- (b) *of the staffing standards for nursing personnel which have been formulated by Siu Lam over the past 10 years, and whether it has reviewed such standards in the light of changes in service demand; if it has, of the outcome of the review; if not, the reasons for that;*
- (c) *whether it will review the current demand and supply of nursing manpower at Siu Lam; if so, of the timetable for the review; if not, the reasons for that; and*
- (d) *whether it has forecast Siu Lam's demand for and provision of nursing care services and the related staffing establishment, in the coming five years, as well as whether there will be a succession gap in nursing manpower; if so, of the details?*

SECRETARY FOR SECURITY (in Chinese): President,

(a) and (b)

The average daily penal population of Siu Lam in the past 10 years is as follows:

<i>Year</i>	<i>Average daily penal population</i>
1996	268
1997	268
1998	240
1999	269
2000	252
2001	235
2002	245
2003	232
2004	249
2005	248

In 1995, the CSD reviewed the nursing manpower of Siu Lam with the assistance of the Hospital Authority (HA). At that time, there were altogether 30 officers who were qualified registered nurses (psychiatric) (RN(P)s) and 14 who were qualified enrolled nurses

(psychiatric) (EN(P)s) working in Siu Lam. Based on the results of the review, the CSD concluded that 97 uniformed posts in Siu Lam should be filled by officers with psychiatric nursing training, and among them 34 should be RN(P)s and 63 EN(P)s. Since then, the CSD has taken that as the staffing target for the nursing personnel in Siu Lam, and has gradually increased the number of staff with relevant qualifications in order to meet the target. At present, among the officers working in Siu Lam, there are 34 qualified RN(P)s and 65 qualified EN(P)s.

The nursing manpower of Siu Lam over the past 10 years is shown below:

<i>Year</i>	<i>Registered nurse</i>	<i>Enrolled nurse</i>	<i>Total nursing manpower</i>
1996	32	17	49
1997	33	14	47
1998	41	27	68
1999	38	34	72
2000	43	66	109
2001	44	71	115
2002	42	63	105
2003	42	63	105
2004	38	66	104
2005	38	66	104

The CSD reviews the nursing manpower of Siu Lam and other institutions from time to time. As the number of inmates in Siu Lam has been relatively stable over the past 10 years, the abovementioned staffing target for nursing personnel has remained unchanged. Nevertheless, the CSD has invited the HA to review later this year the latter's recommendations on the nursing manpower of Siu Lam made in 1995.

- (c) The CSD is planning to review its overall demand for and supply of nursing manpower within this year.
- (d) Based on the current manpower situation, the CSD expects that there will not be a succession gap in the nursing manpower of Siu Lam and other penal institutions in the coming five years.

Immunization of Babies

20. **MR MARTIN LEE** (in Chinese): *President, regarding the immunization of babies with the (i) diphtheria, pertussis and tetanus vaccine, (ii) poliomyelitis vaccine, and (iii) measles, mumps and rubella vaccine at the maternal and child health centres (MCHCs) under the Department of Health (DH), will the Government inform this Council:*

- (a) *among the babies born in each of the past 10 years, of the respective numbers and percentages of those who were immunized with the above vaccines;*
- (b) *among the babies born in Hong Kong in each of the past three years to mothers who were not Hong Kong residents, of the respective numbers and percentages of those who were immunized with the above vaccines;*
- (c) *among the babies born in Hong Kong in each of the past three years to the mainland wives of Hong Kong residents, of the respective numbers and percentages of those who were immunized with the above vaccines; whether it has studied if there are discrepancies between such percentages and those of the babies born to Hong Kong residents during the period, the factors leading to such discrepancies and the impact on the future health of the babies;*
- (d) *whether it knows how those women who are not local residents and have not received antenatal and post-natal care at the MCHCs can obtain the information about the immunization of babies, and whether it will consider placing materials containing such information in the public and private hospitals;*
- (e) *whether it knows if the babies who have not been immunized with the above vaccines in Hong Kong will be vaccinated after their mothers, who are not local residents, bring them back to the Mainland, and the incidence rates of the relevant diseases among those babies who have not been immunized; whether it has assessed the impact on the health profile of the Hong Kong population and the demand for medical and social services when the babies who have contracted*

the relevant diseases in the Mainland return to settle in Hong Kong in the future; and

- (f) *whether it will adopt measures to ensure that at least 95% of the babies born in Hong Kong are immunized with the above vaccines; if so, of the details of the measures; if not, the reasons for that?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
President, the MCHCs under the DH provide a continuum of services including prenatal and postnatal services for women and immunization services for infants and children.

The immunization services of the DH were developed according to the principles laid down under the Expanded Programme on Immunization of the World Health Organization (WHO). The service targets are infants and school children up to Primary Six with an aim to protect them from nine childhood infectious diseases, namely, tuberculosis, poliomyelitis, hepatitis B, diphtheria, pertussis, tetanus, measles, mumps and rubella.

Babies born in Hong Kong to fathers or mothers who are either Chinese nationals or Hong Kong permanent residents can obtain free immunization services at the MCHCs. In other words, children born in Hong Kong to non-local residents who are Chinese nationals can receive free immunization services. As for antenatal or postnatal services provided in the MCHCs, non-eligible persons have to pay for the services while Hong Kong permanent residents can obtain the services free of charge.

Generally, babies born in Hong Kong will be immunized with B. C. G. Vaccine, Polio Type I and the first dose of Hepatitis B Vaccine in the first few days after birth in hospitals. After their newborn babies have been discharged from hospitals, parents can take them to the MCHCs for immunization with vaccines for children aged from one month to one and a half years (such as diphtheria, pertussis and tetanus vaccine). They may also choose to take their children to a private doctor for immunization. As for Primary One and Six school children, the DH's School Immunization Teams will visit primary schools throughout the territory to administer the vaccination.

My replies to the questions asked are as follows:

(a), (b), (c) and (f)

The immunization services in Hong Kong are mainly provided by the MCHCs, with a small proportion of parents choosing to take their children to private doctors for the services. As the DH does not maintain any statistical data concerning the immunization services provided by the latter, we are unable to provide the respective numbers and percentages of newborn babies immunized with the above vaccines in each year. The MCHCs also do not have any statistical data on the utilization of immunization services by children born to non-local residents or babies born in Hong Kong to the mainland wives of Hong Kong residents.

However, in order to gauge the prevalence of immunization received among babies and young children in Hong Kong, the DH conducts regular sampling surveys on the immunization received by children in child care centres and kindergartens. In addition, as an established practice, the School Immunization Teams of the DH also collect routine statistics on immunization received by primary school children. These figures reveal that in the past 10 years, the immunization of the babies and infants in Hong Kong with the diphtheria, pertussis and tetanus vaccine, poliomyelitis vaccine and measles, mumps and rubella vaccine has reached an average coverage rate of over 96%, which is one of the places with the highest immunization coverage rate in the world.

- (d) Close liaison has been maintained between the MCHCs and obstetrics departments of various hospitals in Hong Kong. The MCHCs would provide their latest information, including their services and their addresses in different districts, for new mothers through the hospitals prior to their discharge. The mothers are also reminded by the hospitals to take their newborn babies to the MCHCs for the immunization services as soon as practicable.
- (e) Different places will develop different immunization programmes in the light of their epidemiological profiles. We understand that the mainland health authorities will arrange children of the appropriate age, including those of the floating population, for vaccination in

accordance with the immunization programmes of the individual provinces. Generally speaking, since both Hong Kong and the Mainland have developed their immunization programmes according to the standards of the WHO, the programmes of the two places are in general similar to each other. As for the incidence rates of the relevant diseases in the Mainland among those babies who have not been immunized, we do not have such statistics.

Before the babies are discharged from hospitals, hospitals would remind their parents to take them for vaccination according to schedule. For parents who intend to arrange for their babies to stay long in the Mainland, the MCHCs would remind them of the need to arrange for their babies to receive the relevant immunization in their place of residence according to the local immunization programme, and attach the reminder slips to their babies' immunization cards. We also understand that though some babies born locally are not living in the territory most of the time, their families will take them to Hong Kong for vaccinations regularly. Besides, in the course of administering immunization to primary school children, the School Immunization Teams of the DH will ensure that the school children have received vaccinations according to schedule and that vaccinations, if missed, will be readministered for school children where necessary.

The DH has put in place a mechanism to monitor the incidence of relevant diseases among babies who once lived in the Mainland but have returned to settle in Hong Kong. Information from the monitoring system on statutory notifiable diseases shows that reports of vaccine preventable diseases have, up to now, remained at the low end, and therefore has little impact on the overall health situation and medical and social services of Hong Kong. We will continue to keep close watch on the movement of the figures and take appropriate actions where necessary.

MOTIONS

PRESIDENT (in Cantonese): Motions. Proposed resolution under the Copyright (Suspension of Amendments) Ordinance 2001 to approve the Copyright (Suspension of Amendments) Ordinance 2001 (Amendment) Notice 2006.

PROPOSED RESOLUTION UNDER THE COPYRIGHT (SUSPENSION OF AMENDMENTS) ORDINANCE 2001

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. The motion approves the Copyright (Suspension of Amendments) Ordinance 2001 (Amendment) Notice 2006 made by the Secretary for Commerce, Industry and Technology.

When the criminal liability provisions relating to the possession of infringing copies of copyright works in the course of business took effect in April 2001, there were widespread public concerns that the new provisions would hamper dissemination of information in enterprises and teaching in schools. The Copyright (Suspension of Amendments) Ordinance 2001 (the Suspension Ordinance) was passed in June 2001, to suspend the implementation of the criminal liability provisions, but they still apply to computer programmes, movies, television dramas and musical recordings.

The Suspension Ordinance will cease to have effect on 31 July 2006. Under section 3 of the Suspension Ordinance, the Secretary for Commerce, Industry and Technology may, by notice published in the Gazette before the expiry of the Suspension Ordinance, amend the expiry date with the approval of the Legislative Council.

After the public consultation in early 2005 and extensive discussions with copyright owners and users, we introduced the Copyright (Amendment) Bill 2006 (the Bill) into the Legislative Council in March this year. The Bill contains a number of legislative proposals the main objectives of which are to enhance protection for copyright owners while taking into account the needs of users of copyright works. One of the legislative proposals is to incorporate into the Copyright Ordinance the existing scope of the business end-user possession offence as provided for under the Suspension Ordinance, that is, the criminal liability concerned only applies to computer programmes, movies, television dramas and musical recordings.

The Bill is now being examined by the Bills Committee of the Legislative Council which has received more than 60 submissions. In view of the

complexity of the Bill which touches on a number of copyright-related issues, the Bills Committee considers that more time will be required to examine the Bill and that stakeholder groups should be given sufficient opportunity to air their views. The Government therefore proposes to further extend the effective period of the Suspension Ordinance for 12 months until 31 July 2007, and the Copyright (Suspension of Amendments) Ordinance 2001 (Amendment) Notice 2006 has been made for this purpose. This proposal is supported by the Bills Committee.

Thank you, Madam President.

The Secretary for Commerce, Industry and Technology moved the following motion:

"RESOLVED that the Copyright (Suspension of Amendments) Ordinance 2001 (Amendment) Notice 2006, made by the Secretary for Commerce, Industry and Technology on 30 May 2006, be approved."

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

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

MR SIN CHUNG-KAI (in Cantonese): President, as the Chairman of the Bills Committee mentioned by the Secretary just now, I welcome the moving of this motion by the Secretary, so as to allow the Bills Committee sufficient time to complete its scrutiny. In fact, when the Copyright Ordinance was implemented in 2001, the public indeed voiced a lot of views. It is precisely due to the need to handle these complicated problems that the suspension has lasted as long as five years. This is quite a long period of time. As the Chairman of the Bills Committee, I hope that it will not be necessary to propose this motion again next

year. I am also confident that we will finish the work in this area in the next 12 months. The Bills Committee and I both support this motion.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Secretary for Commerce, Industry and Technology, do you wish to reply?

(The Secretary for Commerce, Industry and Technology shook his head to indicate that he did not wish to reply)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Proposed resolution under the District Councils Ordinance to approve the District Councils Ordinance (Amendment of Schedule 1) Order 2006.

PROPOSED RESOLUTION UNDER THE DISTRICT COUNCILS ORDINANCE

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I wish to move the resolution to approve the District Councils Ordinance (Amendment of Schedule 1) Order 2006. The aim of this subsidiary legislation is to put the entire Nob Hill, a private residential development which currently straddles Sham Shui Po District and Kwai Tsing District, into Sham Shui Po District, to enable the residents in Nob Hill to be included into the same constituency for the 2007 District Council Election.

Nob Hill currently straddles Sham Shui Po District and Kwai Tsing District and its residents have come under two different constituencies in the 2003 District Council Election and the 2004 Legislative Council Election. We consider that the anomaly should be rectified as soon as practicable, before the 2007 District Council Election.

We consulted the Sham Shui Po District Council, Kwai Tsing District Council and the residents of Nob Hill in February and March this year. The majority view of the residents supported the inclusion of Nob Hill into Sham Shui Po District.

The Chief Executive in Council made this Order at its meeting on 9 May 2006. The House Committee of the Legislative Council considered the Order at its meeting on 16 June 2006, and decided that there is no need to form a Subcommittee on Subsidiary Legislation to examine the Order.

Subject to the approval of the Order by the Legislative Council today, the Electoral Affairs Commission will proceed with the demarcation of constituency boundaries for the 2007 District Council Election having regard to the revised district boundaries of Sham Shui Po District and Kwai Tsing District.

May I ask Members to approve the Order to enable the proposal to amend the district boundaries be implemented.

Thank you, Madam President.

The Secretary for Home Affairs moved the following motion:

"RESOLVED that the District Councils Ordinance (Amendment of Schedule 1) Order 2006, made by the Chief Executive in Council on 9 May 2006, be approved."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' BILLS

First Reading of Members' Bills

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

**HONG KONG SOCIETY FOR THE PROTECTION OF CHILDREN
INCORPORATION (AMENDMENT) BILL 2006**

CLERK (in Cantonese): Hong Kong Society for the Protection of Children Incorporation (Amendment) Bill 2006.

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

Second Reading of Members' Bills

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

**HONG KONG SOCIETY FOR THE PROTECTION OF CHILDREN
INCORPORATION (AMENDMENT) BILL 2006**

MR BERNARD CHAN: Madam President, I move the Second Reading of the Hong Kong Society for the Protection of Children Incorporation (Amendment) Bill 2006.

The Hong Kong Society for the Protection of Children Incorporation has instructed me to act on its behalf to propose the Bill. The Bill is not related to public policy. It seeks to amend the stipulation on the internal affairs of a private body corporate. The Hong Kong Society for the Protection of Children (the Society) is regulated under the Hong Kong Society for the Protection of Children Incorporation Ordinance. The Bill aims to set up clearly the objects of the Society, in particular to extend the scope of services provided by the Society to include services to children and their families, and to take into account that in future, the work of the Society may possibly be extended outside Hong Kong. We also aim to widen the investment power by allowing the Society to invest its liquid funds in a diversified portfolio in the international financial markets, and to indemnify members of the Executive Committee of the Society against claims arising out of the performance or discharge of the duties, except the claims in respect of gross negligence, dishonesty and fraud.

Madam President, I so submit and urge Members to support it. Thank you.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Hong Kong Society for the Protection of Children Incorporation (Amendment) Bill 2006 be read the Second time.

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Four proposed resolutions under the Interpretation and General Clauses Ordinance in relation to extension of the period for amending subsidiary legislation. First motion: Extension of the period for amending the Security and Guarding Services (Fees) (Amendment) Regulation 2006.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR KWONG CHI-KIN (in Cantonese): Madam President, I move that the motion under my name, as printed on the Agenda, be passed.

At the Housing Committee meeting on 26 May 2006, Members formed a Subcommittee to study the Security and Guarding Services (Fees) (Amendment) Regulation 2006 tabled in the Legislative Council on 24 May 2006.

To give the Subcommittee sufficient time for deliberations and report to the House Committee the results of deliberation, I, in my capacity as the Chairman of the Subcommittee, move that the scrutiny period of the Regulation be extended to 12 July 2006.

Madam President, I urge Members to support the motion.

Mr KWONG Chi-kin moved the following motion:

"RESOLVED that in relation to the Security and Guarding Services (Fees) (Amendment) Regulation 2006, published in the Gazette as Legal

Notice No. 104 of 2006 and laid on the table of the Legislative Council on 24 May 2006, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 12 July 2006."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Extension of the period for amending the four items of subsidiary legislation made under the Deposit Protection Scheme Ordinance, which were tabled in Council on 24 May 2006.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR CHAN KAM-LAM (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed.

At its meeting on 26 May 2006, the House Committee formed a Subcommittee to study the four items of subsidiary legislation (Legal Notices No.107, 108, 109 and 110 of 2006) published in the Gazette on 19 May 2006 under the Deposit Protection Scheme Ordinance.

To give the Subcommittee sufficient time for deliberations and report to the House Committee the results of deliberation, the Subcommittee agreed that a motion be moved to extend the scrutiny period of those four items of subsidiary legislation to 12 July 2006. On behalf of the Subcommittee, I beg to move.

Thank you, President.

Mr CHAN Kam-lam moved the following motion:

"RESOLVED that in relation to the -

- (a) Deposit Protection Scheme Ordinance (Amendment of Schedules 1 and 4) Notice 2006, published in the Gazette as Legal Notice No. 107 of 2006;
- (b) Deposit Protection Scheme (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules, published in the Gazette as Legal Notice No. 108 of 2006;
- (c) Deposit Protection Scheme (Payment of Contributions, Late Payment Fees and Rebates) Rules, published in the Gazette as Legal Notice No. 109 of 2006; and
- (d) Deposit Protection Scheme Ordinance (Commencement) Notice 2006, published in the Gazette as Legal Notice No. 110 of 2006,

and laid on the table of the Legislative Council on 24 May 2006, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 12 July 2006."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Third motion: Extension of the period for amending the three items of subsidiary legislation made under the Electoral Affairs Commission Ordinance, which were tabled in Council on 24 May 2006.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR HOWARD YOUNG (in Cantonese): Madam President, I move that the motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting on 19 May 2006, Members agreed to form a Subcommittee to study the three items of subsidiary legislation published in the Gazette on 19 May 2006 under the Electoral Affairs Commission Ordinance.

To give the Subcommittee sufficient time for deliberation and report to the House Committee on the results of deliberation, I, in my capacity as the Chairman of the Subcommittee, move that the scrutiny period of those three items of subsidiary legislation be extended to 12 July 2006.

Madam President, I urge Members to support this motion.

Mr Howard YOUNG moved the following motion:

"RESOLVED that in relation to the -

- (a) Electoral Affairs Commission (Registration) (Electors for Legislative Council Functional Constituencies) (Voters for Election Committee Subsectors) (Members of Election Committee) (Amendment) Regulation 2006, published in the Gazette as Legal Notice No. 112 of 2006;
- (b) Electoral Affairs Commission (Nominations Advisory Committees (Election Committee)) (Amendment) Regulation 2006, published in the Gazette as Legal Notice No. 113 of 2006; and
- (c) Electoral Affairs Commission (Electoral Procedure) (Election Committee) (Amendment) Regulation 2006, published in the Gazette as Legal Notice No. 114 of 2006,

and laid on the table of the Legislative Council on 24 May 2006, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 12 July 2006."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Fourth motion: Extension of the period for amending the Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Commencement) Notice 2006.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS LI FUNG-YING (in Cantonese): Madam President, I move that the motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting held on 26 May 2006, Members decided that a Subcommittee should be formed to scrutinize the Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Commencement) Notice 2006.

In order to give itself sufficient time to report on the results of its deliberations to the House Committee, the Subcommittee has decided to move a motion to extend the scrutiny period of the subsidiary legislation to 12 July 2006. Since the Chairman of the Subcommittee cannot attend this meeting today, I shall move the motion in his stead.

Madam President, I urge Members to support the motion. Thank you.

Ms LI Fung-ying moved the following motion:

"RESOLVED that in relation to the Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Commencement) Notice 2006, published in the Gazette as Legal Notice No. 120 of 2006 and laid on the table of the Legislative Council on 24 May 2006, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 12 July 2006."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms LI Fung-ying be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Two motions with no legislative effect.

First motion: Developing Hong Kong into a regional education hub.

DEVELOPING HONG KONG INTO A REGIONAL EDUCATION HUB

MR JASPER TSANG (in Cantonese): President, I move that the motion on developing Hong Kong into a regional education hub, as printed on the Agenda, be passed.

President, put simply, an education hub is all about "welcoming outsiders and reaching out". By "welcoming outsiders", it is meant that we should induce and encourage students outside Hong Kong, especially outstanding students, to come and study here. For all stages of education, from elementary schooling to undergraduate and postgraduate studies, we should aim to induce more students from all parts of the world, especially the Mainland, to come and study here. By "reaching out", it is meant that the education services provided by Hong Kong educational institutions should be extended to places outside Hong Kong.

In proposing this motion, I wish to discuss three questions. First, why should Hong Kong develop into an education hub? What are the benefits to it?

Second, is it possible for Hong Kong to do so? Or, does Hong Kong possess the conditions necessary for becoming an education hub? Third, suppose we have the necessary conditions, are there still any obstacles standing in our way? What are the problems?

By moving this motion debate today, we hope that the authorities concerned and even the general public can thus form the conviction that Hong Kong should and can develop into a regional education hub. What kinds of additional efforts must the Government make in order to accomplish this task?

First, we have to discuss why Hong Kong should develop itself into an education hub and what benefits it can reap from this. We are of the view that in such aspects as education, economics and politics, there are bound to be very obvious benefits. We know that some educational institutions in Hong Kong have already started to admit non-local students. We have approached these institutions and all of them affirm that with the presence of students from different language and cultural backgrounds, local students' learning process can thus be facilitated in some measure. Besides, local students can also get to know more about different cultures and even master different languages. All this is definitely conducive to broadening their outlook. If Hong Kong is to maintain its status as a world city, we must endow our children with an international vision during their formative years, so that they can see things beyond the boundary of Hong Kong. If our institutions of higher education, and even schools providing basic education for that matter, can admit a greater number of students from outside Hong Kong and places far away, local students will surely benefit immensely in their learning process. What is more, this will also impact on our education system and curriculum design in various ways.

In terms of economics, the benefit of inducing more non-local students to come to Hong Kong is that while studying, they must also spend money on accommodation and daily living — if students come here for basic education, their parents will come as well. "Welcoming outsiders" is not simply about students coming here for their studies. It is also about the market in Hong Kong itself. Some renowned international institutions may be induced to establish their presence or run courses here. This is in a way a form of investment in Hong Kong, something that is conducive to our economic prosperity. Once attracted to Hong Kong, all these people may become part of Hong Kong's pool of talents after completing their studies here, thus serving as reinforcement for our army of economic construction.

In terms of politics, what are the benefits? One day, there may be some State leaders who once studied at the universities in Hong Kong. And, it may also be possible that the State President, the Vice-State President, the Chief Executive, Policy Secretaries and even Members are all old boys and girls of certain institutions of higher education in Hong Kong. If Hong Kong becomes an education hub, many young people in the Mainland will come to Hong Kong to further their studies.

We notice that very often, some reputable educational institutions in the world, such as the University of Oxford and the London School of Economics (LSE) in Britain and the Yale University and Stanford University in the United States, will make deliberate efforts to induce political figures from all parts of the world to study in their countries. They may even focus on attracting government officials and political figures from the Third World. A seminar held by one such university is very much like an international conference, for it is attended by talents from many different places. Then, when there is a genuine international conference, the participants may find that they are the old students of certain institutions — the LSE, maybe. If we can reach the stage where many mainland talents, especially high-ranking government officials, will also come to Hong Kong to further their studies, thus becoming our alumni, there will certainly be no communication problems.

At a more practical level, if we can become an education hub, if more Hong Kong institutions can establish their presence in the Mainland, and if more young students in the Mainland can come to Hong Kong for their studies, the two places, to say the least, will be able to enhance their mutual understanding. This will be beneficial to the development of "one country, two systems" in the future. Therefore, in terms of education, economics and politics, there will be marked benefits to Hong Kong if it can really develop into a regional education hub and a centre of education activities in Greater China.

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

But do we have the conditions necessary for becoming a regional education hub? I suppose we must not be too humble on this. We do possess advantages of our own. From the website of the *Jiangxi Daily*, I have found a news article that appeared in the newspaper yesterday. The news article is about the current

"Hong Kong education craze" in the Mainland. This means a Hong Kong schools craze. The article was also published in the *People's Daily* two days ago. As reported, although institutions of higher education in Hong Kong only offered 1 000 places for mainland students in May this year, there were more than 30 000 applicants. In the case of some popular institutions, there were even 50 applicants competing for one place.

When the journalist interviewed mainland parents and students and asked them why they liked Hong Kong schools so much, they mentioned many advantages. Some students even remarked that the institutions of higher education in Hong Kong present a very special charm and to be able to bask in that charm is already a wonderful learning process. But I do not know whether local students can also feel this charm. There are of course many other concrete advantages, one example being the abundance of world-renowned scholars.

As a matter of fact, in 2005, at least three universities in Hong Kong were ranked among the top 51 universities in the whole world by *Times* of Britain. In other words, three of the top 51 universities in the world were Hong Kong universities. Besides, the business management courses offered by the business schools of two local universities were also rated by *Financial Times* of Britain as two of the best 100 MBA courses in the whole world. We should recognize all these advantages of our own.

There is still one very important point to note if Hong Kong is to become an education hub — our language environment. There are many frequent complaints about the declining language standards of Hong Kong students (including university students). It seems that the elder generations all think that the situation is getting worse. In spite of this, however, education in Hong Kong is still basically bilingual. For instance, in our universities, and even secondary schools for that matter, English is still the common language of communication, not to speak of Chinese. That being the case, Hong Kong does possess an obvious advantage as a place of learning for foreigners from all parts of the world wishing to understand China more, to enter China and to get to know Chinese culture.

Back to my earlier point, why is there a "Hong Kong education craze" among mainlanders? The reason is that when mainlanders want to step outside the country and embrace the world, Hong Kong is their ready "springboard".

Since Hong Kong can provide such an environment, we certainly possess an advantage when we develop Hong Kong into an education hub. It is generally easy to adapt to life in Hong Kong, but even if we put this aside, foreign students wanting to know China better will still find it relatively easy to adapt to life in Hong Kong. At the same time, mainland students will also find it relatively easy to adapt to life in Hong Kong due to similarities in language and cultural backgrounds. Therefore, our advantage in this respect is very obvious and we do possess immense potentials to develop Hong Kong into a regional education hub and get the benefits mentioned by me just now.

We should admit that over the years, the Government has already made huge efforts and put in place many effective policies and measures. I believe that the Secretary will certainly talk about all this in great detail in his reply later on. I therefore do not think that I should give any array of achievements for the Government here. But I must add that, as can be noticed from the present situation, there should still be huge room for further improvement and there is still a very long way to go before we can realize the goal of becoming a regional education hub. The reason is that we still face various problems. Our development is still hindered by many constraints in respect of both "welcoming outsiders" and "reaching out". I believe that in the debate to follow, many Members — especially those belonging to the DAB — will certainly pinpoint all these obstacles.

One obstacle, for example, is that higher education institutions are still restrained by the admission quota. Although the quota for non-local students has already been raised from 4% to 10%, it is still on the low side. What is more, the institutions must self-finance the operating costs resulting from the 6% increase in admission quota. Consequently, it will be very difficult to cope with the various problems posed by the operating costs of tertiary education if the full quota is to be met. As far as our understanding goes, many institutions actually want to make it an ongoing policy to admit more non-local students, especially students from the Mainland, because their performance has been excellent. However, owing to resource constraints, such as the shortage of campus space, libraries, laboratories and activity venues, they must first consider the problem of additional facilities before enrolling more students. As a matter of fact, there is still a very serious problem of resource constraints.

What is more, immigration restriction poses yet another obstacle. The restriction has been slightly relaxed, but there are still problems. For example, many mainland students would like to stay behind and take further courses after completing their undergraduate studies in Hong Kong, but the Immigration Department will always refuse to grant approval if the courses concerned are not offered only by local institutions. Is it possible to remove such restriction?

Another example is that in many countries and places upholding the internationalization of education, full-time students are permitted to take up part-time jobs. But we know that this is a rather sensitive issue in Hong Kong. Is it much too harsh to strictly forbid non-local students to take up any jobs (with or without pay) in their spare time? Is it possible to explore ways of tackling such problems?

There is also the problem of hostel places. We know that there is a shortage of hostel places even for local students. If the number of exchange students is to be increased, if more non-local students are to be admitted and if even secondary schools are to enrol non-local students, ways must be identified to deal with the shortage of hostel places.

Deputy President, actually, we do not think that we are unable to tackle all these problems. As long as the Government has the determination, these problems can certainly be solved. The crux of the problem is our mindset. Therefore, while hoping that the moving of this motion can enable us to hold discussions and put forward concrete proposals, I also hope that we can forge a consensus and make everybody realize the benefits of developing Hong Kong into a regional education hub. There will surely be some conflicts. Some are worried that increasing the enrolment of non-local students may affect the admission chances of local students. Some are worried that once non-local students are permitted to work part-time, the "rice bowls" of Hong Kong people may be affected. These worries are of course justified, but having weighed the pros and cons, I still hope that a consensus can be forged. Let us all work together, so that all these problems can be solved (*the buzzer sounded*) and Hong Kong can be developed into an education hub. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Time is up.

Mr Jasper TSANG moved the following motion: (Translation)

"That, as Hong Kong's education services are diversified, its education programmes and academic qualifications are internationally recognized, and as it has established close ties with the Mainland, coupled with its background as a meeting point of Eastern and Western cultures, there are favourable conditions for Hong Kong to develop into a regional education hub; in addition, since promoting Hong Kong as a regional education hub will attract talents, enhance Hong Kong's competitiveness and help broaden the horizons of local students, this Council urges the Government to review the relevant policies and formulate measures to facilitate and attract more non-local students to study in Hong Kong, and encourage local education institutions to provide education services outside Hong Kong; the specific measures include:

- (a) relaxing immigration control to reduce barriers for non-local students aspiring to receive education at various levels in Hong Kong;
- (b) on condition that local students' opportunities to pursue further studies in Hong Kong will not be reduced, allowing tertiary institutions to increase the ratio of the admission quotas for non-local students;
- (c) on condition that the employment of local people will not be affected, allowing non-local students to take up part-time jobs while attending full-time programmes so that they can obtain relevant working experience and their financial burden can be alleviated;
- (d) providing affordable boarding facilities to non-local students by such means as granting land to schools and institutions at nominal premium for the construction of hostels or allowing the conversion of vacant school premises into hostels;
- (e) providing more scholarships for non-local students with outstanding academic achievements in specific subjects;

- (f) assisting local institutions to run schools in the Mainland, especially in the Pearl River Delta Region, to promote co-operation between the two places; and
- (g) establishing a dedicated department to promote Hong Kong's education services to the Mainland and overseas."

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

MR CHEUNG MAN-KWONG (in Cantonese): Deputy President, Hong Kong is a metropolis in Asia. Given its education and social conditions, Hong Kong indeed has the potentials to develop into an education hub of Asia.

Last year, the SAR Government started to permit local universities to increase their enrolment of non-local students from 4% to 10%, marking a milestone in the efforts of SAR universities to embrace Asia and the world. Naturally, the goal of becoming an education hub cannot be achieved overnight, for there must first be exploration and development before the stage of maturity can be reached. When compared with countries such as Britain, the United States and Australia, Hong Kong is still lagging far behind. But a thousand-mile journey must always begin with the first step, so Hong Kong must embark on the journey in this direction.

Academic standards are the most important factor determining the ability of universities to attract non-local students. And, they are also the lifeline of universities pursuing internationalization. Students contemplating furthering their studies in countries far away will always make academic standards the prime factor in selection. Over the past 10 years, the SAR Government has been continuously reducing its education expenditure. As a result, local universities have been plunged into the turmoil of pay cuts and layoffs, which affects the stability of universities and their academic staff. This has in a way weakened the potentials of the SAR in becoming an education hub, so the mistake must be rectified. If the mistake is not rectified, local students will only become the first victims in the long course of internationalization. This is nothing but putting the cart before the horse.

Deputy President, notwithstanding the goal of SAR universities to embrace the world, the backgrounds of their non-local students nonetheless show that they are just embracing the Mainland. They are not even embracing Asia, to speak less of the whole world. According to the statistics of the Education and Manpower Bureau, there were 5 200 non-local students in Hong Kong in 2005. Of these, 2 100 were reading for university degrees. But those from the Mainland already constituted 94%. Only some 4% came from the rest of Asia, and those from other parts of the world accounted for less than 2%. We must therefore admit that SAR universities are currently able to attract mainland students only, and that we are just at the starting point of becoming an education hub of Asia.

Hong Kong is an international financial centre, where the most popular academic disciplines among local undergraduates are economics, accounting, finance and electronics. These disciplines are the strengths that can enable our universities to embrace the world, but they are not appealing enough to students from Asia and the rest of the world, because non-mainland students will have many other choices besides Hong Kong. But even if we look only at mainland students, we can already observe that their coming here for studies will still benefit both Hong Kong and the Mainland.

The future economic development of Hong Kong cannot be separated from that of the Mainland, and both places are bound to prosper together. A greater number of students from the Mainland will help Hong Kong students know more about our country and expand their connections in the Mainland. The economic development of both places will also be promoted as a result. In brief, this will present invaluable experience to Hong Kong students. Therefore, we should permit mainland students to work in Hong Kong, and in order not to affect the employment prospects of local workers, we need only to set down an appropriate restriction on their maximum working hours per week. Besides, we should just seek to recover the marginal unit cost and maintain tuition fees at the reasonable level of \$80,000 to \$100,000 a year, so as to make sure that no non-local students will be deterred. Scholarships for mainland students should also be provided, so that even poor students with excellent results can also come and even stay behind to contribute to the development of Hong Kong. But the provision of additional hostel places is still the greatest problem. Even if we disregard the effects of the four-year university structure and also the demands arising from associate degree courses, there is still a shortage of 3 300 hostel places. This is in fact the greatest obstacle to our internationalization.

But embracing the Mainland is not quite the same as embracing the world after all, and internationalization cannot be achieved instantly. We can observe that in many great education powers like Britain, Australia and the United States, education has actually become an industry generating huge economic benefits. But at the same time, we may fail to realize that in these education exporters, all aspects of education — from the government level to the university level, from language to academic research, from teachers' qualifications to cultures, from marketing to promotion, from regulations to management, from fees to incentives, from student status to residency and from pursuit of studies to employment — are invariably backed by long years of history and experience and underlined by political and economic calculations. Hong Kong must not make any hurried attempts to achieve success. It must not forget its unique background, nor should it sacrifice the quality of university education and forget that local students are after all our most important service targets.

Deputy President, I am of the view that local universities must always accord priority to quality, and they should first admit more mainland students and then gradually extend the scope to overseas students, so as to build up their reputation as quality universities with an international outlook. They should not turn themselves into exporters of education for the sake of making profits. Instead, they should aim to provide quality education, to nurture talents for both China and Hong Kong. As long as local students' chances of receiving education and prospects are not adversely affected, then even if universities thus have to charge tuition fees at the levels of marginal costs, even if they cannot thus get any profits from mainland students and even if they have to offer scholarships to outstanding students, the whole cause will still be worthwhile and there will be a win-win situation. After the implementation of the four-year university structure, how many non-local students can be admitted without sacrificing quality? Should the ceiling be 15%, or 20%? These are questions that should be discussed internally by universities. The Education and Manpower Bureau should collect different views and try to forge a consensus.

Following this line of thoughts, I would think that the Education and Manpower Bureau should enhance its work of promoting Hong Kong education services both overseas and in the Mainland. It should also help enhance the co-operation, academic exchanges, co-ordination of academic programmes provision, student exchanges and mutual recognition of qualifications between mainland and local universities. All these are already enough and can keep our

universities very busy, so there is no urgent need for them to establish any presence in the Mainland. One lesson we have learnt since the reunification is that in the education sector, it is inadvisable to take any rash actions. Instead, things must be done step by step. Our universities should concentrate on their primary task of providing quality education to local people. Even if they aspire to embracing the world, they should still concentrate on Hong Kong students and then extend the scope to mainland students and students in the rest of the world. The reason is that this is the safest way of achieving internationalization, one which will not lead them away from their primary goal.

With these remarks, Deputy President, I support Mr Jasper TSANG's motion.

MR ANDREW LEUNG (in Cantonese): Deputy President, I am very glad that Mr Jasper TSANG has moved this motion to give us an opportunity to discuss this issue thoroughly.

Hong Kong is a world city in Asia. If we look at other metropolises in the world, such as London, New York, Paris and Tokyo, we will invariably notice one common characteristic — a huge pool of talents of all kinds. Many of these talents were once overseas students absorbed by the local education systems. They received their tertiary education in the host countries and have chosen to settle down for employment and take root there. Thanks to these quality overseas students from different countries, a wide variety of cultures and knowledge are introduced to the host countries, and local students are greatly benefited, for they are thus exposed to many new things and new types of knowledge that give them fresh inspirations and ideas. For example, famous design centres such as London, Paris and New York have all managed to stay at the forefront of design, thanks to their pools of design talents from all over the world and their ability to continuously attract such talents. What is more, many different countries have also been exerting their utmost to retain talents, so as to help develop and enhance their competitiveness and upgrade their level of technology and service quality.

As a member of the Vocational Training Council (VTC), I can observe that Hong Kong is well-qualified to become an education hub of Asia, especially in respect of tertiary education and vocational training. As a matter of fact, over the years, we have amassed enormous software and hardware and also an

immense pool of experience. If we can make use of all this appropriately, our potentials in this regard simply cannot be ignored or underestimated. The demands for professional design, tourism and business services are especially keen. The 11th Five-Year Plan announced by the State this year also covers the vigorous development of vocational education and the nurturing of professional talents. This will provide the Hong Kong education industry will yet another opportunity of development.

These days, the Financial Secretary and many other government officials have been advocating that we must actively attract and nurture as many talents as possible, so as to meet the challenges and grasp the opportunities in the 21st century, thus maintaining our competitive edge. Speaking of this, I am of the view that when we consider both the export of education services and the import of non-local students, we must link the two issues with the population policy and study them altogether. We should seek to attract non-local students more actively, give them appropriate nurturing and vigorously enhance healthy competition among local universities, so as to turn talents from all over the world into a valuable component of our manpower resource. In the long run, these students will provide fresh impetus to Hong Kong's sustained development.

In order to develop Hong Kong into a regional education hub, we must capitalize on our strengths and turn it into a centre of first-class education services. It is only in this way that we can attract quality overseas students. In this connection, the Faculty of Dentistry of the University of Hong Kong and the Prince Philip Dental Hospital can serve as fine examples. I must declare at this juncture that I am the Chairman of the Board of Governors of the Prince Philip Dental Hospital. Currently, five of the 50 dental surgery freshmen admitted every year are from overseas. And, 23 of the 79 full-time postgraduate students are from foreign countries. These overseas students must be able to pay the undergraduate tuition fee at \$60,000 a year (which will be increased drastically to \$70,000 next year) or the postgraduate tuition fee ranging from \$30,000 to \$190,000, and not only this, an overseas student must first out-compete at least 250 other overseas applicants before he can be admitted to the Prince Philip Dental Hospital. The only reason for such keen competition is that we have always stood at the forefront of dentistry training in Asia and are thus able to attract the best students in the region.

The Prince Philip Dental Hospital is just one of the examples. We hope that in conjunction with the Faculty of Medicine of the University of Hong Kong,

we can induce more overseas students with great potentials to receive training and develop their careers in Hong Kong, with a view to turning Hong Kong into a regional hub of medical training. Besides, all the eight tertiary institutions and the VTC actually possess their own strengths. The only thing that is lacking is policy support and co-ordination from the Government. On condition that the education opportunities of local youth are not affected, the authorities should permit local institutions to admit non-local students, relax the relevant entry restrictions, assist in solving the shortage of hostel places and offer other incentives. All these are indispensable. In order that local institutions can develop vigorously in this direction, the Government should take the lead and render them appropriate assistance. It should liaise and work in conjunction with overseas countries, with a view to stepping up the promotion of the Hong Kong education industry through various channels. Once we can open our education services to outsiders, upgrade the standards and create an image of internationalization, Hong Kong students can also benefit, because through their contact with overseas students, they can brush up their proficiency in foreign languages, broaden their outlook and assimilate different cultures to stimulate their thinking.

Currently, some 5 000 non-local students are pursuing studies at undergraduate level or above in the eight tertiary institutions. But, as mentioned by Mr CHEUNG Man-kwong just now, more than 90% of these students are from the Mainland. There are just some 400 students from overseas. This shows that there is still much room for us to admit more overseas students. In this connection, the authorities should consider adopting the practices of other countries. For example, a special organization similar to the British Council may be established to assist in promoting our education services. Focus should be placed on selling the blending of East and West in our society, its internationalized environment and high academic standards, so as to attract more non-local students.

Deputy President, education provides the strongest support to the maintenance of our competitiveness. It can help support the development of high technologies, design and unique brand names. Providing training to our own people is the easiest way to ensure that there can be a greater pool of the talents Hong Kong needs. But we must also attract overseas talents to make up for the shortage of local talents. For this reason, the Government must enhance the existing support measures and upgrade the quality of education and training

standards. This is the only way to attract more talents and promote the development of Hong Kong into a regional education hub.

Deputy President, I so submit.

MR WONG TING-KWONG (in Cantonese): Deputy President, the adoption of different measures to attract talents from other places for the purpose of enhancing Hong Kong's competitiveness has long since become an important topic in the discussions on further promoting our economic development. I note that the Commission on Strategic Development has already put forward many directions and policies in the earlier discussions on how to attract talents to Hong Kong. But it seems that all these recommendations have overlooked how best, from a practical angle, talents can be attracted to Hong Kong and how their admission can be facilitated.

Currently, non-local students wishing to pursue studies in Hong Kong face many entry restrictions. For example, mainland students wishing to enrol in private institutions, tertiary institutions offering non-local courses and self-financing programmes face many quota and entry restrictions. For example, if non-local students want to stay behind and enrol in any courses leading to the award of non-local qualifications after completing their studies in Hong Kong, they are similarly subject to quota restrictions and conditions of stay. We maintain that since institutions running self-financing courses are all requesting the Government to appropriately review the entry policy and increase the places for non-local students, the SAR Government should relax the restrictions on the types and modes of tertiary education courses open to non-local students, especially those from the Mainland.

I also wish to point out that one of the reasons for the appeal of many other countries to students from all over the world is their permission for overseas students to take up part-time jobs during the durations of their courses with certain restrictions attached. For example, in Singapore, overseas students must have completed a semester of studies and obtained the approval of their institutions before they can apply for permission to take up part-time jobs. And, the maximum number of working hours per week is 16. In Britain and Australia, there are similar arrangements.

Actually, permission for non-local students to take up part-time jobs during the durations of their studies here will not only relieve their financial burdens but also enable them to gain practical working experience in Hong Kong and enhance their exchanges with and understanding of Hong Kong people. This can enhance Hong Kong's image as an international city and also help induce and encourage them to stay in Hong Kong for employment after graduation. In the long run, this will certainly be very useful in amassing talents in Hong Kong.

We maintain that as long as the SAR Government can set down some appropriate restrictions on non-local students' engagement in part-time jobs, such as the maximum number of hours of work and the prior approval of their institutions, the impacts on Hong Kong people's employment opportunities will not be very great.

Another noteworthy point is that the Government will miss the excellent opportunity of pooling talents if it simply does nothing to stop the departure of non-local graduates after making all the efforts to perfect the relevant policies on attracting students with international vision, knowledge and potentials. As a matter of fact, in Australia, a policy to relax the restrictions on non-local graduates wishing to stay behind for employment was already put in place as early as 2001.

We therefore propose that the authorities should review the policy on non-local students staying behind for employment after graduation. The relevant restrictions should be relaxed as far as possible under the principle of facilitating their continued stay for employment. For example, after graduation, mainland students should be permitted to apply for permission to stay behind for employment without first returning to the Mainland.

We also notice that mainland students are subject to stricter restrictions when compared with their overseas counterparts if they want to stay in Hong Kong for employment after graduation. They must first get a full-time employment contract for no less than one year, and only holders of first degrees or above are permitted to apply for permission. Associate degree holders will have to apply for permission under the Admission Scheme for Mainland Talents. We consider that such restrictions are already outdated and incompatible with the aim of pooling excellent talents and enhancing our competitiveness. Nor can

they keep abreast of the international trend of continuously absorbing talents from the Mainland.

We can certainly understand that our proposals on relaxing entry restrictions will have implications on public security and even on our population and welfare policies. However, the DAB still hopes that the SAR Government can actively study the arrangements adopted by overseas places to attract students from all over the world. It is also hoped that the SAR Government can formulate measures appropriate to the actual situation. For instance, the restriction on non-local students' entry and exit, engagement in part-time jobs and continued stay in Hong Kong for employment should all be relaxed. That way, Hong Kong can attract more quality students and talents from all places, upgrade its international image and develop into a regional education hub.

I so submit.

DR YEUNG SUM (in Cantonese): Deputy President, during the formulation of the Budget this year, the Democratic Party proposed that Hong Kong should try to export its education services. It advocated that Hong Kong should capitalize on its advantages in the education field and seek to provide such services to mainland and overseas students. This would facilitate cultural and educational exchanges on the one hand and enhance our competitiveness and induce talents to study in Hong Kong on the other. Our proposals are quite similar to Mr Jasper TSANG's motion on "Developing Hong Kong into a regional education hub". For this reason, the Democratic will support Mr TSANG's motion.

In recent years, the student exchange programmes of local tertiary institutions have been maturing gradually. In the meantime, China has been progressing by leaps and bounds, so many foreign students would like to know more about China. Likewise, many mainland students would like to step beyond the territorial boundaries and broaden their horizons in other countries and places. Owing to its edge in the geographical position, Hong Kong is the ideal place for both mainland and overseas students to pursue their studies. Hong Kong students can actually benefit from their exchanges with mainland and overseas students during their courses of studies here. And, this can enhance cultural exchanges. Besides, through their contact with students from different

places, Hong Kong students can also improve their language proficiency and broaden their own horizons.

The tertiary institutions in Hong Kong are among the best in Asia, and most undergraduate courses in Hong Kong closely meet market demands and are taught in English. Our courses can meet internationally recognized standards and their contents are marked by the advantage of an international outlook.

Therefore, both the undergraduate and postgraduate courses run by Hong Kong universities are very appealing to mainland students. And, because of geographical proximity, mainland students in Hong Kong can maintain close ties with their family members.

Actually, an increasing number of mainland students have come to Hong Kong for studies in recent years. The number of mainland students attending first degree, postgraduate and research courses in Hong Kong has increased from 2 200 in the 2002-03 academic year to 4 800 in the 2005-06 academic year. There has been an increase of more than 100% over a short span of three years. The appeal of our courses is therefore evident.

The admission of mainland and Southeast Asian students to local university programmes can give our universities a new source of revenue, and in addition to this, the exchanges between non-local students and their local counterparts can also broaden the horizons of the latter, thus enhancing the internationalization of local tertiary institutions. If such talents can stay in Hong Kong after graduation, the shortage of quality manpower in Hong Kong will be significantly eased.

Owing to the continuous curtailment of resource allocation over the past few years, many tertiary institutions have started to capitalize on their respective strengths to induce more non-local students to study in Hong Kong. The Chinese University of Hong Kong and the City University of Hong Kong, for example, have joined the "National General Higher Education Admission Scheme", so as to make Hong Kong universities a possible option for mainland students. The Baptist University, on the other hand, has constructed a campus in the Mainland in conjunction with mainland institutions and started to admit mainland students.

However, if individual institutions are simply left to chart their own course and the Government does not provide any policy support, the effectiveness of all efforts will be greatly reduced. The Government should play a more active role by implementing more measures to assist tertiary institutions in widening their catchment area and expanding into the mainland education market.

Pinpointing the shortage of university facilities, the Government should allocate more resources for the construction of libraries, teaching blocks and student hostels, so as to meet the needs arising from the arrival of more new students and exchange students. At the same time, the issuing of student visas should be expedited. If the existing level of manpower cannot cope, more staff should be deployed to handle student visa applications. The Government may also consider relaxing the entry and stay restrictions on the family members of mainland students in Hong Kong, so as to induce more mainland parents to send their children here. It should also encourage the establishment of private scholarships for outstanding mainland students wishing to study in Hong Kong.

Deputy President, I have been teaching in university for quite some time and I have come into contact with many mainland students in recent years. Their academic results are excellent, and they are deeply impressed by the diversified social and campus cultures in Hong Kong. Our democratic and open environment is most appealing to them. Members belonging to the Democratic Party support the idea of developing Hong Kong into a regional education hub as proposed by Mr Jasper TSANG. They maintain that in the long run, this will have far-reaching and positive impacts on our economy, politics and culture.

With these remarks, I support the motion.

MR ALBERT CHAN (in Cantonese): Deputy President, one can dismiss any request or advocacy that Hong Kong should be developed into an education hub as something that is "easier said than done". It is always very easy to be lofty in one's words, but one may easily overreach oneself and all will thus become mere empty talks, a big hollow lie told to satisfy oneself.

An education hub must be vibrant with vigour, a kind of vitality that should even be capable of growing on its own. Any external force alone cannot

possibly turn Hong Kong into an education hub. An education hub must be marked by a steadfast pursuit of the truth and an impetus for development and progress, and there must also be a respect for and insistence on the significance of academic freedom. But after looking at the direction followed by our educational institutions in recent years, we are worried. Some years ago, a person in charge of the public opinion programme of the University of Hong Kong was invited to a meeting with the Vice-Chancellor. Afterwards, some even talked like a parrot, inflicting shame on academic freedom. A case like this can already threaten and destroy all academic freedom. But I simply fail to hear any criticisms of such threats to academic freedom from all those people or political groups in society who advocate the development of Hong Kong into an education hub.

For Hong Kong to become an education hub, it must free itself of its own constraints, so that it can become a genuine international city. And, local academic institutions must in the meantime develop into centres of international academic exchanges. But as shown clearly by the statistics cited by Mr CHEUNG Man-kwong just now, what is happening in Hong Kong is just that its academic institutions are turning increasingly Chinese in style. A great departure from their former international image has gradually emerged. Another trend is that nowadays, more and more university academics are Chinese. We of course hope that in a Chinese community like ours, the top posts in the local tertiary education sector can be filled basically by Chinese people. In fact, this is already the case in practice. But if we are to embrace the world, we must recruit academics from different disciplines and countries and make sure that all the top posts are filled only by people respecting academic freedom, instead of hiring any cultural lackeys to straitjacket academic and research freedom in our academic institutions. The heads of local universities were all appointed after a selection and screening process. Most of them have a technological background and even when this is not the case, the main posts are invariably filled by people regarded by the democratic camp as conservatives, or "royalists", or people having similar thinking.

In the case of the many foreign institutions mentioned by Members — Oxford, Cambridge or Harvard — the determination to defend academic freedom can be clearly seen in some simple examples. When it comes to same-sex marriages and the rights of homosexuals, I simply fail to see which local academic institution will come forth to champion such causes. But Harvard strongly supports same-sex marriages and the rights of homosexuals. Local

academic institutions often choose to exercise self-restraint, perhaps because the professors are worried about their "rice bowls" and thus do not dare to challenge to the so-called mainstream moral values in society or the value judgements of those in power.

The newspaper articles written by academics are mostly brief commentaries lacking in any in-depth or critical analyses. And, there is an especially serious lack of in-depth analyses on how the people in power or plutocrats have been ignoring the economic, cultural and academic needs of our society. I can remember that 30 years ago, when I was still at university, a very famous book entitled *The Vertical Mosaic* was published in Canada. In this book, a university professor explained the findings and observations of his long years of research and criticized and commented in great detail on the collusion among the powerful classes in society, especially those in the political and economic arenas. It is in fact very easy to conduct such research in Hong Kong, but as far as I can observe, no social science scholars of the universities in Hong Kong have ever conducted any in-depth studies or made any commentaries on the collusion between the Government and business and also the transfer of benefits in Hong Kong.

Therefore, Deputy President, while I totally support Mr Jasper TSANG's proposals and the stance of his motion, I still hope that our friends in the DAB can also realize that the development of Hong Kong into an education hub will require the relaxation of political restrictions, and that academic pursuits must never be subject to any political control, or else they are bound to become tools in politics. We observe that this is the case with many academic institutions in the Mainland.

Two years ago, when we discussed the development of Hong Kong into a cultural centre, I mentioned the point that some cultural personalities had become the hired guns of large consortia. Similarly, if an academic institution is controlled by a large consortium, or if any heads of universities choose to ignore academic autonomy and freedom in order to obtain the financial support of consortia, academic pursuits will also be controlled by the consortium. This means that political and financial manipulation will both affect the pursuit of genuine academic freedom. For Hong Kong to become an education hub, it must enjoy genuine academic freedom. And, political and financial manipulation must be eradicated. There must be no empty talks and we must take concrete actions to put this principle into practice. Thank you, Deputy President.

MR LI KWOK-YING (in Cantonese): Deputy President, last week the famous physicist Prof Stephen HAWKING paid a visit to Hong Kong on the invitation of a local university. It was not only a big event for the academic circles in Hong Kong, but it also shows our education sector enjoys a good reputation in the international community. Doubtless the standards of our tertiary education and the achievements in research have long been recognized by the international community. Hence a lot of world-renowned scholars have been attracted here to teach in our universities and do research here. With these favourable conditions, more and more students from the Mainland or elsewhere are attracted to pursue studies here. In 2005, the number of non-local students applying for enrolment in our tertiary institutions was close to 30 000 persons. Compared with 2004, there is an average increase of 100% and on average, more than 30 non-local students have to compete for one place in our institutions. From this, it can be seen that it is already a growing trend that the Hong Kong education system should further open up to non-local students. The Government should therefore formulate appropriate policies to ride on this trend.

Deputy President, the problem Hong Kong faces now is not one of lacking in local students, but that the tertiary institutions are constrained by the ratio of the admission quotas for non-local students. Hence they are unable to admit more mainland and overseas students. For a long time, the ratio of non-local students in the student population has only been maintained at about 4%. It was not until last year that the University Grants Committee (UGC) relaxed the restriction and increased the ratio of the admission quotas for non-local students to 10%. Although this can be considered an improvement, obviously it cannot meet the demands of non-local students aspiring to come to Hong Kong for studies. We know that our education system is different from that in other countries. Funding for our tertiary institutions comes mostly from the public coffers and the tuition fees charged on the non-local students may not be able to recover all the costs. Our tertiary institutions may not have the conditions to charge overseas students tuition fees higher than the costs in the way some of the famous universities elsewhere are doing. The DAB therefore thinks that this is not yet the best time to scrap this ratio of the admission quotas for non-local students. However, in a bid to promote the development of the education industry in Hong Kong, the DAB thinks that the UGC should relax the admission quotas for non-local students gradually. At this stage, the ratio may be further increased to 15%, and then to 20% in the long run.

Such a demand is not just put up by the DAB but also by the tertiary education sector which hopes that the Government can seriously handle this issue. The Vice-Chancellor of the University of Hong Kong announced last year the plan for the University over the next decade. He said that the quota of non-local undergraduates and graduate students would be drastically increased to 20% of the total enrolment or 2 500 persons. The Chinese University of Hong Kong, in a bid to create diversity on campus, also plans to increase the ratio of non-local students to 25% in the long run. Besides, the Committee on Economic Development and Economic Co-operation with the Mainland of the Commission on Strategic Development also suggested, during its discussions held earlier on the pooling of talents, increasing the ratio of the admission quotas for non-local students in the tertiary institutions. Since the tertiary institutions in Hong Kong as well as members of the public have this strong aspiration to a large admission of non-local students, the Government should proactively take matching actions by devising policies to support and facilitate the entry of overseas students into Hong Kong.

Deputy President, an important support measure for the non-local students is to provide accommodation for them. At present, the policy on hostel accommodation in the local universities is that students should be given at least one year in the course of their studies to experience hostel life. Unfortunately, as many as 27 500 undergraduate, postgraduate and overseas students need government-subsidized places in the hostels. Even if the hostel places under construction or planning are included, the UGC can only provide 24 200 hostel places. There is a shortfall of 3 000. However, we have to point out that the present planning on hostel places is determined by the number of students receiving subsidized education in Hong Kong and if more non-local students are admitted, then planning for student hostels should be undertaken again in order that non-local students can be housed in the hostels. The DAB thinks that if Hong Kong is to develop into a regional education hub, the authorities must provide more boarding places to students of higher education. The Government should adopt proactive measures such as granting land at nominal premium to schools and institutions for the construction of hostels or permitting the conversion of vacant school premises into hostels. Moreover, the Government may encourage institutions to forge partnerships with organizations like the Housing Society which are well-experienced in housing management for the construction and management of student hostels. This would provide better

accommodation to non-local students coming for studies here as well as meeting the needs of local students.

Deputy President, I so submit.

DR RAYMOND HO (in Cantonese): Deputy President, from the 1990s onwards, universities in Hong Kong have shifted from the focus on grooming elites to popularization. The number of universities has grown from just one, that is, the University of Hong Kong, to eight now. The percentage of school-leavers entering a tertiary institution (including enrolment in an associate degree programme) has increased from 6.5% to the target of 60%. The role played by tertiary education is constantly changing as universities shoulder the burden of manpower training to meet the rapid and ever-changing needs of society as well as satisfying other practical needs. A constantly changing environment does not only refer to changes in Hong Kong itself but also the strong trend of Hong Kong collaborating with the Mainland in various aspects while taking also into consideration the macro climate of developments worldwide in the economic and educational aspects.

I have always been encouraging the Government to increase the ratio of non-local students admitted into our universities. Previously, the ratio was capped at only 4%. Then the Government agreed to raise it to 8%. I am very pleased to see such a development. I recall a few years ago and in this Chamber, Prof Arthur LI, the Secretary for Education and Manpower, made an instant response and raised the ratio to 8%. Of course, now the ratio has been increased to 10% but in fact, many famous universities overseas have a ratio of foreign students as high as even 60% to 70% of the student population.

As a matter of fact, foreign or non-local students include those who come from the Mainland and Southeast Asia and even other countries. The Mainland now enforces an open policy and its economic growth is strong, so many foreign companies strive for access to the Mainland to look for business and collaboration opportunities. Since Hong Kong is placed in an excellent geographical position, it is well-liked by foreign students. If the universities in Hong Kong admit more foreign students, the local students may learn together

with the foreign students during the few years of university life. Local students can mix with students of various places and countries and different backgrounds. The exchanges between them would of course open up their eyes and broaden their horizons, thus enabling them to foster an international perspective and acquire better linguistic skills. All these are certainly beneficial to the university graduates and helpful to Hong Kong in moving towards internationalization and in the process of the globalization of professions.

There is ardent demand from mainland students for university places in Hong Kong and such a demand is growing stronger than ever. This is a source of inspiration for Hong Kong's development into an education hub in the Asia-Pacific Region. Mainland students have shown that they can perform well academically and in other respects. As a general rule, they have very competitive university entrance examination results. If these diligent students from the Mainland can influence the local students, a positive effect can certainly be achieved when they encourage each other. When these outstanding mainland talents can integrate into the international environment of Hong Kong, they can be expected to come off with flying colours later on. On the other hand, if Hong Kong can retain these talents, it would be vital to Hong Kong's role as a conveyor belt for talents and in enhancing our human resources.

With respect to the tuition fees for non-local students, the institutions may change the existing practice of only recovering the "additional direct costs" and charge them a higher tuition fee than that which the local students pay. This will not only increase the resources and income of the institutions but also promote competition among them, thus benefiting the development of tertiary education in Hong Kong.

To promote the long-term development of Hong Kong into a regional education hub and to groom and attract talents, the Financial Secretary suggested in the Budget released at the beginning of this year setting aside about \$350 million for the provision of 1 800 additional university hostel places. This will attract outstanding students from abroad to study here or come as exchange students and hence help create cultural diversity on campus. The UGC and the eight tertiary institutions welcome this for it will certainly attract more non-local students to come here. An increase in the hostel places is a win-win situation

for both local and non-local students for not only can more non-local students be attracted to come here but more local students can go overseas for exchanges, hence achieving a complementary effect on students of both places, that is, their mental and academic developments will be given a great boost.

Moreover, in an attempt to nurture and attract talents, the Budget also mentions that the Quality Migrant Admission Scheme will be launched in the first half of this year and as many as 1 000 professionals with high academic qualifications can be admitted each year. This Scheme which lifts certain immigrant restrictions will help remove some of the obstacles encountered by non-local students who hope to come to Hong Kong for education at all levels.

If Hong Kong can enter into a close partnership agreement with the Mainland in tertiary education, it would help foster collaboration and exchanges between Hong Kong tertiary institutions and their counterparts in the Pan-Pearl River Delta. If local tertiary institutions can set up campuses on the Mainland, it will certainly forge closer collaboration between both places. If a dedicated department is established to promote Hong Kong's education services to the Mainland and overseas, it will make non-local students know our education system better. In the face of globalization, any economy that can pool talents successfully will be endowed with the best conditions to forge ahead of others. Therefore, to maintain the competitive edges of Hong Kong, the best talents must be nurtured and attracted to enable Hong Kong to develop into a regional education hub.

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

MR PATRICK LAU (in Cantonese): Deputy President, doubtless Hong Kong has more favourable conditions than many other cities nearby in developing into a regional education hub. All along our schools, especially our universities, have been admitting a certain number of foreign students. Many of them decide to settle down in Hong Kong after graduation and this has contributed greatly to cultural diversity in Hong Kong which is characteristic of any cosmopolitan city.

I once urged in this Council to attract more foreign students to come here by building more boarding facilities. The Secretary for Education and

Manpower, Prof Arthur LI, did respond that university hostel places would be increased this year. This would enable Hong Kong to develop into an important regional education hub. Due to population considerations, the Government has in recent years cut the number of classes in schools and closed down many schools. This has affected many secondary schools. Besides forcing many teachers out of employment, many vacant schools will appear and they will be left unused. Mr Albert CHAN once took me to have a look at a school in Mui Wo which had been left vacant for a long time. This is a terrible waste. If the Government agrees to develop more boarding schools, then teachers who have been made redundant may rejoin the education sector and teach the students and these derelict schools may be refurnished and converted into boarding schools. This will meet the requirement that resources should be put into their best uses.

Deputy President, I think that these boarding schools should set aside some of their places to admit local students. Given our aim to pool talents from all over the world and expand the outlook of local students, we must provide the opportunity for them to learn, grow and live together. Only by doing so can our aim be fulfilled. Moreover, a quality boarding school can also serve to train up local students so that they can learn to be independent and disciplined from a young age. When these students are to work in society and open their eyes up to the world, they would certainly find it easier to communicate with other people of different cultural backgrounds. Hence they will be more competitive. In addition, when friends and relatives of these foreign students come to Hong Kong to visit them, they would do a certain amount of spending and sightseeing and this would bring benefits to our economy.

To encourage more overseas students to come here for education services offered at various levels, the original motion suggests relaxing immigration restrictions and this must be put into practice. I hope that the authorities concerned will seriously consider how a set of sound and effective student visa procedures can be drawn up in due course to facilitate the entry of foreign students.

Deputy President, as for the suggestion of allowing non-local students to take up part-time jobs while attending full-time programmes, I am especially in support of it. This is because when I studied abroad, I also washed dishes to pay my way through college. The reason why I support the suggestion is very simple, for history has shown that the more pluralistic the background and ethnicity of a society, the more advanced it will be in its political, economic and

cultural developments. Examples are the Tang Dynasty and France under the rule of the Young Sun King Louis XIV. It goes without saying that present-day cities like New York and London bear testimony to the truth of this view. Letting more foreign students take up part-time jobs in Hong Kong will enable them to mix better with the locals and help Hong Kong society become more pluralistic. Also, these foreign students will talk about Hong Kong to members of their families and recommend Hong Kong to them.

Seen from the above, we should support the idea of developing Hong Kong into a regional education hub as this is of tremendous advantage to our development prospects.

Thank you, Deputy President.

MR HOWARD YOUNG (in Cantonese): Deputy President, many Members have said earlier that they support the motion, and they have talked about the benefits of turning Hong Kong into an education hub. I would now try to add a bit of my personal experience.

I think apart from education, this is also related to the economic aspects, like the tourism industry which I am quite familiar with. Some airlines told me there were times that flights from Hong Kong to certain cities in Europe would be fully packed when it was not a holiday or a peak season for travel. Which route I am talking about? It is the Hong Kong-London route. The time is when what is called in Britain and in the States, mid-term examinations, are held in the boarding schools of London. The aeroplanes flying on this route would be fully packed. But no such thing happens to the routes to Paris, Frankfurt, and so on. Why? This is largely due to the great success of London — or Britain — in turning itself into an education hub that draws in people from all over the world to study there. Therefore, the parents will go there to visit their children during that period of time. I think some Members sitting here may have done the same thing.

Back in the olden days, transport between Hong Kong and Britain was not so well-developed and only one airline operated this route and it was the BOAC. Then there were chartered flights run by the British Caledonian. At first, it ran chartered flights for students. Why were there so many chartered flights for

students? This is because many Hong Kong people went to Britain for studies and this made Britain the busiest hub between Hong Kong and Europe. This has in fact helped London in becoming an aviation hub, for the reason that many people from the Middle East and the Far East would gather there. Hence, if Hong Kong can become a real education hub, I think it would be helpful to Hong Kong as another hub, that is, as an aviation hub as well. If parents of students from Southeast Asia or other places can come here during the school holidays, they would bring enormous benefits to Hong Kong.

However, Deputy President, I agree with many Members in their point that for Hong Kong to become an education hub, this is a task that cannot be expected to be completed by the Education and Manpower Bureau with its policy portfolio alone. As mentioned, problems like employment and immigration fall into the remit of the Security Bureau. These are also matters related to population policy and all these obstacles must be removed.

As far as I know, the United States, Canada and Britain allow foreign students to work within a certain prescribed limit. When students studying overseas work, the issue should not be seen simplistically as one of these students snatching the rice bowls of the locals. What the students do is to integrate with the locals through a relatively simple job they take up, make themselves more knowledgeable, mix with the locals and learn from their culture. All these are part and parcel of learning itself. So all places which welcome foreign students or those places aspiring to becoming education hubs would adopt a positive stance in terms of population policy, employment and entry visas.

Deputy President, speaking from my personal observations, I think among countries which have developed into education hubs, Britain is a success story. It may be due to the fact that Britain used to be a great colonial power and people from its colonies were attracted to the place. This is some historical background. Actually, I have an impression that Britain does not just regard its university education but also its secondary education as a major export business. Whenever education fairs are held in Hong Kong, such as those on education in Britain, we can see many booths set up by public schools from Britain. Though these public schools do not get any government funding, they are run systematically as businesses that aim at drawing foreign students to study there.

In this motion moved by Mr Jasper TSANG, apart from welcoming students from abroad, there is also mention of sending out education services, that is, on the possibility of universities in Hong Kong setting up campuses in other places. It has come to my attention of late that some famous universities in Beijing have set up campuses in cities like Zhuhai in the Pearl River Delta. This is of course sending out education services to other places in the country. I also know that a famous private architectural school from Britain is going to set up a campus in Shanghai. This is an example of how another country will send out education services apart from drawing in foreign students. This will be enormously helpful to the country's becoming an education hub.

Deputy President, apart from lending my support to this motion, I feel that the Education and Manpower Bureau should work hard to remove hurdles and barriers in other related areas before Hong Kong can be successfully turned into an education hub.

MR TAM YIU-CHUNG (in Cantonese): Deputy President, in recent years it has become a craze on the Mainland for students to go overseas for studies. Figures released by the UNESCO in May show that China is the country with the largest number of students studying overseas. Of almost every seven foreign students in the world, one comes from China. In view of this growing trend of studying overseas, the DAB thinks that Hong Kong can make good use of this trend to attract large numbers of mainland students to come to Hong Kong.

We notice that many mainland students earnestly hope to come to Hong Kong for studies. According to a poll done by a mainland website in which parents and students were asked questions like: Which do you prefer, study at a prestigious mainland university like Tsinghua and Peking or in a university in Hong Kong? The findings show that of the close to 3 000 respondents, 65% chose universities in Hong Kong. As a matter of fact, although the eight universities in Hong Kong will only admit 1 000 mainland students this year, as of end May, close to 30 000 people have made applications. In some institutions, the admission ratio against applicants is one place for 42 persons. Such keen competition testifies the great popularity of Hong Kong universities among mainland students.

According to mainland reports, many parents on the Mainland think that universities in Hong Kong are better than mainland universities in teaching and their academic standards are comparable to the prestigious universities overseas.

It would be harder for students to get good grades in a Hong Kong university than in a mainland university. Some mainland students even think that coming to Hong Kong to study would greatly help their personal development, employment prospects upon graduation and even further studies abroad.

Another thing which universities in Hong Kong are attractive to mainland students is that the scholarships offered are very inviting. Parents and students from the Mainland know very well that expenses for studying in Hong Kong are \$100,000 a year on average. However, the universities may offer scholarships to the students based on their grades and the maximum amount is HK\$100,000 per year. In the web poll which I have just mentioned, 60% of the respondents who prefer to come to study in a university in Hong Kong plan to apply for scholarships offered by the Hong Kong universities.

As a general rule, postsecondary or above qualifications obtained in Hong Kong enjoy worldwide recognition. This is also a reason why Hong Kong institutions are attractive to mainland students. In 2000, the Hong Kong institutions introduced the associate degree programmes in which reference was made to the community college model of the United States. Students can complete a two-year associate degree programme in Hong Kong before articulating with local and overseas universities. Recently, the SAR Government has lifted the restrictions concerned and students from the Mainland, Macao and Taiwan may come to Hong Kong to enrol in an associate degree programme. Therefore, when students have obtained associate degree or bachelor degree qualifications in Hong Kong, it would be of help to them if they wish to further their studies in North America or other countries.

In addition, compared with other hot destinations for overseas studies like Britain and the United States, Hong Kong is also attractive because of its geographical location. Students and their families and relatives can travel with great convenience between Hong Kong and the Mainland, saving up a lot of the transportation expenses essential to studying abroad. Also, life in Hong Kong and its food culture are very close to those in south China and there would be no problem for mainland students to adapt to life in Hong Kong.

The DAB suggests that Hong Kong should develop into a regional education hub and more non-local students should be admitted. Of course, this does not just mean that mainland students will be admitted, but also students from other parts of Asia as well. However, as there is a great demand on the

Mainland for coming to Hong Kong for studies and as Hong Kong possesses attractive conditions to the mainland students, we think that the authorities must seize this opportunity and attract mainland students to come over here for studies.

With these remarks, I support the motion.

DR KWOK KA-KI (in Cantonese): Deputy President, the motion moved by Mr Jasper TSANG today is actually very meaningful because it is about how Hong Kong can be developed into an education hub.

Earlier on we have discussed somewhat problems faced by the education sector in Hong Kong. Some time ago, we can see many primary schools closed down because of the fall in birth rate in Hong Kong. Soon this wave of school closures will sweep across the secondary schools. Since birth rate in Hong Kong is falling all the time, with the number of school-age children for secondary schools constantly declining, there may be a possibility that, in a few years, some universities will have to be closed down. So the topic of education hub which is the subject of our discussion today may eventually turn out to be the saving talisman for the eight universities in Hong Kong for the reason that it would be hard to find suitable students to fill up the tertiary places then.

There are two issues that need to be discussed. The first is the industrialization of education, and the other is the quality of education *per se*. Earlier on many Honourable colleagues have talked about how to turn education into an industry. Mr Howard YOUNG, for example, has just talked about how education can help better the aviation industry. Thus some Honourable colleagues may think that education may help improve our economy better. Actually, this is all right. There is nothing odd about Hong Kong if tertiary education is seen as a business, for it is a trend now. If we read any Chinese or English newspaper on Saturday, we will know what is going on in our community. Many universities, be they local or foreign, would place many ads in our newspapers and on every Saturday or Sunday we would find university information seminars held in the Convention and Exhibition Centre and in hotels. This is all right, no problem about it. Since Hong Kong is a business centre, I have no objection to turning tertiary education into an industry, that is, a kind of economic tool. I welcome this. After all, Hong Kong is a commercial city and there is nothing wrong about making money.

Then we should look at what in fact we are discussing. It is about how talents can be retained by developing tertiary education. Not long ago, many young people, including me when I was young, would want very much to stay in Hong Kong to further our studies and it was also because of our family circumstances that we could not afford to go abroad. Therefore, many brilliant students would stay in Hong Kong for university education. But over this past decade or so, I have seen many friends or young people I know choose not to study in Hong Kong. The Secretary is certainly aware of this situation, for his two sons are studying in some famous universities in the United Kingdom. They will then stay in the United Kingdom to develop their professional careers. The Secretary is certainly not an exception, for many of his counterparts — top officials in the Government — have likewise opted out the tertiary institutions or universities in Hong Kong and they would not send their children to study there. Why?

If we look at the figures, we will find that Hong Kong is doing very well in everything. First, our recognized university places are increasing all the time and together with the associate degree places, the age participation rate here is as high as 66%. This is amazing. The Government has also put in a lot of resources and the number of recognized universities has increased from two in the past to eight now. The figures we have are even more stunning. The universities churn out press releases claiming that a certain university in Hong Kong publishes the greatest number of articles in academic journals, that a certain university ranks first in the world or second in the world, and so on. Why can the young people not be drawn to these local universities despite all this publicity? Why can these not make the parents send their children to study in local universities?

We should know that the hollowing out of our universities is the result of a change induced by our education policy. Now people in the tertiary education sector think that everything can be explained by figures. People count the number of articles published in a department with peer review undertaken. The number of academic conferences attended is counted. Then there is the number of citations made to the literature. All this is quantifying everything. But can the quality of our students be enhanced because of all these or will the academic standards of our teachers and professors be raised? In my opinion, this is not necessarily the case. This is my greatest concern.

When we want to attract foreign students — including those from the Mainland — to come here, the first question we need to ask ourselves is what we can give them. First, if we think that education is a commodity, fine, no problem about it. It is because commodities can be dealt with very easily. If anyone wants to get a permanent right of abode in Hong Kong, we can tell him that all he should do is to study in Hong Kong for seven years and then he can be a permanent resident of Hong Kong. Then there will be lots of people coming here for studies. Second, if we say that people who study here can work here, this is also fine. A lot of people would think of studying here while taking up part-time jobs. Third, we can allow students who study here to come to live here with their family members, and we can even require them to spend \$200,000 a year in Hong Kong and that their family members must visit them five times a year. But is this the future direction for education in Hong Kong?

I would like to take this opportunity to review some of our fundamental problems. Now we can see there is a not so desirable trend among the tertiary institutions in Hong Kong and that is, many of the presidents and professors in the universities are striving to attain some objectives spelt out in numbers. They work hard to raise funds to meet a certain target in order to match with funding from the UGC. They use all sorts of ways and means like naming buildings and departments to honour the donors. Then there is this mechanical adherence to the number of academic publications. They set a quota on the number of articles that must be published every year. They work in order to meet this quota and never care about the quality of education. We have had outstanding scholars like Prof YAU Sing-tung, Prof NG Ka-wai, and so on. Some of them have studied in Hong Kong while some have not. But the fact is, at that time in the past Hong Kong did not have so many resources and the professors then were not required to publish articles.

(THE PRESIDENT resumed the Chair)

I hope therefore that the education authorities or the Secretary can give some breathing space to the universities by removing these targets in academic publications or other kinds of requirements that must be met. These will prevent university education from being fettered by a need to fulfil quantified or hollow targets.

Recently, a controversy appeared and I do not know what to say about it. It was about the Secretary who had a debate with a university president on the associate degree issue. The contentions have become the talk of the town. This is fine. I understand that the Secretary may wish to defend his policy on university education and it is also perfectly fine to organize associate degree programmes, but when his debate with that university president becomes politicized, a big crisis may emerge. I hope the Secretary can rethink it.

I so submit.

MISS CHOY SO-YUK (in Cantonese): President, the birth rate in Hong Kong is persistently low and there is on average less than one child to every family in Hong Kong. The consequence is a constant shrinking of the basic education sector which is struggling hard for survival. In the face of the threats of cutting classes and school closures coming all the time, people in the education sector live in fear and they are worried about the sector, thinking that there will be no sustainable development of it. For Hong Kong which claims to be the world city of Asia and a place where talents pool and converge, signs like these are nothing but stark mockeries. In the long run, these will eat into our competitiveness and so they must be addressed squarely.

The simplest solution and one which can bear obvious results is to open the floodgate and let mainlanders come here for education. This will certainly achieve an instantaneous effect in expanding the education market, increase income for schools as well as pool and attract talents and sharpen our competitive edge. The question remains whether or not the Government is willing to launch matching policies.

President, it is already an international trend to open up the education market. Opening our education services to the mainlanders will not just serve to broaden the international outlook of local students, increase their knowledge of various places and cultures and exchanges with other people, ties with the Mainland may even be enhanced as a result.

From the practical perspective, pursuant to the judgement handed down by the Court of Final Appeal, children born in Hong Kong of mainland parents will be given the right to be permanent residents of Hong Kong automatically. When these children are given permanent residency, why can we not accept

students who pay for their education and study in Hong Kong? Another thing is that more and more children born on the Mainland of Hong Kong parents will apply for entry into Hong Kong on grounds of family reunion. This would be inevitable considering the prevalence of marriages between Hong Kong and mainland residents. In such circumstances, there will be many children who aspire to coming to Hong Kong for education but they have not yet met the immigration requirements. Their applications for entry into Hong Kong will not be entertained. The parents of these children may want very much to see their children come to Hong Kong and study here at a young age as this will facilitate their integration with society. But they will be disappointed. Then we had better open up primary and secondary education early to these people and set up some formal channel for these school-age children and allow them to come here as students. This will likewise help them know more about the system in Hong Kong and get used to living here. It will result in earlier integration and adaptation, and they can contribute to society sooner. On the other hand, the schools which are having a hard time to survive and infested with the problem of under-enrolment can be given a shot in the arm and the local education sector will be strengthened.

Specifically, if the Government is to encourage mainland students to come here, there should be relaxations in immigration policy. Examples are streamlining the application procedures, speeding up the vetting and approval time, and lifting the restrictions on mainlanders coming to Hong Kong for studies. Mainland students can then be allowed to enrol in schools in the private sector as well as in direct subsidy scheme primary and secondary schools. At the same time, the authorities can take the initiative to consider the various needs of students coming to Hong Kong in a comprehensive manner so as to foster a sound matching environment to attract them here. An example is to introduce a guardian system to protect and supervise mainland students during their stay in Hong Kong.

Certainly, we know very well that these students are not Hong Kong residents and so to be fair, we should collect tuition fees from them under the full cost recovery principle. President, we have a talent admission scheme to attract professionals to come here and we also have a scheme for capital investment entrants whereby a person who makes an investment worth \$6.5 million in Hong Kong can become a Hong Kong resident. Despite this, I fail to see a more important investment than that in talent. If people can come here and live provided that they have money, then I cannot see why some outstanding students

cannot be allowed to come here to further their studies and eventually become citizens of Hong Kong.

President, I so submit.

DR FERNANDO CHEUNG (in Cantonese): Tertiary education in Hong Kong is acquiring an increasingly international outlook. The unique position of Hong Kong has for many years made the territory a window on the world. Now as we claim ourselves Asia's world city, it is only natural and reasonable that we should broaden our outlook in education, especially in tertiary education, by admitting students from all over the world to study here. In my opinion, the Government has been quite positive on this issue. In 1998, it was stated clearly in the Chief Executive's policy address that the admission of non-local students facilitates the cross-fertilization of skills and ideas, injects an element of healthy competition for local students and broadens our students' outlook and this would certainly be helpful in consolidating our position as the hub of tertiary education in the Asia-Pacific Region. Such a direction is confirmed in a University Grants Committee report released in 2004 entitled "Hong Kong Higher Education: To Make a Difference, To Move with the Times" as well as in the policy address delivered by the Chief Executive in 2005.

If we look at the figures, we can find that the proportion of non-local students in our tertiary institutions has grown. Before 2002, it was about 1.5%; it grew to 4.5% in 2002-03 and in 2005-06, it reached 10% with a further relaxation of the restrictions. From these figures, it can be seen that the Government and the institutions have taken a proactive stand on this issue and the management of the institutions is prepared to take in more non-local students. Some Honourable colleagues have said earlier that The Chinese University of Hong Kong hopes that the rate can be increased to 25% and this is rather aggressive.

Let us see what has been done over the past few years on making tertiary education in Hong Kong acquire an international outlook and what is meant by internationalization in actual practice. The latest figure, that is, of 2005-06 puts the total number of non-local students at over 5 200 persons, and more than 90% of them come from the Mainland. As we say going international, it turns out that what we are doing is having more than 90% of our non-local students come from the Mainland. By going international, we are just going closer to the Mainland. We are not reaching farther out to the world. We are only going

farther into the Mainland most of the time. In this regard, I think Members will understand that Hong Kong has its unique qualities which, after the reunification, have made the territory very attractive to mainland students in many respects. This is not a bad thing, but we should bear in mind that of the resources we use in training up talents, some of them are supposed to be used on training talents to acquire an international outlook and now most of such resources are used on training talents from the Mainland. What is the situation of training mainland talents? From what we have seen, mainland talents come to Hong Kong with the mentality of using Hong Kong as a springboard. They seldom stay in Hong Kong after graduation. Most of them would return to the Mainland. When going international is like this, what good will it do to Hong Kong?

Now university-age students take up 18% of the subsidized university places. Dr KWOK Ka-ki asked earlier whether or not the slashing of the number of classes in primary and secondary schools would appear in the universities. I do not think this will ever happen. This is because presently only less than one fifth of the school-leavers can be admitted into a university to take up a subsidized place and receive training funded by public money. If we offer such resources to students coming mostly from the Mainland, we have to think about the impact on the needs of the local students. When competition is so keen among our students, how can we be so ambitious and aggressive in this matter? As a matter of fact, if we do not offer subsidized university places to mainland students — the Secretary knows very well that currently university tuition fees only recover about 18% of the costs and though the figure now is higher than previous figures, if students are to pay \$40,000 a year as tuition fees, that means the annual costs for a university student are as much as \$200,000 — in such circumstances, can more mainland students be attracted to come to Hong Kong? No, absolutely not. If fees are charged at full cost, just imagine how many mainland students can afford paying tuition fees of \$200,000 a year and study in Hong Kong? If they can afford such a sum of money, they would have chosen to go abroad for their studies. Going abroad would truly be going international for them and there would not be any need to come to Hong Kong. So what in fact are we talking about? Are things like what Mr TAM Yiu-chung has said about associate degrees? Now associate degree programmes charge from \$30,000 to \$50,000 a year. But what is the quality of these programmes? These associate degree programmes should be improved. There are also many things that we should factor in. If we want to become international on a massive scale, would this make tertiary education in Hong Kong some kind of an industry, a commodity? If the universities in Hong Kong want to attract talents,

what we should do is to raise our academic standards, respect the research efforts of local scholars, give them a free rein, input more resources and take into account the needs and aspirations of local students for better development. If we just see tertiary education as an industry, a business, this is not a right track or direction for development.

There is nothing wrong about going international. As an international city, Hong Kong should attract more talents. But I hope this attempt to become international will not mean going into the Mainland. I hope very much that through upgrading our academic standards that more international students can come here to study and make their contribution. Thank you, President.

MS SELINA CHOW (in Cantonese): As early as in 2003, the Liberal Party raised the concept of turning education into an enterprise to the then Chief Executive, Mr TUNG. Being an enterprise does not mean commercialization. I do not know if Dr CHEUNG knows that in some very successful countries, like the United Kingdom, education there is very much an enterprise. Many of our children go to these so-called independent schools for studies. An independent school is actually run as an enterprise, but that does not mean that it is only after money or it is making profits for any person.

Our main idea is that to develop education into an enterprise should open up education services in Hong Kong to overseas and mainland students while not increasing any pressure on public spending and on the premise that no local students will find their opportunities of further studies adversely affected.

There are two major merits in this. On the one hand, this will make our education system acquire an international outlook and more exchanges will raise overall standards and broaden the outlook of the students. On the other hand, this can attract outstanding talents to Hong Kong and hence make Hong Kong more competitive. The suggestions made by the Liberal Party at that time can be said to dovetail with the concept behind the motion moved by Mr Jasper TSANG today. Therefore, we are very much support his motion as it is very important to think about how Hong Kong can be turned into an education hub. Now I would like to talk about three areas which I am familiar with or more concerned about and which I think more can be done to attract non-local students.

What areas have I got in mind? The first one is naturally tourism as this is my line of business. The tourism industry in Hong Kong is actually quite well-known throughout the world. Only that Hong Kong people may not be aware of it. Compared to other tourist destinations, the Hong Kong tourism industry is not bad at all in the eyes of the foreigners. Trades that have a direct relationship with the tourism industry such as the airlines, hotels and travel agencies are well-recognized. Members know that currently many academic programmes on tourism are available. This is due to the great support given by the Government to the tourism industry in recent years, and so the industry has thrived. Many institutions are offering this kind of courses and they are not limited to courses in trades that bear direct relevance to tourism but also those that have an indirect relationship with it, such as the retail industry and the catering industry which resemble the tourism industry in many respects. There are also some matching degree and associate degree programmes offered.

Examples of well-known ones are: the degree programme in hotel and catering management in The Hong Kong Polytechnic University, the degree programme in hotel and tourism management in The Chinese University of Hong Kong, and the higher diploma in tourism and hospitality management at the School of Professional and Continuing Education of the University of Hong Kong. Apart from these programmes at a somewhat higher level, there are also programmes organized by the Hong Kong Institute of Vocational Education, the Hospitality Industry Training and Development Centre and the Chinese Cuisine Training Institute under the Vocational Training Council (VTC). The Open University of Hong Kong also offers training programmes to employees of the tourism industry at post-secondary levels. When added to some diploma programmes offered by some other private sector institutions, the number of places in these academic programmes is as many as 8 000.

Response to these programmes is overwhelming, as evident in the enrolment. Figures show that in the academic year of 2005-06, as many as 1 100 persons are enrolled in the seven UGC-funded degree and associate degree programmes in tourism and hotel management. The number represents a 20% increase over that in 2003-04. As for the VTC, applicants for its related programmes increased by 43% over that in the academic year of 2003-04 and there are some 6 000 places in the relevant programmes run by the VTC. Currently, in the tourism sector, hotels are completed successively and firms in related trades opened. I am convinced that we would be very attractive in this regard and people from other places who wish to undergo such training would

look up to Hong Kong as a training centre. I think the Government should do as much as it can to give its support.

In addition, Hong Kong also has a vital strength in the field of education and that is, in the discipline of business administration. As we all know, the *Financial Times* of the United Kingdom released a global MBA ranking chart two years ago. The MBA programme jointly offered by The Hong Kong University of Science and Technology and the Kellogg School of Management of the Northwestern University in the United States ranked second in the world and it is the only Asian university on the chart. As for the Faculty of Business and Economics at the University of Hong Kong, following its forging of a partnership with the world-famous London School of Economics last year, it has recently reached an agreement with the School of Business at the Columbia University which ranks fourth in the world to offer exchange programmes. It can therefore be seen that business schools in the universities in Hong Kong not only enjoy a high academic standard but also actively and frequently engage in academic exchanges with their overseas counterparts. Such activities help develop in Hong Kong an edge which, when coupled with our own world-class business environment and opportunities for development, is very attractive to students from neighbouring places, especially those from the Mainland. It is believed that many non-local students will come to Hong Kong for studies because of this reason. These students of a high academic standard will help raise the overall standard in our universities and become the talents we crave.

The third area is our international schools. At present, there are 56 international schools in Hong Kong with 34 000 primary and secondary places in total. In terms of teacher qualifications and facilities, the international schools in Hong Kong are first class in the world. On top of this, since most of them adopt the International Baccalaureate (or IB) diploma programme, graduates will have no difficulty bridging over to most overseas universities. Therefore, these international schools are in great demand. Apart from international schools, the English Schools Foundation (ESF) schools in Hong Kong are also run very well. The medium of instruction used in ESF schools is English and the culture in these schools is that of the English-speaking world. Hence these schools are very attractive to students from places outside Hong Kong as well. Thank you, President.

MR JAMES TIEN (in Cantonese): Madam President, today, the majority of Members who have expressed their views on this topic have done so from the angle of education, whereas on behalf of the business sector, I wish to express some views on this topic from the business sector's viewpoint and from the angle of the talents needed by society.

Madam President, everyone knows that Hong Kong is an international financial, logistics and tourist hub and in the development of the Mainland, that is, in the 11th Five-Year Plan, it has a very important role to play. From the point of view of the business sector, many undertakings require the assistance of elites. For many years, and in recent years in particular, a lot of people in the business sector have said that it seems the standard of university graduates is on the decline. Of course, universities are saying that this is not the case. As the standard of the students enrolled at universities is on the decline, so it is possible that the standard of graduates is consequently also on the decline. However, I learned that in the past year or so, the standard of university graduates has seen an improvement. As the standard of students enrolled at universities has improved, so the standard of graduates has also improved accordingly.

In this vein, the Government has provided a figure and expressed its concern that, by 2007, there will be a shortfall of nearly 100 000 people who have received higher education but an excess of 230 000 people with lower qualifications and skills. I think the Government really has to do more in this regard. Of course, given that there are so many young people in Hong Kong, will the group of young people who can pursue further studies in universities after graduating from secondary schools help fill the void? The figures in recent years indicate that they cannot. However, we still hold that if they clearly do not possess the required qualities, then they should not be enrolled at universities regardless, thus lowering the standard of universities as well as the standard of future graduates.

Conversely, as suggested by the motion, we can attract students from other places to pursue their studies in Hong Kong and make Hong Kong an education hub. I believe that this suggestion applies not just to students from the Mainland, Taiwan or Macao; we can also attract students from other places, such as Southeast Asian countries or even students from India. India excels in Mathematics and it also has made great achievements in software production. Places such as Singapore, Thailand and Malaysia can also be considered. If we

can attract students from these regions to receive education in Hong Kong, I believe the Government's new measure to increase their proportion from 4% to 10% is certainly desirable. However, as long as the education opportunities of local students are not affected, there is no need to be too inflexible with regard to the proportion of 10%, since it is more desirable than allowing the places to go to waste. In fact, these university places are self-financing in nature and a tuition fee of \$60,000 is charged. In sum, the costs incurred are all recovered from them by the universities. If they can afford the tuition fees, I believe they can make great contribution to the Hong Kong economy after graduation.

Madam President, in addition, there is one point I wish to raise and it has been raised before. Since Hong Kong is a small place, is it very important to build student hostels for universities? This is probably not very important. There are still many vacant places in the student residence built by the City University of Hong Kong on Cornwall Street in Kowloon Tong several years ago. However, if we beckon to students from the Mainland to study in Hong Kong, this fact will give them more choices. In fact, they can pursue their studies in many other places, so why should they choose Hong Kong? Finding accommodation in Hong Kong poses a great problem. For non-local students who have no relatives in Hong Kong, it will be very expensive to rent a flat. Therefore, the Liberal Party supports item (d) of the motion, that is, the Government should implement a concessional policy and require that the land granted be used only for building hostels but not for other purposes. I believe no major controversy over this will be induced in society. Of course, selling the hostels to property developers for development into residential blocks because of low occupancy rates will not be permitted. If a requirement is laid down to prevent the occurrence of such instances, society will give its approval.

In addition, I also wish to raise one point which is not mentioned by other Members, that is, whether non-local students should be allowed to work in Hong Kong after graduation. We think that the present practice can still be improved further, for under the current practice, they can only work in Hong Kong for one year after graduation, and they must be employed by an employer. After that, they have to return to the Mainland and queue up to come here again. A lot of our students studying overseas, for example, in Britain or the United States, are often allowed to take up jobs there immediately if they pursue their studies through to graduation. It is not justified to require them to go back first and queue up to come back again. In this regard, I think that it would be desirable if

10% or 10-odd percent of these graduates can join the workforce in Hong Kong. Of course, some Honourable colleagues from trade unions may be worried that, in doing so, they will snatch the "rice bowls" of Hong Kong people. However, I believe that in these circumstances, even though the livelihood of Hong Kong people may face competition, we can consider making the pie larger. In the beginning of my speech, I said that there is a shortfall of 100 000 people with a higher level of education but an excess of over 200 000 people with low academic qualifications. If more of such people with higher levels of education can work in Hong Kong, so that employers or the business sector can have a greater pool of talents to hire from, and if all of them are talents in management, then a greater economic pie can be created. In these circumstances, more job opportunities can be created for the 230 000 people with low academic qualifications and low skills in Hong Kong. Therefore, we believe that this will work.

Therefore, Madam President, as the other two Honourable colleagues of the Liberal Party have said, we support this motion. Thank you.

MS EMILY LAU (in Cantonese): President, the motion moved by Mr Jasper TSANG expresses the hope that Hong Kong can develop into a regional education hub. If this can be achieved, just like many other Honourable colleagues, I would consider it fine. However, my greatest concern is whether Hong Kong can continue to uphold "one country, two systems", "a high degree of autonomy" and "Hong Kong people ruling Hong Kong" in this course of development. Mr Jasper TSANG said that we should welcome people in and send people out. I do not take issue with this either, however, I think many senior officials have already sent their children out, be it to junior schools, high schools or universities. I have also talked about this here many times and of course, we do not wish to enact legislation to require the children of senior officials to remain in Hong Kong for education.

However, if Hong Kong can really be transformed into the education hub described by Mr Jasper TSANG, that means our education system will be the pride of Hong Kong people, including senior officials. I hope that in that event, Members, senior officials and wealthy people will all let their children stay in Hong Kong and pursue their studies here. Otherwise, when we talk about a so-called education hub the richest people in this Chamber are all seated here, but whose children who are receiving education in Hong Kong? Upon

enquiry, I found that none of them have, so I do not know how Hong Kong can become such a hub. Therefore, this is an issue that often bothers me. Now that Mr Jasper TSANG has raised this matter, I have to raise this again. Of course, Mr Jasper TSANG may say that even though nobody receives education in Hong Kong, Hong Kong can still be a hub. Of course, that is possible, however, if even we ourselves do not approve of our own system, it would be most difficult to convince other people.

However, I have also noted Mr Jasper TSANG's speech — I do not read the *Jiangxi Daily* and of late, I do not even read the *People's Daily* — President, he said that there was an article in the *Jiangxi Daily* which talked about the craze for educational institutions in Hong Kong, saying that 30 000 mainland students are competing for 1 000 places in Hong Kong. Of course, this is a good thing. There is no problem if people on the Mainland are competing with one another to study in Hong Kong. President, if we can increase the number of places (of course, we have to cater to local students first), we can allow students on the Mainland to study here and there is no problem at all. In that case, President, where does the problem lie? Why am I so worried? Originally, I had no intention of speaking, however, having heard Mr Jasper TSANG speak, I also wanted to speak because one of the measures proposed by him is to assist local educational institutions in running schools on the Mainland and this is what he means by "welcoming in and reaching out".

Actually, many people in local educational institutions have visited the Mainland on business and President, you are also aware of this. Some professors and other people also told me that not everyone could go there. President, here lies the problem with the Mainland. Be it to run a school or to run a newspaper, there is always a problem. What is this problem with the Mainland? The problem is that there may be some restrictions on the freedom of speech, the freedom of thinking and the freedom of creation. If we wish to develop into an education hub, we hope that all people in our institutions of higher education, including professors, students and parents, will have the courage to speak out and to challenge authority. However, is this allowed on the Mainland? Although I am not at all familiar with the situation on the Mainland and I do not wish to offend people on the Mainland, and although some professors or other people on the Mainland are very courageous and they have even written articles that newspapers dared not publish, generally speaking, in my humble opinion, I am very concerned about the situation on the Mainland because the freedom of thinking and freedom of creation are not tolerated there

and even making remarks that challenge the Communist Party of China and influential people is not allowed in tertiary institutions.

My concern is that among the professors and the tertiary institutions in Hong Kong, at present, they already do not have the courage to speak out on a lot of issues. Sometimes, making some remarks and joining a party will attract the criticisms of the Secretary. Originally, I thought that there were some freedoms in Hong Kong, however, we found that one cannot be a Judge if one has joined a political party, nor can the heads of educational institutions join any political party — what is the matter with the Civic Party? It seems it has stepped on the toes of so many people. Therefore, if even the situation in Hong Kong is like this, then the Mainland is a lot worse. Therefore, if we encourage frequent exchanges, will these affect the development of intellectuals and tertiary institutions in Hong Kong? Some people may say, "Just do not say so much. If you are invited to feasts, just go ahead. With such good treats and so much money to make, why should you create so much trouble? Do you really want to be treated like Emily LAU and be banned from visiting the Mainland for more than a decade?" Therefore, President, I am really worried about this.

I believe my worry is not unfounded. In fact, concerning our educational institutions, some Honourable colleagues said just now that we now very much want to advocate academic freedom in universities and we hope that they will really have moral courage because that is what universities should have — that is, the freedom of thinking and the courage to challenge authority. However, all these are not encouraged on the Mainland. Not only are they not encouraged — President, the Secretary has also indicated that he is aware of this — if one really challenges authority over there, one may be courting very terrible consequences. If we invite this sort of things in and then send this sort of things out, what will be the consequences? Therefore, when we say that we welcome the development of Hong Kong into a regional education hub, we cannot but ask if such problems will arise.

However, I am also feeling a little sad that Mr Jasper TSANG has used all of his speaking time. If I want him to explain a little, perhaps I have to go out and make an appointment with him to ask him all this over a cup of tea. President, I wish to take this opportunity to voice my concerns about the development of tertiary institutions in Hong Kong. I hope Members will stomach my comments. I so submit.

MR CHAN KAM-LAM (in Cantonese): President, I am not as capable as Ms Emily LAU who can be worried and alarmed about everything. In fact, the principal aim of offering education is none other than to impart knowledge, not teaching students to challenge the Government. Moreover, to politicize academic work will only turn educational institutions into arenas for challenging authority, and this is not realistic work either.

President, last week, physics guru Mr Stephen HAWKING visited Hong Kong, and Mr Donald TSANG asked him how to cultivate an interest in science among students in Hong Kong. Mr Stephen HAWKING offered four stratagems and two of them are that the authorities can offer scholarships to high schools and university students and provide funds to universities to establish more teaching and research posts, so that top-notch students can remain in Hong Kong, not going elsewhere. It can be seen that it is very important to formulate measures to retain talents in Hong Kong and this is essential to academic development. Some renowned overseas universities also fully appreciate such a need and understand that in order to maintain a high academic standard, it is necessary to look for outstanding students in various parts of the world and of course, outstanding teachers are also vitally important. If one looks for good teachers to challenge the Government, as Ms Emily LAU has said, I do not think this will work. However, in reality, we can also see that some internationally renowned academics are devoted to academic pursuits and I believe this is the case in many tertiary institutions in other countries. Even in the Tsinghua University in Beijing, one can find a lot of professors from the United States, Britain and other countries teaching there.

The British Government, in order to attract more students to enrol at research programmes in Britain, has also established some scholarship programmes and offers nearly 2 300 scholarships each year to solicit top-notch students from 150 countries worldwide. In addition, the New Zealand Government has also allocated AUD\$40 million over four years to the development of international education, including setting up 400 international scholarships and awards for further studies.

Looking at Hong Kong, the measures to attract outstanding students to Hong Kong by means of scholarships are inadequate, and even give one the impression that they are being gradually rolled back. The Government used to subsidize outstanding students from the Mainland to come to Hong Kong to pursue studies in bachelor degree programmes in the educational institutions

funded by the University Grants Committee (UGC). Before 2003, each student could receive on average \$100,000 in subsidy. However, in the 2004-05 academic year, the scholarships for students were reduced to \$50,000 and the funding programme will end this year. As regards future arrangements, the Government said that universities would be encouraged to solicit private donations through some sort of matching grant schemes and establish scholarships. However, we can see clearly that the Government has not made greater commitment in this regard to attract mainland or overseas students to Hong Kong. For this reason, the DAB suggests that the Government should reconsider establishing a scholarship system to attract outstanding students from the Mainland and overseas to pursue further studies in Hong Kong.

In order to become a regional education hub, apart from attracting students to Hong Kong, our educational institutions can also export education services. According to the information of the State Ministry of Education, of the 164 tertiary-level programmes given approval to operate on the Mainland, those offered by institutions under the UGC number at 22 and they are offering quality education to about 1 000 students on the Mainland. In fact, the renown of Hong Kong universities on the Mainland is quite high. In a list on the standing of Chinese universities published by the Shanghai Jiaotong University in 2003, four universities in Hong Kong are listed as the 50 foremost universities in the Asia-Pacific Region. At the same time, a study by the Trade Development Council also points out that the potential of exporting education to the Mainland is very great, particularly to places such as the Pearl River Delta Region in Guangdong, Beijing and Shanghai. Therefore, we believe that the Mainland is an important market for educational institutions in Hong Kong in exporting education services. Therefore, I hope the authorities can actively assist local educational institutions in offering education on the Mainland and even overseas and promote co-operation between the Mainland and Hong Kong in offering education.

We know that recently, the Shenzhen authorities have examined together with some universities in Hong Kong the possibility of establishing a presence in Shenzhen. I believe that both the academic institutions and the Government should all offer greater assistance to give the education sector a leg up in establishing campuses on the Mainland.

In fact, no matter in attracting students to Hong Kong or exporting education, the most desirable course of action is to establish a department

specifically tasked with co-ordinating and promoting Hong Kong's education services. We found that countries attaching importance to international education have all established specific departments to take charge of carrying out promotions locally and overseas, as well as providing information and assistance regarding further studies. The organization that Hong Kong people have frequent contacts and are familiar with is the British Council and in respect of Australia, there is the International Development Programme, which all of us often come into contact with. We hope that the Government can give more thoughts to this area and do more to promote education. Thank you, President.

MR CHIM PUI-CHUNG (in Cantonese): President, when I walk in the streets, a lot of people would say to me, "Mr CHIM Pui-chung, I want to listen to your speeches very much. I have not listened to your speeches for a long time." In fact, of late, there are a lot of topics which I am not versed in, and this is one of them. I am really not versed in education, however, as an individual enterprise in the Legislative Council, it will not do for me to know nothing about it either. People will think that you are an orphan.

President, when it comes to education, as far as I understand it, I will try to look at it in another angle, that is, to discuss it in the light of its past, present and future. Concerning the past, insofar as the University of Hong Kong is concerned, it has a history of over 100 years and worldwide, particularly in China, it has a fairly high standing. However, Hong Kong saw the liberation of China by the Chinese Communist Party in 1949 and was ruled by British colonialists for more than 100 years. Many Hong Kong people are migrants and many people of the last generation have received inadequate education as a result of wars and turmoil and other problems. A lot of people among them have only received several years of very ordinary education but their achievements in Hong Kong are obvious to all. Nowadays, there are the so-called top ten in Hong Kong, or several dozen tycoons who are the richest and the education they have received is in fact the tempering in the "university of society".

The education received by young people nowadays is world-class and everybody is going overseas to receive education at least at the bachelor degree level and some are even pursuing studies at the doctorate level. Of course, they have brought their international outlook back to Hong Kong and made certain

contribution to the development of Hong Kong. However, the majority of them have remained in overseas countries and do not want to come back.

If we talk about education in the future, we have to understand that since the economic conditions and other conditions in society are better nowadays, the younger generation can actually be called protected pets. This is a very dangerous state of affairs because they have lost their will to fight and have never had any opportunity to temper themselves. They are protected by their parents and even grandparents since birth. The competition they will face in society is what the Government should duly note and educate them about. It is necessary to educate them about coping with the challenges in society, otherwise, when they enter society, although it can be said that they have indeed acquired a great deal of knowledge from books and are knowledgeable on everything, they may lack common sense. I have read a report that is critical of Hong Kong people, saying that Hong Kong people lag behind people in other parts of the world in areas such as politeness. I have made criticisms in this regard long ago. Hong Kong people are criticized by other people because the Government does not promote formal social education.

Therefore, we have to divide this matter in two areas and deal with them separately. I personally believe that the Government has committed a very sufficient amount of funds to education and the education sector also cares a great deal about education. However, what is lacking is practice in society. In view of this, the Government's policy should be two-faceted. One of them is to make students understand what sort of environment they are living in and whom they are competing against through small-class teaching and at various levels of education. Of course, some parents in Hong Kong are more affluent and many of them will let their children receive as much education as possible, so that they can become doctors, lawyers, accountants, and so on. We can see that since the implementation of the open policy in China, these professionals are allowed to look for clients and seek opportunities in providing services on the vast territories of China. Otherwise, we would find lawyers and doctors everywhere in this tiny place called Hong Kong. In fact, in the Legislative Council alone, there are already more than nine colleagues working in the legal profession. In future, Members of the Legislative Council will probably all be lawyers or other professionals. Of course, we will still have representatives from various sectors. Therefore, apart from providing education to the younger generation so that they can realize their potentials, it is also very important to let them receive genuine education.

When it comes to overall social education, I have said and also agreed that it is necessary for people to pursue wealth and everybody believes that wealth is the most important thing. Of course, money cannot buy you everything, but having no money must be avoided at all cost. This is society's and even the world's view on money. However, apart from money, we should also make the public and educated people understand that learning through education other knowledge, such as an understanding of social status, how to help others and general social affairs, is the most important thing. We must not over-emphasize one area.

In view of this, in talking about becoming an education hub, I have to ask, "What sort? One cannot just say in a general way that we should develop Hong Kong into a regional education hub. What disciplines do we hope to promote? In fact, Hong Kong lacks resources, and lacks specialization in any discipline or talents. Originally, what should be promoted most of all is technology, unfortunately, all that our Mr TUNG could say was a technology port and he did not do anything else. Therefore, the SAR Government has to first of all formulate a policy for education.

To confine our discussion to training in medicine alone, we can see that the situation in Hong Kong is special. Western medicine has its vested interests, so how would they possibly use their power and their gains to assist Chinese medicine practitioners? Therefore, in future, Chinese medicine will become the single most important area globally and will have the greatest development potential because other people already possess western medicine know-how, so how can you come up with innovations? Can you be that smart? Originally, Chinese medicine practitioners and western medicine practitioners in Hong Kong can carry out joint research in Chinese medicine, unfortunately, in the medical sector in Hong Kong, western medicine practitioners have their vested interests and will not share this pie with Chinese medicine practitioners, so the aim of education is to set a target for this.

Of course, we must bear in mind that since China has a population of 1.3 billion and the education in Hong Kong is in fact on par with international standards, so it has some degree of attractiveness on the Mainland and a market. We must go from strength to strength as well as gain extensive recognition. Therefore, the most important thing is to lay down policy objectives. It is only with policies and objectives that we can unleash our potential even better. President, I so submit.

MS AUDREY EU (in Cantonese): President, Mr Jasper TSANG's motion actually consists of two key points. One is the condition that local students will not be affected in pursuing further studies, and the second key point is to develop Hong Kong into a regional education hub, broaden the international outlook of local tertiary students, attract talents and enhance Hong Kong's competitiveness. To these two points, President, I believe nobody in this Chamber would take exception.

However, the first question is: How can we prevent local students from being affected? Second, how can we attract talents from overseas for Hong Kong to become internationalized?

On the point about not affecting Hong Kong students or local students, I think if we are talking about primary schools or secondary schools, many schools and teachers very much wish to attract students from outside Hong Kong because the problem we face now is that there are too many places with far too less students. Therefore, in this regard, I think local students will not be affected.

However, what is the case with tertiary students? President, from the figures of Hong Kong, and as also mentioned by many colleagues earlier, only 18% of local students in the relevant age group can receive education in local universities. This, compared to other advanced countries such as South Korea, the United States and the Philippines, is far from satisfactory. In the Legislative Council, it has been said many times that the number of associate degree places in Hong Kong has increased rapidly but the number of articulation places is very small. So, many students of associate degree programmes hope that they can study in universities in Hong Kong or elsewhere. If we are going to attract more students from outside Hong Kong to pursue education at this level, how can we ensure that local students in the relevant age group can receive tertiary education? This, of course, is a major issue relating to resources, degree places and investment. In this regard, I certainly agree that more degree places should be provided.

Yet, President, the second question, which is even more complicated, is how can we be internationalized? How can we upgrade our inherent qualities? How can we attract students from outside Hong Kong (including the Mainland and other places) to come to the territory? President, according to the information provided by the University Grant Committee (UGC), from the 2002-03 academic year to the current school year, some 80% to 90% of the

non-local students in Hong Kong institutions actually come from the Mainland. The number of students from overseas countries is comparatively small, as they account for only 3% to 6% and if we look at their percentage, it seems that their number is even declining year by year.

How can we attract students from places other than the Mainland? Apart from mainland students, we also need students from other places before internationalization can be achieved. This will involve a multitude of factors. First, the standard of English, which is very important. I certainly share the view expressed by many colleagues, that those with a good proficiency in English are, by international standard, still of a very high standard. But in general, the standard of English has declined, and this is an indisputable fact indeed. Compared with Singapore, the English standard of Hong Kong students is not as good as theirs. When it comes to attracting students from other places, Singapore can be a very good subject of comparison because they have attracted not only students from other parts of Southeast Asia. They have been doing more successfully than Hong Kong also in attracting students from the Mainland. Other than a certain extent of quality assurance on the English standard, they are offering more scholarships than those in Hong Kong, and in Singapore, they will offer scholarships for a duration as long as four years. In his speech earlier on, Mr CHAN Kam-lam also mentioned scholarship.

Moreover, Mr James TIEN mentioned in his speech earlier the point about whether or not students can take up employment after graduation. In Singapore, students can take up employment for six years. This, together with the four years of studies, happens to fulfil the requirement for citizenship in Singapore. Therefore, in this regard, the efforts made by Singapore have indeed made them more attractive than we are.

This is, of course, just a part of it. If we only provide scholarships to attract others to stay in Hong Kong, then what about the local students? This involves the first part mentioned by Mr Jasper TSANG earlier, about how other people can be attracted to Hong Kong to pursue studies on condition that local students' employment opportunities or their opportunities to pursue studies are not affected. In fact, President, this involves investment in this area. To upgrade the quality of education in Hong Kong, it actually boils down to the injection of huge resources. According to the Organization for Economic Co-operation and Development and the latest statistics provided to us by the Legislative Council, the annual expenditure on tertiary education in Hong Kong

accounts for only 0.9% of the Gross Domestic Product, which is lower than that in other advanced countries, such as 2.9% in the United States, 1.8% in Australia, and 1.4% in Britain. This shows that in terms of resource allocation for tertiary education, Hong Kong is no match to other advanced countries.

This will certainly have a direct impact on the quality of our education and at the same time affect the quality of our research work. As also mentioned by many colleagues earlier on, the standard of tertiary education very much depends on the research efforts of Hong Kong. Hong Kong has been doing very badly in terms of scientific research and we must very often rely on overseas academic publications. But the poor performance of local research in Hong Kong has taken its toll on the development of Hong Kong. While we always talk about sustainable development, what has been done is indeed far from adequate according to the statistics of Hong Kong.

On the other hand, the quality of tertiary education aside, other factors such as economic development, the quality of living and democratic government also have a part to play. Mr CHAN Kam-lam said earlier that universities should only emphasize knowledge and concentrate on academic pursuits. Honestly speaking, universities cannot adopt the "spoon-fed" approach to impart knowledge. In universities, academic freedom and freedom of thinking or critical thinking should be advocated, and what does critical thinking mean? Certainly, it means being critical in everything. The Government needs critical thinking too. We cannot say that people studying in university cannot challenge the Government or challenging the Government is not something that people studying in university should do. If we cling to this thinking, how could we become internationalized and how could we be attractive to others?

Therefore, with regard to the freedom of thinking and academic freedom which are fundamental to a democratic political system, if we truly wish to become internationalized, we must leverage on the Motherland and engage ourselves globally. But after the reunification, I think we have been retrogressing, and we are more and more like facing the Motherland with the world at our back instead. This thinking or mentality will indeed be a major problem in the development of Hong Kong into an internationally recognized or internationalized education hub.

President, apart from the injection of resources, I think Hong Kong must work to truly achieve "one country, two systems" and to truly develop features

which make us unique and appealing. President, in this regard, we must seize the opportunity and bring our advantages into play. Whether in respect of the rule of law or the institution, or freedoms and values, we must not give up. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If no other Member wishes to speak, I now call upon the Secretary for Education and Manpower to reply.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, to maintain the competitiveness of Hong Kong, nurturing and attracting talents is very important. Due to the lack of natural resources, investment in and training of human capital is all the more important to Hong Kong. Moreover, with an extremely low birth rate, an ageing population and a shrinking workforce, we must draw up measures early to attract talents from all over the world to work or resettle in Hong Kong, so as to ensure the sustainable development of Hong Kong in a knowledge-based and globalized economy in the 21st century.

The Government of the Hong Kong Special Administrative Region (SAR) stated as early as in the 2004 policy address that Hong Kong, as Asia's world city, should be where talents from around the world congregate. Apart from introducing various schemes for the admission of professionals and investors to attract people from overseas to live in Hong Kong, it is also necessary to promote local education services, in order to attract non-local students to pursue studies in Hong Kong and work in the territory after graduation. As the sponsor of this motion, Mr Donald TSANG (*laughter*) — Mr Jasper TSANG has said, Hong Kong possesses the necessary attributes for development into an education hub in the Asia-Pacific Region. We have a sound, diversified education system supported by an internationally recognized curriculum and quality assurance systems. As a meeting point of the Eastern and Western cultures and an international metropolis, Hong Kong has the ideal environment and qualities to provide rich learning experiences for non-local students studying

in Hong Kong, which will help them establish networks of personal connection with people from overseas or the Mainland.

A higher intake of non-local students will greatly benefit local students. Non-local students can create a multi-lingual and multi-cultural environment at our institutions. This will help broaden the visions of local students, and enhance their understanding and acceptance of different cultures, while the new thinking and new perspectives brought by non-local students will help inspire creativity in local students and promote healthy competition. Moreover, in developing friendships with non-local students, local students will open new networks of personal connection, which will be beneficial to their personal and career development in future.

From the angle of economic development, attracting non-local students to come to Hong Kong to pursue studies and encouraging them to work in Hong Kong after graduation can expand our pool of talents, upgrade the quality of our population and support the long-term development of the Hong Kong economy.

With regard to the motion "Developing Hong Kong into a regional education hub" proposed by Mr Jasper TSANG, we support it in general. In his motion, Mr Jasper TSANG proposed seven concrete measures to attract more non-local students to come to Hong Kong to pursue studies and encourage local educational institutions to provide education services outside Hong Kong. I would like to respond to them as follows:

(1) Relaxing immigration control and quota restrictions

In the 2005-06 academic year, there were over 4 700 non-local students studying in the eight institutions funded by the University Grants Committee (UGC), constituting 6% of the total student population. On the premise that local students' opportunities to pursue further studies in Hong Kong will not be affected, we have increased the proportion of non-local students in tertiary institutions gradually. Now, there is no quota restriction for all research postgraduate programmes. Non-local students may come to study these programmes without restriction. As for other publicly-funded programmes, the overall proportion of non-local students in publicly-funded places has increased from 2% in 1993 to 10% in the 2005-06 academic year. Students from the Mainland, Macao and Taiwan can take up publicly-funded tertiary programmes in Hong Kong under the same arrangements as those for overseas students.

These measures will help encourage institutions to admit more outstanding non-local students to come to Hong Kong to pursue studies.

In respect of self-financing tertiary programmes, institutions are not subject to any quota restriction in the admission of overseas students. Starting from the 2005-06 academic year, self-financing institutions are allowed to take in students from the Mainland, Macao and Taiwan for programmes at associate degree level or above, and the admission of students in these categories is initially subject to a quota of 10% of the actual local student enrolment in the same programmes offered by the individual institutions in the preceding year.

Meanwhile, the immigration policy has also been relaxed to allow non-local students to extend their stay, so that they can continue with their studies in Hong Kong. Students who have completed a full-time tertiary programme in Hong Kong are normally allowed to extend their stay to pursue another full-time programme at a higher level of study.

Since the student quota was relaxed, local institutions have been actively promoting their programmes overseas and in the Mainland to attract non-local students. We believe the proportion of non-local students will continue to increase in the next few years.

All local institutions, be they providing publicly-funded or self-financing programmes, very much hope that the Government can further increase the admission quota for non-local students and relax the immigration restrictions, so that more non-local students can come to study in Hong Kong. We will study whether institutions should be allowed to further increase the proportion of non-local students in the light of the take-up rate of the admission quota.

(2) *Providing support to non-local students*

Based on the principle of prudent use of public resources, non-local students studying in local publicly-funded institutions are required to pay higher tuition fees than those payable by local students. For some non-local students, especially outstanding students from the Mainland, it would be a pity if they should give up the opportunity of coming to Hong Kong to pursue studies due to financial reasons and their inability to afford the tuition fees and living expenses. This will also undermine Hong Kong's attractiveness to outstanding non-local students. In this connection, the Government has, since the 2003-04 academic

year, introduced a three-year scholarship scheme totalling \$90 million to attract outstanding mainland students to study undergraduate programmes in Hong Kong. On the other hand, to encourage investment in education by various sectors of the community and to help institutions in their internationalization efforts, the SAR Government has, since the Second Matching Grant Scheme, allowed institutions to use such funding to grant scholarships to outstanding non-local students. The Third Matching Grant Scheme, which was just introduced on 1 June, also retains such flexibility. Moreover, institutions and many business enterprises as well as members of the community have provided various scholarships to attract outstanding non-local students to pursue studies in Hong Kong. In providing scholarships with public coffers, we have at the same time urged and encouraged all sectors of the community to take part in the investment on education. The public is encouraged to support a philanthropic culture, so as to provide more support to non-local students, with a view to upgrading Hong Kong's position as an education hub in the Asia-Pacific Region.

In many countries, non-local students are allowed to undertake part-time employment during their studies. In Australia, for instance, non-local students are allowed to work no more than 20 hours per week during the school term, and there is no limit of working hours for these students on holidays. In Britain, non-local students studying in a programme with a duration of more than six months can take up part-time work with the same limit of working hours as applied in Australia.

At present, although students are generally not allowed to work during their stay in Hong Kong, the Director of Immigration may, on individual merits, consider giving approval to students to take up study-related short-term internship, so as to enable them to gain relevant work experiences. Tertiary institutions in Hong Kong have expressed the wish for the Government to relax the restriction imposed on part-time work by non-local students. We agree that allowing non-local students to undertake part-time employment can help reduce their financial burden and enable them to gain relevant work experiences, so that they will be better equipped for joining the workforce after graduation. We will seriously study the feasibility and implications of this proposal. We hope that the restriction on part-time employment by non-local students can be relaxed to some extent on condition that the employment of local people will not be affected, with a view to attracting more outstanding students to come to Hong Kong to pursue studies.

Hostel life is a valuable opportunity for tertiary students to pursue whole person development outside class. In view of the educational value of hostel life, all non-local students in UGC-funded programmes are eligible for boarding facilities. The Government will grant suitable sites to institutions at nominal premium and make provisions equivalent to 75% of the construction costs for institutions to construct their hostel facilities. In February this year, we undertook that an additional 1 840 hostel places will be provided to increase access to hostel accommodation for non-local students, so that they can have the opportunity to experience group life.

This funding policy is not applicable to non-local students in self-financing programmes, as their hostel arrangement will be the responsibility of the institutions and the students themselves. During the consultation on the review of the post-secondary education sector, local institutions unanimously held the view that in order to attract non-local students (including students of self-financing programmes) to study in Hong Kong, the provision of hostel facilities is very important. The Steering Committee on the review of the post-secondary education sector also proposed that the Government should assist institutions in the provision of hostel facilities to non-local students in self-financing programmes.

On the other hand, the primary and secondary sectors also expressed their need to construct suitable boarding facilities, in order to facilitate exchange activities, or else it would be difficult to further expand the scale of academic exchange in Hong Kong.

We recognize the importance of providing hostel facilities to non-local students. Mr TSANG's proposal of granting land to institutions at nominal premium for the construction of hostels and allowing the conversion of vacant school premises into hostels will involve such issues as land use and fiscal revenue of the Government. Given limited land resources in Hong Kong, we will study in detail the feasibility of this proposal.

(3) *Assisting institutions to export education services*

Following rapid social and economic development in the Mainland, there is an increasing demand for tertiary education among mainland students. Institutions in Hong Kong have accumulated rich experience in providing education services and, as the academic level of Hong Kong institutions is also

on par with international standards, Hong Kong institutions are well-positioned to develop higher education programmes on the Mainland, especially in the Pearl River Delta Region. This will enhance Hong Kong's position as a regional education hub, and also train talents for our country and provide quality human resources for Hong Kong enterprises with investments in the Mainland. Moreover, Hong Kong students can also consider taking up programmes provided by Hong Kong institutions in the Mainland, and they can receive academic qualifications awarded by Hong Kong institutions on completion of the programmes. This will provide Hong Kong students with an additional channel to pursue studies. At present, many local institutions are already collaborating with mainland institutions in the provision of education services. We hope that more opportunities for co-operation between institutions in the two places can be opened up in line with the national policy.

The Education and Manpower Bureau and the Ministry of Education signed in 2004 a Memorandum on mutual recognition of academic degrees in higher education. The Memorandum provides that students who have obtained an academic degree in recognized institutions in the Mainland or in Hong Kong may apply for further studies in the institutions of the other side. The mutual recognition of qualifications has further strengthened co-operation between the Mainland and Hong Kong in the area of education and promote exchange of students from both sides.

(4) Promoting education services outside Hong Kong

Education programmes in Hong Kong are reputed internationally in terms of quality, international perspective and support to students. The relevant government departments and organizations will actively promote local education services in the Mainland and overseas in collaboration with local institutions. The UGC has also provided a matching grant of \$40 million in the 2005-06 academic year to enhance the capacity of institutions in the admission of non-local students and to help institutions promote their education services outside Hong Kong. The SAR Government's Economic and Trade Offices in the Mainland and overseas have also assisted in promoting the export of education services of Hong Kong. The Trade Development Council also participated in education exhibitions respectively held in Kuala Lumpur and Seoul in January and March this year, and will participate in the education conference to be held in Basel, Switzerland, in September this year, with a view to promoting the quality education services of Hong Kong to people overseas.

These initiatives will involve policies and the distribution of resources, and the concerted effort of many Policy Bureaux and departments is required to conduct studies and propose solutions. For this reason, the SAR Government will set up a high-level steering committee to study the overall strategy and relevant measures, with a view to developing Hong Kong into a regional education hub. The steering committee will be chaired by the Chief Secretary for Administration, and its members will include the relevant Directors of Bureau. The steering committee will commence its work shortly and I will also reflect to the steering committee the views expressed by Members on this issue.

Madam President, the development of Hong Kong into a regional education hub serves not only to support Hong Kong's position as a cosmopolitan in Asia. It also helps foster the knowledge and international outlook of local students and encourage healthy competition, and is particularly important to upgrading the quality of the local population and enhancing the overall competitiveness of Hong Kong. The Administration will certainly make continuous efforts to promote this policy objective in all aspects.

Thank you, Madam President.

PRESIDENT (in Cantonese): At this point, Mr Jasper TSANG is supposed to reply but since Mr TSANG has used up all his speaking time, I now put the question to you and that is: That the motion moved by Mr Jasper TSANG 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: Polarization in the job market.

POLARIZATION IN THE JOB MARKET

MS LI FUNG-YING (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, the alarm of a possible outbreak of avian influenza has once again been sounded in Hong Kong. Insofar as most Hong Kong people are concerned, the prohibition of importation of live poultry from the Mainland means no supply of live chicken for consumption only. For more than 3 000 poultry trade workers, however, it means more than having no chicken for consumption. Even their means of living will be affected, for wage earners will have no income once they stop working. Though the suspension of importation of live chicken is merely short-term, with the construction of a central slaughterhouse in the future, the 3 000 or so poultry trade workers will even lose their jobs. The Government decided two months ago to encourage pig farmers to surrender their licences and offered \$18,000 in compensation to pig farmers whose business will be closed down due to the surrender of their licences. For such a meagre sum of \$18,000, a worker will have to give up the job on which he or she has been relying to make a living, and be left to struggle for survival in the labour market where there is already an oversupply of labour.

The experience of workers in the live poultry and pig farming industries of losing their job opportunities is identical to the previous path taken by workers of the manufacturing industries. What happened in the past was the northward shift of all the factories of the manufacturing industries, but what happens today is attributed to the Government's view that some industries are not suitable for development in Hong Kong. The reason for me to propose the motion today is not the wish to discuss whether these changes are right or wrong. Instead, I wish to discuss, with the decline of some industries subsequent to social changes, whether other jobs are available in the employment market to enable jobless workers to resume their normal lives again. If the answer is in the negative, what should the Government do to deal with the situation? For people in the pig farming industry, what matters most is not the sum of \$18,000 in compensation, but a way out for them to make ends meet. Obviously, people in the pig farming industry can see no way out in the local employment market. This

problem is faced not by people in the industry alone, for other low-skilled workers do not see a way out as well.

When Hong Kong economy was still in the doldrums and the unemployment rate stood constantly high two years ago, public opinion (including a number of Members of this Council) made specific requests urging the Government to create job opportunities to help jobless people. It cannot be said that the Government has not responded to these social demands. For instance, the Government expressed a willingness to create some temporary posts and undertook to give priority consideration to employment during the formulation of policies by departments. However, the Government's response to the unemployment problem can actually be divided into two principal axes: first, by appealing to employees to tide over the hard times together with employers by accepting the reality of increased working hours, wage reductions or even redundancy; and second, by emphasizing "small government, big market" led by the economy and the market as the only means to improve the unemployment situation to achieve the objective of creating job opportunities for the grass-roots people and improve their lot.

President, as the economy has already recovered now, this is probably the right time to examine the effectiveness of the Government's market-led policy of creating job opportunities. Early this month, the Financial Secretary presented a seemingly quite remarkable report card at a meeting of the Panel on Financial Affairs of this Council. It was revealed that the unemployment rate had fallen in the first quarter of this year to 5.2%, the lowest in four and a half years. Furthermore, there were 9 800 fewer households with a monthly income of less than \$4,000, 5% lower than that in the corresponding period last year. However, under the beautiful package of full employment for professional and management staff (I am referring to skilled employees), the unemployment rate of low-skilled employees still stood at a high 6.1%. We can see that, with the fall in the number of low-income households, the 2% inflation has completely offset their income growth. Without improvement in their income, they have found it harder and harder to make ends meet. The Government has always emphasized that reviving the economy is the only solution to the problem. Now we see that the reduction in the number of low-income households is not proportional to the economic recovery. The economic growth has merely served to further widen the wealth gap.

The figures provided by the Financial Secretary did, on the one hand, illustrate the recovery of Hong Kong economy and, on the other, demonstrate that the market-led approach can do nothing to help low-skilled workers seek employment, thereby resulting in polarization in the job market today. Over the past several years, I even saw the low-skilled employment market worsening as a result of certain government policies. Here, let me cite several major government policies to illustrate my point. First, the Government's policy of outsourcing non-skilled posts was supposedly an effective means to create job opportunities for low-skilled workers. Unfortunately, the Government's outsourcing policy emphasizes the market principle, with saving costs as its prime consideration. Therefore, instead of alleviating the unemployment of low-skilled workers through the creation of non-skilled posts, the Government would rather benefit the contractors who resort to squeezing workers on various pretexts after being awarded the contracts.

Second, the use of prefabricated components. The construction industry has always been hardest hit by Hong Kong's unemployment problem. There have been constant calls from the labour sector for the Government to stop procuring prefabricated components from outside Hong Kong so that more job opportunities can be reserved for local construction workers. However, the World Trade Organization (WTO) procurement agreement has been used as an excuse to turn down the labour sector's request. It was not until the Government had to construct the Government headquarters at the Tamar site and seek support from Members of the labour sector that it agreed to study if there was scope for changes in the agreement. The labour sector certainly welcomes the Government's change. However, the Government's willingness to change its position is not because there are a large number of unemployed workers in the construction industry. It is just because the Chief Executive would like the construction of the Government headquarters at the Tamar site to commence expeditiously. I am really saddened by such a stark exchange of benefits.

It is even more puzzling that, despite the Government's emphasis that prefabricated components must be procured from outside Hong Kong under the Government's procurement agreement, a harmony public housing block was built in Kwai Chung last year by the Housing Department (HD) under a trial scheme using components prefabricated locally. Unfortunately, the trial result has shown that the cost of components prefabricated locally is exceedingly high and not competitive.

The HD's trial scheme has given rise to even more questions. Is the Government's insistence on the use of components prefabricated out of Hong Kong attributed to the WTO agreement or the cost? If it is attributed to the agreement, why could the HD use locally prefabricated components in the trial scheme? If it is attributed to the cost, I can only say that the cost of using components prefabricated on the Mainland is even higher. Hong Kong has been plagued by the problem of air pollution all along. However, it is revealed in a recent survey that one of the sources of air pollution in Hong Kong is a town to the northeast of Hong Kong, also a construction materials producer, for a large quantity of pollutants is released there in the course of producing those construction materials. In terms of cost, components prefabricated outside Hong Kong are not lower than those prefabricated locally; only that part of the cost of the components prefabricated outside Hong Kong has been transferred into social cost. Furthermore, the entire Hong Kong society has to pay an exorbitant price for this.

Third, the self-reliance policy under the Comprehensive Social Security Assistance (CSSA) Scheme. Under the present Disregarded Earnings (DE) arrangements, the Social Welfare Department (SWD) requires CSSA recipients to re-enter the labour market on a semi-compulsory or semi-incentive basis. I have made a query in the relevant panel of this Council, pointing out that forcing CSSA recipients to engage in vicious competition with other low-skilled workers in the job market will only make the socially disadvantaged groups fighting their own kind, and reduce the job opportunities of low-skilled workers. Despite the fact that the notion of the Support for Self-reliance Scheme originates from the workfare concept advocated in countries like Britain, the United States, and so on, there are no massive structural unemployment groups in the labour markets of these places, as in the case of Hong Kong. Furthermore, these countries have vast hinterlands as a buffer against unemployment.

In its review with the Commission on Poverty of the implementation of the Support for Self-reliance Scheme, the SWD admitted that the effect of DE in reducing the number of unemployed cases is not remarkable and has failed to vigorously encourage the recipients to re-enter the labour market. Furthermore, the review has not stated the reasons for the poor effectiveness of the Support for Self-reliance Scheme. Here I would like to remind the Government not to blame the CSSA recipients for the poor effectiveness of the Scheme. It should, instead, examine the structure of the job market for possible causes.

The occurrence of polarization in the local job market is actually the result of the market-led approach emphasized by the Government and the facilitation by the Government. In order to ameliorate the problem of polarization in the job market, the Government must adjust the relevant policies. In this connection, I request the Government to alter its current policy for outsourcing non-skilled services. To achieve this, the Government should, in outsourcing non-skilled services, change its previous market-oriented tactic and objective of saving public money to a new tactic of offering reasonable wages and working hours with a view to resolving the employment problem confronting low-skilled workers and, on this basis, create more posts, drawn up more flexible working hours, and endeavour to employ low-skilled workers. I believe public services with keen demand for manpower, such as street cleansing, landscaping, elderly care, and so on, will have enormous scope for creation of more posts.

Organizations seeking to help low-skilled employees such as the Labour Department, retraining institutions, and the SWD, can also complement the Government's recruitment policy, in particular the SWD's Support for Self-reliance Scheme. Under the Government's new recruitment policy, the SWD should refrain from pushing CSSA recipients to the market and make the employment environment even worse. Instead, the Government should employ these people to enable them to re-enter the community.

As regards the use of prefabricated components, I would like to request that, in addition to the Government headquarters at the Tamar site, other government works should also cease to use components prefabricated outside Hong Kong. As for the use of prefabricated components in non-government works, I would like to request the Government to, through the implementation of the origin inspection system, restrict the importation of prefabricated components causing serious environmental pollution in the course of production. This is helpful to both the employment of local workers and the improvement to air quality.

President, during the debate in this Council last month on how to make effective utilization of the fiscal surplus, I emphasized that the surplus should first be used to help those people who have never been benefited in the course of economic recovery. I hope the Secretary for Economic Development and Labour will not, in his reply, harp such old tunes as employment is created by the market. This old tune has proved to be unsuitable for Hong Kong's polarized job market. While it is easy for a government with generous fiscal

reserves to hand out money to win people over and create an atmosphere of popular support, a politician should not act in this manner. I guess only a snobbish businessman who is good at calculation will act in this way. Today, when the Government is no longer required to take drastic measures to raise revenue and cut expenditure, with full employment recorded for professional and management employees in the job market, it is still difficult for low-skilled workers to find a job to make ends meet. Hence, I hope the Government can seriously consider the proposals made by this Council. I will support the amendments proposed by Mr LEUNG Yiu-chung and Mr Andrew CHENG for a number of proposals raised therein, similar to the aspirations of the labour sector, are consistent with our position. President, I so submit.

Ms LI Fung-ying moved the following motion: (Translation)

"That, as structural unemployment is serious in our job market and employment polarization has occurred, this Council urges the Government to improve the employment environment for low-skilled employees, create job opportunities and strengthen the training for them, so as to enhance their competitiveness."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms LI Fung-ying be passed.

PRESIDENT (in Cantonese): Two Members will move amendments to this motion. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr LEUNG Yiu-chung to speak first, to be followed by Mr Andrew CHENG; but no amendments are to be moved at this stage.

MR LEUNG YIU-CHUNG (in Cantonese): President, the amendment proposed by me today is nothing new. It is merely another attempt to harp on an old tune to reflect to the Government, through today's motion question and the amendment, previous requests made by the Neighbourhood & Workers Service Centre and wage earners.

President, the topic of labour has been debated in this Council on seven occasions over the past two years, with requests for implementation of "minimum wages" and "standard working hours" made on four of the occasions. However, like what happened when I proposed motion debates over the past four years on transport concessions for people with disabilities, the Government has, despite the discussions in this Council, been adopting an indifferent attitude as if its ears are waxed, with the problems continuing to be left unattended. Perhaps the Government hopes that the problems will run their own course. This reminds me of a remark made in 1995 by Mr Donald TSANG, the then Financial Secretary, in response to Members' call for the Government to freeze government charges. He used a Greek myth to illustrate that the Government would even seal its ears with wax to show that it would cling to its own opinion. Surprisingly, this experience has managed to pass down till today.

President, it is lamentable, for the legislature and the executive should be working in partnership instead of in such a confrontational manner. However, it is evident from its performance that the Government is resistant to the views expressed by this Council. Even the views of the public are not taken too seriously. Treating the views of Members and the public as devils' seductive calls, the Government will definitely shut its ears in the end, thereby resulting in policy blunders. In my opinion, the motion moved by Ms LI Fung-ying today on "Polarization in the job market" simply represents one of the adverse consequences of the Government's past policies.

Both Mr Matthew CHEUNG, from the Labour Department (LD), and Mr Henry TANG, Financial Secretary, have recently repeatedly emphasized that, with the Hong Kong economy continuing to recover, many industries will employ more people. They have kept talking about the bright prospects of the labour market by stressing the record numbers of vacancies posted with the LD. President, this might be so in some cases. However, behind all the optimism are hidden worries as Hong Kong's economic development now is different from what it was in the '60s, '70s, '80s, or even '90s when the territory was heavily relying on labour-intensive manufacturing industries. With the northward shift of all local factories at present, only service industries are left behind. Furthermore, these industries have to shift to knowledge-based development. Therefore, even if there is an increase in the number of vacancies, less educated or low-skilled people, be they young, middle-aged or elderly, can hardly be benefited in the course of Hong Kong's economic development.

Meanwhile, the Government has even indicated the need for some employers to employ imported workers owing to difficulties in recruitment. In my opinion, the Government is still using its old mentality to tackle the problems in the practical environment in an over-simplistic manner. It is still clinging to its previous attitude of resorting to piecemeal measures.

The Government is also harbouring the mentality that, given the economic recovery now, employment will be improved subsequent to economic growth. As a result, the Government has been placing its faith in chance and strokes of luck. In my opinion, however, the Government's attitude is not helpful to resolving the polarization problem mentioned earlier.

President, the Neighbourhood & Workers Service Centre and its affiliated labour unions realized this problem a long time ago and knew that such a phenomenon was going to occur, sooner or later. We are extremely worried about the present mismatch and imbalance of manpower. For these reasons, we have already expressed our concern to the Government earlier and put forward a number of proposals. We have requested the Government to, among others, expeditiously implement a minimum wage and standard working hours, convert long-term temporary posts into permanent posts, and stop outsourcing government work and selling government assets with a view to stabilizing the employment of grass-roots workers to ensure that they can have hope in their future.

Unfortunately, under its long-standing ostrich policy, the Government has been acting indifferently to the problem, aggravating the situation and, at times, even catalyzing the problems. For instance, as Members should also be aware, the Government's sale of the shopping centres and car parks under the Housing Authority (HA) to The Link REIT has obviously made the situation even worse. President, I said so because, as Members are aware, during its initial listing period, The Link Management said that great efforts had been made in converting the establishment of the Housing Department from two shifts into three. However, there have recently been rumours that the system will be reverted back from three shifts to two. Fortunately, The Link Management is now behaving in a more restrained manner as a result of the discontent expressed by members of the community, groups and workers.

Yet, The Link Management has recently indicated the need to make more than 1 000 employees redundant because of the HA's overstuffed establishment. This is an adverse consequence of the Government's sale of assets. Are

Members really prepared to see an expansion in the size of our unemployment army? This question is very straightforward indeed. My request for the Government to stop selling its assets is therefore not unfounded. Actually, the situation before us is indeed like this.

Furthermore, in times of economic doldrums, the Government constantly resorted to massive employment on temporary contracts. We certainly endorse and support the Government doing so, because this is a means to attract and accommodate low-skilled workers. However, it has been years since these workers were employed on temporary contracts. From an objective point of view, these posts are no longer retained for the purpose of entertaining certain social requests, but retained out of practical needs.

Actually, if our figures are correct, the Government has, up till now, employed approximately 15 000 contract staff, with 25% of them having been employed for over five years. Under such circumstances, many of the employees would presume their jobs to be practically essential. The Government should therefore stop calling them temporary staff. Instead, they should be converted into permanent staff. There has recently been a plan for labour unions and Members to meet with the Director of Food and Environmental Hygiene to discuss this matter, for the contracts of the temporary staff of the Food and Environmental Hygiene Department (FEHD) are due to expire. The staff have expressed the wish to be included in a stable establishment and not to be employed on contract terms because of the anxiety thus brought each year.

Unfortunately, President, the Director of Food and Environmental Hygiene has declined to meet with the labour unions and me on the ground that the relevant posts have been outsourced and that the meeting is not essential because the posts are temporary in nature. Although remarks like these were repeated each year, some government officials were very nice and were willing to meet with us to publicly discuss how the problem could be solved. However, for reasons unknown, the FEHD has demonstrated such a dramatic change in attitude that it has even expressed a reluctance to meet with us. Furthermore, we have requested that the meeting be held during office hours instead of extra time to be sacrificed by the Director. Notwithstanding this, the Director is still unwilling to meet us. I hope the Secretary can go back and reflect this incident to other Directors. Given the Government's commitment to maintaining high transparency and listening to public opinions, why has the Government refused

to make gestures like this? I hope the Director can improve his attitude and refrain from acting like the former British Hong Kong Government. Actually, even officials of the former British Hong Kong Government would strive to hold discussions and not behave in this manner. Why has such a dramatic change taken place? Is it because of his pledge of strong governance after ascending to power that Chief Executive Donald TSANG is not willing to meet us, despite the existence of the problems? Why is the present Government not willing to do the same, for even Mr TUNG was willing to meet us? President, I hope the Government can change this attitude.

Furthermore, I hope the Government can understand that we do not want to see people being eliminated in the labour market because they will then face such problems as unemployment, underemployment and low income, and they might then need to apply for Comprehensive Social Security Assistance. If they do so, however, they will again be criticized for "being lazy and reluctant to work", and such criticism will subsequently give rise to social division and discrimination. For these reasons, I hope the Government will not act in this way again. I remember during his meeting with us, Mr Matthew CHEUNG admitted that the phenomenon of polarization had emerged in Hong Kong. Given his recognition of the problem, I hope he can resolve the problem sincerely, instead of refusing to tackle it despite admitting the existence of polarization. I hope he can face squarely our proposals and resolve the problem sincerely. President, I so submit.

MR ANDREW CHENG (in Cantonese): Madam President, the local employment market has continued to improve, with the unemployment rate of the latest quarter falling to 4.9%, a record low in the past five years. However, it does not mean various industries are necessarily benefiting from the economic recovery. Low-skilled, less-educated grass-roots workers are still confronted by the problems of high unemployment, underemployment and pay reductions. Furthermore, the structural unemployment problem is still serious.

With Hong Kong's economic transformation and the increasingly fierce competition from the Mainland, our traditional low value-added, labour intensive industries have fallen into a decline, as they can no longer cope with the changes in the market. Meanwhile, high value-added industries have started to gain ground. As these emerging industries require highly educated talents with

professional skills, less-educated, low-skilled workers, because of their lack of competitive edge and inadequate government support, are at risk of being eliminated by the market. This is the root of the structural unemployment problem we are discussing today, and the crux of the problem of polarization in the job market.

Madam President, the tendency of polarization in the job market can be seen from three aspects, namely the employees' skills, education standard and age. Simply put, the lower the skill, the higher the unemployment rate; and the lower the education standard, the higher the unemployment rate. The phenomenon of polarization is demonstrated both in the age of employees and the unemployment rate. In other words, the unemployment rates of particularly young or old people are higher than those of other age groups in comparison.

Madam President, age discrimination by employers is possibly a major factor leading to high unemployment among middle-aged people. In the past, it was difficult for people aged 50 to land a job. Now, even people aged 40 can no longer find a job. For Hong Kong, where there is an ageing population, age discrimination will definitely be one of the major factors contributing to high unemployment among the middle-aged people in the future.

For these reasons, the Democratic Party proposes that anti-age discrimination legislation be enacted to prohibit employers from practising age discrimination in recruitment, employment, promotion and retirement arrangements. The legislation sought is meant to prohibit age discrimination.

According to the data provided by the Census and Statistics Department (C&SD), the unemployment rates of those between the age of 40 and 49 and those between the age of 50 and 59 in the labour force have continued to rise, from 23.8% and 10.1% respectively in the fourth quarter of 1996 to 30% and 16.4% respectively in the fourth quarter of 2005, thus reflecting a steady rise in the employment needs of people aged 40 or above. However, the unemployment rate of middle-aged people is higher than the average unemployment rate. In addition to their relatively low education and skill standard, I believe age discrimination by employers and society is also a key factor.

In 1999 and 2000, Madam President, the Education and Manpower Bureau commissioned two separate consultancy studies on the problem of age discrimination in recruitment. Both studies incidentally revealed that 82% of

the respondents agree that there was age discrimination in recruitment in Hong Kong, and 65% of them considered the discrimination quite serious too. In a survey conducted in 2002, 73% of the interviewed employers agreed that there was age discrimination in recruitment.

Madam President, we believe legislating against age discrimination will not only help remove the problem of age discrimination faced by older workers, but also help remove the same problem faced by young job-seekers. Both surveys conducted by the Education and Manpower Bureau show that more than 50% of the respondents advocate the enactment of legislation against age discrimination in employment. In a survey conducted by the Democratic Party in April this year, it was revealed that more than 65% of the respondents supported the idea of legislating against age discrimination to ensure that elderly and young people could enjoy the protection of having equal employment opportunities.

Madam President, legislating against age discrimination can remove the age obstacle confronting middle-aged and young people in seeking employment so that people with the desire to work can make reasonable income by virtue of their own abilities and knowledge. This will also be helpful to alleviating the Government's social welfare expenditure brought about by the rapidly ageing population.

In Hong Kong, legislation against sex discrimination in employment, disability discrimination and discrimination against family status were enacted a long time ago for enforcement by the Equal Opportunities Commission. The Home Affairs Bureau has also initiated a public consultation on legislating against racial discrimination in such aspects as employment. It is extremely regrettable that the Government has been lacking sincerity in resolving the problem of age discrimination in employment.

At present, only the "Practical Guidelines for Employers on Eliminating Age Discrimination in Employment" published by the Labour Department seeks to make proposals on elimination of age discrimination in employment. However, it is a great pity that the Guidelines, like those others prepared by the Governments, are not legally binding and can simply do nothing to help resolve the existing problems arising from age discrimination in employment.

A number of overseas countries have already enacted legislation, such as the Human Rights Act 1993 in New Zealand and the Age Discrimination Act

2004 in Australia, against age discrimination. The fact that Britain's Employment Equality (Age) Regulations 2006 will take effect in October this year demonstrates that the enactment of legislation against age discrimination in the global community is becoming a general trend.

Madam President, the Democratic Party considers that legislating against age discrimination is crucial to resolving the structural employment problem. Furthermore, it is hoped that both high and low value-added industries can be simultaneously developed in Hong Kong. What is more, it is essential for Hong Kong to develop high value-added products and services by, for instance, exporting education services, as advocated in one of our motion debates, to upgrade Hong Kong's competitive edge. On the other hand, we must ensure the prosperous development of tourism and the retail industry in Hong Kong with a view to accommodating the low-skilled workers, still constituting the majority workforce, to provide them with more job opportunities and alleviate massive unemployment brought about by the structural transformation of the economy.

The Democratic Party fully appreciates that the problem of mismatch, caused by the oversupply of low-skilled workers and the shortage of high-skilled workers, will adversely impact on society and the economy. This explains why we have proposed in the policy address or budget debates numerous measures that seek to alleviate the situation, upgrade the competitive edge of low-skilled workers, and create more job opportunities.

We once proposed to the Government that more resources be committed to creating new posts, upgrading the skills of workers, and offering training programmes that meet the needs of the market to middle-aged workers. In the light of serious unemployment among young people, the Government should formulate comprehensive employment and training policies for young people to help them enter the labour market and provide them with sustainable education opportunities and financial assistance. To tackle the unemployment problem confronting a large number of low-skilled and less-educated middle-aged people, we should develop community services and the recovery and recycling industries with a view to creating more job opportunities. Furthermore, the Government should properly grasp the opportunities brought about by the implementation of major works, such as the construction of the Hong Kong-Zhuhai-Macao Bridge, to ensure that, in compliance with the principle of the World Trade Organization Agreement on Government Procurement, priority is given to carrying out the

work processes in Hong Kong and employing local workers with a view to enhancing their job opportunities.

Madam President, regarding Mr LEUNG Yiu-chung's amendment, the Democratic Party has always strongly advocated the enactment of legislation on standard working hours. On behalf of the Democratic Party, I have also finished drafting a private bill on regulating standard working hours. Regarding the Court of Final Appeal's ruling of excluding commission from the calculation of statutory holidays and payment for annual leave, we request the Government to expeditiously revise the Employment Ordinance to clearly determine a reasonable method of calculating employees' commission for the protection of employee's rights and interests.

According to the figures provided by the Civil Service Bureau, more than 2 000 non-civil service contract (NCSC) staff have at present been employed for over five years, thus demonstrating that there is an actual need for their long-term employment. In our opinion, the Government should arrange for converting NCSC staff and temporary staff on long-term employment to permanent staff so as to stabilize their employment prospects. In addition, the Democratic Party has, in the policy address and on other occasions, raised a number of proposals on ways to strengthen training for young and middle-aged people.

With these remarks, Madam President, I propose the amendment.

MR JEFFREY LAM (in Cantonese): Madam President, astronomy guru Stephen HAWKING advocated life and science during his visit to Hong Kong. Overcoming the hardships inflicted by his serious illness, HAWKING has been exploring the mystery of the universe with his dauntless spirit, thereby sparking off a scientific research fever throughout the city. In addition to owning a unique theory on astronomy and physics, the guru is also concerned about the impact of scientific research on the economy. He pointed out that scientific developments, such as computer and genetics studies, have often brought huge economic benefits, consequently benefiting the human race. During a meeting a couple of days ago between HAWKING and Chief Executive Donald TSANG, in response to a question raised by the Chief Executive on ways to raise the interest of young people in scientific research, HAWKING specifically proposed to the Hong Kong Government that scholarships should be awarded to students

and funding be allocated to universities for more scientific research posts for the purpose of retaining talents to prevent them from seeking employment elsewhere.

Madam President, my intention of mentioning HAWKING is mainly to prove the importance of talents to economic development and resolving the unemployment problem.

Despite the rise of 8.2% in GDP in the first quarter of this year compared to last and the fall of the unemployment rate to 4.9% according to the latest published figures, we note that structural unemployment is still serious in the labour market and employment polarization has occurred. By "polarization", it is meant the hardship encountered by low-skilled workers in seeking employment. In the first quarter, the unemployment rate for these workers still stood at 6.1%. On the other hand, there is a serious shortage of well-educated, high-skilled talents. With a low unemployment rate of 2% or near full employment for these people, there are even jobs not filled.

The Liberal Party has always held the view that the unemployment problem, yet to be resolved, is closely related to the economic problem. These two problems are basically two sides of a coin. The crux to boosting the economy and creating employment is to attract, retain and create more talents, for Hong Kong is moving towards a knowledge-based economy. Only through attracting more talents to Hong Kong for development can Hong Kong economy scale new heights to give impetus to economic development, thereby creating more job opportunities and new industries.

As people are all talking about the World Cup Finals these days, I would also like to draw an analogy between soccer and economic development. A soccer team knowing only to defend, but not to attack, will never score but only lose goals. Members should realize that the prospects of winning are not good.

However, the efforts made in attracting talents are still inadequate. The past couple of years have seen nearly 50 000 new immigrants arriving in Hong Kong annually. Of these new arrivals, the percentage of those aged between 25 and 44 has risen from 30% to 65%, yet 70% of them have an education standard below Secondary Three.

During the period between July 2003, when the Admission of Mainland Professionals Scheme was launched, and March this year, the Immigration Department (ImmD) approved a total of 10 104 applications. This means only an average of 3 300 applications were approved per annum.

Under the Admission of Talents Scheme, the details of which is to be announced shortly, overseas talents will be allowed to reside in Hong Kong for one year without securing employment by local employers beforehand. We welcome the Government's decision to adopt the points system proposed by the Liberal Party and use the applicants' academic qualifications and working experience as the major criteria for assessment. However, a quota of 1 000 has been set for the first year, despite the Government's estimate of a shortfall of more than 100 000 people with high educational standard by 2007, and a serious shortage of talents.

Judging from the current figures on the importation of overseas talents, polarization of employment will only get increasingly worse. Attracting talents to Hong Kong has now become a matter of great urgency. For this reason, a more flexible government policy is called for. We propose that the Government further relax the number of talents admitted to Hong Kong, or even abolish the upper ceiling, in order to satisfy the demands of the development of various high value-added industries in Hong Kong.

In addition to attracting talents, the Government also has to more vigorously attract investment immigrants and overseas investors to Hong Kong. According to the figures provided by the ImmD, only 900 applications from investment immigrants were approved in the past two years, with each investor expected to create six job opportunities. If we calculate on this basis, investment immigrants will create not more than 3 000 jobs per annum in the employment market. The impact on reducing the unemployment rate is therefore negligible.

A favourable and profitable business environment is essential to attracting investors to Hong Kong. However, it is not easy at all to lure foreign capital, given the constantly high oil prices, rising prices of raw materials, as well as increased transport costs and rents. I believe the appeal to investors will be greatly boosted if the Government can offer tax concessions or set up funds to give incentive to the development of certain creative industries. Furthermore,

the Government should pursue with the Central Authorities for an extension of the investment immigrants scheme to cover private enterprises and mainlanders holding a certain amount of foreign currencies.

Lastly, regarding the proposals raised in other amendments, may I ask if the unemployment problem can be resolved solely by establishing a minimum wage and standard working hours? I believe many Hong Kong people will give a negative reply. In my opinion, so long as the economy can be boosted, the labour problem can be ameliorated and get out of the economic black hole. I hope the Government can endeavour to respond to Prof HAWKING's proposals and ours on deploying resources to attract and create talents.

Madam President, I so submit.

MR WONG KWOK-HING (in Cantonese): Madam President, the unemployment rate of the previous quarter was published by the Government the day before yesterday. Our employment rate has, for the first time since 2001, adjusted downward to 4.9%. Although the unemployment rate alone happens to coincide with the recent remark by finance officials that overall unemployment has improved markedly, have grass-roots wage earners in general been truly benefited? The answer is definitely in the negative. Otherwise, Members of the labour sector would not have to propose the motion on "Polarization in the job market" today. Below I will attempt to expound my views from four aspects, namely reflection by income of polarization in the job market, legislating against age discrimination, strengthening training for youths and the middle-aged, and job losses owing to outsourcing of government services.

First of all, both the community and the Government have in recent years realized the growing disparity between the rich and the poor. One of the topics examined by the Commission on Poverty set up by the Government early last year happens to be working poverty. It is found that working poverty is attributed to unreasonable exploitation of the wages of grass-roots workers. According to the figures published by the Inland Revenue Department two months ago, there are a large number of top earners, for more than 1 000 people have to pay more than \$1 million in tax. On the other hand, however, more than 180 000 households in Hong Kong earn less than \$4,000 a month. The polarization of people's incomes is thus evident.

Secondly, according to the data provided by the Census and Statistics Department (C&SD), the unemployment rates of people between the age of 50 and 59 and those between the age of 40 and 49 in the labour force are 6.5% and 4.8% respectively. This precisely reflects that people find it increasingly difficult to land a job as they get older. It has been pointed out by the labour sector all along that middle-aged people are often confronted by the problem of age discrimination in seeking employment. Nowadays, a lot of low-skilled job seekers are often asked about their age during job interviews. When being told that they are aged over 50, the employers will make lots of excuses to reject their job applications. This makes it even harder for people of this age group to seek employment. At present, there are no provisions on age discrimination in legislation relating to discrimination. There is indeed a serious lack of protection for low-skilled workers. Hence, I hope that the Government can, as in the case of three other pieces of anti-discrimination legislation, legislate against age discrimination in employment.

Furthermore, Madam President, besides middle-aged people who have difficulty in seeking employment, young people are also hard hit by unemployment. With the overall unemployment rate reaching 4.9%, the unemployment rate of young people between the age of 15 and 19 has even hit 20.4%, with the situation in the remote areas in the New Territories being the most serious. Numerous community problems are often caused by the failure of a large number of people to enter the labour market. In recent years, the Government has successively launched the Youth Pre-employment Training Programme, Yi Jin, and the Youth Work Experience and Training Scheme with a view to training young people to enable them to re-enter the labour market by acquiring skills meeting the needs of the market. But how effective have these programmes been over the years? When it comes to training, the labour sector will naturally associate training with the various training programmes launched by the Government over the years. For years, these programmes have continued to be targets of criticism. As demonstrated by numerous examples in the past, low-skilled workers can still not land a job after completing training programmes one after another. In the final analysis, in addition to the provision of training programmes meeting the current needs of society, the market must provide a large number of relevant posts before the labour force can be absorbed, thus avoiding the emergence of an oversupply of labour. It is therefore essential for the Government to, in the formulation of policies, come up with employment-oriented economic policies.

In recent years, Madam President, government departments have been selling various public facilities and outsourcing services one after another. Examples include the securitization exercise of five tunnels and one bridge, the divestment of shopping centres in public housing estates in preparation for the listing of The Link REIT, the outsourcing of management services of housing estates, and so on. Very often, a large number of posts will be offered to low-skilled workers upon the outsourcing of government services. However, following the outsourcing of services on a number of occasions, the Hong Kong Federation of Trade Unions received numerous cases concerning exploitation of workers subsequent to the outsourcing of public services. The lack of proper government supervision after the outsourcing of these services has led to frequent cases of suppression of workers' wages. For instance, even The Link Management has confessed that 1 400 workers have been affected in its latest pay cuts and retrenchment exercise. It can be said that not a single corporation or consortium has, in recent years or since the reunification, resorted to such a massive retrenchment exercise in which more than 1 000 people were made redundant. Operators of outsourced services have now frequently resorted to constant streamlining because they merely care about maximizing their profits. Even workers who have been fortunate enough to escape retrenchment will often have to pay the price of pay cuts, extended working hours, and so forth.

Furthermore, if we examine the unemployment rates carefully, we will find that, according to the data provided by the C&SD, the construction industry records the highest unemployment rate, with its unemployment rate reaching 13.4% during the period from December last year to February this year. Compared to the unemployment rate of 11.5% recorded last year, the latest unemployment rate of the industry has gone up instead of coming down. Despite the Government's commitment of launching public works totalling \$29 billion this year, construction workers are already caught in dire straits before the public works have even started. Even the Financial Secretary has admitted that the construction industry is in deep trouble. I hope the Government can seriously address the hardship confronting the job market at present (*the buzzer sounded*) I have not finished yet, but my time is up. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, you should sit down promptly.

MR FREDERICK FUNG (in Cantonese): President, a remark made by Permanent Secretary for Economic Development and Labour Matthew CHEUNG in a job fair last month on polarization in the labour market has not only induced extensive media coverage, but also once again aroused public concern about the problem of polarization. Today's debate question is also a response to the problem. The Permanent Secretary's remark to the effect of "polarization has emerged in the local job market" was actually based on some simple statistics available at that time. According to the statistics, the unemployment rate of higher-skilled people is a mere 2%, or close to full employment. In contrast, the situation of low-skilled workers is grim, with their unemployment rate exceeding 6%, even higher than the overall unemployment rate. At that time, the Permanent Secretary merely blamed the problem, in a narrow context, on two factors: the first one was "economic transformation", and the second one, "labour mismatch". Actually, such remarks have often been used by government officials as a "protective shield". The Government has not only failed to prescribe the right remedy by proposing relevant solutions, it has also overlooked the multiple, complex reasons behind the phenomenon of polarization.

President, while the Government is still revelling in the recent robust economic growth and feels contented with the latest fall in the unemployment rate to 4.9%, I must point out unequivocally that the economic recovery has not benefited all strata of the community, particularly the grassroots and low-skilled workers. Furthermore, the wealth gap continues to worsen, with social conflicts further intensifying. According to the latest statistics, more than 180 000 households, or close to 8% of all households, in the territory earn less than \$4,000 a month. Evidently, low-skilled workers bore the brunt of hardship when our economy was in the doldrums. Now that the economy has turned for the better, they are still leading a difficult life. This has aptly proved that the argument frequently stressed by the Government and Members of the business sector that the livelihood of the grassroots will naturally improve once the economy recovers is absolutely untenable. Furthermore, it is a far cry from the reality, and the conclusion thus drawn is wrong.

President, where does the problem lie? Can the officials explain the polarization problem simply with their pet phrases of "economic transformation" and "labour mismatch"? Frankly speaking, I cannot deny that the Government is unable to influence the general economic trend and external factors. However, the tilted economic policies and the guiding ideology of so-called

"active non-intervention" which have all along been practised by the Administration happen to fuel polarization in the job market.

President, with the rapid development of the global economy, the problem of poverty in cities is worsening. On the one hand, with its grip on knowledge and skills, and thanks to the economic development, the mainstream labour force enjoys a more prestigious position and becomes more affluent. On the contrary, because of a lack of competitive edge and opportunities, grass-roots workers are often rejected by the mainstream force in society and are powerless to struggle for survival in the market. Actually, the governments of places around the world have taken the initiative to propose a variety of measures to tackle the problems with low-skilled workers arising from their lack of competitive edge and opportunities for development. And yet, owing to the curse of "positive non-intervention", the Administration has often looked at the plight of the grass-roots workers with indifference. In the absence of support and a policy of developing a diversified economy, grass-roots workers are deprived of their jobs and opportunities for development. The Administration has even gone so far as to connive at the indiscriminate exploitation of grass-roots workers by the so-called free market and refuses to establish a minimum wage and standard working hours for the protection of their basic livelihood.

On the other hand, the Government has selectively and lopsidedly devoted its resources to the so-called high valued-added economic initiatives and the four major pillars. President, despite the need to take forward and promote these economic initiatives, it is inadvisable to put all the emphasis on them. Whenever the Hong Kong Association for Democracy and People's Livelihood (ADPL) requested the Government to develop a diversified economy in the past, the Government would often say something like the request was out of step with the general trend of economic transformation and cost-effectiveness. Coupled with the Government's obligation to practise "active non-intervention", industrial development had to rely on the market force. Members who care to note a discussion paper released recently by the Commission on Strategic Development on the economy will certainly find that the paper has merely focused on the study and development of advantageous and high value-added industries, with complete disregard to the significance of diversified economic development. This attitude of applying double standards reflects precisely the Government's frequent tactic of formulating policies with a lopsided approach and its emphasis on business interest at the expense of low-skilled workers' opportunities of development, thereby aggravating the wealth gap.

Consequently, the channel allowing the grassroots to climb up the social ladder has become increasingly narrow.

Actually, the Subcommittee to Study the Subject of Combating Poverty set up by this Council has already reached an all-party consensus on the problem of working poverty and completed a relevant report, which has been submitted to the Commission on Poverty and relevant government departments. The proposals contained therein will have a positive effect on alleviating polarization in the labour market. I hope the proposals can be implemented expeditiously, particularly as different political parties in this Council, from those with affiliation with the business sector or the grassroots to those with affiliation with labour unions, have all endorsed the report. This makes it even more worthwhile for the Government and the executive to join efforts with the legislature to ameliorate the problem of polarization in the market. The ADPL is of the view that the problem of polarization can be tackled from two aspects: first, to provide low-skilled workers with appropriate support and training, and legislate for the protection of labour rights and interests; and second, to develop a diversified economy. Insofar as the former is concerned, assistance and protection should be offered to low-skilled workers to enable them to meet their basic and essential needs and alleviate the stress on them arising from transport and housing expenses. Furthermore, multi-faceted training should be offered and the problem tackled at root by boosting and sustaining their competitive edge in the market. As regards the latter, the Government should be requested to rectify the serious tilting of economic policies and, starting from a macro-economic perspective and an inclusive social policy, develop a diversified economy, particularly labour-intensive industries, by, for instance, considering offering tax concessions, setting up loan funds, and so on, with a view to providing job and development opportunities for the grassroots and dispersing the risks that may arise from economic recessions.

With these remarks, President, I support the original motion and all of the amendments.

MR ANDREW LEUNG (in Cantonese): Madam President, in the face of economic transformation, the Government of the Hong Kong Special Administrative Region (SAR) made a lot of efforts in assisting employment and boosting the employment rate in the past. According to the latest employment statistics published by the Government this week, the employed population

reached a historic height of 3.4 million. At the same time, the unemployment rate, for the first time in five years, fell below 5% to 4.9%, a new low in 57 months. Compared with the unemployment rate of 6.8% in June 2003, the employment environment has now improved substantially. If we examine carefully the statistics on the working population, we will find that the territory has spared no efforts in creating new jobs over the past couple of years, with the working population expanding from 3.28 million two years ago to 3.44 million at present, a feat that can hardly be copied by other countries. However, with the economic transformation, there is a widening gap between the employment of high-skilled employees and low-skilled workers. In the first quarter this year, the unemployment rate of high-skilled employees, as pointed out by Members earlier, was close to a full employment rate of 2.1%. However, the unemployment rate of low-skilled workers was 6.1%, or four percentage points higher. We must actively seek ways to tackle the situation, which warrants our concern.

The phenomenon of polarization in the job market is not unique to Hong Kong. It is inevitable in every developed economy and knowledge-based society. Let me cite the latest employment performance in the United States as an example. The unemployment rate of high-skilled people at degree or above level was a mere 2.1%, which is the same as Hong Kong. However, the unemployment rate of people with low educational attainments or low skills was as high as 6.9%. The situation in Britain and France in Europe is similar. Despite the presence of a minimum wage and other protections, as stated by Mr WONG Kwok-hing, the situation in these countries is even worse than that in Hong Kong.

The problem has to be resolved. Therefore, the Liberal Party supports Ms LI Fung-ying's original motion calling for the Government to launch new initiatives, create more job opportunities, support the sustainable development of the economy and, at the same time, encourage the younger generation to pursue lifelong learning and upgrade their skills.

To get better prepared for the economic transformation, we have to enhance the injection of high technology, to be complemented by the labour market. The strength of our human resources must be boosted to prevent us from being eliminated. Therefore, new thinking should be introduced into training and retraining. In particular, the re-employment training for the low-skilled grassroots must be more focused to ensure that every trainee meet a certain standard upon completion of the training programmes.

Being a former member of the Employees Retraining Board, I have witnessed the constant rise in the number of people receiving retraining, in the face of Hong Kong's industrial transformation over the past decade, from 50 000 or so per annum a decade ago to approximately 100 000 at present. The qualification of the trainees has also continued to rise. At the same time, the Government has substantially increased its annual funding to nearly \$400 million to offer, through 58 institutions, including several major labour unions in the territory, full-time and part-time retraining places to the labour market. However, the training provided has often been focused on job types requiring low skills, such as home helpers, security guards, and so on, and has failed to truly upgrade their skills in the medium and long terms. In my opinion, it is now the right time to fully review our training and retraining experience with a view to strengthening the vigour of training and identifying a new direction.

In addition to enhancing the accreditation of the programmes, it is also essential for the programme providers to complement the efforts made by the industries. We encourage the setting up of an excellent qualification framework to give employers one more reference index for employment and encourage employees to pursue lifelong learning and engage in constant self-improvement. Provided that employers are confident in the effectiveness of the training programmes, they will be pleased to employ the programme participants and offer them even better remuneration and treatment. Conversely, once the employers lose confidence, all skill upgrading and retraining programmes will end up lacking long-term and clear directions for development.

There have been voices in the community calling for new initiatives to let the business sector to take up a greater share of burden. However, during a conference attended by me last week on the Greater Pearl River Delta, one of the participants — Prof FENG Xiaoyun of Jinan University, Guangdong — sounded a warning for Hong Kong. According to the professor's analysis, our future development in the region will face greater obstruction, or even a crisis of stagnancy, because of our sole reliance on the development of our traditional light industries in the region and the declining proportion of such industries in Guangdong. At present, although the combined product sale of the three major traditional industries, namely textile and clothing, food and drinks, and construction materials, still accounts for RMB 440 billion yuan, the industries represent a mere 15% in terms of the industrial structure of the whole Guangdong. Coupled with the provincial government's earlier implementation of a policy to move some of the more polluted industries northward, the prospect

of these industries is getting increasing uncertain. In contrast, newly emerging industries, such as electronic information, and potential industries, such as automobile manufacturing, have not been properly developed. To preserve Hong Kong's economic strength in the region, the Government must maintain the operational flexibility of industries, and even further break down barriers and streamline procedures to assist existing industries in entering the new industries for the purpose of creating more local job opportunities to facilitate wage earners in seeking employment and exploring new development opportunities, instead of imposing more regulations on the employment market, thereby putting an additional lock on the business sector which has been enduring great hardships in business operation.

Madam President, we cannot achieve the goal of resolving the problem of polarization in the job market by simply enacting several pieces of labour legislation. Instead, we must rely on the introduction of new economic elements by the Government, employers and grass-roots workers, enhanced training and skills upgrading, and improvement of the standard and skills of the workforce with a proactive attitude and effective measures for sustainable economic development before the remuneration and treatment of employees can be improved.

With these remarks, I support Ms LI Fung-ying's motion.

MR LEUNG KWOK-HUNG (in Cantonese): President, I would like to thank Mr Andrew LEUNG for revealing the fact that the structural unemployment rates of the United States are similar to ours. This proves that, unlike what businessmen say, workers will not lose their jobs with the introduction of minimum wages, maximum working hours, labour unions, right to collective bargaining, and so forth. This remark, made by Mr LEUNG personally, is really remarkable.

The problem confronting us today is that, after going through the burst of the economic bubble over the past seven years or so, most enterprises are now talking about bright prospects, saying things like hitting new heights, during the publication of their performance, and yet the wages of the working class, particularly the lower stratum, have continued to shrink. There was such a remark made by businessmen, rich people or the Government: Owing to

deflation, workers would not starve to death, even if their wages were cut, and could still benefit from pay freezes.

This is no longer the case — prices will now be pushed up by inflation. Employers are extremely worried about having to pay workers more under such circumstances. The more they make, the more tax they will have to pay (though tax increases, if any, will still be negligible). Despite our low tax rates, a large number of people have still managed to become top earners, not to mention people like LI Ka-shing, who will not pay any salaries tax at all.

With such a tax regime and the reality like this, the rich still shamelessly questions why workers should be rescued by arguing that the workers will die if they are protected. In the past eight years, have the workers died, given that they have not enjoyed any protection? Today, we have gone through the hard time. Members share this view too. Why can we not learn from the lesson and give the working class minimum protection? Why is it inadvisable to implement a minimum wage and maximum working hours? Why is it inadvisable to introduce the right to collective bargaining? Why will people joining labour unions be dismissed?

I would like to cite the recent bus workers' strike as an example. The present inflation rate is definitely higher than 1.8%. The workers are merely expecting a pay rise comparable to the inflation rate for the protection of their living standard to prevent it from falling because of the economic recovery. Is it impossible for such a request to be met? Is it impossible for employers to entertain such a request? Donald TSANG has even suggested people to shut their mouths. What sort of man is he? Let me repeat — the request for a pay increase according to the rise in the Consumer Price Index is merely intended to ensure that life will not get even worse for millions of workers as a result of the economic recovery. However, we can see that they have failed and achieved nothing and, without the right to collective bargaining, they are torn into pieces. Why sort of society is this?

What happens to our society is, when most rich people make more and more money during the economic recovery, they will not, as suggested by Members of the Liberal Party like Mr Andrew LEUNG, devote their profits to ameliorating the structural employment problem. Instead, they will engage in speculation, make investments everywhere, and buy stocks and hedge funds in

Hong Kong. Let us take a look at the deed of the son of the LI family? Even the Chinese side could not stand it and told him not to act in that way.

This is social hypocrisy. The businessmen and the Government have kept saying that they will act properly and ask people not to make so many requests. However, it is evident that the Government has been helping oppression — wages have dropped even further due to the Government's increased outsourcing and privatization of public assets. This is the crux of the problem. Whatever Permanent Secretary Matthew CHEUNG does is futile, because more and more essential public utilities and services have become money spinners for consortia. The reality before us is that even news-stand and market stalls operators are being robbed of their business.

The reality is not going to change. People are told to pursue lifelong learning and strive for constant improvement. However, when they have to work 12 hours a day and are unable to make enough money to pay for their tuition fees, how can they pursue studies? It is totally cold-blooded for Mr Andrew LEUNG to expect people to do so. How can workers in Hong Kong upgrade themselves when their working hours are so long and their incomes so meagre? Failing to upgrade themselves, they are labelled as rubbish. They are even considered deserving all this for failing to heed advice. It is precisely for this reason that, despite the fall in the unemployment rate during the economic recovery, the wages of poor workers have still not seen any improvement, and the underemployment rate continues to rise. In other words, an employed person might still be unable to feed his or her whole family. What sort of society is this? Everything can be tackled with an additional levy of a mere 5% in profits tax. Why not do so? Why can tycoons get so fat that they cannot even put their socks on and may even suffer from ruptured blood vessels, heart attack, and so forth, whereas our workers, as thin as a beanpole, have to continue to live in extreme poverty?

This explains why I have the feeling that unreasonable things keep repeating themselves in this Council every day. As public opinion cannot be upheld due to the absence of a democratic system, 3 million or so salaried people cannot enjoy any protection. I suppose these should become the new subjects for the 1 July march this year: Oppose collusion between business and the Government; fight for labour rights; and fight for the rights of the lower stratum. I hope every young man will take part in the march. Other participants should also include non-engaged youths, poverty-stricken workers and public housing

tenants. It is my hope that the 1 July march can completely reflect that Hong Kong people cannot tolerate this phenomenon of collusion between business and the Government, and wealth gap. Thank you, President.

MR FRED LI (in Cantonese): On behalf of the Democratic Party, President, I will speak very briefly to express mainly our views on Mr LEUNG Yiu-chung's amendment.

While we certainly support Ms LI Fung-ying's original motion, we consider Mr LEUNG Yiu-chung's amendment largely fine except point (d), that is, stopping further sale of the operation and management rights of government public facilities and outsourcing of services. I would like to express our views on this point.

We will abstain from voting on Mr LEUNG's amendment mainly because some services operated or wholly owned by the Government are at present operated according to commercial principles. Even if they are privatized, sold or listed, the effect on the employees will be limited. Furthermore, privatization can bring about a more effective utilization of resources, thereby bringing down the cost of services. As users of the services, members of the public will actually be benefited.

In the opinion of the Democratic Party, it is indeed unnecessary for certain institutions to be run by the Government. For instance, the Hong Kong Mortgage Corporation, Tradelink, and even the Hong Kong Airport Authority are being operated according to commercial principles. We also share the view that it is not entirely essential for multi-storey car parks to be run by the Government. While it might be necessary for the services mentioned earlier to be operated by the Government during the initial period, this might no longer be the case after some time.

In our opinion, the Government should review services no longer require operation by the Government from time to time. The services can then be provided to the public by other means, including privatization, listing, trading fund, and so on. Furthermore, resources might be utilized even more properly with a new mode of operation, thus benefiting the general public as users of all services. Therefore, we consider the proposal of stopping sale of the management right of government public facilities too rigid. Furthermore, it has

not taken into consideration the interest of the public as users of these services. For these reasons, the Democratic Party cannot support the amendment and will abstain from voting.

President, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Earlier on, Mr WONG Kwok-hing, Ms LI Fung-ying and the business sector's Mr Andrew LEUNG have all mentioned the unemployment figures released recently. With regard to such unemployment figures, I found there are two completely different viewpoints. As I review the recent unemployment rate, which stands at 4.7%, it is already the lowest during the past 57 months. The recent announcement also contains another figure, which was also mentioned earlier by other Members, that is, the unemployment rate of low-skilled workers, which has also gradually dropped from the high point of 10% to 6.2%.

Two groups of people have different interpretations of the two figures. In fact, I hope both the Secretary and the Commissioner can listen to this: I believe that facts are facts, or you may call it "materialist dialectics" because what is put before us is a fact. In theory, under the current circumstances, I think Ms LI Fung-ying would not have proposed this motion today, and of course we do not have to repeat angrily those viewpoints which have been reiterated by us over and over again in this Council since 1997.

After examining these two figures, I would like to next tell the Government some other figures — the figures in relation to household incomes as released by the Census and Statistics Department. They are the latest figures. The figures show that 20.8%, that is, 476 800 households have a monthly income of \$8,000. What I am referring to is the "household income", the total income earned by all the members of the family together. And there are 460 000 households earning less than \$8,000 a month, and among them, some 178 000 households are even earning less than \$4,000 a month. Let us look at another figure, which is about Comprehensive Social Security Assistance (CSSA). Very obviously, there were some 18 000 cases in May 2006, an increase of 0.5% over that of the previous month.

We are all reading the same set of figures. On the one side, those take an optimistic view would say that the unemployment rate has improved, and that it is the lowest figure during the past 50 months or so. We are on the other side.

From the government statistics, we can see that the number of poor people has increased, and so have the numbers of low-income people and CSSA recipients. So actually what kind of story is it? Regardless of whether this story tallies with the picture painted by Ms LI Fung-ying or that painted by Mr WONG Kwok-hing, in short, we Members in the labour sector have always been saying this. Perhaps let me start telling it all over again.

We have kept saying repeatedly in this Council that polarization has emerged in Hong Kong. Nowadays, some people do not have to worry that they might become out of a job. Posts have been created for them long before their graduation. They are university graduates. However, some other people, being also university graduates, are left idle without getting any offer just because they are old or their expertise has become outdated. There are many such cases.

With regard to the figures or the series of figures announced by the Government, the authorities concerned say that the unemployment rate has already dropped to 6.2%. But this is actually still a very high rate. As this is a percentage in the overall population, so this is already a very large figure.

Madam President, if the market situation is very good, then the consolidated household income figure mentioned by me just now would not be like that, and we would not say that both the numbers of low-income people and CSSA recipients are gradually increasing. Therefore, we very much hope that the Government can really face the situation squarely. In particular, we really hope that the Government can do something under the current circumstances so as to see if it is possible to solve the structural employment problem mentioned by us. Now, the economic conditions are improving, but we can still see that a lot of people are still complaining about The Link Management for the income of \$4,000. They keep saying that if the market situation is really good, why should they still bother about The Link Management? They absolutely would not care about it, and they would probably say there are a lot of other jobs awaiting them.

I have not made up all these. All this information had been supplied in the remarks recently made by Government Economist KWOK Kwok-chuen. I was really infuriated then. However, our meeting rules stipulate that each Member can only speak for a few minutes and after that you cannot pursue any

further. He said at present the low-income persons are mostly elderly people. When we further asked him for more detailed figures, he could not provide any. I think if the Government is willing to face squarely the fact that such a problem does exist, it should have the courage to face these people, instead of just saying something they fancy to be true in their own world.

In fact, for several hundred dollars, these people are going to different Members' offices to complain about the changes brought by The Link Management. Now, when I visit the various housing estates, I would be greeted by people who say to me, "Miss CHAN, I shall be out of a job next month, unless I agree to accept a pay cut." Or, "Miss CHAN, we used to work for eight and a half hours a day, but we have to work for 12 hours now." What could we do? We would be told many such stories whenever we visit the housing estates.

I very much hope that Secretary Stephen IP, in his capacity as the Secretary in charge of such matters, can make greater efforts in tackling the problem. Both Secretary IP and the Commissioner have adopted many different approaches and methods to assist the unemployed people. However, in my opinion, adopting such measures is like "treating the head when there is a headache, and treating the leg when there is a leg pain." It will never solve the problem fundamentally. The Government must come up with some major policies to help these people who have been affected by the emergence of the structural unemployment problem and who now have difficulties in finding employment. The Government must think of some ways to help them.

Madam President, recently, I have held several residents' meeting. One evening, when I attended a residents' meeting in the Shun Tin Estate, a resident of the estate told me, "Miss CHAN, I have no prospects now." He was so angry. He felt that when he was young, that was some 10 years or so ago, he thought he did have prospects. He could draw up a step-by-step development plan for himself, one that would enable him to climb up the social ladder. However, these people do not have any prospects at all now. They can only see what is in front of them. They can just rise in the morning and go to work, and in the evening, they return home from work and take a rest. And that is all. They have no way of making any forward planning for themselves. Therefore, in the face of these people with little or no competitiveness, is it necessary for the entire Government to formulate some policies focused at their present situation?

At present, the main problem is, there are no job opportunities for them in the entire market. Even if there are, many such workers will have to scramble for such openings.

Fine. I think this aspect is very important. Can we take advantage of the present good economic conditions and create more job openings, so as to give them room of survival? Can the Government make some fine-tuning to its policies? Is any attempt being made to examine the government policies to see if there are detrimental to the employment of workers, and stop implementing them once such policies are identified? For example, some policies regulating hawkers. All along, I have been saying that the hawker trade can help many people. In the past, people can feed their entire families by selling wonton noodles and bean curd dessert. But this is no longer possible now. All the policies seem to be driving them into extinction. This is similar to the case when some residents told me that they had no prospects at all. They had tried to use their methods to solve the financial problems of their families in the hope that they could have some development or their situations could be improved. However, the Government policies have not given them any room for development. Let me cite another example. Can the Government launch some creative industries suitable for the young people? The Government can absolutely remove such obstacles policy-wise in order to help them. Of course, a very important tool is also essential. So, before formulating such policies, the prescription of a minimum wage and standard working hours can solve their present predicament — at present they cannot earn enough money to feed themselves no matter how hard they toil. Otherwise, in spite of today's stability in Hong Kong, I do not know what will happen in future. The earlier actions taken by the staff members of bus companies actually exposed some problems. All they were asking for was just a minor pay rise, but some more violent actions could come out of this.

Madam President, I support the original motion and the amendments.

MRS SELINA CHOW (in Cantonese): President, the latest unemployment rate just announced by the Government is 4.9%, which is the first time that the rate has plummeted to below 5% since 2001, and it is the record low for the past 57 months. When compared with the historic high figure of 8.9% three years ago, the employment environment has obviously improved. This is really pleasing news to everyone.

However, there are still 175 000 unemployed persons in Hong Kong. Among them, many are low-skilled workers who have been out of work for a long time. Besides, the underemployment rate between three and five months has risen, instead of dropping, from 2.4% to 2.6%, and in terms of head count, it has increased from 85 000 persons to 95 000 persons, with the affected industries mainly covering the construction, restaurant, hotel and cleaning industries. The status of these people can easily change any time in future from underemployed to unemployed as a result of changes that may take place in the market situations.

As many scholars have pointed out before, there is a mismatch of manpower in the local population. For those highly educated people and high-skilled people, not only have they attained full employment, there is even a shortage of supply of such talents. However, on the other hand, there is an oversupply of people with low skills and low education attainment, thereby leading to the emergence of polarization or structural unemployment in the job market. Regarding the solutions, we think we must target our actions at the phenomenon in the service industries, and we must try to make some improvement or readjustment by stepping up the training for workers who do not possess the suitable skills, so as to assist them in switching to other job types.

For example, after the financial turmoil and the SARS outbreak, the Central Government had implemented CEPA and the Individual Visit Scheme policy. Thanks to such initiatives, the labour-intensive industries such as the tourism, retail and restaurant industries have quickly recovered, thus enabling many people to return to the workforce. According to the information provided by the Labour Department, 39 000-odd vacancies were received in April this year, which represented an increase of 40% over the corresponding period of last year. Most of such vacancies come from the service industries and the retail industry, showing that Hong Kong's service industries have been developing very prosperously. Among such industries, the tourism, retail and restaurant industries are in the best positions to create a large number of jobs, and these industries are interrelated. The prosperity of one industry will benefit all other industries.

The tourism industry is the leader of service industries. The introduction of more and more tourist hardware in Hong Kong, such as the opening of the Disneyland, the renovation and upgrading of the Ocean Park, as well as the Ngong Ping 360 which will soon commence operation, will serve to attract more

tourists to Hong Kong or make them stay longer here. However, it seems to me that the Government has not placed sufficient emphasis on the software aspect. The quality of Hong Kong's front-line people — the tourist guides — can in fact be improved. Regarding these people who play the role of the so-called story-tellers, we should give them more incentive and training. This will also help some people with such talents to consider switching to this trade.

Besides, many tourists recently say that, as Asia's world city, everything in Hong Kong seems very beautiful; but sorry, the public toilets in Hong Kong are very lousy. Some places which should be very clean and hygienic still have not reached the people's expected international standards. If so, we should make improvement in this aspect. For example, we may step up the training of manpower for working in the cleaning and environmental hygiene trade, and so on. We can help them to look for jobs, so as to improve the tidiness of our city.

In the meantime, with regard to certain service industries — we find that when people travel, they would like to enjoy themselves in a very relaxed manner. So, not only the ladies but also many men are interested in joining such industries for the provision of services such as beauty care, skin care and slimming, and so on. But do these industries require people with a high level of education attainment? Not necessarily so. Better mastery of the relevant skills is perhaps an even more significant requirement or criterion. Therefore, these industries may provide opportunities for people of low academic attainment to get employment.

With the improvement of the economy, many housewives will re-enter the labour market. As far as I understand it, on all the holidays, there is a very strong demand for home help services. From this, we can see that the demand for this type of service is very keen in the market. So, there is a need for us to increase the number of training places for this type of services.

As we conduct studies on ways of enabling low-skilled workers to give fuller play to their abilities, we came across a very strange phenomenon, that is, a new line of business called postnatal accompanying service has emerged recently. It started three years ago. An Ms TAM has over 10 years of experience in accompanying new mothers who have just given birth to their babies. She thought there should be good business potential in the provision of postnatal accompanying service. So she established a company to launch the

service. When she started the business, she employed 10 women who were experienced in taking care of babies, and it has become a booming business. As the company develops its scale, it has now employed over 30 staff members and orders come flooding in. Not only so, the source of orders is not just confined to Hong Kong, but some are placed from overseas countries. Therefore, I think the logic of "Where there's a will, there's a way" can be applied in certain situations.

Besides, we still have the greening issue. Whenever we visit Shenzhen, we could not help feeling envious of their environment. The rate of their urban greening coverage amounts to 45%, whereas ours is only 19%. Hong Kong must re-double efforts in order to make up for the lost ground if we wish to maintain our reputation as an international cosmopolitan city. In this regard, the Government may recruit more staff to plant more trees and step up the training in gardening. In doing so, we can proceed with our greening projects properly on the one hand, and benefit the unemployed people on the other.

I so submit.

MR TAM YIU-CHUNG (in Cantonese): President, with the northward relocation of Hong Kong's manufacturing industries to the Mainland, coupled with globalization of world economy, the polarization of the job market of Hong Kong has been escalating very rapidly in the past decade.

Not only are grass-roots workers unable to share the fruits of economic development, in certain cases, they are rejected by the job market altogether. The phenomenon has further proliferated and affected even the skilled workers. Recently, the drivers associations of four bus companies have staged industrial actions to fight for a pay rise, which has precisely reflected that all non-intellectual type of workers are suffering from a serious disadvantage in the job market.

When I pointed out in early 2000 that as many as 1 million grass-roots workers would face the threat of unemployment, my remark caused widespread repercussions. During the past few years, both the Government and people from different sectors of society have placed considerable emphasis on the manpower development in Hong Kong as well as social issues in related areas.

For instance, the Chairman of the Task Force on Population Policy, Mr Donald TSANG, then Chief Secretary for Administration, predicted in a report released in February 2003 that, by 2005, there would be a manpower surplus of over 136 000 low-skilled workers who were educated at junior secondary level or below. Therefore, their employment problem must be dealt with expeditiously. This year, the Commission on Poverty chaired by the Financial Secretary also pointed out that, currently in Hong Kong, there are 182 200 families whose monthly incomes are lower than \$4,000, and among them 140 000 people are working full-time jobs. In this regard, one of the major tasks of the Commission on Poverty this year is to alleviate the problem of working poverty.

Although the job market has picked up steadily, with the latest unemployment rate dropping to 4.9%, low-skilled workers are still unable to share the fruits of economic recovery. Their unemployment rate remains high at 6.2%, whereas the unemployment rate in the construction industry stays at a double-digit level. As illustrated by the above figures, we can see that the overall economic growth in Hong Kong has failed to avert the polarization in the job market. The cyclical economic recovery has just temporarily masked the problem of structural unemployment.

During the past few years, the Government has undoubtedly done a lot in raising the standard of education and promoting the skills upgrading of the working population. However, due to the unsatisfactory industrial policies, it is difficult for the job market to absorb the large number of unemployed people who have completed the retraining programmes. Recently, there is a very popular book called *The World is Flat*. The author of the book describes the world as a soccer game — the kind of soccer game we watch every night — and that if you are not strong enough, you can only watch the game as a spectator. The actual situation of Hong Kong is even worse. We are well aware that we do not possess the expert skills of players like BECKHAM or RONALDO to play in the field — so to us, playing the "employment world cup" game is out of the question. All we can hope for is to find a position at which we can make a living, but in the end we cannot even secure this position, the predicament precisely faced by the majority of grass-roots workers. Given the situation, how can there be stability in society?

The DAB believes that in order to resolve the predicament encumbering the grass-roots workers, there is a pressing need for Hong Kong to resolve the

problem of hollowing out of the industries. It is necessary for us to develop new industries in Hong Kong, including high-tech and technology-intensive industries newly emerging in the international arena; innovative, market-oriented high value-added industries; as well as revamped and upgraded traditional manufacturing industries. Priority could be given to the development of the automobile and vehicle parts industries, the multimedia industry and the Chinese medicine industry. Measures should be put in place to attract local manufacturers to relocate their manufacturing operations back to Hong Kong. These moves will provide more job opportunities for grass-roots workers on the one hand and provide Hong Kong with a secure pillar for a new point of economic growth on the other. In this regard, support from the Government in terms of both administration and policy are needed, including the formation of a new industry board, provision of tax concessions, allocation of project funds, training of manpower, as well as enhancing the co-operation between different enterprises, manufacturers, the Government and educational institutions, and so on.

On the other hand, Hong Kong should fully open up the area along the Hong Kong-Shenzhen boundary with a view to developing the river loop area, Ta Kwu Ling, the Western Corridor and Sha Tau Kok into a fully integrated zone consisting of an economic region, a park of industries and high-tech development as well as an interactive tourist region for both Hong Kong and Shenzhen. Manufacturing industries with high value-added contents should be promoted therein, whereas traditional manufacturing industries capable of providing more job opportunities should be encouraged in a bid to re-establishing Hong Kong's competitive edge in the manufacturing industries. According to a study jointly conducted by the DAB and the China Development Institute of Shenzhen, the new economic development region could create a minimum of 50 000 job opportunities for Hong Kong. If the principle of "one local worker for every three workers imported" is enforced, the number of job opportunities to be created will exceed 60 000. Furthermore, these new development zones could promote the creation of associated employment opportunities in Sheung Shui, Fanling and Yuen Long, which is estimated at 80 000 to 90 000 job opportunities. Taken all together, a total of 140 000 new job opportunities will be created.

Apart from creating job opportunities, the DAB urges the Government to consider promoting the concept of social wage. The idea is to implement measures on housing, health care, education and to provide training allowances

and traffic allowances, and so on, in order to provide certain protection to grass-roots workers and to alleviate the burdens borne by them, so that they can lead a more stable life and be able to share the fruits of economic development, thereby fostering a stable and harmonious society.

Thank you, President.

MISS CHOY SO-YUK (in Cantonese): President, it appears that the economic conditions in Hong Kong are improving gradually. According to statistics of the Government, Hong Kong has witnessed an increase of 240 000 jobs since 2003. However, behind this brilliant record, we do have some hidden worries because these newly created posts belong mostly to the professional sectors. As for the grassroots who account for the mass public, they have not benefited at all from the improvement of the economy as a whole. Instead, they have to bear with the accompanying inflation as well as the rising prices. With all these factors at work, the serious disparity between the rich and the poor is further worsened. The ridiculous scene of the rich enjoying the luxuries and the poor lingering at the brink of starvation will soon happen in our realistic life.

In the face of polarization in the job market, some hold that it is natural to see the number of posts for people with low education and low skills diminishing as Hong Kong has undergone economic restructuring. In this macro environment, the only way out for employees is to embrace the changes and seek self-improvement through value-adding, so as to actively make themselves adapt to the new objective environment. And on the basis of this rationale, there is not much the Government should do or can do.

President, we completely agree that everyone has the responsibility to upgrade his own knowledge and skills, so as to cope with the drastic changes in the modern society. However, at the same time, we must admit that there are in society some people who belong to the disadvantaged group and they absolutely do not have the ability to adapt to changes. According to government information, though the overall unemployment rate in the first quarter has steadily dropped to the lowest point in four years, the unemployment rate of low-skilled persons, on the contrary, has risen substantially to 6.2%. As for the unemployment rate of the young people in the corresponding period, it has also risen by 2% over the previous year to nearly 20%.

If the Government chooses to sit back and relax and continues leaving the decision to the market, then it is cruel. Such policies can never be people-based. Such a society can never be a caring society.

If we put the issue in the long-term perspective, we can see that many research studies have illustrated that when the number of unemployed people keeps increasing to a point beyond the threshold, then it will easily become a time bomb that may trigger off social disruptions. The earlier outbreak of a large-scale demonstration in France was the best example of this. Much earlier on, between '70s and mid-'80s in Britain, the economic downturn and the employment problem of the young people led to a series of events associated with "football hooliganism", with its impact further extended to many other countries in Europe.

Therefore, be it for the sake of helping the needy to identify employment opportunities, or for maintaining social stability, the Government is duty-bound to put forward effective relief measures. One of the main directions of work is to provide the grassroots with more job opportunities.

As a matter of fact, the DAB has time and again put forward a package of proposals which can, on the one hand, create more than 10 000 job openings for low-skilled workers, and on the other, solve Hong Kong's waste problem once and for all. In effect, it is a proposal which enables us to separate waste at source, and in the meantime, build up a centralized waste separation and recycling system. Through this system, we can effectively reduce the amount of waste for disposal at the landfills, and at the same time, we can provide recycling industries with a steady supply of raw materials. It can even save as much as \$2.4 billion for the Government by reducing the costs of handling the landfills, or alternatively, it may enable the Government to save incineration costs at billions of dollars. Meanwhile, it can also generate large amounts of job opportunities. So it is a case of killing several birds with one stone. I do hope that the Government can actively consider this proposal.

Besides, in my recent trip to Japan, I conducted some on-street observations, which are perhaps worthy reference for the SAR Government. In the past, when we walked into a Japanese department store, we would invariably see some lady service attendants, who, be they lift attendants or frontdoor receptionists, were all very polite and hospitable, capable of making you feel friendly and welcome. However, when I visited Japan again recently, what I

saw was an entirely different scenario. No matter where I went, I found the numbers of lift attendants and receptionists had reduced substantially. Besides, large numbers of middle-aged men stood guard by the sides of the roads. Their work was by no means complicated — just help ensure that the traffic of the neighbouring areas was in order. However, what impressed me most was their numbers. I could see two such middle-aged gentlemen stand guard at every junction of the main streets and the side streets.

I have not conducted any survey, nor had I made any detailed inquiries into the situation. So I do not know whether it was a special way of tackling the unemployment problem with specific reference to the situations of individual areas. However, to the local communities, it is indeed a method that can create large numbers of grass-roots job openings on the one hand, and help ensure the smooth flow of traffic on the other. Of course, as a common Chinese saying goes, "There are widely divergent rules and customs in different villages." I am not asking the SAR Government to make a direct duplicate of this method, nor am I asking the SAR Government to create jobs just for the sake of creating them. All I am hoping the Government would do is to think in this direction, so as to formulate some government services for the grass-roots people with practical effectiveness, so as to alleviate the problem of polarization in the job market.

President, I so submit.

MR KWONG CHI-KIN (in Cantonese): Madam President, the ferries sailing between Central and Tsim Sha Tsui offer two different service categories: the upper deck and the lower deck. The upper deck charges a fare of \$2.2 per journey, whereas the lower deck \$1.7. If you take the upper deck, you will be able to enjoy the sea breeze, which is really pleasant. If you find it too windy, you may as well choose to enter the "air-conditioned cabin" to enjoy the cozy cool air there. However, if you have only paid the fare for the lower deck, then no matter how noisy the engine room is, and no matter how foul-smelling the diesel is, you still have to stay in the lower deck until the ferry has reached the other side of the harbour. You simply cannot make your way to the upper deck to enjoy either the sea breeze or the air conditioning there because the fares are different for the two decks.

The present labour market in Hong Kong is very much similar to the situation on board such a ferry. The workers on the upper deck are having a good time. With the revival of the economy, they have been able to enjoy pay rises and make more money, and they and their families can enjoy some better lives. With the summer holiday around the corner, the travel agencies expect that many people will join some deluxe tour groups during this hot season because everyone would like to have some better enjoyment after earning more money.

However, the grass-roots workers are like passengers on the lower deck of the ferry. Once stepped into the lower deck, you cannot switch to the upper deck because in recent years, the passage to the upper deck has been blocked. If one would like to move to the upper deck, he might have to climb out of the window and climb up to the upper deck from the outside. Even if this is possible, only very few people can really make it.

Many successful people often stress how they made their achievement through making lots of hard efforts. They stress that, in order to climb up the social ladder, one must rely on one's personal endeavours. They say that the grass-roots workers now should follow their examples in improving their skills and work hard. However, these successful people have overlooked that the social environment has undergone substantial changes. In the past, there were many opportunities in Hong Kong. Those who could not do well academically might work in factories, or start some small businesses. Regardless of whether one opted for working as employees or doing business, there were many different opportunities for one to attain success. However, under the present circumstances in which major property developers have dominated the market, the high shop rentals have made it very difficult for people to start any business. In addition, the structure of the economy is tilted towards the service industries. This has reduced the choices of work available to the people.

So, the young people usually work either as salespersons or on-street sales promoters. Middle-aged people usually work either as cleaning workers or security guards. Just take a look at the vacancies advertised at the Labour Department and we will see that most jobs available are low-income and unstable jobs such as sales promoters and sales representatives. Besides, although instructor posts are also available, most of them are part-time ones. Next on the list are salespersons, cleaning workers and security guards, and so on. The monthly salaries of such jobs range from \$4,000 to \$6,000, and they mean

working 12 hours a day and six days a week. Such vacancies have exactly illustrated the polarization of the employment market.

Perhaps some may think that Hong Kong has already transformed into a knowledge-based economy. So the grass-roots workers must seek personal improvement, so as to upgrade their competitiveness. However, we must understand that not every security guard or salesperson can upgrade themselves to take up work at the executive level. Even if there are such cases, the successful ones are only limited to those very few who have made their upward climb to the upper deck through the window.

For most of the grass-roots workers, no matter how hard they have worked in upgrading their skills, jobs within their reach are invariably those posts of security services and sales promotion. Besides, with the limited supply of vacancies and the abundant supply of manpower in the market, it has also led to the polarization of incomes. In the past, he who works harder will earn more. But this is no longer the case now. Hong Kong's *per capita* Gross Domestic Product is some \$230,300. However, there are still over 244 000 people earning less than \$5,000 a month. Besides, according to the information provided by the Social Welfare Department, the number of low-income Comprehensive Social Security Assistance (CSSA) cases amounted to 18 310 in May this year, which represented a rise of 0.5% over the previous month. It was even a 30% increase over that of two years ago. In fact, the actual number of low-income families which cannot make ends meet must exceed this figure. Although their incomes are insufficient for feeding their families, many of them are still reluctant to apply for CSSA for the sake of their dignity. Instead, they prefer to make use of all kinds of methods to cut down their expenses. This polarization phenomenon has directly contributed to the widening of the wealth gap between the rich and the poor, thereby concealing factors of instability in society.

Madam President, the latest unemployment figures announced on Monday show a decrease of 0.2%. This is good news to the Government, meaning that the unemployed population have been reduced by 5 600 persons. However, in the meantime, the underemployment rate has increased by 0.2%, meaning that people with insufficient work has increased by 9 400 persons. The figures reflect that although the number of unemployed persons has decreased, the workers have not been able to secure stable jobs. Sometimes they have work to do and sometimes they do not; they are suffering from under-provision of work.

Some may say that, given an unemployment rate of some 4%, which is almost equivalent to the natural unemployment rate, there is really very little that can be done. With regard to such a theory, I do not agree at all. Let us take a look at the situation in Singapore. It has neither China as its hinterland, nor CEPA, not to mention the Individual Visit Scheme, but its latest unemployment rate stands at 2.6%. The Government often says that Hong Kong can leverage on the Motherland and thus enjoys an economic advantage. Then given an unemployment rate of some 4%, is there really no further room for improvement? I really hope that the Government can consider this seriously, so as to explore ways of improving the situations of the grassroots.

Madam President, I so submit.

DR FERNANDO CHEUNG (in Cantonese): Many thanks to Ms LI Fung-ying for moving the motion on polarization in the job market. I believe all the parties and groupings and even the Government must acknowledge that polarization has really emerged in the job market now and this is an indisputable fact.

Many colleagues have cited lots of figures, so I am not going to repeat them here. Regarding such figures, be they related to unemployment, income, or future prospects, basically they have all proved that the job market is getting more and more polarized. According to figures provided by the Census and Statistics Department, from the first quarter of 2004 to the fourth quarter of 2005, Hong Kong's GDP rebounded to 7.9% and our unemployment rate recorded a new low in 57 months. In spite of this, the number of working people with a monthly income of HK\$5,000 or below rose from 522 000 in the first quarter of 2003 to 541 000 in the fourth quarter of 2005, accounting for 16% of the total workforce. In respect of working hours, more than 700 000 people, or over 20% of the working population, are working over 60 hours per week.

Although certain figures have shown some slight improvement in recent months, the fact remains that the median monthly household income of the lowest income group is HK\$2,970, whereas that of the highest income group is HK\$80,000 — a difference as large as 26 times. When these figures are compared with those compiled 10 years ago, the median monthly household

income of the lowest income group has dropped by 20%, whereas that of the highest income group has increased by 20%. This has precisely shown that, if the situation in Hong Kong should continue in this manner, it is indeed very dangerous. An alarm has already been sounded in society.

We have often heard that the underlying cause of polarization is the so-called economic restructuring. With economic restructuring, since certain people (particularly those who are described as low-skilled persons with low academic attainment) are unable to cope with such restructuring, a problem of manpower mismatch will emerge. By this logic, the solution lies in the provision of training to these people so as to help them to cope with the pace of economic restructuring, so that the problem can be solved. For this reason, retraining programmes and similar employment services are provided in the hope that they will resolve the problems of these people, who are unable to keep abreast of the latest trend and keep up with the pace of economic restructuring.

The retraining scheme has been implemented for many years. Even with this retraining scheme, the job market has continued to polarize during the past few years, with no signs of slowing down in the future. This being the case, is it possible that the logic is based on faulty premises? Is the statement that people with low skills and low academic attainment are unable to keep up with the pace of economic restructuring really a valid argument? What kind of economic restructuring is it? Who controls all these? Is it government-advocated, or is it beyond the control of the Government? If it is true that retraining does help, then what sorts of retraining the Government should provide to building and construction workers who are in their fifties enduring underprovision of work? How can they be trained to catch up with the so-called state of the art, high value-added industry? What will make these people much sought-after workers? This is nearly a mission impossible.

Mrs Selina CHOW mentioned just now that public toilets in Hong Kong are not clean enough, and she suggested hiring more janitors to do the cleansing job. But is that sufficient for solving the problem? With the continual outsourcing of services by the Government, wages are constantly suppressed, and workers are required to work longer hours. Under the circumstances, how can new posts be created? Even if new posts are created by the Government,

how can the workers support their family with a monthly salary of just HK\$4,000?

Our policies are full of contradictions. On the one hand, we are saying that the workers are unable to keep abreast of the time. On the other hand, our current system and the *modus operandi* our Government are making it even harder for these people to secure a job. If this continues, I am afraid Hong Kong will experience the so-called "downshifting society" as other countries did. What exactly is a downshifting society? Japan, Taiwan and certain Western countries have had this experience — and Miss CHOY So-yuk has mentioned this too just now — in which some middle-aged men eventually had to stand guard in the streets. What on earth has happened? All these countries have experienced the so-called jobless growth, which means that despite the economic growth, there is no increase in the number of jobs, and the wages remain stagnant. Middle management people are feeling the pressure for downshifting. As a matter of fact, I believe that downshifting, that is, the downshifting phenomenon, has already emerged to a certain extent in Hong Kong during the past few years.

If our economic data are correct, the only people whose incomes have witnessed any increase are those belonging to the highest income group. Incomes of people belonging to the middle income group have remained stagnant, whereas incomes of those who are in the lowest group have kept dwindling. If this trend continues, eventually even people belonging to the middle income group may see their incomes being slashed, then an extremely dangerous situation may emerge.

I certainly cannot provide any answer today to the question of how we should develop our economy. I am not an expert on this. Yet, there are many basic ways of arresting the dropping trend or some basic protection systems, such as implementing a minimum wage, imposing restrictions on outsourcing of services, stepping up supervision on privatization, and so on, which could keep the working environment of front-line workers from further deteriorating. These are the minimum measures that the Government can adopt. If the Government does not provide even such protection, and on the contrary, it even puts all the blame on economic restructuring, manpower mismatch and then shifts all the responsibility onto the individuals, then I would find this approach very irresponsible.

If we want Hong Kong to continue moving forward, at least we have to positively address the problem of polarization in the job market and offer some basic protection to the workers.

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

DR KWOK KA-KI (in Cantonese): Madam President, just now before we started the debates, we had discussed a fairly important issue during the Question Time, that is, we asked the Government how it could address the problem of women in poverty with particular reference to the employment problem they faced. It was, however, disappointing that the government representative, the Secretary, failed to give us a convincing answer.

Now we are facing a serious structural unemployment problem, which has led to the emergence of polarization in the job market. A number of colleagues from the business sector remarked just now that we had to address this employment issue properly, though they argued that the solution did not lie in the implementation of the proposals suggested by Mr LEUNG Yiu-chung in his amendment to the motion, which cover working hours, employment rate, and some suggestions with relevance to the Employment Ordinance. Still, I would like to remind Members from the business sector that, I too, would like to see that more people can upgrade their skills so as to be able to join the employed ranks, thus reducing the people's over-reliance on the social security system on the one hand, and catching more working people into the tax net on the other. I believe many people share the same views as well. Nobody would like to be an ugly duckling if he could be a swan. But the problem is, can the people of the most disadvantaged groups get a job under the present employment situation? This is the most critical problem.

In Hong Kong, the unemployment rate for high-skilled, highly-educated professionals is as low as 2%, which is basically close to full employment. However, the unemployment rate for low-skilled workers and workers with low education is over 6%, which leads to a serious problem. The more people drop out of the job market and the longer time it persists, the more difficult it will be for us to assist them to return to the job market, which, over the long run, will pose a major problem to the Government and the business sector too. If we do not adopt a flexible approach to handle this problem, and if we continue to cling

to obstinate mindset of the past, we may well be claiming that the Employees Retraining Scheme is already in place, so let us just leave these unemployed "to their own destiny". If what we have been doing in this regard is sufficient, we might not have these problems at all today.

In fact, the employment market is being marginalized too. The economic changes and overall changes taking place in Hong Kong have victimized many people. But what on earth has the Government done in this regard? This is, after all, most unacceptable to us. We do not oppose Hong Kong's active non-intervention policy, but we do think it is wrong to assume that this policy is a panacea. Nor can this policy resolve the unemployment problem of so many low-skilled people with low education, or those who are poor and live in remote areas. If it is thought that the problem could be solved simply by relying on the Employees Retraining Scheme, I am afraid we may have over-simplified the problem.

Of course, the problem may not be resolved all at once even if all the proposals put forward by Mr LEUNG Yiu-chung in his amendment to the motion were adopted, but at least that could make the job market fairer and encourage the employment of more people on fair terms, such as the implementation of the long-advocated proposal of converting non-civil service contract staff with longer years of service into permanent staff, reduction of outsourcing of services, and strengthening training for young people. These are all necessary measures. In attracting foreign investments in order to promote a high employment rate, the Government should provide investors with financial or taxation concessions as an incentive for promoting job opportunities in Hong Kong. For example, the Government should examine whether there are ways of developing environmental industries (also known as the green industries) which have been discussed for a long time and see whether there are ways of offering concessions in order to attract more investors and bring about more job opportunities.

However, the Government seems to have paid only lip-service to this aspect and done nothing substantive. What I am saying is true. The official who is present at this meeting today is the Secretary for Economic Development and Labour, the official charged with the responsibility in economic and labour affairs. However, I do not see how the Secretary has made use of the powers and duties entrusted to him and his Policy Bureau in bringing about noticeable improvement in the employment market. Right now we are in a very passive position. Putting it more bluntly, we are simply "leaving everything to its

destiny". In other words, if the general economy fares well, the employment market will be good. If the general economy performs poorly, such as when the property market or the stock market suffers any setback, the employment market will be affected accordingly. Hong Kong does not appear to be capable of generating any momentum by itself. And this is certainly not what we want.

As a matter of fact, it is not true that the Government does not have the capability to tackle the problem. I am not suggesting that the Government should be dishing out money or taking any action to boost social welfare benefits — none of these are measures that can help Hong Kong in the long run. However, if the Government sits on thousands of billion dollars in foreign exchange reserve and fiscal reserve without putting them to good use, and if the Government is unable to attract more enterprises to set up companies in Hong Kong through fiscal or taxation policies attached by the requirement of creating more job opportunities, then our Government is not living up to the expectations of many Hong Kong people, particularly those who are looking for jobs in the employment market.

In fact, with regard to all the proposals contained in Mr LEUNG Yiu-chung's amendment, this is not the first time they are raised for discussion in this Council. All these measures will enable more low-skilled people with a low level of education to enter the job market on a fairer basis. In the long run, it will help reduce the burden of Hong Kong in terms of social welfare and social security. I hope the Government can respond in a way that would give us an impression that the issue has been considered carefully and prudently from the policy perspective, instead of a simple response that opposes the motion and all the amendments.

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

MR ALBERT CHAN (in Cantonese): President, polarization in the job market is the natural result of the Government's established policies, and this is a historical product of the objective conditions created by the "small government, large market" policy. The Government's policies, including its *laissez-faire* economic policy under which the consortia are allowed to manipulate the market excessively, over dominate the market will naturally lead to polarization in the

job market. The financial policy of the Government, that is the adoption of a low tax rate, enables the consortia to reap huge profits without having to shoulder any social responsibility. This is also one of the causes contributing to the polarization in the job market.

Besides, over the years, the Government has kept on privatizing and outsourcing its existing services, and this is the most significant cause contributing to the polarization in the job market. For certain jobs originally with more humane incomes (including cleansing workers and certain jobs originally of the ranks of assistants in the Government), the employees working in such posts used to be able to support their families of three or four to lead a moderately affluent life. But the Government took the lead to change such jobs, and eventually such employees have to lead a life below the poverty line. This is the product created by the Government's policy.

According to the civil service establishment, a government cleansing worker should earn between \$7,000 and \$9,000 a month. But after the service has been outsourced, the wage is reduced to less than \$4,000 a month. Consequently, cleansing workers became a kind of extremely cheap work type. This is also the result designed by the Government. Such actions taken by the Government actually reflect its mindset which is in effect also a type of "collusion between business and the Government" and "transfer of benefits". The Government thinks that the monthly wages of \$7,000 to \$8,000 are too high for cleansing workers, higher than the pay level in the market. Since major consortia and contractors can suppress workers' wages and employ workers to do the same type of work by paying 50% less than the Government's wage level, the Government is actually overlooking its basic social responsibility, overlooking the fact that this kind of outsourcing system and privatization system have over-exploited and repressed the interests of grass-roots employees. The Government's intentions could not be clearer. On the one hand, it intends to reduce public expenditure through privatization and outsourcing, and on the other, it creates more profiteering opportunities for the consortia which seek to reap huge profits and exploit the people's basic rights by establishing all kinds of subsidiaries or sub-subsidiaries.

Therefore, to improve such a situation of polarization in the job market, we must force the Government to introduce changes to the outsourcing and privatization practices. If we want to force the Government to do something,

we must force the Chief Executive to formulate some explicit policies to lead Hong Kong to abandon the outsourcing and privatization policies. Therefore, I hope Ms LI Fung-ying and other labour sector Members with a conscience would not perform the show of "doing him a great favour by scolding him slightly" in the forthcoming Chief Executive election. We must force all the candidates interested in running in the election to put forward some unequivocal, clear and definite policies, so as to improve the situation of polarization in the job market. If no such policies are put forward, then labour sector Members should not support any candidate in the Chief Executive election. Otherwise, they will also be "doing him a great favour by scolding him slightly."

President, we have seen many examples of polarization in the job market. One of the obvious examples can be found in The Link Management. A top manager of The Link Management earns \$5 million to \$6 million a year plus a 30% bonus of the profit. After The Link Management has taken over the services, not only the wages of cleansing workers were slashed substantially, but there were also massive layoffs. Recently, its management announced that over 1 000 employees would be dismissed. They claimed that they no longer needed these employees, and that such a move could reduce expenditure and improve the financial situation, thereby enabling them to get more benefits from "bonuses".

The example of The Link Management demonstrates that it is a club consists of retired senior officials and consortia for the purpose of exploiting the grass-roots employees. Through certain government policies, these people and consortia strive even harder to further exploit the rights of the grass-roots people and squeeze the maximum benefits out of them, thus enabling retired senior officials and top managers of the consortia to earn even higher salaries and bonuses now, and those senior officials awaiting retirement to enjoy higher salaries and bonuses in future. On the contrary, the wages of cleansing workers and security guards will continue to drop, and their working hours will be extended continually. All these are attributable to the Government's so-called privatization and outsourcing policies which help encourage retired senior officials and top managers of consortia, who in effect are the parasites of society, to exploit the people's rights, to squeeze money from the people, thereby reaping gains at the expense of the people.

Besides, many consortia make their top managers betray their conscience, ignore social justice and the needs of the public and exert pressure on the

grass-roots people. They would employ many improper tricks, even resort to violating many basic principles as well as many land lease provisions, in order to enable these plutocrats (especially the property developers) to reap even greater profits. Let me quote a very simple example. They delineated many public areas as parking spaces and, through collecting monthly rents from these parking spaces, help the consortia to pocket all such profits. We can easily cite dozens or even hundreds of such examples for the reference of the Secretary and the Commissioner. This is how they employ improper tricks or illegal means to reap profits.

President, if the Government does not ameliorate the problem, the situation will only keep worsening and the ordinary people will continue to be bullied and oppressed.

MR ALAN LEONG (in Cantonese): Madam President, on the surface, today's motion debate is not conducted at the most opportune timing. Two days ago, the Government had just released the unemployment and underemployment statistics for the period between March and May this year, and when compared with the period between February and April, the unemployment rate has dropped from 5.1% to 4.9%. This is the first time in the past five year that the rate has dropped to below 5%, whereas the size of the workforce has gone up to the new historic high of over 3.4 million. All these figures seem to paint a rosy picture for prospects in the job market. It seems to be telling us that the situation of wage earners has improved substantially.

However, we should not forget that, in a public function last month, the Permanent Secretary for Economic Development and Labour, Mr Matthew CHEUNG, highlighted the reality behind the seemingly prosperous situation: In industries that absorbed high-skilled persons like financial and banking industries, manpower demand was very keen, and the unemployment rate was as low as 2%, which was close to full employment; meanwhile, the unemployment rate of low-skilled industries was as high as 6.1%, which was even higher than the overall unemployment at that time which stood at 5.2%. Even government officials have to admit that the phenomenon of polarization has already emerged in the job market of Hong Kong, such that high-skilled employees are in great demand, but low-skilled workers are struggling for survival.

In last year's policy address, the former Chief Executive, Mr TUNG Chee-hwa, forecast that, by 2007, our workforce would face a shortage of over 100 000 well-educated persons but a possible excess of 230 000 workers with low educational attainment. When information and technology development is making headway in society and when Hong Kong is turning into a knowledge-based economy, polarization in the job market has become an issue we must face squarely. The information and technology development will phase out large numbers of mid-level clerical posts. Therefore, if mid-level employees do not move upwards and become members of the management staff, they will be forced to move downwards and compete with low-skilled workers, thus leading to the vicious circle in which the middle level of the hierarchical ladder will be eliminated and low-skilled workers will be phased out and marginalized.

Madam President, undoubtedly, enhancing the retraining of low-skilled workers is the essential policy for tackling polarization in the job market. However, we have over 20% of the workers working for more than 60 hours a week. The lower their academic attainments are, the longer working hours they have to work, and consequently, the less time and resources they can devote to retraining. If we just boast of motivating the people to engage in lifelong learning and continued education without providing an employment environment which is both stable and conducive to pursuing training opportunities, it will not help grass-roots workers to break the vicious cycle and seek prospects of moving up the career ladder.

Madam President, on the other hand, instead of just looking at the unrealistic prospects of economic restructuring, the Government should not overlook the reality that people do have difficulties in finding jobs, which is attributable to the present demographic profile. Regarding the situation of employees with low education and low academic attainment who still constitute the mainstay of the workforce, we must timely create more job opportunities which should cope with the low-skilled job market. One of the most feasible suggestions is to assist the development of the local recovery and recycling industries. The Government should, from a policy perspective, consider encouraging low-skilled workers in the community to start organizing themselves together to promote recycling and recovery operations in the form of co-operatives or community enterprises, so as to create more job opportunities.

Regarding Ms LI Fung-ying's original motion, both Mr LEUNG Yiu-chung and Mr Andrew CHENG have proposed amendments to it. Mr LEUNG Yiu-chung's amendment, on an "across-the-board basis", urges the Government to stop the further sale of operation and management rights of government public facilities and outsourcing of services. I have reservations about this. As I pointed out in last year's motion debate on "shelving privatization", the SAR Government should recognize the fact that it is not elected by universal suffrage and it does not have adequate public mandate, so in the process of implementing policies on privatizing public assets and services, it should on the one hand act in accordance with and listen to public opinions, and on the other, give adequate consideration to ensuring that service providers can assume their basic responsibility towards the workers. However, the calls for a review of the concepts of privatizing government services and principles of implementation do not mean that all privatization projects must be stopped with immediate effect.

Madam President, with regard to the creation of permanent posts, an "across-the-board" approach may restore the reduced government establishment to its previous size, causing public expenditure to rise once again. I am more inclined to accept the approach of dealing with the issue on a case-by-case basis, depending on the specific circumstances of individual cases. Therefore, I can only abstain from voting on Mr LEUNG Yiu-chung's amendment.

With these remarks, Madam President, I support the original motion and Mr Andrew CHENG's amendment.

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

MS AUDREY EU (in Cantonese): President, since there are many parts in the original motion and the amendments, I would like to speak on behalf of the Civic Party on our overall stance. Many Honourable colleagues have spoken on polarization, unemployment rate and employment rate, so, President, I would not repeat them anymore. We can all see that Ms LI Fung-ying's original motion is by no means controversial, and is supported by everyone. Regarding Mr Andrew CHENG's amendment on legislating against age discrimination, the Civic Party does not find it a major problem in principle. Of course, how the legislation should be enacted is also a major controversy in itself. However, as

moving such motions is mainly for the purpose of conducting debates, so we pay more attention to the stances, instead of looking at the details. Therefore, we do not have any objection to Mr Andrew CHENG's amendment.

Besides, what should be mentioned is Mr LEUNG Yiu-chung's motion. President, item (a) mentions minimum wage and standard working hours. President, you may recall that this subject has been discussed for many times, and I would not repeat the details now. However, I think there is one fundamental point which merits some recap. What I am referring to is Article 39 of the Basic Law which stipulates that, after the reunification, the provisions of the International Covenant on Economic, Social and Cultural Rights shall remain in force and shall be implemented through the laws of Hong Kong, and Article 7 of the Covenant says that all workers shall be provided with, as a minimum, fair wages and equal remuneration which should be sufficient for supporting a decent living for themselves and their families. Therefore, all along, insofar as the viewpoints of the Civic Party and the previous Article 45 Concern Group are concerned, we think that when the wages in certain industries have been suppressed to a level so low that they do not meet the requirements of Article 7, then such an article has actually become a constitutional responsibility as well as a social responsibility. As our earlier discussions have covered a lot of points, and this is not just a social responsibility, but also a social problem because there is a phenomenon in society that some wages offered are so low that it is better to live on CSSA than going to work. When such a problem has emerged, actually there is something wrong with our welfare system, or even with society as a whole. Therefore, together with the constitutional responsibility involved, we think that for certain work types or industries that have been particularly subject to exploitation, a minimum wage should really be established. However, this will not affect the small and medium enterprises, large consortia and general work types such as the professionals because it will absolutely not affect them. Their salaries absolutely will not become so low as to make them unable to receive reasonable remuneration, or their salaries become insufficient for "supporting a decent living for themselves and their families". Therefore, this is the viewpoint of the Civic Party on the minimum wage and standard working hours.

Item (b) is about the Employment Ordinance, that is, commission should be clearly included in the definition of wages so as to reduce the turnover of employees in certain sectors. President, I would like to discuss this issue as it

comes off a judgement passed by the Court of Final Appeal (CFA) recently. In fact, it is clearly stipulated in section 2 of the Employment Ordinance that wages include commissions, and there is no problem about it. However, the case heard in the CFA was rather special. It involved an employee selling cosmetic products. When she had sold cosmetic products, she then earned a commission. However, the commission she earned was not calculated on the basis of the amount of cosmetic products she had sold. Instead, the more she had sold, the more favourable the method of calculating the commission would become. For example, there was a very substantial difference between the methods of calculating the commission on her first and last days of work. However, since the method of calculating the commission is specified to be on a "daily" basis in the definition of the legislation, so in that special case, the commission could not be calculated on a daily basis to work out the "daily commission". Consequently, the CFA handed down the judgement that the Ordinance was not applicable to that kind of calculation. Although the case was very special, it was exactly this judgement that caused a great panic among many friends in the labour sector. All of a sudden, many cases popped up in the Labour Tribunal, in which many employers took the opportunity to exclude commissions in payment calculations. They tried to seek a clarification that in all the claim applications for payment for unsettled statutory holidays and annual leave, commission would not be included in the calculations. Therefore, it is necessary for us to clarify this issue. I hope the Government can help clarify the controversies. However, if it is necessary to amend the Employment Ordinance in order to clarify this type of problems, and to add some very special cases to the definition of "wages", such as the case heard in the CFA mentioned by me just now, the Civic Party is ready to render support.

As for item (c) in Mr LEUNG Yiu-chung's amendment, which proposes the creation of permanent posts in order to convert non-civil service contract staff and temporary contract staff with longer years of service to permanent staff so as to stabilize their employment prospects, the Civic Party considers it reasonable.

The greatest problem lies with item (d) because he proposes to stop further sale of the operation and management rights of government public facilities and outsourcing of services so as to avoid further job losses. President, Mr Alan LEONG also mentioned this point in his speech earlier. In fact, in the past when Mr Albert CHAN moved motion debates on the subject of privatization, we, in our former organization Article 45 Concern Group, had already explained

our position. We very much understand that privatization would bring about many complicated problems. But we are very prudent in dealing with the issue. In the present economic conditions, in fact, privatization may not be the most appropriate option in many cases. The Link REIT is of course a very good example to illustrate this, and it has also highlighted many issues for discussion. Therefore, we understand in spirit why Mr LEUNG Yiu-chung wishes to propose this amendment, but we still have to examine the issue with greater emphasis on the principles. This is because if we have to stop this type of privatization and outsourcing of services, so as to avoid further job losses, it will become a sweeping action. It is a relatively extreme stance to take if we think that all privatization and outsourcing of services will not work. Therefore, the Civic Party finds it rather difficult to support the idea.

However, with the exception of item (d), we can accept in principle all the other items — that is, items (a), (b), (c) and (e) — in Mr LEUNG Yiu-chung's amendment. Therefore, in order to show that we support the greater part of his amendment and we only find a small part of it so extreme that we cannot support it, so we have decided to abstain from voting on Mr LEUNG Yiu-chung's amendment. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Now I call upon Ms LI Fung-ying to speak on the two amendments. You have up to five minutes to speak.

MS LI FUNG-YING (in Cantonese): President, earlier on, when I delivered my speech, I already indicated my support for the amendments proposed by the two Honourable colleagues.

Mr LEUNG Yiu-chung has put forward five measures. In fact, these five measures have all along been the aspirations of the labour sector, which can be summarized into two aspects. The first aspect, with regard to the obligations that he thinks a government must fulfil, he says a responsible government should adopt some new policies and new measures to solve the problems when workers'

rights are injured; when a substantial number of workers cannot feed themselves with the wages they earn in the course of economic development; and when workers cannot find job opportunities for themselves. Besides, the Government should act as a responsible employer because it is the largest employer. However, during the past few years, it has inappropriately made use of some temporary contracts to employ staff to undertake the work of some permanent posts. As a result, a department may concurrently consist of temporary contract staff, non-civil service contract staff and outsourced contractor's staff. The situation of "same work with different pay" may exist in a department and of course this would seriously affect the morale of the employees. Therefore, insofar as these two points are concerned, I am supportive and would hope that the Government can fulfil its essential obligations in these two aspects.

Earlier on, when Ms Audrey EU mentioned some most pressing issues, she said that the Employment Ordinance must be amended to clearly include commission in the definition of wages. Mr LEUNG Yiu-chung's amendment has also spelt this out very clearly in item (b) because the judgement of the Court of Final Appeal has not only aroused panic in the labour sector, but also led to a major regression and deprivation of the existing statutory rights of workers. I hope the Government would not yield to those "powerful ones" and allow employees' rights to be jeopardized. Instead, it should expeditiously amend the law to restore the original legislative intent.

Mr Andrew CHENG's amendment is very simple and explicit in urging the Government to legislate against age discrimination in employment. This request has my support. At present, there are two major industries which low-skilled employees may join, namely, the retail service industry and the property management service industry. Even for the property management service industry, there are prevailing demands for "the inexpensive, the good-looking and the young". This is most unhealthy. What do I mean by "the inexpensive"? That means the wages of employees must be low, with only \$4,500 a month. But for the working hours, it is usually fixed at "12-yard penalty kick", a jargon used within the industry which means "12 hours". The demand for "the good-looking" means that they will choose to employ only the handsome men and beautiful women. This is because property management employees usually work in the lobbies to receive visitors, so the good-looking ones are more preferable. Now let us come to discuss the preference for "the young" ones. In the past, we would say that people aged between 50 and 60

should best work in the property management service industry, but this is no longer the case now. The management will only employ people in their forties. Once they hear that a certain applicant has reached 50, they will immediately tell him, "Please go home first and wait for our call." This is a most unhealthy situation. Therefore, I hope the Government can address this problem squarely.

As such, with regard to the amendments proposed by the two Members, both of them have my support. Thank you, President.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I thank Ms LI Fung-ying for proposing this topic of "Polarization in the job market" for debate, Mr Andrew CHENG and Mr LEUNG Yiu-chung for proposing their amendments, and Members for their input.

Over the past three years, there has been sustained improvement in the job market. The seasonally adjusted unemployment rate in the latest quarter has fallen to 4.9%, which is the lowest in 57 months. Certainly, there is no room for complacency. However, the fact is that there is improvement in the employment conditions for workers at different levels, although we admit that the conditions of lower-skilled workers have not been improved as much as those of high-skilled labour, and this has aroused concern in the community about polarization in the job market.

Over the past three years, we have seen general improvement on a greater scale in the job market, and this has benefited people at different levels. From 2003 to the present, about 250 000 new jobs have been increased. Moreover, the number of people on long-term unemployment has dropped as much as 50% from 92 900 to 46 000.

In fact, the unemployment rate of lower-skilled workers has also fallen gradually from as high as 10% in mid-2003 to the latest 5.9%. During the same period, the unemployment rate of high-skilled, professional and managerial employees has fallen significantly from 3.7% to 2%. In certain industries, such as accountancy and banking, manpower is even quite tight. This shows that a mismatch still exists to some extent in the labour market.

The problems of polarization in the job market and structural unemployment as raised by Ms LI Fung-ying are inextricably linked to the economic restructuring, globalization, popularization of information technology and corporate downsizing in recent years. Given these factors, the demand for workers with a low level of skills and education or lacking work experience has dropped in the labour market, resulting in an imbalance in supply and demand. In view of this, we have specifically provided intensive employment assistance to those groups of people who are harder hit by unemployment, hoping that this can enhance their employability and help them rejoin the labour market.

The issue of employment has been a long-standing challenge to us. The SAR Government will continuously make the utmost effort to promote employment. We will continue to promote economic development, so that more jobs can be created in the market. For example, through continuous efforts to facilitate the development of tourism, about 44 000 new jobs were created between 2000 and 2004, which benefited such service industries as hotel, retail and catering. In the next five years, we estimate that some 30 new hotels will be completed. Apart from the jobs to be created in the construction industry during their construction, about 8 000 managerial and front-line jobs can also be created after the completion and opening of these hotels.

We notice that among the unemployed population of 175 000, about half are in middle age, whereas the unemployment rate among youngsters between 15 and 24 years of age is around 9.2%, which is higher than other age groups in general. For this reason, the Labour Department (LD) has especially provided diversified employment services to the middle-aged and the youth.

In respect of employment for the middle-aged, employers are provided with \$4,500 as on-the-job training allowance for employees through the Employment Programme for the Middle-aged, in order to encourage employers to take on middle-age workers and provide to their employees on-the-job training for a period of three months. As at May this year, over 22 000 job placements have been achieved under the Programme. Besides, the LD also introduced the Work Trial Scheme in the middle of last year for job seekers who have difficulties in finding jobs.

After many years of effort, the Youth Pre-employment Training Programme (YPTP) and Youth Work Experience and Training Scheme (YWETS) have won positive assessment by various sectors of the community. We will

continue to implement these schemes in full steam, thereby providing young people with "one-stop service" covering pre-employment and on-the-job training, in order to upgrade their employability. Over 100 000 young people have been trained under the YPTP and YWETS since their implementation.

The LD will continue to intensify its employment services and organize large-scale, district-based job fairs to help job-seekers seek employment. For instance, over 3 000 job vacancies will be provided in the job fair to be organized for graduates of tertiary institutions at the City Hall next week. The LD will, in the latter half of the year, set up a new job centre each in Yuen Long and North District to provide a series of support services, including job referrals, job matching and employment briefings, for residents in these districts.

Apart from improving the economy to increase employment opportunities, it is most important to improve the quality of manpower and enhance the competitiveness of low-education, low-skilled workers, in order to resolve the mismatch and polarization in the job market. In this connection, the Chief Executive announced in the 2000 policy address the policy objective of enabling 60% of high school leavers to receive tertiary education in 10 years' time. The Education and Manpower Bureau also implemented a series of support measures to take forward the development of the self-financing tertiary education sector. At present, the percentage of tertiary students in the relevant age group has been substantially increased to over 60%. Students can pursue lifelong learning through a diversified progression ladder, and this will be conducive to Hong Kong's economic and social development in the long term.

The Education and Manpower Bureau introduced the Project Yi Jin in October 2000 to assist students not suitable for conventional secondary school education or adult learners who, for various reasons, cannot complete secondary education. The Project Yi Jin emphasizes initiatives and interaction, and apart from imparting knowledge in classroom, other learning approaches are also adopted, such as the use of laboratory, field study, visits, and so on. The Project has provided an alternative educational pathway for low achievers in the Hong Kong Certificate of Education Examination (HKCEE) to be awarded a recognized qualification comparable to five passes in the HKCEE for continuing education and employment purposes. Over the past six years, as many as 25 000 people have enrolled in full-time and part-time programmes under the Project.

With regard to upgrading the vocational skills of workers, the Employees Retraining Board has provided retraining programmes and services for people aged 30 or above with junior secondary education or below to help them enhance their employability and hence enable them to cope with economic restructuring and expeditiously rejoin the labour market. As at end March this year, over 940 000 retrainees have completed retraining under the Employees Retraining Scheme since its inception in 1992. At present, over 100 000 retraining places are provided yearly, about half of which being full-time or placement-tied courses specifically provided for the unemployed, in order to assist the retrainees in rejoining the workforce.

The Education and Manpower Bureau also introduced the Skills Upgrading Scheme (SUS) and Continuing Education Fund (CEF) in 2001 and 2002 respectively, providing subsidies to employees for receiving on-the-job training and taking up continuing education courses. The SUS, which was introduced in September 2001, provides focused skills training for in-service workers with lower education attainment, so as to enhance their skills and competitiveness in the labour market. The SUS currently covers 23 industries and has, since its introduction, offered over 7 500 classes benefiting more than 153 000 trainees. In June 2002, we launched the \$5-billion CEF to better prepare our workforce for the knowledge-based economy and hence enhance Hong Kong's overall competitiveness. As at May this year, there were already over 260 000 applications under the Fund. It shows that the Fund has become increasingly well-received, and the types of approved courses for applicants to choose from have also increased to about 5 000.

To create an environment conducive to lifelong learning, the Education and Manpower Bureau is developing a "Qualification Framework" covering the academic, vocational and continuing education sectors to give trainees and employers a clear understanding of the standards at various tiers of qualification under this Framework, so that trainees can devise their individual progression ladder to upgrade their own competitiveness.

With regard to the amendments proposed by Mr Andrew CHENG and Mr LEUNG Yiu-chung, some of the points made therein are rather controversial. Although some of them are not directly related to upgrading the competitiveness of low-skilled workers, I will still give a brief response to them here.

First of all, I will respond to Mr CHENG's amendment about legislating against age discrimination in employment. Given that the public has not yet reached a consensus on the necessity and effectiveness of legislation against age discrimination in employment, especially on such controversial issues as the retirement age, our view is that education is still the best way to deal with age discrimination in employment at the present stage. The Government will continuously endeavour to promote equal employment opportunities through education and publicity.

As regards the many measures proposed by Mr LEUNG Yiu-chung in his amendment to the motion, many of them have been repeatedly discussed in this Chamber, and I believe Members know very clearly the Government's position.

First of all, on the issues of "minimum wage" and "standard working hours", members of the community and the academics have different views. The Labour Advisory Board (LAB) is currently conducting in-depth studies and discussion on these issues. I hope that the LAB can make substantive progress on these issues in the next few months.

Regarding the proposal of introducing amendments to the Employment Ordinance to clearly include commission in the definition of wages, it is the Government's original policy intent that commission is considered part of wages and should be included as employees' statutory benefits. We have made initial proposals on the amendment of the Employment Ordinance and are in the course of consultation with the LAB.

On the proposal of creating permanent posts, the Civil Service Bureau is now conducting a review to gauge the implementation of the Non-Civil Service Contract Staff Scheme and manpower demand in various departments. If the need to employ civil servants (not non-civil service contract staff) to meet specific service demand in a government department is confirmed, the Civil Service Bureau will draw up viable measures jointly with the head of department to ensure that the overall civil service establishment will remain under control. Given the large number of government departments involved, the Civil Service Bureau expects that the review will take at least six months. When the results of the review are available, the Civil Service Bureau will report to the Legislative Council Panel on Public Service later this year.

Regarding the view on the sale of operation and management rights of government public facilities, the authorities will certainly consider very carefully the impact on the employees concerned when it plans to put up government assets for sale. Moreover, when outsourcing public services, the Government has, in recent years, implemented various new measures to prevent non-skilled workers from being exploited, such as adopting the standard employment contract, implementing a demerit point system to impose restrictions on contractors who have breached the law in tendering for public services, and making mandatory provisions on the level of wages. Moreover, contractors are required to comply with all relevant legislation as well as all terms and conditions in the contract, including provisions relating to the protection of employees. The relevant government departments will closely monitor the performance of contractors to ensure compliance with all the provisions.

Madam President, in the course of transformation towards high value-added activities, many jobs requiring a high level of skills have been created in the Hong Kong economy. Over the past decade, the total number of employees in Hong Kong has increased on average by about 1.2% per annum, with an average growth of 4.1% in employees with a higher level of skills, while the number of lower-skilled workers has basically remained at the level of a decade ago. This shows that the new jobs concentrate mainly on the high-skill level. In the long term, the only way to effectively meet the challenges of the job market is to upgrade the quality, skills and employability of the workforce as a whole.

Earlier on, Miss CHAN Yuen-han pointed out that some low-skilled workers with low education attainment feel that they have no prospects. I also heard Mr Jeffrey LAM mention Prof Stephen HAWKING. I remember that Prof HAWKING said that where there is life, there is hope. I wish to say here that the Government will continue to make an effort to improve the employment conditions of low-skilled workers, create job opportunities and enhance training for them, and also upgrade their competitiveness. I hope that our efforts can provide assistance to workers, so that all workers, be they have high skills, high education level or low education level, will be able to find a job. I do not wish to see the situation becoming a double-deck Star Ferry with the upper deck being more superior than the lower, as described by Mr KWONG Chi-kin. I hope that with our concerted effort, we can finally see that one day, the situation faced by workers is no longer like a Star Ferry, but a bus which charges the same fare

for the upper and lower decks, and everybody can find a job and enjoy the fruits of economic development.

Thank you.

PRESIDENT (in Cantonese): I now call upon Mr LEUNG Yiu-chung to move his amendment to the motion.

MR LEUNG YIU-CHUNG (in Cantonese): President, I move that Ms LI Fung-ying's motion be amended.

Mr LEUNG Yiu-chung moved the following amendment: (Translation)

"To delete "as" after "That," and substitute with "although there are signs of recovery in some industries in Hong Kong,"; to add "; as such" after "employment polarization has occurred"; and to add "adopt the following measures: (a) expeditiously implementing minimum wage and standard working hours to stabilize and raise the employment rate; (b) introducing amendments to the Employment Ordinance as soon as possible to clearly include commission in the definition of wages so as to reduce the turnover of employees in various sectors and alleviate polarization of employment; (c) creating permanent posts in order to convert non-civil service contract staff and temporary contract staff with longer years of service to permanent staff so as to stabilize their employment prospects; (d) stopping further sale of the operation and management rights of government public facilities and outsourcing of services so as to avoid further job losses; and (e) strengthening on-the-job training for young people and non-skilled middle-aged persons, in order to" after "this Council urges the Government to"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LEUNG Yiu-chung to Mr LI Fung-ying's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr LEUNG Yiu-chung rose to claim a division.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung has claimed a division. The division bell will ring for three minutes, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki and Mr KWONG Chi-kin voted for the amendment.

Dr Raymond HO, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG voted against the amendment.

Ms Margaret NG, Dr Fernando CHEUNG, and Miss TAM Heung-man abstained.

Geographical Constituencies:

Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Mr LAU Chin-shek, Mr Albert CHAN, Mr Frederick FUNG and Mr Albert CHENG voted for the amendment.

Mrs Selina CHOW voted against the amendment.

Mr Albert HO, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Dr YEUNG Sum, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr LI Kwok-ying, Mr Alan LEONG and Mr CHEUNG Hok-ming abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, five were in favour of the amendment, 13 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, six were in favour of the amendment, one against it and 13 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

MS MIRIAM LAU (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion "Polarization in the job market" or any amendment thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion "Polarization in the job market" or any amendment thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Andrew CHENG, you may now move your amendment.

MR ANDREW CHENG (in Cantonese): President, I move that Ms LI Fung-ying's motion be amended.

Mr Andrew CHENG moved the following amendment: (Translation)

"To add "legislate against age discrimination in employment," after "this Council urges the Government to"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Andrew LEUNG to Ms LI Fung-ying's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Kam-lam rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam has claimed a division. The division bell will ring for one minute, after which the division will begin.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Ms Margaret NG, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr KWONG Chi-kin and Miss TAM Heung-man voted for the amendment.

Dr Raymond HO, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG and Mr Albert CHENG voted for the amendment.

Mrs Selina CHOW voted against the amendment.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr LI Kwok-ying and Mr CHEUNG Hok-ming abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, eight were in favour of the amendment and 13 against it; while among the Members returned by geographical constituencies through direct elections, 22 were present, 14 were in favour of the amendment, one against it and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms LI Fung-ying, you may now reply and you have one minute two seconds.

MS LI FUNG-YING (in Cantonese): President, I am very disappointed with the reply given by Secretary Stephen IP, because he was only like a cassette recorder that had recorded the concern previously expressed over the aspirations of and unemployment in the labour sector and then replayed it all over again with no novelty at all. I hope that this cassette recorder can perform two functions. Apart from reproducing past responses, I hope that it can also record other voices.

After the Secretary has listened to the many opinions expressed by Members from various parties and groupings on the policy aspect and on specific measures today, I hope that the Government can give us some positive response in future, rather than just repeating its past responses over and over again. I wish to make an appeal here and call on Members to support my original motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms LI Fung-ying 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.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 28 June 2006.

Adjourned accordingly at twenty-five minutes to Seven o'clock.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for the Environment, Transport and Works to Mr LAU Kong-wah's supplementary question to Question 1**

As regards the time limit for carrying out repair work for escalators on footbridges, generally speaking, the Highways Department requires its contractors to respond to fault calls within one hour and rectify the problem within 24 hours. The majority of cases are handled in accordance with that requirement.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Ms Audrey EU's supplementary question to Question 6**

The criteria adopted by relevant departments in considering the application for a Temporary Hawker Licence referred to them by the Food and Environmental Hygiene Department are as follows:

Hong Kong Police Force

- (a) suitability of the proposed location — whether there is sufficient space for the activity having regard to traffic and pedestrian flow, and any road work ongoing in the vicinity;
- (b) whether the proposed event clashes with other similar activities by other organizations in the same vicinity; and
- (c) the existence of public order events in the same/nearby vicinity.

Lands Department

If the location under application is on Government land and has not been committed to other activities by other parties or organizations, the Lands Department would have no objection.

Home Affairs Department

The relevant District Office of the Home Affairs Department would help gauge the views of interested parties in the local community including members of the District Council, Area Committees, Owners' Corporations, Mutual Aid Committees or representatives of the Property Management Companies, on the application. The objective of the sounding-out exercise is to assess whether the residents or district organizations, which may be affected by the proposed activity, will have any problem with the application from the perspective of public safety, pedestrian flow in the vicinity and impact on environmental hygiene.

Appendix III

WRITTEN ANSWER

Written answer by the Secretary for Health, Welfare and Food to Mr Bernard CHAN's supplementary question to Question 6

The criteria adopted by relevant departments in considering the application for a Temporary Hawker Licence referred to them by the Food and Environmental Hygiene Department are as follows:

Hong Kong Police Force

- (a) suitability of the proposed location — whether there is sufficient space for the activity having regard to traffic and pedestrian flow, and any road work ongoing in the vicinity;
- (b) whether the proposed event clashes with other similar activities by other organizations in the same vicinity; and
- (c) the existence of public order events in the same/nearby vicinity.

Lands Department

If the location under application is on government land and has not been committed to other activities by other parties or organizations, the Lands Department would have no objection.

Home Affairs Department

The relevant District Office of the Home Affairs Department would help gauge the views of interested parties in the local community including members of the District Council, Area Committees, Owners' Corporations, Mutual Aid Committees or representatives of the Property Management Companies, on the application. The objective of the sounding-out exercise is to assess whether the residents or district organizations, which may be affected by the proposed activity, will have any problem with the application from the perspective of public safety, pedestrian flow in the vicinity and impact on environmental hygiene.